

---

# HM Treasury

---

## Introduction

1. This Estimate covers the administration costs and other related costs of the core Treasury, the Debt Management Office (DMO) and the Office of Government Commerce (OGC).
2. Request for Resources (RfR) 1 includes the core Treasury and DMO, costs of group shared services, cost of capital charges on the Treasury's investment in the Bank of England and the investment in and refinancing costs of Northern Rock.
3. RfR 2 covers payments to the Royal Mint for the manufacture, storage and distribution of UK coins, which are supplied to banks on behalf of the Treasury, and cost of capital charges on the Treasury's investment in the Royal Mint.
4. RfR 3 covers the expenditure of the OGC, including management and disposal of surplus civil estate, and associated non-cash items.
5. Further information can be found in HM Treasury's Annual Report and Accounts.
6. Symbols are explained in the Introduction to this booklet

---

# HM Treasury

---

## Part I

|                                                                                                                                                                                         | £                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <b>Request for Resources 1: Raising the rate of sustainable growth and achieving rising prosperity and a better quality of life, with economic and employment opportunities for all</b> | <b>236,130,000</b>    |
| <b>Request for Resources 2: Cost-effective management of the supply of coins and actions to protect the integrity of coinage</b>                                                        | <b>53,050,000</b>     |
| <b>Request for Resources 3: Obtaining the best value for money from Government's commercial relationships on a sustainable basis</b>                                                    | <b>25,758,000</b>     |
| <b>Total net resource requirement</b>                                                                                                                                                   | <b>314,938,000</b>    |
| <b>Net cash requirement</b>                                                                                                                                                             | <b>14,220,713,000</b> |

---

Amounts required in the year ending 31 March 2009 for expenditure by the HM Treasury on:

**RfR 1: Raising the rate of sustainable growth and achieving rising prosperity and a better quality of life, with economic and employment opportunities for all**

Economic, financial and related administration, including group shared services; expenses in connection with honours and dignities; expenditure of the Debt Management Office, including administration of carbon dioxide emission reduction schemes; expenditure on a pilot scheme in connection with the provision of generic financial advice; payments under an indemnity guarantee in respect of Paymaster; expenditure on administration of Treasury related bodies; compensation payments arising from gilt administration; cost of capital charges on the Treasury's investment in the Bank of England; payments to other government departments; costs and income related to investment in and financial assistance to Northern Rock; and associated non-cash items.

**RfR 2: Cost-effective management of the supply of coins and actions to protect the integrity of coinage**

Manufacture, storage and distribution of coinage for use in the United Kingdom, actions to protect the integrity of coinage, and associated non-cash items.

**RfR 3: Obtaining the best value for money from Government's commercial relationships on a sustainable basis**

Administration and other related costs of the Office of Government Commerce and OGC buying solutions, management and disposal of surplus civil estate, costs and income from investment and loans to OGC buying solutions and associated non-cash items.

**HM Treasury** will account for this Estimate.

£

|                                       | <b>Net total</b>      | <b>Allocated in<br/>Vote on<br/>Account</b> | <b>Balance to<br/>complete</b> |
|---------------------------------------|-----------------------|---------------------------------------------|--------------------------------|
| <b>RfR 1</b>                          | <b>236,130,000</b>    | <b>105,545,000</b>                          | <b>130,585,000</b>             |
| <b>RfR 2</b>                          | <b>53,050,000</b>     | <b>23,400,000</b>                           | <b>29,650,000</b>              |
| <b>RfR 3</b>                          | <b>25,758,000</b>     | <b>12,211,000</b>                           | <b>13,547,000</b>              |
| <b>Total net resource requirement</b> | <b>314,938,000</b>    | <b>141,156,000</b>                          | <b>173,782,000</b>             |
| <b>Net cash requirement</b>           | <b>14,220,713,000</b> | <b>104,846,000</b>                          | <b>14,115,867,000</b>          |

