

# Department for Work and Pensions

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## Introduction

1. This Supplementary Estimate is required for the following main purposes:

### **RfR 1**

- i. a reduction in provision of £500,000 (administration costs) in Section A to RfR 6 to cover the transfer of HR work to the corporate centre;
- ii. a reduction in provision of £3,788,000 (administration costs) in Section A to RfR 2 due to the transfer of the Children's Client Group;
- iii. an increase in provision of £35,000,000 (administration costs) in Section A due to an internal reallocation of resources;
- iv. an increase in provision of £24,000,000 (administration costs) in Section A due to a drawdown from the Departmental Unallocated Provision;
- v. an increase in appropriations in aid of £12,000 which leads to an increase of £12,000 (administration costs) in Section A.

### **RfR 2**

- i. a reduction in provision of £251,000 (administration costs) in Section A to RfR 6 to cover additional STB Medical referral checks performed by the Quality Support Team;
- ii. a reduction in provision of £8,400,000 (administration costs) in Section A to RfR 6 to cover Legacy Employment Service Utilities Costs;
- iii. an increase in provision of £93,000 (other current) in Section B as a result of a transfer from the Department for Education and Skills for Cross Departmental Working with Parents;
- iv. a reduction in provision of £1,294,000 (other current) in Section B to RfR3 due to a transfer of resources;
- v. a reduction in provision of £550,000 (other current) in Section B to RfR3 due to a transfer of resources;
- vi. an increase in provision of £1,400,000 (administration costs) in Section A as a result of a transfer from the Office of the Deputy Prime Minister for the New Deal for Communities;
- vii. an increase in provision of £3,788,000 (administration costs) in Section A from RfR1 due to the transfer of the Children's Client Group;
- viii. a reduction in provision of £11,042,000 (administration costs) in Section A to RfR 4 for the Disability and Carers Service share of the Medical Services Contract;
- ix. an increase in provision of £49,000,000 (other current) in Section B under the End Year Flexibility Scheme;
- x. an increase in provision of £382,000,000 (administration costs) in Section B due to a drawdown from the Employment Development Fund;
- xi. a transfer of provision of £143,000,000 (other current) in Section B to Section B (capital) for Job Centre Plus roll out expenditure;
- xii. a reduction in provision of £190,000,000 (administration costs) in Section B due to an internal reallocation of resources;
- xiii. an increase in provision of £7,000,000 (administration costs) in Section A due to a drawdown from the Departmental Unallocated Provision;

- xiv. an increase in provision of £40,000,000 Section K, £90,000,000 Section L, £490,000,000 Section M, £180,000,000 Section N and £600,000,000 Section T (annually managed expenditure) as a result of revised benefit forecasts;
- xv. a transfer of provision of £50,000,000 (other current) in Section B to Section A (administration costs);
- xvi. a reduction in appropriations in aid of £146,512,000 due to a change in accounting treatment that leads to a corresponding reduction in expenditure (annually managed expenditure) in Section K of £1,526,000, Section L of £110,668,000, Section M of £33,295,000, Section N of £723,000 and Section X (non budget) of £300,000;
- xvii. a correction to the appropriations in aid figure in Section M (annually managed expenditure) which leads to an increase in appropriations in aid of £179,805,000 and a corresponding increase in expenditure;
- xviii. an increase in provision of £365,000 in Section A due to a transfer from the Cabinet Office (invest to save budget) in respect of a project to assist with the more effective administration of Free School Meals;
- xix. a reduction in provision of £7,600,000 (other current) in Section B to RfR6 due to a transfer of responsibilities between Presentation Unit and Communications Unit;
- xx. a reduction in provision of £210,000,000 (administration costs) in Section A due to an internal reallocation of resources;
- xxi. an increase in provision of £90,000,000 (other current) in Section A due to an internal reallocation of resources;
- xxii. an increase in provision of £70,000,000 (other current) in Section B due to an internal reallocation of resources;
- xxiii. an increase in provision of £50,000,000 (grants) in Section H due to an internal reallocation of resources;
- xxiv. a reduction in provision of £6,205,000 (administration costs) in Section A to RfR6 in respect of voluntary early retirement costs;
- xxv. an overall increase in appropriations in aid of £10,225,000 which leads to an increase of £2,437,000 (administration costs) in Section A; a reduction of £521,000 (other current) in Section A; an increase of £4,497,000 (other current) in Section B; an increase of £1,078,000 (administration costs) in Section C; an increase of £501,000 (other current) in Section C; an increase of £4,610,000 (other current) in Section D; a reduction of £4,777,000 (administration costs) in Section D and an increase of £2,400,000 (grants) in Section G;
- xxvi. an increase in provision of £291,000,000 (non budget) in Section X due to a revised forecast from the Government Actuary's Department;
- xxvii. an increase in non operating appropriations in aid of £326,000 in Section C due to a revised forecast;
- xxviii. a reduction in provision of £50,000 (administration costs) in Section A due to a transfer to the Department of Health for Care Direct;
- xxix. a reduction in provision of £1,553,000 in Section A (administration costs) to RfR 6 for staff and evaluation costs for the IC Analytical Unit;
- xxx. a reduction in provision of £200,000 in Section B (other current) to the Welsh Assembly for costs incurred by the Adult Learning Inspectorate.

