
Office of Rail Regulation

Introduction

1. This Estimate provides for expenditure for the Office of Rail Regulation (ORR) on the ambits of:

- a) administration, associated capital and other related costs (i.e. economic regulation); and
- b) Rail Safety Regulation.

Further details of the expenditure covered by the requests for resources can be found in the combined Annual Report and Resource Accounts for the Office of Rail Regulation to be published later this year.

2. ORR, as the combined economic and safety regulator, is responsible for railway health and safety matters and the regulation of access to railways and promotion of competition in the provision of rail services. It is also responsible for promoting efficiency and economy for those providing railway services and protecting the interests of railway service users.

3. ORR's expenditure in respect of economic regulation is offset by income from Network Rail Infrastructure Limited in the form of licence fee payments. Expenditure in respect of safety regulation is either recovered from railway services providers by means of a levy based on relevant turnover or from recovery of cost incurred by the Channel Tunnel Safety Authority (CTSA).

4. Symbols are explained in the Introduction to this booklet.

Office of Rail Regulation

Part I

	£
Request for Resources 1: To create a better railway for passengers and freight, and better value for public funding authorities though independent, fair and effective regulation	2,000
Total net resource requirement	2,000
Net cash requirement	319,000

Amounts required in the year ending 31 March 2009 for expenditure by the Office of Rail Regulation on:

RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities though independent, fair and effective regulation

Administration, capital expenditure and associated non-cash items

The **Office of Rail Regulation** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	2,000	-	2,000
Total net resource requirement	2,000	-	2,000
Net cash requirement	319,000	-	319,000

Part II: Subhead detail

£'000

2008-09 Provision						2007-08 Provision	2006-07 Outturn		
Resources						Capital	Non-operating	Net Total	Net Total
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	Resources	Resources
1	2	3	4	5	6	7	8	9	10
RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities through independent, fair and effective regulation									
31,844	-	40	31,884	31,882	2	750	-	2	299
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Administration, associated capital and other expenditure								
14,038	-	40	14,078	14,077	1	750	-	1	66
B	Rail Safety Regulation								
17,806	-	-	17,806	17,805	1	-	-	1	233
Total for Estimate:									
31,844	-	40	31,884	31,882	2	750	-	2	299

Part II: Resource to cash reconciliation

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Resource Requirement	2	2	299
Voted capital items			
Capital	750	750	769
Less Non-operating A-in-A	-	-	-
Total net voted capital	750	750	769
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	71	-119	34
Depreciation	-1,065	-961	-1,162
New provisions and adjustments to previous provisions	-55	-25	-341
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-35	-35	-35
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	5,178	-
Use of provisions	-	6	892
Total accruals to cash adjustments	-1,084	4,044	-612
Excess cash to be CFERd	651	-	478
Net Cash Requirement	319	4,796	934

Part III: Extra receipts payable to the Consolidated Fund

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

	£'000					
	2008-09 Provision		2007-08 Provision		2006-07 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	-	-	-	-	-
Non-operating income not classified as A in A	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	<i>651</i>	-	-	-	<i>478</i>
Total	-	<i>651</i>	-	-	-	<i>478</i>

Forecast Operating Cost Statement

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Administration Costs			
RfR 1	2	2	299
Total Net Administration costs	2	2	299
Total Net Operating Cost	2	2	299
<i>of which:</i>			
Net Resource Requirement	2	2	299
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-
Resource Budget	2	2	-890

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Resource Requirement (Estimates)	2	2	299
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
Non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	2	2	299
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Resource consumption of non departmental public bodies	-	-	-
Unallocated resource provision	-	-	-
Other adjustments	-	-	-1,189
Resource Budget (Budget)	2	2	-890
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	2	2	-890
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Voted Capital (Estimates)	750	750	769
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	-	-
Other adjustments	-	-	1,213
Capital Budget (Budget)	750	750	1,982
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	750	750	1,982
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

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

Request for Resources 1: Bill Emery, Permanent Head of Department

Bill Emery as the Accounting Officer of the Office of Rail Regulation has personal responsibility for the proper presentation of the department's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The AO as the permanent head, remains in general overall charge of the Office of Rail Regulation.

The responsibilities of an Accounting Officer are set out in Chapter 3 of Managing Public Money. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims and objectives and should regularly review the effectiveness of that system.

Notes to the Main Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities though independent, fair and effective regulation			
Administration	31,882	32,702	29,179
<i>of which:</i>			
Regulatory licences, fines, penalties and taxes	31,882	32,702	29,179
Total RfR 1	31,882†	32,702	29,179
<i>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: recoveries in respect of the administration of the Office of Rail Regulation, including charges for courses, officers loaned to other organisations; income from publications and Library service; travel costs recovered from the European Community (EC); income from recovery actions in connection with the successful outcome of Judicial review; and receipts of licence fees.</i>			
Total Operating A in A	31,882	32,702	29,179

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2008-09		2007-08		2006-07	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Excess cash surrendered to the Consolidated Fund ●	-	651	-	-	-	478
Total	-	651	-	-	-	478

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	2	-	2
<i>of which:†</i>			
Administration budget	2	-	2
Near-cash in RDEL	-1,082	-	-1,082
Capital DEL††	750	-	750
Less Depreciation†††	-1,065	-	-1,065
Total DEL	-313	-	-313

† 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 £2,000 is the same as the final net provision for 2007-08 of £2,000 and the forecast outturn for 2007-08.

Cash which may be retained to offset expenditure

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been, or will be, appropriated in aid.	31,882	32,702	29,179

