
Department for Work and Pensions

Introduction

1. This Estimate covers expenditure on non-contributory benefits, Child Support Agency, Jobcentre Plus, the Pension Service, Disability and Carers Service, the Health and Safety Executive, the Rent Service and the Vaccine Damage scheme. It also provides for the cost of administration of benefit schemes in Great Britain, including the cost of other departments which act as agents of DWP in administering various aspects of social security including payments made to the Post Office and Girobank for encashments. Gross expenditure includes the costs incurred by the DWP in administering the benefits payable from the National Insurance Fund (Contributory). They are reimbursed from the Fund and these receipts are shown as appropriations in aid.
2. The Estimate also provides for Housing Benefit subsidies, Council Tax Benefit subsidies and payments to the National Insurance Fund which comprise of compensation in respect of statutory sick pay and statutory maternity pay. Also payments to the Social Fund which include budgeting and crisis loans, community care grants, maternity and funeral expenses, heating costs in exceptionally cold weather and winter fuel payments. The Estimate also makes provision for the sums payable to the BBC in respect of the over 75's Free TV licence scheme, the Pension Protection Fund and the Financial Assistance Scheme.
3. Details of the expenditure contained in this Estimate and of expenditure incurred by the Social Fund are included in the Departmental Report 2006 (Cm 2829).
4. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Ensuring the best start for all children and ending child poverty in 20 years	407,897,000
Request for Resources 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need	34,687,286,000
Request for Resources 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners	10,322,380,000
Request for Resources 4: Improve the rights and opportunities for disabled people in a fair and inclusive society	14,954,492,000
Request for Resources 5: Corporate contracts and support services	2,087,522,000
Total net resource requirement	62,459,577,000
Net cash requirement	63,267,603,000

Amounts required in the year ending 31 March 2007 for expenditure by the Department for Work and Pensions on:

RfR 1: Ensuring the best start for all children and ending child poverty in 20 years

The administration costs of the child support system; and associated non-cash items.

RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need

The administration costs and benefit payments of Severe Disablement Allowance; pensions gratuities and sundry allowances for disablement and specified deaths arising from industrial causes; Income Support for the under 60's; Jobseeker's Allowance (contribution-based); Jobseeker's Allowance (income based); Analogous Industrial Injuries Scheme; earnings top up pilot; job grant; back to work bonus; compensation payments to the National Insurance Fund in respect of Statutory Sick and Statutory Maternity Pay; Family Credit; the provision of training and assessment programmes for adults; the promotion of enterprise and the encouragement of self employment; help for unemployed people and disability rights. Measures to help people, particularly those on welfare and at a disadvantage in the labour market, into work; National Employment panel; the administration of, and where appropriate the payment of allowances to people participating in, the Welfare to Work programme, the Job Transition

service and other employment programmes, pilot programmes and new measures to help people into work; temporary subsidies to employers; grants to voluntary bodies and local authorities towards the provision of supported employment; a Grant in Aid and the provision of a temporary loan facility to Remploy Ltd; assistance and advice on employment service and labour market issues to international organisations; research; publicity and associated non-cash items. Subsidies to housing, billing, levying and local authorities towards the costs incurred in administering the Housing Benefit and/or Council Tax Benefit schemes; rent rebate, rent allowance; Council Tax Benefit; payments in respect of anti-fraud and similar administrative measures; discretionary housing payments; sums payable for incentive payments in respect of Housing Benefit under occupation schemes; sums payable to third party providers of services to local authorities; compensation for sufferers, or their dependants, of certain dust related diseases;

Part I

the Rent Service Agency; the Health and Safety Commission (HSC); grants to further health and safety in the workplace; the administration costs of the Children's Client group and the Disabled People Client Group; payments for education; training and employment projects assisted by the European Union and refunds to the European Union, the UK subscription to the International Labour Organisation, other international educational programmes; payments in respect of Local Area Agreements; measures to promote financial inclusion and associated non-cash items.

RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners

The administration costs and benefit payments of non-contributory retirement pensions; Christmas Bonus payments to pensioners; Age-related payments 2005; One-off 70+ payments to Pensioners; Income Support for the elderly; Pension Credit; payments made to the BBC in respect of over 75's free TV licence scheme; expenditure to assist people make plans for their retirement; research into pensions; Private Pensions Industry regulatory work; Grant in Aid for the administration costs of Better Government for Older People; payments in respect of the Pension Protection Fund; expenditure in respect of the Pensions Regulator; the Financial Assistance Scheme; Grant in Aid to the Centre for Policy on Ageing; Grant in Aid to the Pensions Advisory Service; Grant in Aid to the Pension Protection Fund Ombudsman; sums payable to fund payments and loans made by the Social Fund; the administration of pilot programmes and new measures to help improve independence and social inclusion of older people; grants to voluntary bodies and local authorities towards provision for the needs of older people and associated non-cash items.

RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society

The administration costs and benefit payments of Attendance Allowance; Disability Living Allowance; Disability Working Allowance; Carer's Allowance; Vaccine Damage; Grants in Aid to the Disability Rights Commission, Motability, Independent Living Fund and associated non-cash items.

RfR 5: Corporate contracts and support services

Corporate administration; measures to promote financial inclusion; collecting debt on behalf of other public sector bodies and associated non-cash items.

The **Department for Work and Pensions** will account for this Estimate.

Part I

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	407,897,000	139,026,000	268,871,000
RfR 2	34,687,286,000	15,416,556,000	19,270,730,000
RfR 3	10,322,380,000	4,712,688,000	5,609,692,000
RfR 4	14,954,492,000	6,384,967,000	8,569,525,000
RfR 5	2,087,522,000	938,770,000	1,148,752,000
Total net resource requirement	62,459,577,000	27,592,007,000	34,867,570,000
Net cash requirement	63,267,603,000	27,833,261,000	35,434,342,000

Part II: Subhead detail

										£'000	
2006-07 Provision								2005-06 Provision	2004-05 Outturn		
Resources						Capital Non- operating A in A		Net Total Resources	Net Total Resources		
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	in A	9	10		
1	2	3	4	5	6	7	8				
RfR 1: Ensuring the best start for all children and ending child poverty in 20 years											
408,095	-	-	408,095	198	407,897	-	-	410,212	256,781		
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A Administration											
408,095	-	-	408,095	198	407,897	-	-	410,212	256,781		
RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need											
2,670,914	1,102,110	32,861,156	36,634,180	1,946,894	34,687,286	64,400	495	35,541,394	35,159,057		
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A Administration											
2,379,305	34,975	35,562	2,449,842	661,075	1,788,767	53,678	-	1,948,527	2,093,049		
B Employment Programmes											
-	778,487	183,562	962,049	-	962,049	-	-	1,024,111	1,054,593		
C Health and Safety Executive											
227,289	60,319	-	287,608	54,343	233,265	8,922	475	246,095	214,644		
D Health and Safety Laboratory											
30,418	5,030	-	35,448	35,448	-	1,800	20	-	1,252		
E Capital Grants											
-	2,549	5,927	8,476	-	8,476	-	-	8,476	7,756		
F The Rent Service Executive agency											
33,902	-	-	33,902	-	33,902	-	-	43,397	39,424		
G European Social Fund											
-	-	78,720	78,720	78,720	-	-	-	-49,322	7,551		
H European Social Fund payments in advance of receipts											
-	32,700	380,060	412,760	380,060	32,700	-	-	57,593	28		
<i>Support for Local Authorities</i>											
I Employment Programmes											
-	-	37,047	37,047	-	37,047	-	-	37,047	32,591		
J Challenge funding and similar administrative measures - Local Authorities											