**RfR 3**

- i. an increase in provision of £1,294,000 (non budget) in Section F for additional work due to the closure of the Stakeholders' Pensions Project;
- ii. a reduction in provision of £1,294,000 (other current) in Section A in order to increase the OPRA grant in aid;
- iii. an increase in provision of £1,294,000 (other current) in Section A from RfR2 due to a transfer of resources;
- iv. an increase in provision of £4,602,000 (administration costs) in Section A from RfR 5 in respect of a transfer of resources;
- v. a transfer of provision of £4,061,000 (administration costs) in Section A to RfR 6 to cover a Corporate HR shortfall;
- vi. an increase in provision of £550,000 (non budget) in Section G for Better Government for Older People;
- vii. an increase in provision of £550,000 (other current) in Section A from RfR 2 due to a transfer of resources;
- viii. a decrease in provision of £550,000 (other current) in Section A in order to introduce a grant in aid for Better Government for Older People;
- ix. an increase in appropriations in aid of £14,246,000 in Section A due to a recalculation of the amount due from the National Insurance Fund;
- x. a transfer of provision of £2,882,000 (administration costs) in Section A from RfR 5 to cover additional accommodation costs as a result of establishing the Pension Service;
- xi. an increase in provision of £200,000 (administration costs) in Section A as a result of a transfer from the Office of the Deputy Prime Minister for the New Deal for Communities;
- xii. a reduction in provision of £5,000,000 (administration costs) in Section A due to an internal reallocation of resources;
- xiii. an increase in provision of £9,000,000 (administration costs) in Section A due to a drawdown from the Departmental Unallocated Provision;
- xiv. an increase in provision of £47,676,000 (non budget) in Section E due to a revised forecast of expenditure;
- xv. a reduction in provision of £22,825,000 (annually managed expenditure) in Section C as a result of transfers of £775,000 to the Department for Constitutional Affairs; £10,293,000 to the Department of Health; Scottish Executive £1,415,000; Welsh Assembly £1,158,000; £1,000,000 to the Office of the Deputy Prime Minister and £8,184,000 to the Department for Food, Environment and Rural Affairs for Pension Credit Passporting;
- xvi. a reduction in provision of £300,000 (annually managed expenditure) in Section C and £5,000 (administration costs) in Section A as a result of a transfer to the Ministry of Defence in connection with the Ilford Park Polish Home.

**RfR 4**

- i. a reallocation of appropriations in aid which leads to a reduction of £500,000 (non budget) in Section H and an increase of £500,000 (administration costs) in Section A;
- ii. an increase in provision of £11,042,000 (administration costs) in Section A from RfR 2 for the Disability and Carers Service share of the Medical Services Contract;
- iii. an increase in provision of £150,000,000 Section C and £90,000,000 Section D (annually managed expenditure) due to revised benefit forecasts;

- iv. a reduction in appropriations in aid of £28,896,000 (annually managed expenditure) due to a change in accounting treatment that leads to a corresponding reduction in expenditure in Section C of £2,422,000 and Section D of £26,474,000;
- v. an overall reduction in appropriations in aid of £1,008,000 which leads to a reduction of £1,030,000 (administration costs) in Section A and an increase of £22,000 (grants) in Section B;
- vi. a reduction in provision of £5,000,000 (administration costs) in Section A due to an internal reallocation of resources.

**RfR 5**

- i. a reduction in provision of £4,602,000 (administration costs) in Section A in respect of a transfer of resources to RfR3;
- ii. an increase in appropriations in aid in Section A of £45,897,000 due to a recalculation of the amount due from the National Insurance Fund;
- iii. a transfer of provision of £2,882,000 (administration costs) in Section A to RfR 3 to cover additional accommodation costs as a result of establishing the Pension Service;
- iv. an increase in provision of £223,000,000 (administration costs) in Section A under the End Year Flexibility Scheme;
- v. an increase in provision of £4,100,000 (administration costs) and £400,000 (capital) in Section A due to a drawdown from the Welfare Modernisation Fund;
- vi. an increase in provision of £222,000,000 (administration costs) in Section A due to an internal reallocation of resources;
- vii. a transfer of provision of £75,000,000 (capital) in Section A from RfR 6 due to a reallocation of resources;
- viii. an increase in appropriations in aid in Section A of £3,722,000 which leads to an increase of £3,722,000 (administration costs) in Section A.

**RfR 6**

- i. a transfer in provision of £1,125,000 (administration costs) in Section A to the Scottish Executive for the administration costs of Training for Work;
- ii. an increase in provision of £251,000 (administration costs) in Section A from RfR 2 to cover additional STB Medical referral checks performed by the Quality Support Team;
- iii. an increase in provision of £8,400,000 (administration costs) in Section A from RfR 2 to cover Legacy Employment Service Utilities Costs;
- iv. an increase in provision of £243,000 (administration costs) in Section A as a result of a transfer from the Scottish Executive for the Family Resources Survey;
- v. an increase in provision of £500,000 (administration costs) in Section A from RfR 1 to cover the transfer of HR work to the corporate centre;
- vi. a transfer of provision of £4,061,000 (administration costs) in Section A from RfR 3 to cover a Corporate HR shortfall;
- vii. an increase in non operating appropriations in aid of £40,000,000 which leads to a corresponding increase in expenditure (capital) in Section A;
- viii. a movement in provision between the net subheads in Sections B and D and the gross subheads in Sections C, E and F the net effect of which is nil;
- ix. an increase in provision of £69,000,000 (other current) in Section A under the End Year Flexibility Scheme;

- x. an increase in provision of £30,305,000 (other current) in Section C under the End Year Flexibility Scheme;
  - xi. an increase in provision of £210,000,000 (administration costs) in Section A due to an internal reallocation of resources;
  - xii. an increase in provision of £63,000,000 (administration costs) in Section A due to a drawdown from the Departmental Unallocated Provision;
  - xiii. a transfer of provision of £75,000,000 (capital) in Section A to RfR 5 Section A due to a reallocation of resources;
  - xiv. an increase in provision of £7,600,000 (other current) in Section A from RfR 2 due to a transfer of responsibilities between Presentation Unit and Communications Unit;
  - xv. an increase in provision of £9,795,000 (administration costs) in Section A for the Makinson Bonus (a staff performance incentive scheme);
  - xvi. a reduction in provision of £210,000,000 (other current) in Section A due to an internal reallocation of resources;
  - xvii. an increase in provision of £6,205,000 (administration costs) in Section A from RfR 2 in respect of voluntary early retirement costs;
  - xviii. an overall increase in appropriations in aid of £10,030,000 which leads to an increase of £7,402,000 (administration costs), an increase of £865,000 (other current) and an increase of £1,763,000 (grants) in Section A;
  - xix. a reduction in provision of £57,000,000 (administration costs) in Section A due to a reallocation of resources;
  - xx. an increase in provision of £1,553,000 in Section A (administration costs) from RfR 2 for staff and evaluation costs for the IC Analytical Unit.
2. As a result of all changes there is an increase in Net Cash Requirement of £4,320,337,000.
  3. Symbols are explained in the Introduction to this booklet.