**Part II: Subhead detail**

£'000

|                                                                                                                                                                       |                                                                 |        |             |        |           |            |               | 2007-08   | 2006-07   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------|-------------|--------|-----------|------------|---------------|-----------|-----------|
| 2008-09                                                                                                                                                               |                                                                 |        |             |        |           |            |               | Provision | Outturn   |
| Provision                                                                                                                                                             |                                                                 |        |             |        |           |            |               |           |           |
| Resources                                                                                                                                                             |                                                                 |        |             |        |           | Capital    |               |           |           |
| Admin                                                                                                                                                                 | Other                                                           | Grants | Gross Total | A in A | Net Total | Capital    | Non-operating | Net Total | Net Total |
| 1                                                                                                                                                                     | Current                                                         | 2      | 3           | 4      | 5         | 7          | A in A        | Resources | Resources |
|                                                                                                                                                                       |                                                                 |        |             |        |           |            | 8             | 9         | 10        |
| <b>RfR 1: Raising the rate of sustainable growth and achieving rising prosperity and a better quality of life, with economic and employment opportunities for all</b> |                                                                 |        |             |        |           |            |               |           |           |
| 146,032                                                                                                                                                               | 11,681                                                          | 95,540 | 253,253     | 17,123 | 236,130   | 14,004,800 | -             | 237,257   | 217,364   |
| <b>Spending in Departmental Expenditure Limits (DEL)</b>                                                                                                              |                                                                 |        |             |        |           |            |               |           |           |
| <i>Central Government spending</i>                                                                                                                                    |                                                                 |        |             |        |           |            |               |           |           |
| A                                                                                                                                                                     | Core Treasury and group shared services                         |        |             |        |           |            |               |           |           |
| 132,879                                                                                                                                                               | 8,681                                                           | -      | 141,560     | 12,142 | 129,418   | 4,200      | -             | 143,436   | 124,591   |
| B                                                                                                                                                                     | Debt Management Office                                          |        |             |        |           |            |               |           |           |
| 13,153                                                                                                                                                                | 3,000                                                           | -      | 16,153      | 4,981  | 11,172    | 600        | -             | 10,740    | 7,443     |
| <i>Statistics Commission and Statistics Board</i>                                                                                                                     |                                                                 |        |             |        |           |            |               |           |           |
| -                                                                                                                                                                     | -                                                               | -      | -           | -      | -         | -          | -             | 1,656     | 1,350     |
| <b>Spending in Annually Managed Expenditure (AME)</b>                                                                                                                 |                                                                 |        |             |        |           |            |               |           |           |
| <i>Central Government spending</i>                                                                                                                                    |                                                                 |        |             |        |           |            |               |           |           |
| C                                                                                                                                                                     | Investment in Bank of England                                   |        |             |        |           |            |               |           |           |
| -                                                                                                                                                                     | -                                                               | 95,540 | 95,540      | -      | 95,540    | -          | -             | 95,250    | 83,980    |
| D                                                                                                                                                                     | Refinancing of Northern Rock                                    |        |             |        |           |            |               |           |           |
| -                                                                                                                                                                     | -                                                               | -      | -           | -      | -         | 14,000,000 | -             | -         | -         |
| <i>Impairment reversal of fixed assets</i>                                                                                                                            |                                                                 |        |             |        |           |            |               |           |           |
| -                                                                                                                                                                     | -                                                               | -      | -           | -      | -         | -          | -             | -13,825   | -         |
| <b>RfR 2: Cost-effective management of the supply of coins and actions to protect the integrity of coinage</b>                                                        |                                                                 |        |             |        |           |            |               |           |           |
| 250                                                                                                                                                                   | 48,675                                                          | 4,125  | 53,050      | -      | 53,050    | -          | -             | 55,074    | 44,153    |
| <b>Spending in Departmental Expenditure Limits (DEL)</b>                                                                                                              |                                                                 |        |             |        |           |            |               |           |           |
| <i>Central Government spending</i>                                                                                                                                    |                                                                 |        |             |        |           |            |               |           |           |
| A                                                                                                                                                                     | UK coinage: manufacturing costs                                 |        |             |        |           |            |               |           |           |
| -                                                                                                                                                                     | 20,300                                                          | -      | 20,300      | -      | 20,300    | -          | -             | 18,478    | 19,126    |
| B                                                                                                                                                                     | Cost of capital charge on coinage stock - manufacturing element |        |             |        |           |            |               |           |           |
| 250                                                                                                                                                                   | -                                                               | -      | 250         | -      | 250       | -          | -             | 103       | -         |
| <i>Coinage revisions - awareness campaign</i>                                                                                                                         |                                                                 |        |             |        |           |            |               |           |           |
| -                                                                                                                                                                     | -                                                               | -      | -           | -      | -         | -          | -             | 600       | -         |
| <b>Spending in Annually Managed Expenditure (AME)</b>                                                                                                                 |                                                                 |        |             |        |           |            |               |           |           |
| <i>Central Government spending</i>                                                                                                                                    |                                                                 |        |             |        |           |            |               |           |           |