Part II: Subhead detail

										£'000	
2006-07 Provision										2005-06 Provision	2004-05 Outturn
Resources							Capital Non- operating A in A		Net Total Resources	Net Total Resources	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	8	9	10		
1	2	3	4	5	6	7	8	9	10		
-	-	109,000	109,000	-	109,000	-	-	140,000	133,235		
K	Housing benefit and council tax benefit administration grants										
-	-	366,953	366,953	-	366,953	-	-	502,500	439,845		
L	Capital grants to Local Authorities										
-	-	2,895	2,895	-	2,895	-	-	2,895	1,168		
M	European Social Fund										
-	-	9,840	9,840	9,840	-	-	-	-7,358	-7,579		
N	European Social Fund payments in advance of receipts										
-	-	68,880	68,880	68,880	-	-	-	31,787	-		
Spending in Annually Managed Expenditure (AME)											
<i>Central Government spending</i>											
O	Severe Disablement Allowance										
-	745	872,472	873,217	766	872,451	-	-	916,704	918,557		
P	Industrial injury benefits										
-	42,468	784,370	826,838	36,494	790,344	-	-	800,373	792,919		
Q	Income support (under 60 years of age)										
-	141,240	8,003,076	8,144,316	101,054	8,043,262	-	-	9,129,607	9,936,747		
R	Jobseekers allowance (income based)										
-	320	1,931,164	1,931,484	437	1,931,047	-	-	1,833,512	1,759,348		
S	Jobseekers allowance (contribution based)										
-	-	519,777	519,777	519,777	-	-	-	-	-		
T	Job Grant										
-	-	35,627	35,627	-	35,627	-	-	35,436	18,285		
U	Employment Allowances										
-	-	85,430	85,430	-	85,430	-	-	92,988	87,498		
V	Housing and Council tax benefit capital charge										
-	3,277	-	3,277	-	3,277	-	-	3,277	-5,858		
<i>Non-continuing benefits debt activity</i>											
-	-	-	-	-	-	-	-	35	391		
<i>Support for Local Authorities</i>											
W	Housing benefit and council tax benefit subsidies										
-	-	12,854,986	12,854,986	-	12,854,986	-	-	12,172,789	11,254,974		

Part II: Subhead detail

										£'000	
2006-07 Provision										2005-06 Provision	2004-05 Outturn
Resources							Capital Non- operating A in A		Net Total Resources	Net Total Resources	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	7	8	9	10	
1	2	3	4	5	6	7	8	9	10	10	
X	Rent rebates	-	-	5,124,658	5,124,658	-	5,124,658	-	-	5,224,387	4,986,932
Y	Discretionary housing payments	-	-	20,000	20,000	-	20,000	-	-	20,000	15,783
Non-Budget											
Z	Statutory benefits (SSP and SMP)	-	-	1,351,150	1,351,150	-	1,351,150	-	-	1,326,538	1,375,924
RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners											
		642,958	4,568	10,174,375	10,821,901	499,521	10,322,380	46,918	-	10,785,725	9,990,389
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A	Administration	642,958	5,230	16,435	664,623	499,521	165,102	46,918	-	159,385	400,527
Spending in Annually Managed Expenditure (AME)											
<i>Central Government spending</i>											
B	Pension benefits	-	-5	49,563	49,558	-	49,558	-	-	1,174,059	776,247
C	Income support for the elderly and Pension Credit	-	-657	7,106,436	7,105,779	-	7,105,779	-	-	6,593,187	6,100,649
D	TV licences for the over 75s	-	-	482,125	482,125	-	482,125	-	-	451,016	435,493
Non-Budget											
E	Payments to the Social Fund	-	-	2,493,415	2,493,415	-	2,493,415	-	-	2,371,647	2,255,889
F	Pensions Grants in Aid	-	-	26,401	26,401	-	26,401	-	-	36,431	311
<i>OPRA (grant in aid)</i>											
		-	-	-	-	-	-	-	-	-	21,273
RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society											
		219,572	34,911	14,732,464	14,986,947	32,455	14,954,492	-	-	14,211,965	13,253,223

Part II: Subhead detail

										£'000	
2006-07 Provision								2005-06 Provision	2004-05 Outturn		
Resources						Capital Non- operating A		Net Total Resources	Net Total Resources		
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	in A	9	10		
1	2	3	4	5	6	7	8				
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A	Administration										
	219,572	-	-	219,572	523	219,049	-	-	209,082	167,101	
B	Motability administration										
	-	160	1,800	1,960	160	1,800	-	-	2,800	2,551	
Spending in Annually Managed Expenditure (AME)											
<i>Central Government spending</i>											
C	Attendance allowance										
	-	2,704	4,122,071	4,124,775	3,631	4,121,144	-	-	3,901,178	3,673,790	
D	Disability living allowance										
	-	29,547	9,112,241	9,141,788	28,141	9,113,647	-	-	8,648,508	8,079,490	
E	Carer's Allowance										
	-	-	1,215,750	1,215,750	-	1,215,750	-	-	1,193,773	1,096,133	
F	Vaccine Damage payments										
	-	-	500	500	-	500	-	-	500	429	
G	Grants to independent bodies										
	-	2,500	259,488	261,988	-	261,988	-	-	234,483	217,132	
Non-Budget											
H	Disability Rights Commission (Grant in Aid)										
	-	-	20,614	20,614	-	20,614	-	-	21,641	16,597	
RfR 5: Corporate contracts and support services											
	1,967,710	150,137	-	2,117,847	30,325	2,087,522	73,166	20,125	2,110,238	1,736,954	
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A	Administration										
	1,967,710	150,137	-	2,117,847	30,325	2,087,522	73,166	20,125	2,110,238	1,736,954	
Total for Estimate:											
	5,909,249	1,291,726	57,767,995	64,968,970	2,509,393	62,459,577	184,484	20,620	63,059,534	60,396,404	