**Part I**

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<b>RfR 1: Ensuring the best start for all children, ending child poverty in 20 years.</b>	<b>54,712,000</b>
<b>RfR 2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need.</b>	<b>1,764,501,000</b>
<b>RfR 3: Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners.</b>	<b>19,767,000</b>
<b>RfR 4: Improving the rights and opportunities for disabled people in a fair and inclusive society.</b>	<b>246,042,000</b>
<b>RfR 5: Modernising welfare delivery so as to improve the accessibility, accuracy and value for money of services to customers, including employers.</b>	<b>395,719,000</b>
<b>RfR 6: Corporate contracts, support services and administration of the European Social Fund for England.</b>	<b>112,483,000</b>
Total additional net resource requirement	2,593,224,000
<b>Additional net cash requirement</b>	<b>4,320,337,000</b>

SUPPLEMENTARY amounts required in the year ending 31 March 2004 for expenditure by the Department for Work and Pensions on:

**RfR 1: Ensuring the best start for all children, ending child poverty in 20 years.**

The administration costs of the child support system and associated non cash items.

**RfR 2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need.**

The administration costs and benefit payments of: Severe Disablement Allowance; pensions gratuities and sundry allowances for disablement and specified deaths arising from industrial causes; Income Support for the under 60's; Jobseeker's Allowance (contribution-based); Jobseeker's Allowance (income based); earnings top up pilot; job grant; back to work bonus; compensation payments to the National Insurance Fund in respect of Statutory Sick Pay and Statutory Maternity Pay; Family Credit; the provision of training and assessment programmes for adults; the promotion of enterprise and the encouragement of self employment; help for unemployed people and disability rights. Measures to help people, particularly those on welfare and at a disadvantage in the labour market, into work; the administration of, and where appropriate the payment of allowances to people participating in, the Welfare to Work programme, the Job Transition Service and other employment programmes, pilot programmes and new measures to help people into work; temporary subsidies to employers; grants to voluntary bodies and local authorities towards the provision of supported employment; a Grant in Aid and the provision of a temporary loan facility to Remploy Ltd; assistance and advice on employment service and labour market issues to international organisations; research; publicity and associated non-cash items. Subsidies to housing, billing, levying and local authorities towards the costs incurred in administering the Housing Benefit and/or Council Tax Benefit schemes; rent rebate, rent allowance; Council Tax Benefit; community charge benefit; community charge rebate and rate rebate; payments to local authorities in respect of anti-fraud and similar administrative measures; discretionary housing payments; sums payable for incentive payments in respect of Housing Benefit under occupation schemes and sums payable for residual compensation payments to providers of supported accommodation; sums payable to third party providers of services to local authorities; compensation for sufferers, or their dependants, of certain dust related diseases; the Health and Safety Commission (HSC); grants paid by HSC to small businesses; the administration costs of the Children's Client Group and associated non-cash items.

**RfR 3: Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners.**

The administration costs and benefit payments of non contributory retirement pensions; Christmas Bonus payments to pensioners; Income Support for the elderly; Pension Credit; payments made to the BBC in respect of the over 75's free TV licence scheme; Grants in Aid for the administration costs of Better Government for Older People; sums payable to fund payments and loans made by the Social Fund; Grant in Aid to OPRA and associated non-cash items.

**RfR 4: Improving the rights and opportunities for disabled people in a fair and inclusive society.**

The administration costs and benefit payments of Attendance Allowance; Disability Living Allowance; Disability Working Allowance; Carer's Allowance; Vaccine Damage; Grants in Aid to the Disability Rights Commission, Motability, Independent Living Fund and associated non-cash items.

**RfR 5: Modernising welfare delivery so as to improve the accessibility, accuracy, and value for money of services to customers, including employers.**

Costs of modernising Departmental systems and services and associated non cash items.

**RfR 6: Corporate contracts, support services and administration of the European Social Fund for England.**

Corporate administration; the costs associated with the Appeals Service; payments for education, training and employment projects assisted by the European Union and refunds to the European Union, the UK subscription to the International Labour Organisation, other international educational programmes and associated non cash items.

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

## Part II: Changes proposed

Resources		Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	£'000 New Net Provision
<b>RfR 1: Ensuring the best start for children, ending child poverty in 20 years</b>						
<b>Spending in Departmental Expenditure Limits (DEL)</b>						
RfR 1 – A	Administration	237,346	54,724	12	54,712	292,058
<b>Total RfR 1</b>			<b>54,724</b>	<b>12</b>	<b>54,712</b>	
<b>RfR 2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need</b>						
<b>Spending in Departmental Expenditure Limits (DEL)</b>						
RfR 2 – A	Administration	1,685,459	–83,032	1,916	–84,948	1,600,511
RfR 2 – B	Employment Programmes	1,391,898	112,946	4,497	108,449	1,500,347
RfR 2 – C	Health and Safety Executive	220,627	1,579	1,579	—	220,627
RfR 2 – D	Health and Safety Laboratory	—	–167	–167	—	—
RfR 2 – G	Challenge Funding and similar administrative measures (LAs)	115,500	2,400	2,400	—	115,500
RfR 2 – H	Housing administrative grants and Council Tax Benefit	348,000	50,000	—	50,000	398,000
<b>Spending in Annually Managed Expenditure</b>						
RfR 2 – K	Severe Disablement Allowance	900,494	38,474	–1,526	40,000	940,494
RfR 2 – L	Industrial Injury Benefits	707,684	–20,668	–110,668	90,000	797,684
RfR 2 – M	Income Support (under 60 years of age)	9,653,304	636,510	146,510	490,000	10,143,304
RfR 2 – N	Jobseekers Allowance (income based)	1,933,060	179,277	–723	180,000	2,113,060
RfR 2 – T	Housing Benefit and Council Tax Benefit Subsidies	9,329,286	600,000	—	600,000	9,929,286
<b>Non-Budget</b>						
RfR 2 – X	Statutory Benefits (SSP&SMP)	1,021,700	290,700	–300	291,000	1,312,700
<b>Total RfR 2</b>			<b>1,808,019</b>	<b>43,518</b>	<b>1,764,501</b>	
<b>RfR 3: Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners</b>						
<b>Spending in Departmental Expenditure Limits (DEL)</b>						
RfR 3 – A	Administration	324,379	7,618	14,246	–6,628	317,751
<b>Spending in Annually Managed Expenditure (AME)</b>						
RfR 3 – C	Income Support for the Elderly/Pension Credit	5,126,982	–23,125	—	–23,125	5,103,857
<b>Non-budget</b>						
RfR3 – E	Payments to the Social Fund	2,234,995	47,676	—	47,676	2,282,671
RfR3 – F	OPRA (grant in aid)	16,513	1,294	—	1,294	17,807
RfR3 – G	Better Government for Older People (grant in aid)	—	550	—	550	550
<b>Total RfR 3</b>			<b>34,013</b>	<b>14,246</b>	<b>19,767</b>	

