
Department for Work and Pensions

Introduction

1. This Estimate covers expenditure on non-contributory benefits, the Child Support Agency, Jobcentre Plus, Disability and Carers Service, The Pension Service, the Health and Safety Executive and the Health and Safety Laboratory, 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 contributory benefits which are payable from the National Insurance Fund (NIF). These are reimbursed from the NIF with the receipts shown as appropriations in aid.
2. The Estimate also provides for Housing Benefit subsidies and Council Tax Benefit subsidies paid to local authorities, payments to and from the European Social Fund (ESF) and payments to the National Insurance Fund which comprise of compensation in respect of Statutory Sick Pay and Statutory Maternity Pay. Also included are payments into the Social Fund which is used to award 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 sums payable to the BBC in respect of the over 75's Free TV licence scheme, the Pension Protection Fund, Remploy Limited and various executive Non-Departmental Public Bodies (NDPBs).
3. Details of the expenditure contained in this Estimate, and of expenditure incurred by the Social Fund, are included in the Departmental Report (Cm 7105).
4. Symbols are explained in the Introduction to this booklet.

Department for Work and Pensions

Part I

	£
Request for Resources 1: Ensuring the best start for all children and ending child poverty in 20 years	406,751,000
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	38,042,718,000
Request for Resources 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners †	10,600,365,000
Request for Resources 4: Improve the rights and opportunities for disabled people in a fair and inclusive society	15,983,533,000
Request for Resources 5: Corporate contracts and support services	1,039,380,000
Total net resource requirement	66,072,747,000
Net cash requirement	66,698,991,000

Amounts required in the year ending 31 March 2008 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 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; 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; administration costs of payments and loans made from the Social Fund, 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 to the National Employment Panel Ltd; 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; development of the Employment Support Allowance; 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; compensation for sufferers, or their dependants, of certain dust related diseases; the Rent Service Agency; the Health and Safety Commission (HSC)/Executive (HSE) and the Health and Safety Laboratory (HSL); grants to further health and safety in the workplace; the administration costs of the Work, Welfare and Equality 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, One-off payments to those over 60, Income Support for the elderly, Pension Credit; the administration costs of working age and pension age benefits to customers abroad; the administration costs of Housing Benefit, Council Tax Benefit, Attendance Allowance and Disability Living Allowance to pensioners; sums payable to fund payments and loans made by the Social Fund; the administration costs of payments and loans made from the Social Fund; costs associated with the collapse of private pension schemes; expenditure to assist people to make plans for their retirement; research into pensions; private pensions industry regulatory work; the administration of pilot programmes; programmes and new measures to help improve independence and social inclusion of older people; grants to voluntary bodies and local authorities towards the needs of older people; Grants in Aid to the Centre for Policy on Ageing, to the Pensions Advisory Service, to the Pension Protection Fund, to the Pensions Regulator, to the Office of the Pensions Ombudsman, to the Pensions Protection Fund Ombudsman and for the administration costs of Better Government for Older People; payments made to the BBC in respect of over 75s free TV licence scheme; expenditure in respect of the Pensions Regulator, the Financial Assistance Scheme and preliminary work relating to the Personal Accounts Delivery Authority; payment of the General Levy to the Pensions Regulator in respect of Public Sector Pension Schemes; 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, 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 private sector bodies; and associated non-cash items.

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

£

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	406,751,000	183,554,000	223,197,000
RfR 2	38,042,718,000	15,609,418,000	22,433,300,000
RfR 3	10,600,365,000	4,645,071,000	5,955,294,000
RfR 4	15,983,533,000	6,729,521,000	9,254,012,000
RfR 5	1,039,380,000	939,385,000	99,995,000
Total net resource requirement	66,072,747,000	28,106,949,000	37,965,798,000
Net cash requirement	66,698,991,000	28,470,560,000	38,228,431,000

† Includes provision relating to the Personal Accounts Delivery Authority which is dependent on gaining Royal Assent for the Pensions Bill currently before Parliament. No expenditure will be incurred before the legislation is in place.