**Part II: Subhead detail**

£'000

| 2008-09<br>Provision                                                                                               |                                                       |        |             |         |           | 2007-08<br>Provision | 2006-07<br>Outturn |           |           |         |        |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|--------|-------------|---------|-----------|----------------------|--------------------|-----------|-----------|---------|--------|
| Resources                                                                                                          |                                                       |        |             |         |           | Capital              | Non-operating      | Net Total | Net Total |         |        |
| Admin                                                                                                              | Other<br>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        |         |        |
| C                                                                                                                  | UK coinage: investment in the Royal Mint              | -      | -           | 4,125   | 4,125     | -                    | -                  | 4,600     | 1,582     |         |        |
| D                                                                                                                  | UK coinage: metal costs                               | -      | 28,000      | -       | 28,000    | -                    | -                  | 31,000    | 23,445    |         |        |
| E                                                                                                                  | Cost of Capital charge on coinage stock - metal costs | -      | 375         | -       | 375       | -                    | -                  | 293       | -         |         |        |
| <b>RfR 3: Obtaining the best value for money from Government's commercial relationships on a sustainable basis</b> |                                                       |        |             |         |           |                      |                    |           |           |         |        |
|                                                                                                                    | 29,000                                                | 458    | 100         | 29,558  | 3,800     | 25,758               | -                  | -         | 35,629    | 32,588  |        |
| <b>Spending in Departmental Expenditure Limits (DEL)</b>                                                           |                                                       |        |             |         |           |                      |                    |           |           |         |        |
| <i>Central Government spending</i>                                                                                 |                                                       |        |             |         |           |                      |                    |           |           |         |        |
| A                                                                                                                  | Office of Government Commerce                         | 29,000 | 458         | 100     | 29,558    | 3,800                | 25,758             | -         | -         | 35,629  | 32,588 |
| <b>Total for Estimate:</b>                                                                                         |                                                       |        |             |         |           |                      |                    |           |           |         |        |
|                                                                                                                    | 175,282                                               | 60,814 | 99,765      | 335,861 | 20,923    | 314,938              | 14,004,800         | -         | 327,960   | 294,105 |        |

## Part II: Resource to cash reconciliation

|                                                       | £'000                |                      |                    |
|-------------------------------------------------------|----------------------|----------------------|--------------------|
|                                                       | 2008-09<br>Provision | 2007-08<br>Provision | 2006-07<br>Outturn |
| <b>Net Resource Requirement</b>                       | <b>314,938</b>       | <b>327,960</b>       | <b>294,105</b>     |
| <b>Voted capital items</b>                            |                      |                      |                    |
| Capital                                               | 14,004,800           | 7,200                | 2,375              |
| Less Non-operating A-in-A                             | -                    | -                    | 1,387              |
| <b>Total net voted capital</b>                        | <b>14,004,800</b>    | <b>7,200</b>         | <b>988</b>         |
| <b>Accruals to cash adjustment</b>                    |                      |                      |                    |
| Adjustments to remove non-cash items:                 |                      |                      |                    |
| Cost of Capital charges                               | -99,815              | -99,945              | -85,554            |
| Depreciation                                          | -9,190               | 4,213                | -9,400             |
| New provisions and adjustments to previous provisions | -860                 | -2,688               | -4,364             |
| Profit/loss on sale of assets                         | -                    | -3,400               | 1,387              |
| Prior period adjustments                              | -                    | -                    | -                  |
| Other non-cash items                                  | -60                  | -60                  | -137               |
| Increase (+) / Decrease (-) in stock                  | -                    | 8,000                | -                  |
| Increase (+) / Decrease (-) in debtors                | -                    | -                    | 2,391              |
| Increase (-) / Decrease (+) in creditors              | -                    | -                    | 5,473              |
| Use of provisions                                     | 10,900               | 13,788               | 2,573              |
| <b>Total accruals to cash adjustments</b>             | <b>-99,025</b>       | <b>-80,092</b>       | <b>-87,631</b>     |
| <b>Excess cash to be CFERd</b>                        | <b>-</b>             | <b>-</b>             | <b>-</b>           |
| <b>Net Cash Requirement</b>                           | <b>14,220,713</b>    | <b>255,068</b>       | <b>207,462</b>     |