**Part II: Changes proposed** *(continued)*

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	£'000 New Net Provision
<b>RfR 4: Improving the rights and opportunities for disabled people in a fair and inclusive society</b>					
<b>Spending in Departmental Expenditure Limits (DEL)</b>					
RfR 4 – A Administration	172,182	5,512	–530	6,042	178,224
RfR 4 – B Motability administration	2,379	22	22	—	2,379
<b>Spending in Annually Managed Expenditure (AME)</b>					
RfR 4 – C Attendance Allowance	3,341,131	147,578	–2,422	150,000	3,491,131
RfR 4 – D Disability Living Allowance	7,525,743	63,526	–26,474	90,000	7,615,743
<b>Non-budget</b>					
RfR 4 – H Disability Rights Commission (Grant in Aid)	14,696	–500	–500	—	14,696
<b>Total RfR 4</b>		<b>216,138</b>	<b>–29,904</b>	<b>246,042</b>	
<b>RfR5: Modernising welfare delivery so as to improve the accessibility, accuracy and value for money of services to customers, including employers</b>					
<b>Spending in Departmental Expenditure Limits (DEL)</b>					
RfR 5 – A Administration	373,266	445,338	49,619	395,719	768,985
<b>Total RfR 5</b>		<b>445,338</b>	<b>49,619</b>	<b>395,719</b>	
<b>RfR6: Corporate contracts, support services and administration of the European Social Fund for England</b>					
<b>Spending in Departmental Expenditure Limits (DEL)</b>					
RfR 6 – A Administration	939,381	122,513	10,030	112,483	1,051,864
RfR 6 – C European Social Fund payments in advance of receipts	354,342	39,458	—	39,458	393,800
RfR 6 – E European Social Fund payments in advance of receipts	76,355	4,208	—	4,208	80,563
<b>Non-budget</b>					
RfR 6 – F European Social Fund	–430,695	—	43,666	–43,666	–474,361
<b>Total RfR 6</b>		<b>166,179</b>	<b>53,696</b>	<b>112,483</b>	
<b>Total Changes to RfRs</b>		<b>2,724,411</b>	<b>131,187</b>	<b>2,593,224</b>	

Capital and Cash	Present Provision	Change in Provision	£'000 New Provision
Total Capital Expenditure	138,941	183,400	322,341
Non-Operating A in A	116,772	40,326	157,098
<b>Net cash requirement</b>	<b>50,225,306</b>	<b>4,320,337</b>	<b>54,545,643</b>

## Part II: Revised subhead detail including additional provision

	Resources						Capital	£'000
	1	2	3	4	5	6	7	8
	Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non-Operating A in A
<b>RfR 1: Ensuring the best start for children, ending child poverty in 20 years</b>	292,170	—	—	292,170	112	292,058	1,602	65
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central government's spending</i>								
A Children Administration	292,170	—	—	292,170	112	292,058	1,602	65
<b>RfR 2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need</b>	2,587,917	719,411	27,737,057	31,044,385	983,859	30,060,526	224,875	7,478
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central government's spending</i>								
A Administration	1,668,931	97,428	2,164	1,768,523	168,012	1,600,511	65,775	1,716
B Employment Programmes	681,509	553,123	270,252	1,504,884	4,537	1,500,347	143,000	—
C Health and Safety Executive	216,762	61,701	—	278,463	57,836	220,627	6,502	363
D Health and Safety Laboratory	20,715	4,610	—	25,325	25,325	—	4,598	398
E Capital Grants	—	2,549	5,927	8,476	—	8,476	5,000	5,001
<i>Support for Local Authorities</i>								
F Employment Programmes	—	—	37,047	37,047	—	37,047	—	—
G Challenge funding and similar administrative measures – Local Authorities	—	—	118,500	118,500	3,000	115,500	—	—
H Housing and council tax benefit administrative grants	—	—	398,000	398,000	—	398,000	—	—
I Third Party providers	—	—	1,375	1,375	—	1,375	—	—
J Capital Grants to Local Authorities	—	—	2,895	2,895	—	2,895	—	—
<b>Spending in Annually Managed Expenditure (AME)</b>								
<i>Central government's spending</i>								
K Severe Disablement Allowance	—	—	940,494	940,494	—	940,494	—	—
L Industrial injury benefits	—	—	797,684	797,684	—	797,684	—	—
M Income support (under 60 years of age)	—	—	10,323,109	10,323,109	179,805	10,143,304	—	—
N Jobseekers allowance (income based)	—	—	2,113,060	2,113,060	—	2,113,060	—	—
O Jobseekers allowance (contribution based)	—	—	545,304	545,304	545,304	—	—	—
P Job Grant	—	—	5,999	5,999	—	5,999	—	—
Q Employment Allowances	—	—	128,999	128,999	—	128,999	—	—
R Housing and Council tax benefit capital charge	—	—	3,439	3,439	—	3,439	—	—
S Non-continuing benefits debt activity	—	—	–373	–373	—	–373	—	—
<i>Support for Local Authorities</i>								
T Housing benefit and council tax benefit subsidies	—	—	9,929,326	9,929,326	40	9,929,286	—	—
U Rent rebates	—	—	781,116	781,116	—	781,116	—	—
V HB under-occupation pilot	—	—	40	40	—	40	—	—
W Discretionary housing payments <i>Discretionary rent allowance</i>	—	—	20,000	20,000	—	20,000	—	—
<b>Non-budget</b>								
X Statutory benefits (SSP&SMP)	—	—	1,312,700	1,312,700	—	1,312,700	—	—

