

Office of Fair Trading

Introduction

1. The Office of Fair Trading (OFT) is an independent consumer protection and competition authority. Its goal is to make markets work for consumers. This is achieved by enforcing competition and consumer protection law, investigating markets and through an active communications strategy.
2. The main change in the 2008-09 Main Estimate is that income relating to OFT's consumer protection monitoring and licensing responsibilities, which was previously surrendered to the Consolidated Fund, is now treated as operating appropriations-in-aid.
3. Further details of the department's expenditure can be found in the OFT Annual Report.
4. Symbols are explained in the Introduction to this booklet.

Office of Fair Trading

Part I

	£
Request for Resources 1: Advancing and safeguarding the economic interests of UK consumers	67,702,000
Total net resource requirement	67,702,000
Net cash requirement	66,393,000

Amounts required in the year ending 31 March 2009 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	67,702,000	34,197,000	33,505,000
Total net resource requirement	67,702,000	34,197,000	33,505,000
Net cash requirement	66,393,000	33,523,000	32,870,000

Part II: Subhead detail

£'000

2008-09 Provision						2007-08 Provision	2006-07 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
RfR 1: Advancing and safeguarding the economic interests of UK consumers									
77,216	1,961	-	79,177	11,475	67,702	1,364	-	75,994	74,525
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Administration								
77,216	1,961	-	79,177	11,475	67,702	1,364	-	75,994	74,525
Total for Estimate:									
77,216	1,961	-	79,177	11,475	67,702	1,364	-	75,994	74,525

Part II: Resource to cash reconciliation

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Resource Requirement	67,702	75,994	74,525
Voted capital items			
Capital	1,364	1,398	2,444
Less Non-operating A-in-A	-	-	-
Total net voted capital	1,364	1,398	2,444
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-424	-303	-16
Depreciation	-2,194	-2,549	-1,871
New provisions and adjustments to previous provisions	-	-139	-249
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-55	-	-48
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-2,166
Increase (-) / Decrease (+) in creditors	-	-	578
Use of provisions	-	95	508
Total accruals to cash adjustments	-2,673	-2,896	-3,264
Excess cash to be CFERd	-	-	-
Net Cash Requirement	66,393	74,496	73,705

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					
	2008-09		2007-08		2006-07	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	-	-	-	42,217	40,947
Non-operating income not classified as A in A	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	7,000	7,000	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	-	-	7,000	7,000	42,217	40,947

Forecast Operating Cost Statement

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Administration Costs			
RfR 1	65,741	73,944	72,507
Total Net Administration costs	65,741	73,944	72,507
Net Programme Costs			
RfR 1	1,961	2,050	2,018
Non-voted	-	-	-42,217
Total Net Programme costs	1,961	2,050	-40,199
Total Net Operating Cost	67,702	75,994	32,308
<i>of which:</i>			
Net Resource Requirement	67,702	75,994	74,525
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-42,217
Resource Budget	67,702	75,994	74,525

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Resource Requirement (Estimates)	67,702	75,994	74,525
<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	-	-	-42,217
Other adjustments	-	-	-
Net Operating Cost (Accounts)	67,702	75,994	32,308
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	42,217
Resource consumption of non departmental public bodies	-	-	-
Unallocated resource provision	-	-	-
Other adjustments	-	-	-
Resource Budget (Budget)	67,702	75,994	74,525
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	67,702	75,994	74,525
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Voted Capital (Estimates)	1,364	1,398	2,444
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	-	-
Other adjustments	-	-	-
Capital Budget (Budget)	1,364	1,398	2,444
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,364	1,398	2,444
Annually Managed Expenditure (AME)	-	-	-

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 appointment for the Request for Resource within this Estimate.

Request for Resources 1: John Fingleton, CEO of OFT

John Fingleton as the Accounting Officer of the Office of Fair Trading 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 Office of Fair Trading.

The responsibilities of an Accounting Officer are set out in Chapter 3 of Managing Public Money. 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		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
RfR 1: Advancing and safeguarding the economic interests of UK consumers			
Administration	11,475	-	-
<i>of which:</i>			
Sale of goods and services	11,475	-	-
Total RfR 1	11,475†	-	-
<i>† Amount that may be applied as operating 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.</i>			
Total Operating A in A	11,475	-	-

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2008-09		2007-08		2006-07	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Fees for the administration of the Consumer Credit Act ●	-	-	-	-	5,795	5,795
Fees charged for mergers under the Fair Trading Act 1973 and Enterprise Act 2002●	-	-	-	-	2,790	2,790
Penalties imposed under the Competition Act 1998●	-	-	-	-	33,478	32,208
Reimbursements●	-	-	-	-	154	154
Fines and Penalties●	-	-	7,000	7,000	-	-
Total	-	-	7,000	7,000	42,217	40,947

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	67,702	-	67,702
<i>of which: †</i>			
Administration budget	65,741	-	65,741
Near-cash in RDEL	65,029	-	65,029
Capital DEL ††	1,364	-	1,364
Less Depreciation †††	-2,194	-	-2,194
Total DEL	66,872	-	66,872

† 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 2008-09 of £67,702,000 is 10.9 per cent lower than the final net provision for 2007-08 of £75,994,000 and 7.4 per cent lower than the forecast outturn for 2007-08 of £73,097,000.

Cash which may be retained to offset expenditure

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 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.	11,475	-	-