Part II: Resource to cash reconciliation

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Resource Requirement	62,459,577	63,059,534	60,396,404
Voted capital items			
Capital	184,484	461,577	297,338
Less Non-operating A-in-A	20,620	10,391	17,090
Total net voted capital	163,864	451,186	280,248
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-57,359	-59,303	-5,767
Depreciation	-154,667	-110,322	-130,410
New provisions and adjustments to previous provisions	-15,777	-106,653	-260,794
Profit/loss on sale of assets	1,325	3,400	8,600
Prior period adjustments	-	-	-
Other non-cash items	-1,086	-814	-1,249
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	842,356	582,456	-
Increase (-) / Decrease (+) in creditors	-31,117	318,883	-
Use of provisions	60,487	20,333	42,884
Total accruals to cash adjustments	644,162	647,980	-346,736
Excess cash to be CFERd	-	-	-
Net Cash Requirement	63,267,603	64,158,700	60,329,916

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	£'000					
	2006-07		2005-06		2004-05	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	-	-	-	12,728	<i>12,728</i>
Non-operating income not classified as A in A	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	5,000	<i>5,000</i>	7,222	<i>7,222</i>	22,738	<i>22,738</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	5,000	<i>5,000</i>	7,222	<i>7,222</i>	35,466	<i>35,466</i>

Forecast Operating Cost Statement

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Administration Costs			
RfR 1	407,897	406,212	256,657
RfR 2	2,586,972	2,731,449	2,495,604
RfR 3	640,910	628,690	570,516
RfR 4	219,049	207,082	166,488
RfR 5	1,937,632	1,992,563	2,500,674
Total Net Administration costs	5,792,460	5,965,996	5,989,939
Net Programme Costs			
RfR 1	-	4,000	124
RfR 2	32,100,314	32,809,945	32,650,725
RfR 3	7,188,055	7,785,388	7,163,984
RfR 4	14,735,443	14,004,883	13,086,735
RfR 5	149,890	117,675	-763,720
Non-voted	65,514,673	63,173,437	60,404,799
Total Net Programme costs	119,688,375	117,895,328	112,542,647
Total Net Operating Cost	125,480,835	123,861,324	118,532,586
<i>of which:</i>			
Net Resource Requirement	62,459,577	63,059,534	60,396,404
Non-voted expenditure	65,514,673	63,173,437	60,404,799
Consolidated Fund Extra Receipts	-	-	-12,728
Resource Budget	125,637,190	123,835,998	118,530,519

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Resource Requirement (Estimates)	62,459,577	63,059,534	60,396,404
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
Non-voted expenditure in the OCS	65,514,673	63,173,437	60,404,799
Consolidated Fund Extra Receipts in the OCS	-	-	-12,728
Other adjustments	-2,493,415	-2,371,647	-2,255,889
Net Operating Cost (Accounts)	125,480,835	123,861,324	118,532,586
<i>Adjustments to remove:</i>			
Capital grants	-14,081	-17,052	-8,924
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-22	-
Resource consumption of non departmental public bodies	1,626	2,989	-199
Unallocated resource provision	167,900	4,825	-
Other adjustments	910	-16,066	7,056
Resource Budget (Budget)	125,637,190	123,835,998	118,530,519
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	7,763,668	8,014,601	7,739,514
Annually Managed Expenditure (AME)	117,873,522	115,821,397	110,791,005

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Voted Capital (Estimates)	163,864	451,186	280,248
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	1,325	3,400	8,600
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	150	9,928	266
Capital grants	14,081	17,052	8,924
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	-	-
Other adjustments	207,377	93,502	80,377
Capital Budget (Budget)	386,797	575,068	378,415
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	179,420	481,566	298,038
Annually Managed Expenditure (AME)	207,377	93,502	80,377

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

In accordance with the Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointments for the Requests for Resources within this Estimate.