**Part II: Revised subhead detail including additional provision (cont.)**

	Resources						Capital	£'000
	1	2	3	4	5	6	7	8
	Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non-Operating A in A
<b>RfR 3: Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners</b>	<b>509,538</b>	<b>8,000</b>	<b>7,857,597</b>	<b>8,375,135</b>	<b>199,787</b>	<b>8,175,348</b>	—	—
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central government's spending</i>								
A Administration	509,538	8,000	—	517,538	199,787	317,751	—	—
<b>Spending in Annually Managed Expenditure (AME)</b>								
<i>Central government's spending</i>								
B Pension benefits	—	—	46,698	46,698	—	46,698	—	—
C Income Support for the Elderly and Pension Credit	—	—	5,103,857	5,103,857	—	5,103,857	—	—
D TV licences for the over 75s	—	—	406,014	406,014	—	406,014	—	—
<b>Non-budget</b>								
E Payments to the Social Fund	—	—	2,282,671	2,282,671	—	2,282,671	—	—
F OPRA (grant in aid)	—	—	17,807	17,807	—	17,807	—	—
G Better Government for Older People (grant in aid)	—	—	550	550	—	550	—	—
<b>RfR 4: Improving the rights and opportunities for disabled people in a fair and inclusive society</b>	<b>180,168</b>	—	<b>12,402,434</b>	<b>12,582,602</b>	<b>5,038</b>	<b>12,577,564</b>	—	—
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central government's spending</i>								
A Administration	180,168	—	—	180,168	1,944	178,224	—	—
B Motability administration	—	—	2,522	2,522	143	2,379	—	—
<b>Spending in Annually Managed Expenditure (AME)</b>								
<i>Central government's spending</i>								
C Attendance allowance	—	—	3,491,131	3,491,131	—	3,491,131	—	—
D Disability living allowance	—	—	7,615,743	7,615,743	—	7,615,743	—	—
E Invalid Care Allowance (Carer's Allowance)	—	—	1,077,165	1,077,165	—	1,077,165	—	—
F Vaccine Damage payments	—	—	2,500	2,500	—	2,500	—	—
G Grants to independent bodies	—	—	198,677	198,677	2,951	195,726	—	—
<b>Non-budget</b>								
H Disability Rights Commission (grant in aid)	—	—	14,696	14,696	—	14,696	—	—
<b>RfR 5: Modernising welfare delivery so as to improve the accessibility, accuracy and value for money of services to customers, including employers</b>	<b>1,047,179</b>	—	—	<b>1,047,179</b>	<b>278,194</b>	<b>768,985</b>	<b>77,000</b>	—
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central government's spending</i>								
A Administration	1,047,179	—	—	1,047,179	278,194	768,985	77,000	—

**Part II: Revised subhead detail including additional provision (cont.)**

	Resources						Capital	£'000
	1	2	3	4	5	6	7	8
	Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non-Operating A in A
<b>RFR 6: Corporate contracts, support services and administration of the European social fund for England</b>	<b>1,847,333</b>	<b>43,928</b>	<b>505,352</b>	<b>2,396,613</b>	<b>1,344,745</b>	<b>1,051,868</b>	<b>18,864</b>	<b>149,555</b>
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central government's spending</i>								
A Administration	1,847,333	43,928	30,987	1,922,248	870,384	<b>1,051,864</b>	18,864	149,555
B European Social Fund	—	—	1	1	—	<b>1</b>	—	—
C European Social Fund payments in advance of receipts	—	—	393,800	393,800	—	<b>393,800</b>	—	—
<i>Support for Local Authorities</i>								
D European Social Fund	—	—	1	1	—	<b>1</b>	—	—
E European Social Fund payments in advance of receipts	—	—	80,563	80,563	—	<b>80,563</b>	—	—
<b>Non-budget</b>								
F European Social Fund	—	—	—	—	474,361	<b>-474,361</b>	—	—
<b>TOTAL</b>	<b>6,464,305</b>	<b>771,339</b>	<b>48,502,440</b>	<b>55,738,084</b>	<b>2,811,735</b>	<b>52,926,349</b>	<b>322,341</b>	<b>157,098</b>

## Part II: Resource to cash reconciliation

	Present	Increase (+) Decrease (-)	£'000 Revised
<b>Net Total Resources</b>	50,333,125	2,593,224	52,926,349
<b>Voted capital items</b>			
Capital	138,941	183,400	322,341
Less Non-operating A-in-A	116,772	40,326	157,098
<b>Total net voted capital</b>	22,169	143,074	165,243
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-17,359	-209	-17,568
Depreciation	-116,685	1,270	-115,415
New provisions and adjustments to previous provisions	-26,892	-35	-26,927
Profit/loss on sale of assets	2,002	—	2,002
Prior period adjustments	—	—	—
Other non-cash items	-22,415	—	-22,415
Increase (+) / Decrease (-) in stock	-208	8	-200
Increase (+) / Decrease (-) in debtors	55,619	478,238	533,857
Increase (-) / Decrease (+) in creditors	-31,117	1,104,299	1,073,182
Use of provisions	27,067	468	27,535
<b>Total accruals to cash adjustments</b>	-129,988	1,584,039	1,454,051
<b>Excess to be CFERd</b>	—	—	—
<b>Net Cash Requirement</b>	50,225,306	4,320,337	54,545,643

## Part III: Extra receipts payable to the Consolidated Fund

In addition to Appropriations in aid, the following income and receipts relate to the department and is payable to the Consolidated Fund (cash receipts being shown in italics)

	Present Provision		£'000 New Provision	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	3,000	<i>3,000</i>	3,000	<i>3,000</i>
Non operating income not classified as A in A	—	—	—	—
Other amounts collectable on behalf of the Consolidated Fund	10,532	<i>10,510</i>	10,532	<i>10,510</i>
Excess cash receipts to be surrendered to the Consolidated Fund	—	—	5,000	—
<b>Total</b>	13,532	<i>13,510</i>	18,532	<i>13,510</i>

## Forecast Operating Costs Statement

	£'000
	2003-04 Provision
<b>Net Administration Costs</b>	
RfR 1	292,058
RfR 2	2,509,056
RfR 3	508,313
RfR 4	178,774
RfR 5	1,043,457
RfR 6	1,806,346
<b>Total Net Administration Costs</b>	<b>6,338,004</b>
<b>Net Programme Costs</b>	
RfR 1	—
RfR 2	27,548,470
RfR 3	7,576,580
RfR 4	12,398,790
RfR 5	-274,472
RfR 6	-754,478
Non voted expenditure	56,654,036
<b>Total Net Programme costs</b>	<b>103,148,926</b>
<b>Total Net Operating Cost</b>	<b>109,486,930</b>
<i>of which:</i>	
<b>Net Resource Outturn</b>	<b>52,926,349</b>
CFERs	-3,000
Non-voted expenditure	58,846,252
<b>Resource Budget Outturn</b>	<b>110,097,915</b>