Part II: Subhead detail

£'000

2007-08 Provision						2006-07 Provision	2005-06 Outturn		
Resources						Capital	Non-operating	Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Ensuring the best start for all children and ending child poverty in 20 years									
406,949	-	-	406,949	198	406,751	-	-	500,332	397,709
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration	406,949	-	406,949	198	406,751	-	-	500,332	392,775
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
<i>Children Asset Revaluations</i>									
-	-	-	-	-	-	-	-	-	4,934
RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need									
3,361,126	1,027,323	35,542,586	39,931,035	1,888,317	38,042,718	24,978	495	37,895,697	35,008,892
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration	3,082,999	117,397	45,692	3,246,088	528,489	2,717,599	13,605	3,008,749	1,942,623
B Employment Programmes	-	678,153	94,024	772,177	-	772,177	-	923,704	966,235
C Health and Safety Executive	221,976	58,725	-	280,701	53,319	227,382	8,900	475	238,508
D Health and Safety Laboratory	32,249	5,239	-	37,488	37,488	-	1,800	20	1,973
E Capital Grants	-	2,549	5,927	8,476	-	8,476	-	-	8,476
F The Rent Service Executive agency	23,902	11,600	-	35,502	-	35,502	673	-	40,231
G European Social Fund and European Globalisation Fund	-	-	116,491	116,491	116,491	-	-	-	3,792
H European Social Fund payments in advance of receipts	-	32,700	374,231	406,931	374,231	32,700	-	32,700	-66,394

Part II: Subhead detail

£'000

2007-08 Provision								2006-07 Provision	2005-06 Outturn
Resources						Capital Non- operating		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A		
1	2	3	4	5	6	7	8	9	10
<i>Support for Local Authorities</i>									
I	Employment Programmes	-	-	37,047	37,047	-	37,047	-	68,876
J	Housing benefit and council tax benefit administration grants	-	-	680,200	680,200	-	680,200	-	482,417
K	Capital grants to Local Authorities	-	-	2,895	2,895	-	2,895	-	419
L	European Social Fund	-	-	80,597	80,597	80,597	-	-	-3,792
M	European Social Fund payments in advance of receipts	-	-	28,682	28,682	28,682	-	-	-
<i>Challenge funding and similar administrative measures - Local Authorities</i>									
-	-	-	-	-	-	-	-	-	144,992
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
N	Severe Disablement Allowance	-	-76	887,042	886,966	299	886,667	-	900,252
O	Industrial injury benefits	-	-74	831,956	831,882	38,773	793,109	-	787,740
P	Income support (under 60 years of age)	-	116,830	8,794,921	8,911,751	133,448	8,778,303	-	9,060,874
Q	Jobseekers allowance (income based)	-	1,003	2,051,776	2,052,779	1,484	2,051,295	-	1,823,111
R	Jobseekers allowance (contribution based)	-	-	495,016	495,016	495,016	-	-	-
S	Job Grant	-	-	45,064	45,064	-	45,064	-	38,134
T	Employment Allowances	-	-	84,297	84,297	-	84,297	-	71,749
U	Housing and Council tax benefit capital charge	-	3,277	-	3,277	-	3,277	-	-8,446
<i>Non-continuing benefits debt activity</i>									
-	-	-	-	-	-	-	-	-	214

Part II: Subhead detail

£'000

2007-08 Provision								2006-07 Provision	2005-06 Outturn		
Resources						Capital Non- operating		Net Total Resources	Net Total Resources		
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A				
1	2	3	4	5	6	7	8	9	10		
<i>Working Age Asset Revaluations</i>											
-	-	-	-	-	-	-	-	-	9,804		
<i>Support for Local Authorities</i>											
V	Housing benefit and council tax benefit subsidies	-	-	13,916,309	13,916,309	-	-	13,014,986	12,115,501		
W	Rent rebates	-	-	5,234,667	5,234,667	-	-	5,364,658	5,050,727		
X	Discretionary housing payments	-	-	20,000	20,000	-	-	20,000	16,864		
Non-Budget											
Y	Statutory benefits (SSP and SMP)	-	-	1,712,065	1,712,065	-	-	1,381,150	1,325,018		
Z	Working Age (Grant-in-Aid)	-	-	3,687	3,687	-	-	2,285	-		
RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners											
		604,434	5,033	10,420,583	11,030,050	429,685	10,600,365	3,640	-	11,199,073	10,675,189
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A	Administration	604,434	5,764	18,153	628,351	429,685	198,666	3,640	-	324,201	158,011
Spending in Annually Managed Expenditure (AME)											
<i>Central Government spending</i>											
B	Pension benefits	-	-5	60,504	60,499	-	60,499	-	-	764,558	1,215,228
C	Income support for the elderly and Pension Credit	-	-726	7,327,780	7,327,054	-	7,327,054	-	-	7,105,779	6,508,526
D	TV licences for the over 75s	-	-	503,078	503,078	-	503,078	-	-	482,125	460,573
Non-Budget											
E	Payments to the Social Fund	-	-	2,475,283	2,475,283	-	2,475,283	-	-	2,493,415	2,304,694