Request for Resources 1:	Leigh Lewis, Principal Accounting Officer and Permanent Head of Department
Request for Resources 2:	Leigh Lewis, Principal Accounting Officer and Permanent Head of Department
Request for Resources 3:	Leigh Lewis, Principal Accounting Officer and Permanent Head of Department
Request for Resources 4:	Leigh Lewis, Principal Accounting Officer and Permanent Head of Department
Request for Resources 5:	Leigh Lewis, Principal Accounting Officer and Permanent Head of Department

Leigh Lewis as the Accounting Officer of the Department for Work and Pensions has personal responsibility for the proper presentation of the department's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The AO as the permanent head, remains in general overall charge of the Department for Work and Pensions.

The responsibilities of an Accounting Officer are set out in Annex 4.1 of Government Accounting. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims and objectives and should regularly review the effectiveness of that system.

Notes to the Main Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
RfR 1: Ensuring the best start for all children and ending child poverty in 20 years			
Administration	198	198	201
<i>of which:</i>			
Sale of goods and services	198	198	201
Total RfR 1	198†	198	201

† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: receipts from staff for private telephone calls; services carried out by the Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from the sale of non-capital items; receipts from applicants for services provided by the Child Support Agency and receipts from the repayment of maintenance by non-resident parents, where the parent with care is in receipt of income support, reduced by the child maintenance premium paid directly to the parent with care.

RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need

Administration	83,942	104,026	85,354
<i>of which:</i>			
Sale of goods and services	83,942	104,026	85,354
Programme	1,862,952	1,951,455	1,395,601
<i>of which:</i>			
Sale of goods and services	1,110,117	708,839	264,840
EU Income	537,500	515,514	544,547
CFERs	-	-	-12,728
Other income (including receipts)	215,335	727,102	598,942
Total RfR 2	1,946,894†	2,055,481	1,480,955

† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: receipts from the National Insurance Fund for the estimated cost of administering National Insurance benefits; services carried out by the Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from staff for private telephone calls; receipts from mortgage lenders; receipts from other departments/organisations in respect of outward secondments; receipts from the sale of non-capital items; receipts from EU twinning funded projects; receipts from match funded projects; the recovery of the costs of administering allowance payments for work based learning for adults in Scotland and Wales; contribution from Scotland and Wales towards Employment Zones; receipts from Local Authorities for services provided to them by Departmental Action Teams, including Neighbourhood Renewal Funds, rent and similar receipts;

receipts from outside bodies in respect of partnership working in New Deal for Community areas; recovery from the Home Office of the costs of administering the Refugee and Asylum Seeker programmes; recovery from the EC of the costs of work on European Employment Services (EURES) and work undertaken on labour market issues in eastern Europe; receipts from the EU for travel expenses, and subsistence allowances incurred by staff on European Union business; receipts from sponsors of supported placements in Jobcentre Plus; receipts in respect of vending machines; receipts from Working Links, Working Links management fee and dividend; receipts from selling services under the Wider Markets Initiative; receipts from partner organisations in respect of action teams; receipts in respect of LSC ambitions programme; the recovery of excess payments made on Jobcentre Plus employment measures; recoveries from authorities not achieving baseline targets set in respect of anti-fraud measures;

recoveries from authorities not achieving targets set in respect of extended payments; receipts from damages payable to recipients of Statutory Sick Pay; receipts via Compensation Recovery Unit in respect of benefits paid in lieu; payments on return to work after a trade dispute made to people who would normally be excluded from Income Support because they are in full time work; payments by liable relatives; amounts collected through a court order or on a voluntary basis from relatives of income support claimants; receipts from the Child Support Agency of payments of maintenance from absent parents for parents with care who are in receipt of Income Support; repayment of Jobseeker's Allowance (contribution based) from the National Insurance Fund; receipts in respect of the Health and Safety Commission (HSC) including fees and charges levied by the HSC, receipts for research, administrative services, testing, fee paying enquiries, dissemination of information, royalties, the loan and hire of equipment, seminars, patent rights, conferences and publications