### 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):

|                                                                 | <b>£'000</b>     |                      |                  |                      |                |                      |
|-----------------------------------------------------------------|------------------|----------------------|------------------|----------------------|----------------|----------------------|
|                                                                 | <b>2008-09</b>   |                      | <b>2007-08</b>   |                      | <b>2006-07</b> |                      |
|                                                                 | <b>Provision</b> |                      | <b>Provision</b> |                      | <b>Outturn</b> |                      |
|                                                                 | <b>Income</b>    | <i>Receipts</i>      | <b>Income</b>    | <i>Receipts</i>      | <b>Income</b>  | <i>Receipts</i>      |
| Operating income not classified as A in A                       | 70,000           | <i>45,000</i>        | 63,048           | <i>51,524</i>        | 123,870        | <i>90,614</i>        |
| Non-operating income not classified as A in A                   | -                | -                    | -                | -                    | 3,179          | <i>3,179</i>         |
| Other amounts collectable on behalf of the Consolidated Fund    | 1,341            | <i>1,341</i>         | 1,341            | <i>1,341</i>         | -              | -                    |
| Excess cash receipts to be surrendered to the Consolidated Fund | -                | -                    | -                | -                    | -              | -                    |
| <b>Total</b>                                                    | <b>71,341</b>    | <b><i>46,341</i></b> | <b>64,389</b>    | <b><i>52,865</i></b> | <b>127,049</b> | <b><i>93,793</i></b> |

## Forecast Operating Cost Statement

|                                       | £'000                |                      |                    |
|---------------------------------------|----------------------|----------------------|--------------------|
|                                       | 2008-09<br>Provision | 2007-08<br>Provision | 2006-07<br>Outturn |
| <b>Net Administration Costs</b>       |                      |                      |                    |
| RfR 1                                 | 131,909              | 144,958              | 126,654            |
| RfR 2                                 | 250                  | 703                  | -                  |
| RfR 3                                 | 25,300               | 24,670               | 32,608             |
| <b>Total Net Administration costs</b> | <b>157,459</b>       | <b>170,331</b>       | <b>159,262</b>     |
| <b>Net Programme Costs</b>            |                      |                      |                    |
| RfR 1                                 | 104,221              | 92,299               | 90,710             |
| RfR 2                                 | 52,800               | 54,371               | 44,153             |
| RfR 3                                 | 458                  | 10,959               | -20                |
| Non-voted                             | -46,067              | -38,569              | -97,102            |
| <b>Total Net Programme costs</b>      | <b>111,412</b>       | <b>119,060</b>       | <b>37,741</b>      |
| <b>Total Net Operating Cost</b>       | <b>268,871</b>       | <b>289,391</b>       | <b>197,003</b>     |
| <i>of which:</i>                      |                      |                      |                    |
| Net Resource Requirement              | 314,938              | 327,960              | 294,105            |
| Non-voted expenditure                 | 23,933               | 24,479               | 26,768             |
| Consolidated Fund Extra Receipts      | -70,000              | -63,048              | -123,870           |
| <b>Resource Budget</b>                | <b>305,273</b>       | <b>307,800</b>       | <b>234,720</b>     |