Part II: Subhead detail

£'000

								2006-07	2005-06
								Provision	Outturn
2007-08 Provision									
Resources						Capital Non-operating			
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	Net Total Resources	Net Total Resources
1	2	3	4	5	6	7	8	9	10
F	Pensions Grants in Aid	-	-	35,785	35,785	-	-	28,995	28,157
RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society									
	248,343	-243	15,759,560	16,007,660	24,127	15,983,533	-	15,141,881	14,168,734
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Administration	248,343	-	-	248,343	-	-	274,638	203,347
B	Motability administration	-	160	2,800	2,960	160	2,800	2,800	2,640
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
C	Attendance allowance	-	-403	4,393,933	4,393,530	2,049	4,391,481	4,181,144	3,924,095
D	Disability living allowance	-	-	9,770,072	9,770,072	21,918	9,748,154	9,183,647	8,618,262
E	Carer's Allowance	-	-	1,271,787	1,271,787	-	1,271,787	1,215,750	1,149,141
F	Vaccine Damage payments	-	-	500	500	-	500	500	500
G	Grants to independent bodies	-	-	300,468	300,468	-	300,468	261,988	249,108
Non-Budget									
H	Disability Rights Commission (Grant in Aid)	-	-	20,000	20,000	-	20,000	21,414	21,641
RfR 5: Corporate contracts and support services									
	1,190,142	162,805	-	1,352,947	313,567	1,039,380	38,374	15,000	835,642
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Administration	1,190,142	162,805	-	1,352,947	313,567	1,039,380	835,642	2,038,211

Part II: Subhead detail

£'000

2007-08 Provision						2006-07 Provision	2005-06 Outturn		
Resources						Capital	Non- operating	Net Total	Net Total
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	Resources	Resources
1	2	3	4	5	6	7	8	9	10
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
<i>Corporate Asset Revaluations</i>									
-	-	-	-	-	-	-	-	-	13,624
Total for Estimate:									
5,810,994	1,194,918	61,722,729	68,728,641	2,655,894	66,072,747	66,992	15,495	65,572,625	62,302,359

Part II: Resource to cash reconciliation

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Resource Requirement	66,072,747	65,572,625	62,302,359
Voted capital items			
Capital	66,992	210,154	398,019
Less Non-operating A-in-A	15,495	3,876	50,144
Total net voted capital	51,497	206,278	347,875
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-54,966	-55,273	-69,580
Depreciation	-153,023	-229,667	-136,848
New provisions and adjustments to previous provisions	-97,022	-730,777	-163,166
Profit/loss on sale of assets	-	1,325	304
Prior period adjustments	-	-	-
Other non-cash items	-1,074	-1,086	-4,437
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	809,945	842,356	-30,681
Increase (-) / Decrease (+) in creditors	-	418,883	318,883
Use of provisions	70,887	60,487	15,366
Total accruals to cash adjustments	574,747	306,248	-70,159
Excess cash to be CFERd	-	-	-
Net Cash Requirement	66,698,991	66,085,151	62,580,075

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					
	2007-08		2006-07		2005-06	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	-	-	-	-	-
Non-operating income not classified as A in A	-	-	-	-	27,621	27,621
Other amounts collectable on behalf of the Consolidated Fund	5,000	5,000	5,000	5,000	5,000	5,000
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	5,000	5,000	5,000	5,000	32,621	32,621