(in print and non-print media) provided by the HSC; payments from other government departments, agencies, non-departmental public bodies and overseas governments to the HSC; sales of land and buildings, water, stores, plant, equipment, machinery and vehicles of the HSC; recoveries of seconded staff salaries of the HSC; receipts for the use of HSC accommodation, rental income, receipts from HSC property and land, sponsorship, including contributions from co-sponsors towards the costs of research and surveys carried out by HSC; recoveries by the HSC from the European Union in respect of travelling expenses and subsistence allowances incurred by HSC staff on European Union business; contributions and recoveries from the European Union of costs of HSC research and projects, legal claims of the HSC, including awards of court costs and out of court settlements; refunds of advance of salaries of HSC staff, and repayment of loans made by the HSC; receipts in respect of the European Fast Stream; receipts from the EC to meet payments to Local Authorities and non-exchequer bodies for education and training and employment projects training assisted by the European Social Fund; receipts from the EU Twinning funded projects; Joint International Unit administration receipts; payments from the Department for Education and Skills: Presidency receipts from the EU; Refunds from Local Authorities of Performance Standard Funding.

RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners

Administration	2,048	2,001	3,132
<i>of which:</i>			
Sale of goods and services	2,048	2,001	3,132
Programme	497,473	497,606	187,124
<i>of which:</i>			
Sale of goods and services	497,473	497,606	187,124
Total RfR 3	499,521†	499,607	190,256

† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: receipts from the National Insurance Fund for the estimated costs of administering NI benefits, services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts for levy funded bodies; receipts from mortgage lenders; receipts from staff for private telephone calls and receipts via Compensation Recovery Unit in respect of benefits paid in lieu.

RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society

Administration	523	1,420	686
<i>of which:</i>			
Sale of goods and services	523	1,420	686
Programme	31,932	561	600
<i>of which:</i>			
Sale of goods and services	-3,362	-1,939	-
Other income (including receipts)	35,294	2,500	600
Total RfR 4	32,455†	1,981	1,286

† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from the European Union for the European year for disabled people 2003; receipts from staff for private telephone calls; receipts via Compensation Recovery Unit in respect of benefits paid in lieu, recoveries of payments from the Department of Social Development (Northern Ireland) towards Motability's car adaptation and administration costs and receipts from Tenth Anniversary Trust towards Motability's car adaptation costs.

RfR 5: Corporate contracts and support services

Administration	30,078	59,524	38,847
<i>of which:</i>			
Sale of goods and services	30,078	59,524	38,847
Programme	247	994	777,555
<i>of which:</i>			
Sale of goods and services	232	977	777,346
Interest and dividends	15	17	209
Total RfR 5	30,325†	60,518	816,402

† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: receipts from the National Insurance Fund for the estimated cost of administering NI benefits; services carried out by the Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from third parties for uninsured losses; receipts from staff for private telephone calls; recovery of law costs from dependants; receipts from sub-let accommodation; receipts from sale of non-capital items; receipts from the Department for Education and Skills in respect of Modern Apprenticeships; receipts from other departments/organisations in respect of the European Fast Stream; receipts from IT services to other government departments; Early Departures prefunding interest.

Total Operating A in A	2,509,393	2,617,785	2,489,100
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Analysis of non-operating appropriations in aid (A in A)

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
RfR 1: Ensuring the best start for all children and ending child poverty in 20 years			
Administration	-	-	298
<i>of which:</i>			
Sale of assets	-	-	298
Total RfR 1	-	-	298
RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need			
Administration	-	-	1,537
<i>of which:</i>			
Sale of assets	-	-	1,537
Programme	495	1,720	6,692
<i>of which:</i>			
Sale of assets	495	1,720	6,692
Total RfR 2	495†	1,720	8,229
† Amount that may be applied as non-operating appropriations in aid in addition to the net total arising from: receipts from the sales of obsolete machinery, equipment, official vehicles, furniture and buildings.			
RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners			
Programme	-	-	1
<i>of which:</i>			
Sale of assets	-	-	1
Total RfR 3	-	-	1
RfR 5: Corporate contracts and support services			
Administration	1,325	3,400	6,765
<i>of which:</i>			
Sale of assets	1,325	3,400	6,765
Programme	18,800	5,271	1,797
<i>of which:</i>			
Sale of assets	18,800	5,271	1,797
Total RfR 5	20,125†	8,671	8,562
† Amount that may be applied as non-operating appropriations in aid in addition to the net total arising from: sales of obsolete machinery, equipment, official vehicles, furniture and fittings.			
Total Non-Operating A in A	20,620	10,391	17,090