## Notes to the Estimate

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

	£'000
	2003-04 Provision
<b>Net Resource Outturn (Estimates)</b>	<b>52,926,349</b>
<i>Adjustments to remove:</i>	
provision voted for earlier years	—
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	58,846,252
Consolidated Fund Extra Receipts in the OCS	-3,000
Other adjustments	-2,282,671
<b>Net Operating Costs (Accounts)</b>	<b>109,486,930</b>
<i>Adjustments to remove:</i>	
capital grants to local authorities	-3,095
capital grants financed from the Capital Modernisation Fund	—
European Union income and related adjustments	607,336
voted expenditure outside the budget	—
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-22
resource consumption of non departmental public bodies	4,304
unallocated resource provision	2,088
Other adjustments	374
<b>Resource Budget Outturn (Budget)</b>	<b>110,097,915</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	8,556,442
Annually Managed Expenditure (AME)	101,541,473

## Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2003-04
	Provision
<b>Net Voted Capital Outturn (Estimates)</b>	<b>165,243</b>
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	2,002
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	—
capital spending by non-departmental public bodies	—
capital grants to local authorities	2,895
capital grants financed by the Capital Modernisation Fund	—
local authority credit approvals	1,202
capital spending by levy funded bodies	—
unallocated capital provision	—
Other adjustments	90,455
<b>Capital Budget Outturn (Budget)</b>	<b>261,797</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	171,342
Annually Managed Expenditure (AME)	90,455

## Explanation of Accounting Officer responsibilities

HM Treasury has appointed the Permanent Head of the Department for Work and Pensions, Sir Richard Mottram, as Principal Accounting Officer for the Department with overall responsibility for preparing the Department's Estimate.

The responsibilities of an Accounting Officer, including the responsibility for the propriety and regularity of public finances for which as an Accounting Officer he is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officer's Memorandum, issued by HM Treasury and published in *Government Accounting*.

## Analysis of Appropriations in Aid

	£'000	
	Provision 2003-04	
	Operating A in A	Non- operating A in A
<b>RfR 1: Ensuring the best start for all children, ending child poverty in 20 years.</b>		
Services carried out by DWP on behalf of public and private sector bodies and members of the public	—	
Receipts from the repayment of maintenance by non-resident parents, where the parent with care is in receipt of income support, reduced by the child maintenance premium paid directly to the parent with care	100	
Receipts from applicants for services provided by CSA	7	
Receipts from staff for private telephone calls	5	
Receipts from sale of non capital items	—	
Profit/Loss on asset disposal	—	65
Family credit	—	
<b>Total RfR 1</b>	<b>112*</b>	<b>65**</b>

\*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from staff for private telephone calls; receipts from the sales of non capital items; receipts from applicants for services provided by Child Support Agency and receipts from the repayment of maintenance by non resident parents, where the parent with care is in receipt of income support, reduced by the child maintenance premium paid directly to the parent with care.

\*\* Amount that may be applied as non-operating appropriations in aid arising from receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings.

### RfR 2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need.

Receipts from the National Insurance Fund for the cost of administering National Insurance Benefits	153,484
Services carried out by DWP on behalf of public and private sector bodies and members of the public	3,800
Receipts from other departments/organisations in respect of outward secondments	8,044
Receipts for match funded projects	35
Receipts from EU twinning funded projects	322
Recovery of excess programmes	37
Recovery of the costs of administering allowance payments for work based learning for adults in Scotland and Wales	1,050
Contribution from Scotland and Wales towards Employment Zones	1,538
Receipts from Local Authorities for services provided to them by Departmental Action Teams	564
Receipts for expenses from the European Union	—
Repayment of temporary loans to Remploy	5,001
Challenge funding and similar administrative measures	3,000
Industrial injury benefits	—
Receipts from the sale of non capital items	—
Receipts from staff for private telephone calls	43
Disability benefits	—
Income support (under 60 years of age)	179,805
Jobseeker's allowance (income based)	—
Jobseeker's allowance (contribution based)	545,304
Receipts from Working Links – dividend	1,800
Working Links management fee	118
Housing benefit and council tax benefit subsidies	40

## Analysis of Appropriations in Aid *(continued)*

	£'000	
	Provision 2003-04	
	Operating A in A	Non- operating A in A
Statutory benefits (SSP and SMP)		
Profit on asset disposals	—	1,716
Health and Safety Executive	57,836	363
Health and Safety Laboratory	25,325	398
Recovery from the EC of the costs of work on European Employment Services (EURES) and work undertaken on labour market issues in eastern Europe	191	
Receipts from outside bodies in respect of partnership working in New Deal for Community areas		
Receipts from sponsors of supported placements in the ES		
Recovery from Home Office of the costs of administering the Refugee Resettlement programme	1,523	
<b>Total RfR 2</b>	<b>983,859*</b>	<b>7,478**</b>