Forecast Operating Cost Statement

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Administration Costs			
RfR 1	406,751	495,936	389,539
RfR 2	3,272,616	3,558,504	2,699,250
RfR 3	601,569	703,140	617,496
RfR 4	248,343	274,449	196,911
RfR 5	1,163,395	1,021,281	1,944,310
Total Net Administration costs	5,692,674	6,053,310	5,847,506
Net Programme Costs			
RfR 1	-	4,396	8,170
RfR 2	34,770,102	34,337,193	32,309,642
RfR 3	7,523,513	8,002,518	7,752,999
RfR 4	15,735,190	14,867,432	13,971,823
RfR 5	-124,015	-185,639	107,525
Non-voted	69,041,040	65,853,246	63,074,977
Total Net Programme costs	126,945,830	122,879,146	117,225,136
Total Net Operating Cost	132,638,504	128,932,456	123,072,642
<i>of which:</i>			
Net Resource Requirement	66,072,747	65,572,625	62,302,359
Non-voted expenditure	69,041,040	65,853,246	63,074,977
Consolidated Fund Extra Receipts	-	-	-
Resource Budget	132,732,091	128,942,489	123,059,538

Notes to the Main Estimate (*continued*)

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2007-08	2006-07	2005-06
	Provision	Provision	Outturn
Net Resource Requirement (Estimates)	66,072,747	65,572,625	62,302,359
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
Non-voted expenditure in the OCS	69,041,040	65,853,246	63,074,977
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-2,475,283	-2,493,415	-2,304,694
Net Operating Cost (Accounts)	132,638,504	128,932,456	123,072,642
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	1,325	304
Capital grants	-13,170	-14,632	-3,059
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Resource consumption of non departmental public bodies	947	-20	-1,342
Unallocated resource provision	104,900	22,450	-
Other adjustments	910	910	-9,007
Resource Budget (Budget)	132,732,091	128,942,489	123,059,538
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	7,725,864	7,994,800	7,732,406
Annually Managed Expenditure (AME)	125,006,227	120,947,689	115,327,132

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2007-08	2006-07	2005-06
	Provision	Provision	Outturn
Net Voted Capital (Estimates)	51,497	206,278	347,875
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	395	720	2,918
Capital grants	13,170	14,632	3,059
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	-	-
Other adjustments	133,588	207,377	16,720
Capital Budget (Budget)	198,650	429,007	370,572
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	65,062	221,630	353,852
Annually Managed Expenditure (AME)	133,588	207,377	16,720

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		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
RfR 1: Ensuring the best start for all children and ending child poverty in 20 years			
Administration	198	2,535	342
<i>of which:</i>			
Sale of goods and services	198	2,535	342
Total RfR 1	198†	2,535	342
<i>† 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; receipts from staff towards the costs of private use of official vehicles; 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 other departments/organisations in respect of outward secondments; 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.</i>			
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	88,510	88,915	98,361
<i>of which:</i>			
Sale of goods and services	88,510	88,244	98,361
Interest and dividends	-	671	-
Programme	1,799,807	1,854,540	1,756,830
<i>of which:</i>			
Sale of goods and services	1,051,677	969,204	1,762,260
EU Income	600,001	670,001	619,753
Other income (including receipts)	148,129	215,335	-625,183
Total RfR 2	1,888,317†	1,943,455	1,855,191

† 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 staff towards the costs of private use of official vehicles; receipts from mortgage lenders; receipts from other departments/organisations in respect of outward secondments; receipts from the sale of non-capital items; receipts from match funded projects; the recovery of the costs of administering allowance payments for work based learning for adults in Scotland and Wales; proceeds from crime from Home Office in respect of benefit fraud and organised fraud; 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 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 selling services under the Wider Markets Initiative; receipts from partner organisations in respect of action teams; the recovery of excess payments made on Jobcentre Plus employment measures; 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 or Jobseeker's Allowance (income based); repayment of Jobseeker's Allowance (contribution based) from the National Insurance Fund; receipts in respect of the Health and Safety Commission (HSC)/Executive (HSE) and the Health and Safety Laboratory (HSL), including fees and charges levied, 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); payments from other government departments, agencies, non-departmental public bodies and overseas governments; sales of land and buildings, water, stores, plant, equipment, machinery and vehicles; recoveries of seconded staff salaries; receipts for the use of accommodation, rental income, receipts from property and land, sponsorship, including contributions from co-sponsors towards the costs of research and surveys carried out; recoveries from the European Union in respect of travelling expenses and subsistence allowances incurred by staff on European Union business; contributions and recoveries from the European Union of costs of research and projects, legal claims, including awards of court costs and out of court settlements; refunds of advance of salaries of staff, and repayment of loans; 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 European Globalisation Fund; Joint International Unit administration receipts; payments from the Department for Education and Skills; refunds from Local Authorities of Housing Benefit Reform Funding; National Employment Panel receipts.

