

Office of Fair Trading

Introduction

1. The Office of Fair Trading is an independent consumer protection and competition authority. Its goal is to make markets work well for consumers. This is achieved by enforcing competition and consumer protection law, investigating markets and through an active communications strategy.
2. Further details of the expenditure contained in this Estimate can be found in the OFT Annual Report.
3. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resource 1: Advancing and safeguarding the economic interests of UK consumers	57,116,000
Total net resource requirement	57,116,000
Net cash requirement	55,401,000

Amounts required in the year ending 31 March 2006 for expenditure by the Office of Fair Trading on:

RfR 1: Advancing and safeguarding the economic interests of UK consumers
Administrative and operational costs and associated non-cash items.

The **Office of Fair Trading** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	57,116,000	25,153,000	31,963,000
Total net resource requirement	57,116,000	25,153,000	31,963,000
Net cash requirement	55,401,000	24,543,000	30,858,000

Part II: Subhead detail

£'000

2005-06						2004-05 Provision	2003-04 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Advancing and safeguarding the economic interests of UK consumers									
54,994	2,431	-	57,425	309	57,116	1,398	-	55,896	48,597
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration									
54,994	2,309	-	57,303	309	56,994	1,398	-	55,873	48,574
Non-budget									
B Refunds									
-	122	-	122	-	122	-	-	23	23
Total for Estimate:									
54,994	2,431	-	57,425	309	57,116	1,398	-	55,896	48,597

Part II: Resource to cash reconciliation

	2005-06		2004-05		2003-04	
	Provision		Provision		Outturn	
	£'000					
Net Total Resources		57,116		55,896		48,597
Voted capital items						
Capital		1,398		1,398		978
Less Non-operating A-in-A		-		-		-
Total net voted capital		1,398		1,398		978
Accruals to cash adjustment						
Adjustments to remove non-cash items:						
Cost of Capital charges		-303		-303		-79
Depreciation		-2,549		-2,549		-1,595
New provisions and adjustments to previous provisions		-546		-1,036		-79
Profit (+) / loss (-) on sale of assets		-		-		-
Prior period adjustments		-		-		-
Other non-cash items		-16		-16		-3,941
Increase (+) / Decrease (-) in stock		-		-		-
Increase (+) / Decrease (-) in debtors		31		31		-828
Increase (-) / Decrease (+) in creditors		175		175		114
Use of provisions		95		254		270
Total accruals to cash adjustments		-3,113		-3,444		-6,138
Excess cash to be CFERd		-		-		-
Net Cash Requirement		55,401		53,850		43,437

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):-

	2005-06		2004-05		2003-04	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
	£'000					
Operating income not classified as AinA	6,225	<i>6,225</i>	6,225	<i>6,225</i>	8,458	<i>8,987</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	6,225	<i>6,225</i>	6,225	<i>6,225</i>	8,458	<i>8,987</i>

Forecast Operating Cost Statement

	2005-06 Provision	2004-05 Provision	2003-04 Outturn	£'000
Net administration costs:				
RfR 1	54,699	52,489		47,122
Net programme costs:				
RfR 1	-3,808	-2,818		-6,983
Total net programme costs	<u>-3,808</u>	<u>-2,818</u>		<u>-6,983</u>
Total Net Operating Cost	50,891	49,671		40,139
<i>of which:</i>				
Net Resource Outturn	57,116	55,896		48,597
CFERs	-6,225	-6,225		-8,458
Non-voted expenditure	-	-		-
Resource Budget Outturn	57,005	55,884		48,585

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2005-06 Provision	2004-05 Provision	2003-04 Outturn
Net Resource Outturn (Estimates)	57,116	55,896	48,597
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-6,225	-6,225	-8,458
Other adjustments	-	-	-
Net Operating Cost (Accounts)	50,891	49,671	40,139
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	11	11	11
voted expenditure outside the budget	-122	-23	-23
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	6,225	6,225	8,458
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	-	-	-
Other adjustments	-	-	-
Resource Budget Outturn (Budget)	57,005	55,884	48,585
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	57,005	55,884	48,585
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2005-06 Provision	2004-05 Provision	2003-04 Outturn
Net Voted Capital Outturn (Estimates)	1,398	1,398	978
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	-	-	-
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	-	-	-
Capital Budget Outturn (Budget)	1,398	1,398	978
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,398	1,398	978
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

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

Request for Resources 1: John Vickers, Chair of OFT

John Vickers, as the Principal Accounting Officer (PAO) of the Office of Fair Trading has personal responsibility for the proper presentation of the Office of Fair Trading's resource accounts as prescribed in legislation or by the Treasury and their transmission to the Comptroller and Auditor General. The PAO as the permanent head, in addition to the responsibilities for the assigned RfR, remains in general overall charge of the Office of Fair Trading.

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 the 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 available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the Office of Fair Trading's, aims, and objectives; and should regularly review the effectiveness of that system.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2005-06 provision		2004-05 provision		2003-04 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: Advancing and safeguarding the economic interests of UK consumers						
Pension Contributions	3	—	3	—	3	—
Receipts from European Travel	11	—	11	—	11	—
Recovered Common Services provided to other departments	—	—	—	—	3	—
Competition Act Notification fees	—	—	—	—	20	—
Minor Occupiers Rental Income	295	—	295	—	272	—
Total RfR 1	309*	—	309	—	309	—
<i>of which: Administration Budgets</i>	298		298		275	

*Amount that may be applied as appropriations in aid in addition to the net total, arising from the recovery of legal costs, fees for common services provided to other departments and Competition Act fees.

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund Extra Receipts (CFERs)

	£'000					
	2005-06 provision		2004-05 provision		2003-04 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Fees for administration of the Consumer Credit Act 1974 and for Mergers under the Fair Trading Act 1973 ●	6,225	6,225	6,225	6,225	8,458	8,987
Miscellaneous receipts ☉	—	—	—	—	—	—
Total	6,225	6,225	6,225	6,225	8,458	8,987

Notes to the Main Estimate *(continued)*

Departmental Expenditure Limits and Administration Budgets £'000

Details of 2005-06 Departmental Expenditure Limits (DEL) and Administration budget limits

	Voted*	Non-voted	Total
Resource DEL	57,005	—	57,005
<i>of which: Administration Budgets</i>	<i>54,696</i>	<i>—</i>	<i>54,696</i>
Capital DEL**	1,398	—	1,398
Less depreciation†	-2,549	—	-2,549
Total DEL	55,854	—	55,854

* Excludes EU receipts included in Estimates, but excluded in Budgets.

** Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review.

† 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.

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2005-06 of £57,116,000 is 2.2 per cent higher than the final net provision for 2004-05 of £55,896,000 and 10.9 per cent higher than the forecast outturn for 2004-05 of £51,505,000.

Notes to the Main Estimate *(continued)*

Cash which may be retained to offset expenditure

£'000

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

	2005-06 provision	2004-05 provision	2003-04 outturn
	309	309	309