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2006-07		2005-06		2004-05	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Levy on Pensions Industry collected by						
Occupational Pensions Regulatory Authority ●	-	-	2,200	2,200	11,635	11,635
Headquarters Accommodation Services ●	5,000	5,000	5,000	5,000	5,000	5,000
Miscellaneous receipts	-	-	-	-	18,831	18,831
Independent Living Fund scheme Δ	-	-	2	2	-	-
Recoveries in respect of previous Rent Allowance scheme Δ	-	-	20	20	-	-
Total	5,000	5,000	7,222	7,222	35,466	35,466

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	6,442,343	1,321,325	7,763,668
<i>of which:*</i>			
Administration budget	5,792,460	38,810	5,831,270
Near-cash in RDEL	6,228,343	1,358,773	7,587,116
Capital DEL**	179,270	150	179,420
Less Depreciation†	-154,667	-2,552	-157,219
Total DEL	6,466,946	1,318,923	7,785,869

* The total of the 'Administration Budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

** Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

† Depreciation, which forms part of resource DEL, is excluded from total DEL since capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

Comparison of provision sought with final provision

The total net resource sought for 2006-07 of £62,459,577,000 is 1.0 per cent lower than the final net provision for 2005-06 of £63,059,534,000.

Cash which may be retained to offset expenditure

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been, or will be, appropriated in aid.	2,530,013	2,628,176	2,506,190

Notes to the Main Estimate (*continued*)**Expenditure resting on the sole authority of the Appropriation Act**

The following subheads contain provision sought under the sole authority of Part I of the Estimate and of the confirming Appropriation Act:

RfR/Section	Service	£'000
RfR3	Payment in respect of Better Government for Older People	600

Notes to the Main Estimate (*continued*)**Grants in aid**

RfR/Section	Body	£'000
RfR4	Independent Living Fund ♥	253,401
RfR4	Motability ♥	8,587
RfR4	Disability Rights Commission ♥	20,614
RfR3	The Pension Regulator ♥	25,801
RfR3	The Pension Protection Fund ♥	13,634

Notes to the Main Estimate (*continued*)

Contingent liabilities

Nature of Liability	£'000
As at 31 March 2005, the following liabilities fell to be met from the Department's Estimate:	
Non - Statutory	
From April 1995 some Child Support Agency debt has been deferred and will not be recoverable from clients provided certain conditions are met. This could result in the Child Support Agency taking over such debt from non-resident parents. In 2004-05, £0.5 million (2003-04, £1.21 million) was paid by the Agency to parents with care under this arrangement. The maximum potential liability at 31 March 2005 is £31.0 million (31 March 2004, £33.7 million), subject to all cases meeting the criteria. As it is not practicable to estimate the amount that may be paid out, no provision has been made in the accounts.	31,000
In a judicial review brought by a parent with care under the Human Rights Act 1998, it was judged that the parent with care's human rights had not been breached, but that she can apply for damages under the Human Rights Act, where the Secretary of State has failed, unreasonably, to enforce the collection of maintenance due. The Agency lodged a successful appeal against this decision and the parent with care subsequently lodged an appeal to the House of Lords. The parent with care lost their appeal (decision 14 July 2005), with the House of Lords ruling in favour of the Secretary of State. The parent with care has six months from the date of the decision to lodge an Appeal with the European Court. As the outcome of this case cannot be predicted any consequential obligation cannot be measured with sufficient reliability to enable a value to be recognised in the accounts.	Unquantifiable
Due to a structural problem, the Department has a future liability to fund the reconstruction of one of its buildings. All legal implications relating to this liability have been resolved, and it has been determined that this will be funded through Departmental resources.	Not known
Jobcentre Plus has given formal guarantee in respect of a bank overdraft for Remploy Limited, an Executive Non-Departmental Public Body. The guarantee is up to a maximum of £15 million. As at 31 March 2005, £14.3 million of the overdraft facility had been utilised.	15,000
There is an unquantifiable liability in respect of the legal responsibility that the Secretary of State has as sole guarantor of Remploy Limited. The liability is secured by an all monies debenture.	Unquantifiable
Better Government for Older People (BGOP) is an initiative which is funded by several consortium partners with DWP providing the largest proportion of funds by way of Grant-in-Aid. Since BGOP has no legal identity, the usual 'Financial Memorandum' is replaced by a 'Consortium Agreement' that has Treasury approval. But in addition to the funding which DWP provides, we have also agreed to indemnify Help the Aged, the host organisation, against any losses arising from BGOP activity to the sum of £1 million (in any one calendar year). As the 'Consortium Agreement' year runs from October to September, this could amount to £2 million in totality.	2,000
The former Department for Education and Employment Ministers gave their agreement that the former Training and Enterprise Councils could be offered indemnities in respect of certain liabilities that arose or continued after the contractual relationship with Government ended on 25 March 2001. The purpose of these indemnities was to give the former Training and Enterprise Council Directors, or a liquidator, sufficient assurances to conclude that relationship and either return residual reserves owing to the Secretary of State, or distribute these with the Secretary of State's agreement at the earliest opportunity. Responsibility for these contingent liabilities transferred to Jobcentre Plus on 1 April 2002 from the Employment Service.	12,000