## Notes to the Main Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

|                                                        | £'000                |                      |                    |
|--------------------------------------------------------|----------------------|----------------------|--------------------|
|                                                        | 2008-09<br>Provision | 2007-08<br>Provision | 2006-07<br>Outturn |
| <b>Net Resource Requirement (Estimates)</b>            | <b>314,938</b>       | <b>327,960</b>       | <b>294,105</b>     |
| <i>Adjustments to remove:</i>                          |                      |                      |                    |
| Provision voted for earlier years                      | -                    | -                    | -                  |
| <i>Adjustments to additionally include:</i>            |                      |                      |                    |
| Non-voted expenditure in the OCS                       | 23,933               | 24,479               | 26,768             |
| Consolidated Fund Extra Receipts in the OCS            | -70,000              | -63,048              | -123,870           |
| Other adjustments                                      | -                    | -                    | -                  |
| <b>Net Operating Cost (Accounts)</b>                   | <b>268,871</b>       | <b>289,391</b>       | <b>197,003</b>     |
| <i>Adjustments to remove:</i>                          |                      |                      |                    |
| Gains / losses from sale of capital assets             | -                    | -3,400               | 1,387              |
| 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                 | 23,659               | 20,959               | 36,292             |
| Resource consumption of non departmental public bodies | -                    | -                    | -                  |
| Unallocated resource provision                         | 12,743               | 850                  | -                  |
| Other adjustments                                      | -                    | -                    | 38                 |
| <b>Resource Budget (Budget)</b>                        | <b>305,273</b>       | <b>307,800</b>       | <b>234,720</b>     |
| <i>of which:</i>                                       |                      |                      |                    |
| Departmental Expenditure Limits (DEL)                  | 220,233              | 228,482              | 205,420            |
| Annually Managed Expenditure (AME)                     | 85,040               | 79,318               | 29,300             |

### Reconciliation of capital expenditure between Estimates and Budgets

|                                                    | £'000                |                      |                    |
|----------------------------------------------------|----------------------|----------------------|--------------------|
|                                                    | 2008-09<br>Provision | 2007-08<br>Provision | 2006-07<br>Outturn |
| <b>Net Voted Capital (Estimates)</b>               | <b>14,004,800</b>    | <b>7,200</b>         | <b>988</b>         |
| <i>Adjustments to additionally include:</i>        |                      |                      |                    |
| Other Consolidated Fund Extra Receipts             | -                    | -                    | -3,179             |
| 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                      | 2,221                | -                    | -                  |
| Other adjustments                                  | -                    | -                    | -                  |
| <b>Capital Budget (Budget)</b>                     | <b>14,007,021</b>    | <b>7,200</b>         | <b>-2,191</b>      |
| <i>of which:</i>                                   |                      |                      |                    |
| Departmental Expenditure Limits (DEL)              | 7,021                | 7,200                | -804               |
| Annually Managed Expenditure (AME)                 | 14,000,000           | -                    | -1,387             |

---

## 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 Resource within this Estimate.

- Request for Resources 1:** Nicholas Macpherson, Permanent Head of Department
- Request for Resources 2:** Nicholas Macpherson, Permanent Head of Department
- Request for Resources 3:** Nigel Smith, Chief Executive of the Office of Government Commerce

Nick Macpherson as the Principal Accounting Officer of the HM Treasury 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 PAO as the permanent head, remains in general overall charge of the HM Treasury.

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.

In accordance with Managing Public Money requirements the relationship between the Principal Accounting Officer and the Additional Accounting Officer(s) and with their Ministers, together with their respective responsibilities, is set out in writing.