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

Administration	2,865	4,856	5,057
<i>of which:</i>			
Sale of goods and services	2,865	4,856	5,057
Programme	426,820	410,217	495,708
<i>of which:</i>			
Sale of goods and services	426,820	410,217	495,708
Total RfR 3	429,685†	415,073	500,765

† 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 from other departments/organisations in respect of outward secondments; receipts for levy funded bodies; receipts from mortgage lenders; receipts from selling services under the Wider Markets Initiative; receipts from staff for private telephone calls; receipts via Compensation Recovery Unit in respect of benefits paid in lieu; receipts from staff towards the costs of private use of official vehicles.

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

Administration	-	541	496
<i>of which:</i>			
Sale of goods and services	-	541	496
Programme	24,127	33,434	1,689
<i>of which:</i>			
Sale of goods and services	23,967	-1,860	2,139
Other income (including receipts)	160	35,294	-450
Total RfR 4	24,127†	33,975	2,185

† 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 other departments/organisations in respect of outward secondments; receipts from staff for private telephone calls; receipts from staff towards the costs of private use of official vehicles; receipts via Compensation Recovery Unit in respect of benefits paid in lieu, recoveries of payments towards Motability's car adaptation/conversion and administration costs.

RfR 5: Corporate contracts and support services

Administration	26,747	30,847	57,270
<i>of which:</i>			
Sale of goods and services	26,747	30,847	57,270
Programme	286,820	279,908	3,146
<i>of which:</i>			
Sale of goods and services	287,017	280,056	915
Interest and dividends	-197	-148	115
Other income (including receipts)	-	-	2,116
Total RfR 5	313,567†	310,755	60,416

† 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 other departments/organisations in respect of outward secondments; receipts from staff for private telephone calls; receipts from staff towards the costs of private use of official vehicles; recovery of law costs from defendants; receipts from sub-let accommodation; receipts from sale of non-capital items; receipts from Working Links, Working Links management fee and dividend; Early Departures pre-funding interest.

Total Operating A in A	2,655,894	2,705,793	2,418,899
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Analysis of non-operating appropriations in aid (A in A)

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need			
Programme	495	495	8,547
<i>of which:</i>			
Sale of assets	495	495	8,547
Total RfR 2	495†	495	8,547

† Amount that may be applied as non-operating appropriations in aid, 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	-	-	27,621
<i>of which:</i>			
Sale of assets	-	-	27,621
Total RfR 3	-	-	27,621

RfR 5: Corporate contracts and support services

Programme	15,000	3,381	13,976
<i>of which:</i>			
Sale of assets	15,000	3,381	13,976

Total RfR 5	15,000†	3,381	13,976
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† Amount that may be applied as non-operating appropriations in aid, arising from: receipts from sales of obsolete machinery, equipment, official vehicles, furniture and fittings.

Total Non-Operating A in A	15,495	3,876	50,144
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Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2007-08		2006-07		2005-06	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Headquarters Accommodation Services •	5,000	5,000	5,000	5,000	5,000	5,000
Other Amounts Collectable on Behalf of the Consolidated Fund •	-	-	-	-	27,621	27,621
Total	5,000	5,000	5,000	5,000	32,621	32,621

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	6,396,748	1,329,116	7,725,864
<i>of which:†</i>			
Administration budget	5,692,674	105,810	5,798,484
Near-cash in RDEL	6,185,378	1,377,774	7,563,152
Capital DEL††	64,667	395	65,062
Less Depreciation†††	-153,023	-1,342	-154,365
Total DEL	6,308,392	1,328,169	7,636,561

† 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 and forecast outturn for the previous year

The total net resource sought for 2007-08 of £66,072,747,000 is 0.8 per cent higher than the final net provision for 2006-07 of £65,572,625,000 and 3.4 per cent higher than the forecast outturn for 2006-07 of £63,916,332,000.