Consequently, Jobcentre Plus has agreed to offer indemnities of up to £12 million in respect of existing contracts with the former Training and Enterprise Councils that were novated as a result of the former Training and Enterprise Council's wind up, or in respect of repayments claimed following audit of past contract activity.

Following the ruling of the Employment Appeal Tribunal in the lead dress standard case, the Public and Commercial Services Union has withdrawn its support for further action. Unquantifiable

Consequently the 7,000 plus compensation claims that were outstanding reduced to less than 4,000 and this figure is expected to reduce further. Due to uncertainty regarding the outcome of the discussions and size of any financial remedy it is not possible to provide a reliable estimate of the financial effect.

HSE is currently defending two equal pay cases. In October 2003, HSE successfully appealed at an Employment Appeal Tribunal against an Employment Tribunal decision handed down in July 2002. That appeal was subject to a cross appeal and in October 2004 the Court of Appeal referred a point of law to the European Court of Justice. Depending upon the outcome of that reference, the case could be decided in HSE's favour or remitted to an Employment Tribunal to be heard again. The legal process could, therefore, continue for a considerable period of time. HSE won another equal pay case in December 2003 as a result of the Employment Appeal Tribunal decision but that case is subject to a cross appeal from the other side, which has been stayed pending the outcome of the first case. If HSE were to lose these cases, the financial consequences would depend on the nature of the final judgement in relation to the two employees who brought the cases and the degree to which the judgements would apply more widely in HSE. Unquantifiable

Important changes to the Vaccine Damage Payments Scheme have been introduced. The level of disablement that is defined as severe has been reduced from 80% to 60% and the period of time during which a claim can be made has been extended. Unquantifiable

These changes mean that some people who have been disallowed in the past may be able to make another claim under these new rules. These further claims had to be received by 16 June 2005. All of the 389 claims received by this deadline were rejected. As they carry appeal rights and there is no time limit for requesting a Vaccine Damage Appeal it can be 10 years or more before they decide to go ahead. It is not currently possible to estimate the value or success of these claims and so no provision has been made in these accounts.

The Department has a potential liability in respect of ineligible claims for ESF programmes that operated during 1994-99. The Department estimates that it is highly likely that we will be unable to claim from the European Commission £13.7 million already paid to contractors and a provision for this has been created in the accounts. The Department is negotiating a final settlement with the European Commission and there is the potential that a further liability could arise, however this figure cannot be estimated with any certainty at this time. Unquantifiable

Deficiency Notices were not sent out for the tax years 1996-97 to 2001-02. Her Majesty's Revenue and Customs (formerly Inland Revenue) has contacted those customers of working age who may be affected by this. The Department is currently in the process of contacting approximately 470,000 pensioner customers affected by the suspension of deficiency notices. Customers who reached State Pension age between 6 April 1999 and 24 October 2004 (inclusive) are being invited to consider paying voluntary contributions to provide them with the opportunity to improve their basic State Pension, or qualify for one for the first time. As yet, the level of take up cannot be estimated with sufficient reliability to enable a value to be determined. Unquantifiable

There are a number of legal claims against The Rent Service, the outcome of which cannot at present be stated with certainty. None of these claims has been settled. A cost of £77,000 has been estimated based on previous experience of similar claims. A cost of £15,000 has also been estimated for two pending Employment Tribunal cases. These costs have not been provided for in these financial statements. 92