## Notes to the Main Estimate (*continued*)

### Analysis of operating appropriations in aid (A in A)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | £'000                     |                      |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------|--------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2008-09<br>Provision      | 2007-08<br>Provision | 2006-07<br>Outturn |
| <b>RfR 1: Raising the rate of sustainable growth and achieving rising prosperity and a better quality of life, with economic and employment opportunities for all</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                           |                      |                    |
| <b>Administration</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 14,123                    | 24,775               | 12,212             |
| <i>of which:</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                           |                      |                    |
| Sale of goods and services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 14,123                    | 24,775               | 12,212             |
| <b>Programme</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 3,000                     | 1,510                | 3,041              |
| <i>of which:</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                           |                      |                    |
| Sale of goods and services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 3,000                     | 1,510                | 2,292              |
| Interest and dividends                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | -                         | -                    | 749                |
| <b>Total RfR 1</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>17,123<sup>†</sup></b> | <b>26,285</b>        | <b>15,253</b>      |
| <i>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: recoveries in respect of administration of the Treasury, including charges for courses, services provided by the Economics in Government team and other officers loaned to other organisations, including the salary of the UK Executive Director of the International Monetary Fund/International Bank for Reconstruction and Development who is a Treasury employee; charges for services provided by the Government Social Research Unit; income from recovery actions in connection with Barlow Clowes; charges for services to government departments provided under the Financial Management Change Agenda; income from fees charges to Foreign Investment Exchange/Clearing Houses; recoveries in respect of Honours and Dignities; income in respect of insurance sponsorship and supervision responsibilities; income due to the Debt Management Office for advertising costs, stock exchange listings, data provision, management and administration of certain public and private funds and provision of a lending service to local authorities, income from the administration of carbon dioxide reduction schemes; administration of Pool Re and other related bodies; European Fast Stream income from the Cabinet Office; amounts arising from the sale of shares and debt; income in respect of Northern Rock and reimbursement of costs associated with the Poynter Review.</i> |                           |                      |                    |
| <b>RfR 2: Cost-effective management of the supply of coins and actions to protect the integrity of coinage</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                           |                      |                    |
| <b>Programme</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | -                         | -                    | 1,499              |
| <i>of which:</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                           |                      |                    |
| Sale of goods and services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | -                         | -                    | 1,499              |
| <b>Total RfR 2</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>-</b>                  | <b>-</b>             | <b>1,499</b>       |
| <b>RfR 3: Obtaining the best value for money from Government's commercial relationships on a sustainable basis</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                           |                      |                    |
| <b>Administration</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 3,700                     | 12,130               | 13,522             |
| <i>of which:</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                           |                      |                    |
| Sale of goods and services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 3,700                     | 12,130               | 13,522             |
| <b>Programme</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 100                       | 1,469                | 1,964              |
| <i>of which:</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                           |                      |                    |
| Sale of goods and services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | -                         | -                    | 267                |
| Interest and dividends                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 100                       | 1,469                | 1,697              |
| <b>Total RfR 3</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>3,800<sup>†</sup></b>  | <b>13,599</b>        | <b>15,486</b>      |
| <i>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: income from consultancy and other customer services, hirings of vacant property, charges for users of Whitehall District Heating and Standby Systems, sales of surplus energy and the OGC buying solutions dividend.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                           |                      |                    |
| <b>Total Operating A in A</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>20,923</b>             | <b>39,884</b>        | <b>32,238</b>      |

---

**Analysis of non-operating appropriations in aid (A in A)**

|                                                                                                                                                                       | <b>£'000</b>                 |                              |                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|----------------------------|
|                                                                                                                                                                       | <b>2008-09<br/>Provision</b> | <b>2007-08<br/>Provision</b> | <b>2006-07<br/>Outturn</b> |
| <b>RfR 1: Raising the rate of sustainable growth and achieving rising prosperity and a better quality of life, with economic and employment opportunities for all</b> |                              |                              |                            |
| <b>Programme</b>                                                                                                                                                      | -                            | -                            | <b>1,387</b>               |
| <i>of which:</i>                                                                                                                                                      |                              |                              |                            |
| Sale of assets                                                                                                                                                        | -                            | -                            | 1,387                      |
| <b>Total RfR 1</b>                                                                                                                                                    | -                            | -                            | <b>1,387</b>               |
| <b>Total Non-Operating A in A</b>                                                                                                                                     | -                            | -                            | <b>1,387</b>               |