Cash which may be retained to offset expenditure

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 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.	2,671,389	2,709,669	2,469,043

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	Better Government for Older People	600

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

RfR/Section	Body	£'000
RfR2	NEP Limited ♥	3,687
RfR3	The Pensions Regulator ♥	29,800
RfR3	The Pensions Advisory Service ♥	2,788
RfR3	Office of the Pensions Ombudsman ♥	2,597
RfR4	Motability ♥	12,029
RfR4	Disability Rights Commission ♥	20,000
		<hr/> 70,901

Notes to the Main Estimate (*continued*)

Contingent liabilities

Nature of Liability	£'000
As at 31 March 2006, the following liabilities fell to be met from the Department's Estimate:	
Non-Statutory	
Child Support Agency Debt	
The Agency operates a discretionary scheme for certain qualifying cases whereby a lump sum payment of arrears is made to a parent with care before that money is collected by the Agency from the non-resident parent. Entitlement to such a payment is neither automatic nor referred to in legislation. At 31 March 2006 a number of cases existed which may subsequently qualify under this scheme, giving rise to a potential liability. The amount of this liability is dependant on a number of factors, the outcome of which for each case is unable to be determined. For this reason no provision has been made in the accounts. Any future potential liability is mitigated by the fact that this scheme can be withdrawn without notice.	Unquantifiable
Remploy Limited	
The Secretary of State for Work and Pensions has given formal guarantee in respect of Remploy Limited, an Executive Non-Departmental Public Body. In the event of Remploy Limited becoming insolvent, the Secretary of State has agreed to pay Remploy Limited a sum equal to any and all of its remaining debts i.e. the excess of its liabilities over and above the proceeds from realisation of its assets. In addition to this guarantee over Remploy's net liabilities the Department also guarantees to cover any shortfall in its pension provision.	Unquantifiable
Better Government for Older People (BGOP)	
This is an initiative which is funded by several consortium partners with the Department 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. In addition to the funding which the Department 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 year and, as the 'Consortium Agreement' year runs from October to September, £2 million in totality.	2,000
ESF Repayments	
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 £14.4million already paid to contractors and this amount has been provided for within these 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

Employment Tribunals

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 cross appeal and in October 2004 the Court of Appeal referred a point of law to the European Court of Justice (ECJ). There was an oral hearing in front of the ECJ in March 2006 and the Advocate General's opinion was received in May 2006. This opinion will be used to assist the ECJ in reaching a decision. The decision of the ECJ is not expected until the end of the year.

Unquantifiable

Vaccine Damage Payments

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. 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 there is no time limit for requesting a Vaccine Damage Appeal and 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.

Unquantifiable

Deficiency Notices

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 customers of working age. Between September 2004 and September 2005, The Pension Service contacted 414,427 pensioner customers affected by the suspension of deficiency notices. Customers who reached State Pension age between 6 April 1998 and 24 October 2004 (inclusive) were 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 at March 2006, State Pension arrears of £76.2 million had been paid out in relation to the pensioner exercise, plus interest of £3.0 million. The administrative cost of the project to this date has been £31.3 million. The estimated further cost of State Pension arrears to be paid during the remainder of the exercise is £8.5 million plus interest of £0.6 million, with a further administrative cost estimated at around £1.9 million, contingent upon contact from customers.

11,000

The Rent Service

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 have been settled. A cost of £55,000 has been estimated based on previous experience of similar claims. A cost of £40,000 has also been estimated for three pending Employment Tribunal cases.

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Health & Safety Laboratories

Claims have been received by HSL and a main contractor engaged by HSL, alleging that injuries were incurred by an employee of a subcontractor engaged by the main contractor to work on HSL's site at Buxton. The matter is currently the subject of a criminal investigation, and HSL is awaiting further information to enable it to assess its position with regard to any potential liability.

Unquantifiable

Notes to the Main Estimate (*continued*)

Staff Benefits

For the financial year 2007-08 budget holders have delegated authority to award gift vouchers to DWP staff under the terms of our Special Bonus Scheme. The Vouchers are for a range of well known retail outlets and are given in recognition of valuable or exceptional contributions to business performance. Individual awards will not exceed £50 and they will not in total exceed 0.25% of the DWP pay bill. In practice the total expenditure is likely to be less than £1million.

Budget holders have delegated authority to provide staff with childcare assistance. This includes provision of on site facilities and contributions to the cost of private childcare made either directly to the employee or to the childcare provider. The availability, method and amount of assistance is at the discretion of the budget holder.