\*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering National Insurance benefits; services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from staff for private telephone calls; receipts from other departments/organisations in respect of outward secondments; receipts from the sale of non capital items; receipts from EU twinning funded projects; receipts from match funded projects; the recovery of the cost of administering allowance payments for work based learning for adults in Scotland and Wales; contribution from Scotland and Wales towards Employment Zones; receipts from Local Authorities for services provided to them by Departmental Action Teams, including Neighbourhood Renewal Funds, rent and similar receipts; receipts from outside bodies in respect of partnership working in New Deal for Community areas; recovery from Home Office of the costs of administering the Refugee Resettlement programme; recovery from the EC of the costs of work on European Employment Services (EURES) and work undertaken on labour market issues in eastern Europe; receipts from the EU for travel expenses and subsistence allowances incurred by staff on European Union business; receipts from sponsors of supported placements in Job Centre Plus; receipts in respect of vending machines; receipts from Working Links, Working Links management fee and dividend; receipts from selling services under the Wider Markets Initiative; receipts from partner organisations in respect of action teams; the recovery of excess payments made on Jobcentre Plus employment measures; recoveries from authorities not achieving baseline targets set in respect of anti fraud measures; recoveries from authorities not achieving targets set in respect of extended payments; receipts from damages payable to recipients of Statutory Sick Pay; receipts via Compensation Recovery Unit in respect of benefits paid in lieu; payments on return to work after a trade dispute made to people who would normally be excluded from Income Support because they are in full time work; payments by liable relatives; amounts collected through a court order or on a voluntary basis from relatives of Income Support claimants; receipts from the Child Support Agency of payments of maintenance from absent parents for parents with care who are in receipt of Income Support; repayment of Jobseeker's Allowance (contribution based) from the National Insurance Fund; receipts in respect of the Health and Safety Commission including fees and charges levied by the Health and Safety Commission (HSC), receipts for research, administrative services, testing, fee paying enquiries, dissemination of information, royalties, the loan and hire of equipment, seminars, patent rights, conferences and publications (in print and non-print media) provided by the HSC; payments from other government departments, agencies, non-departmental public bodies and overseas governments to the HSC; sales of land and buildings, water, stores, plant, equipment, machinery and vehicles of the HSC; recoveries of seconded staff salaries of the HSC; receipts for the use of HSC accommodation, rental income, receipts from HSC property and land, sponsorship, including contributions from co-sponsors towards the costs of research and surveys carried out by HSC; recoveries by the HSC from the European Union in respect of travelling expenses and subsistence allowances incurred by HSC staff on European Union business; contributions and recoveries from the European Union of costs of HSC research and projects; legal claims of the HSC, including awards of court costs and out of court settlements; refunds of advance of salaries of HSC staff, and repayment of loans made by the HSC.

\*\* Amount that may be applied as non-operating appropriations in aid arising from the receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings and repayment of temporary loans to Remploy.

### RfR 3: Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners.

Receipts from the National Insurance Fund for the cost of administering National Insurance Benefits	198,562
Services carried out by the DWP on behalf of public and private sector bodies and members of the public	1,215
Income Support 60 plus	—
Receipts from staff for private phone calls	10
<b>Total RfR 3</b>	<b>199,787*</b>

\*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering NI benefits; services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from staff for private telephone calls and receipts via Compensation Recovery Unit in respect of benefits paid in lieu.

**RfR 4: Improving the rights and opportunities for disabled people in a fair and inclusive society.**

Receipts from the European Union for the European Year of disabled people 2003	550	
Attendance allowance	—	
Disability living allowance	—	
Motability administration	143	
Motability Grant	2,951	
Services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public	1,392	
Receipts from staff from private telephone calls	2	
<b>Total RfR 4</b>	<b>5,038*</b>	

\* Amount that may be applied as appropriations in aid in addition to the net total arising from services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from the European Union for the European year for disabled people 2003; receipts from staff for private telephone calls; receipts via Compensation Recovery Unit in respect of benefits paid in lieu, recoveries of payments from Department of Social Development (Northern Ireland) towards Motability's car adaption and administration costs and receipts from Tenth Anniversary Trust towards Motability's car adaption costs.

**RfR 5: Modernising welfare delivery so as to improve the accessibility, accuracy, and value for money of services to customers, including employers.**

Receipts from the National Insurance Fund for the cost of administering National Insurance Benefits	274,472	
Services carried out by the DWP on behalf of public and private sector bodies and members of the public	3,722	
<b>Total RfR 5</b>	<b>278,194*</b>	

\* Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering NI benefits and services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public.

**RfR 6: Corporate contracts, support services and administration of European Social Fund for England.**

Receipts from the National Insurance Fund for the cost of administering National Insurance Benefits	796,375	
Services carried out by the DWP on behalf of public and private sector bodies and members of the public	12,572	
Receipts in respect of the European fast stream	39	
Receipts from mortgage lenders	2,354	
Receipts from staff towards the cost of private use of official vehicles	1,914	
Receipts from sub let accommodation	22,001	
Receipts from staff from private telephone calls	12	
Recovery of law costs from defendants	2,000	
Receipts from other departments/organisations in respect of outward secondments	1,385	
Receipts from EU twinning funded projects	865	
Payments from Department for Education and Skills (International Programmes)	30,772	
Receipts in respect of the European Social Fund	474,361	
Payments from Department for Education and Skills	—	
Receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings	—	149,334
Joint International Unit administration receipts	—	
Profit/loss on asset disposal		221
Receipts from third parties for uninsured losses		
Early Departures pre-funding interest		
Expenses from the European Union	95	
<b>Total RfR 6</b>	<b>1,344,745*</b>	<b>149,555**</b>

\* Amount that may be applied as appropriation in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering NI benefits; services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from third parties for uninsured losses; receipts from staff for private telephone calls; recovery of law costs from defendants; receipts from sub-let accommodation; receipts from the sale of non capital items; receipts from Department for Education and Skills in respect of Modern Apprenticeships; receipts from other departments/organisations in respect of outward secondments; receipts from staff towards the cost of private use of official vehicles; receipts in respect of the European Fast Stream; receipts from the EC to meet payment to Local Authorities and non exchequer bodies for education and training and employment projects training assisted by the European Social Fund; receipts from EU Twinning funded projects; Joint International Unit administration receipts; receipts from IT services to other government departments, payments from Department for Education and Skills for International programmes and Early Departures pre-funding interest.

\*\* Amount that may be applied as non-operating appropriations in aid arising from receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings.

<b>Total A in A</b>	<b>2,811,735</b>	<b>157,098</b>
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## Departmental Expenditure Limits and Administration Costs Limits

As announced by the Minister of State for Work and Pensions to the House of Commons, the Department for Work and Pensions Departmental Expenditure Limit will change as follows:

£'000	Change	Voted	New DEL	
			Non-voted	Total
Resource	239,021	7,100,263	1,456,179	8,556,442
Capital	142,674	170,140	1,202	171,342
Depreciation*	1,270	-115,415	-714	-116,129
Total	382,965	7,154,988	1,456,667	8,611,655

\*Depreciation, which forms part of resource DEL, is excluded from the total DEL since capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

The Administration Cost Limit has been increased by £283,684,000 from £6,052,007,000 to £6,335,691,000.