## Notes to the Main Estimate (*continued*)

### Analysis of Consolidated Fund extra receipts

|                                        | £'000                |               |                      |               |                    |               |
|----------------------------------------|----------------------|---------------|----------------------|---------------|--------------------|---------------|
|                                        | 2008-09<br>Provision |               | 2007-08<br>Provision |               | 2006-07<br>Outturn |               |
|                                        | Income               | Receipts      | Income               | Receipts      | Income             | Receipts      |
| Fixed investments (operating income) Δ | 70,000               | 45,000        | 63,048               | 51,524        | 123,870            | 90,614        |
| Current Assets Φ                       |                      |               |                      |               | 3,179              | 3,179         |
| Civil List Φ                           | 1,341                | 1,341         | 1,341                | 1,341         | -                  | -             |
| <b>Total</b>                           | <b>71,341</b>        | <b>46,341</b> | <b>64,389</b>        | <b>52,865</b> | <b>127,049</b>     | <b>93,793</b> |

## Notes to the Main Estimate (*continued*)

### Departmental Expenditure Limits and Administration budgets

|                       | £'000   |           |         |
|-----------------------|---------|-----------|---------|
|                       | Voted   | Non-voted | Total   |
| Resource DEL          | 186,898 | 33,335    | 220,233 |
| <i>of which:†</i>     |         |           |         |
| Administration budget | 157,459 | 10,743    | 168,202 |
| Near-cash in RDEL     | 177,013 | 44,235    | 221,248 |
| Capital DEL††         | 4,800   | 2,221     | 7,021   |
| Less Depreciation†††  | -9,190  | -         | -9,190  |
| Total DEL             | 182,508 | 35,556    | 218,064 |

† 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 £314,938,000 is 4.0 per cent lower than the final net provision for 2007-08 of £327,960,000 and 1.8 per cent lower than the forecast outturn for 2007-08 of £320,764,000.

### Cash which may be retained to offset expenditure

|                                                                                                                                                                                                  | £'000                |                      |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|--------------------|
|                                                                                                                                                                                                  | 2008-09<br>Provision | 2007-08<br>Provision | 2006-07<br>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. | 20,923               | 39,884               | 33,625             |

---

**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:

---

| <b>RfR/Section</b> | <b>Service</b>                                                               | <b>£'000</b> |
|--------------------|------------------------------------------------------------------------------|--------------|
| RfR 1 A            | A pilot scheme in connection with the provision of generic financial advice. | 3,000        |

---

## Notes to the Main Estimate (*continued*)

### Contingent liabilities

| Nature of Liability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | £'000          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| The Treasury is being sued for alleged failure to regulate the Lloyd's insurance market in proper accordance with EC law                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Unquantifiable |
| HM Treasury has announced guarantee arrangements in respect of retail and uncollateralised wholesale deposits in, and certain other uncollateralised and unsubordinated wholesale obligations of, Northern Rock plc. These arrangements will exist for the current period of instability in the financial markets. (Treasury Minute dated 26 November 2007)                                                                                                                                                                                                                                                                                 | Unquantifiable |
| The Bank of England has made available additional facilities to Northern Rock plc. The facilities are secured against the assets of Northern Rock plc, but HM Treasury has indemnified the Bank of England should the Bank of England face a deficit, having made all reasonable endeavours to recover its claims on the company. This facility will be reviewed on 17 March, and will most likely need to be extended until longer-term refinancing arrangements post temporary public ownership are confirmed. (Treasury Minute dated 26 November 2007 and Banking (Special Provisions) Act 2008, Financial provision, Clause 16, 1 (a)). | Unquantifiable |
| HM Treasury has confirmed to the FSA its intention to take appropriate steps (should they prove necessary) to ensure that Northern Rock will continue to operate above the minimum regulatory capital requirements. (Treasury Minute dated 19 February 2008)                                                                                                                                                                                                                                                                                                                                                                                | Unquantifiable |
| HM Treasury has guaranteed indemnities provided by Northern Rock for its new directors against liabilities and losses in the course of their actions and a direct indemnity for the interim period before directors are formally appointed to the board. (Treasury Minute dated 19 February 2008)                                                                                                                                                                                                                                                                                                                                           | Unquantifiable |