### Cash which may be retained to offset expenditure

	£'000
Cash which may be retained by the Department to offset expenditure in the year due to its relationship with income that has been or will be appropriated in aid	2,968,833

### Expenditure resting on the sole authority of the Appropriation Act

RfR3: Payments in respect of Better Government for Older People ■	550
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### Grant-in-aid

RfR 2, 3 and 4 includes grant in aid provision to the Occupational Pensions Regulatory Authority ♥ £17,807,000, Independent Living Fund ♥ £187,602,000, Motability ♥ £11,075,000, Disability Rights Commission ♥ £14,696,000 and Better Government for Older People £550,000

## Contingent liabilities

As at 31 March 2003, the following liabilities fell to be met from the Department's Estimate:

### Statutory

<b>Non-Statutory</b>	<b>£'000</b>
<p>From April 1995 some debt has been deferred and will not be recoverable from clients provided certain conditions are met. This could result in the Child Support Agency taking over such debt from non-resident parents. In 2002-03, £1.81 million (2001-02, £2.61 million) was paid by the Agency to parents with care under this arrangement. The maximum potential liability at 31 March 2003 is £36.9 million (31 March 2002, £36.1 million), subject to all cases meeting the criteria. As it is not practicable to estimate the amount that may be paid out, no provision has been made in the accounts.</p>	36,900
<p>Due to a structural problem the Agency may have a future liability to fund the reconstruction of one of its buildings. All legal implications relating to this liability have been resolved, however, it is uncertain at this time whether the construction is to be funded through the Private Finance Initiative or from Agency resources with a capital cost of approximately £14.5 million.</p>	14,500
<p>In a judicial review brought by a parent with care under the Human Rights Act 1998, it was judged that human rights had not been breached but that she can apply for damages under the Human Rights Act where the Secretary of State has failed, unreasonably, to enforce the collection of maintenance due. The Agency has lodged an appeal against the decision. As the outcome of this case cannot be predicated any consequential obligation cannot be measured with sufficient reliability to enable a value to be recognised in the accounts.</p>	Unquantifiable
<p>During the course of its normal business, Jobcentre Plus frequently enters into large, sometimes long-term, contracts with a wide range of private sector suppliers. The changing nature of Jobcentre Plus business, and its obligation to respond to prevailing government priorities, can mean that it is occasionally in the Agency's interests to try to vary, re-negotiate or, in exceptional cases, cancel certain contracts. Where Jobcentre Plus takes such action, it always does so on legal advice and so as to avoid breach of contract. However, disputes occasionally arise which could result in Jobcentre Plus making compensatory payments in response to legal proceedings, or as part of an out of court settlement. Jobcentre Plus considers that disclosure of such cases in detail, particularly whilst negotiations are still in progress, could seriously prejudice the Agency's position if legal proceedings subsequently develop.</p>	Unquantifiable
<p>There were no such contractual disputes outstanding at 31 March 2003 where a settlement had been reached and the value of a compensatory payment had been agreed. For cases still under negotiation, the total value of outstanding claims made against Jobcentre Plus by suppliers at the balance sheet date was less than £10 million, but it is not yet known whether Jobcentre Plus will need to make any compensatory payments.</p>	
<p>Ministers of the former Department for Education and Employment gave their agreement that the former Training and Enterprise Councils could be offered indemnities in respect of certain liabilities that arose or continued after the contractual relationship with Government ended on 25 March 2001. The purpose of these indemnities was to give the former Training and Enterprise Council Directors, or a liquidator, sufficient assurances to conclude that relationship and either return residual reserves owing to the Secretary of State, or distribute these with the Secretary of State's agreement at the earliest opportunity. Responsibility for these contingent liabilities transferred to Jobcentre Plus on 1 April 2002 from the Employment Service. Consequently, Jobcentre Plus has agreed to offer indemnities of up to £12million in respect of existing contracts with the former Training and Enterprise Councils that were novated as a result of the former Training and Enterprise Council's wind up, or in respect of repayments claimed following audit of past contract activity.</p>	12,000

**Non-Statutory****£'000**

<p>Jobcentre Plus is currently involved in an Employment Tribunal case. The original ruling of the Tribunal went against the Agency. On appeal the Employment Appeal Tribunal ruled that the original Tribunal misdirected itself on points of law. They have set aside the original decision and have asked for the case to be reheard by a new Tribunal. Due to uncertainty regarding the outcome of the appeal hearing and also the size of the financial remedy for any additional claims it is not possible to provide a reliable estimate of the financial effect.</p>	Unquantifiable
<p>HSE is currently defending three equal pay cases from employees on two separate issues. Each case is at a different stage in what could be a long legal process. If the cases were to be lost, the financial consequences would depend on the nature of the judgement in relation to the employees who brought the cases, and the degree to which the judgements would apply to other members of staff, including the extent to which any awards made are backdated.</p>	Unquantifiable
<p>Important changes to the Vaccine Damage Payments Scheme have been introduced. The level of disablement that is defined as severe has been reduced from 80% to 60% and the period of time during which a claim can be made has been extended.</p>	Unquantifiable
<p>These changes mean that some people who have been disallowed in the past may be able to make another claim under these new rules. These further claims must be received before 16 June 2005. It is not currently possible to estimate the value of these claims and so no provision has been made.</p>	
<p>In October 2001, a claim from Thames Trains Ltd following the Ladbroke Grove railway disaster was filed against HSE and Her Majesty's Railway Inspectorate for an amount in excess of £5 million. The basis of the claim is that HSE was negligent in connection with the railway infrastructure at the location of the crash. This claim will be vigorously defended and whilst the outcome of these matters cannot readily be determined or foreseen, it is considered that it is likely that the claim will be defended successfully.</p>	Unquantifiable
<p>As at 31 March 2003 The Pension Service had 470 outstanding State Earnings-Related Pension Scheme compensation claims. Due to the complex nature of these claims, and the variable amount of the payments, it is not possible to provide an accurate estimate of the number and value of successful claims.</p>	Unquantifiable
<p>The Department has a potential liability in respect of ineligible claims for ESF programmes that operated during 1994-99. The Department estimates that it is highly likely that we will be unable to claim from the European Commission £12.26 million already paid to contractors and a provision for this has been created in the accounts. The Department is negotiating a final settlement with the European Commission and there is the potential that a further liability could arise, however this figure cannot be estimated with any certainty at this point in time.</p>	Unquantifiable
<p>A case is to be brought before the House of Lords whereby a pensioner is challenging the situation that UK pensioners who live abroad have their pension frozen at the amount they received when they went to live abroad. The outcome of the case cannot be predicted nor can an estimate be made of the likely financial impact.</p>	Unquantifiable

