
Department for Work and Pensions

Introduction

1. This Estimate provides for expenditure by the Department for Work and Pensions on a range of reforms to simplify the welfare system to develop the Work Programme, an integrated package of personalised support to get people into work; and to continue to develop a welfare system that recognises work as the primary route out of poverty.
2. The Estimate also provides for expenditure on Operational Delivery within the Department and on the Health and Safety Executive. It also provides for non-contributory benefits and the cost of administration of Social Security Schemes in Great Britain, which includes the cost of other organisations who act as agents of the Department for Work and Pensions in administering various aspects of social security including payments made to third parties for encashment. Gross expenditure includes the costs incurred by the Department for Work and Pensions in administering contributory benefits which are payable from the National Insurance Fund.
3. The Estimate also provides support for local authorities, payments to and from the European Social Fund and payments to the National Insurance Fund which comprise of compensation in respect of Statutory Sick Pay and Statutory Maternity Pay. The Estimate also makes provision for sums payable to the BBC in respect of the over 75's Free TV Licence Scheme, Financial Assistance Scheme, the Pension Protection Fund, Remploy Limited, National Employment Savings Trust and various Executive Non-Departmental Bodies.

Part I

£

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	7,145,335,000	611,379,000	7,756,714,000
Capital	371,730,000	-	371,730,000
Annually Managed Expenditure			
Resource	72,320,090,000	91,417,700,000	163,737,790,000
Capital	-	46,247,000	46,247,000
Total Net Budget			
Resource	79,465,425,000	92,029,079,000	171,494,504,000
Capital	371,730,000	46,247,000	417,977,000
Non-Budget Expenditure	2,403,374,000		
Net cash requirement	80,852,294,000		

Amounts required in the year ending 31 March 2014 for expenditure by Department for Work and Pensions on:

Departmental Expenditure Limit:Expenditure arising from:

Funding for the administration and operating costs of the Department, including grants, loans and payments to other Government Departments, Local Authorities, Devolved Administrations, private, public and voluntary organisations. This will enable the Department to fulfil its obligations to support people who are out of work move into work quickly, support the most vulnerable people in society, alleviating poverty and supporting responsible behaviour and reforms to the welfare system. The provision of employment and training programmes and payments of appropriate allowances to help people back to work, including the support of cross-government initiatives related to employment.

Assisting people to make plans for their retirement, including research into pensions, private pension industry regulatory work, programmes and measures to help improve independence and social inclusion for older people. Provision for general levy payments to the Pension Regulator in respect of Public Sector Pension Schemes, the costs and payments associated with the collapse of private pension schemes. The provision of expenditure promoting the Department's objectives in other Government Departments; Local Authorities; Devolved Administrations; Crown and Executive Non-Departmental Public Bodies, including the Health and Safety Executive; private, public and voluntary organisations. Training and employment projects assisted by the European Union through the European Social Fund, including programme losses and disallowances, refunds to the European Union and exchange rate gains and losses. Subsidies to housing, billing, levying and local authorities for administering the Housing Benefit. The costs incurred from the collection of debt arising from overpayments of benefit and on behalf of other public and private sector bodies.

The provision of IT, employee and financial services to other public sector bodies; policy; research; publicity; the UK subscription to the International Labour Organisation; international educational, training and employment programmes; assistance and advice on employment and labour market issues to international organisations; measures to promote financial inclusion; measures and assistance to promote digital inclusion; associated depreciation and any other non-cash costs relating to DEL.

Income arising from:

In accordance with the prevailing legislation and regulations, income arising from the administration of the Department for Work and Pensions, Crown and Executive Non-Departmental Public Bodies in delivering its statutory responsibilities, including receipts from staff, outward secondments, sale of non-capital items, recovery of court costs, services carried out on behalf of public and private sector bodies and members of the public, EU activity, levy funded bodies and other associated income.

Annually Managed Expenditure:

Expenditure arising from:

The payment of social security benefits to people of working age, pensioners, and people with disabilities and their carers in accordance with the prevailing legislation and regulations. Significant social security benefits include Jobseekers Allowance, Income Support, Employment Support and Allowance, Disability Living Allowance, Pension Credit, Universal Credit, Personal Independence Payment and other associated benefits, including housing benefit, rent rebates, temporary subsidies to employers. Compensation for dust related diseases, payments for education and provisions and other non-cash costs relating to AME.

Income arising from:

Income arising from the receipt from damages payable to recipients of Statutory Sick Pay, receipts in respect of benefits paid in lieu and recoveries of payments towards Motability costs.

Non-Budget Expenditure:

Expenditure arising from:

Payment of the Grant to the Social Fund to fund Regulated, Discretionary and Winter Fuel payments.

Department of Work and Pensions will account for this Estimate.

	Voted Total	Allocated in Vote on Account	Balance to complete or surrender
			£
Departmental Expenditure Limit			
Resource	7,145,335,000	3,303,285,000	3,842,050,000
Capital	371,730,000	229,300,000	142,430,000
Annually Managed Expenditure			
Resource	72,320,090,000	34,259,917,000	38,060,173,000
Capital	-	-	-
Non-Budget Expenditure	2,403,374,000	1,152,515,000	1,250,859,000
Net cash requirement	80,852,294,000	38,334,889,000	42,517,405,000

Part II: Subhead detail

£'000

2013-14 Plans									2012-13 Provisions	
Resources						Capital			Resources	Capital
Administration			Programme			Gross	Income	Net	Net	Net
Gross	Income	Net	Gross	Income	Net					
1	2	3	4	5	6	7	8	9	10	11
Spending in Departmental Expenditure Limits (DEL)										
Voted expenditure										
1,364,682	-87,876	1,276,806	6,369,807	-501,278	5,868,529	372,730	-1,000	371,730	6,817,333	426,553
<i>Of which:</i>										
A Operational Delivery										
163,582	-	163,582	1,963,357	-3,600	1,959,757	8,600	-	8,600	2,593,734	6,543
B Child Maintenance Group										
106,682	-	106,682	398,281	-2,000	396,281	-	-	-	326,624	15,000
C Health and Safety Executive (Net)										
104,221	-	104,221	52,579	-	52,579	8,200	-	8,200	165,482	5,974
D Financial Assistance Scheme										
-	-	-	93,128	-	93,128	-	-	-	110,000	-
E European Social Fund										
-	-	-	405,868	-400,000	5,868	-	-	-	124,712	-
F Executive Non-Departmental Public Bodies (Net)										
19,442	-	19,442	354,263	-	354,263	896	-	896	373,205	1,215
G Employment Programmes										
-	-	-	736,445	-	736,445	-	-	-	875,796	-
H Support for Local Authorities										
-	-	-	618,668	-	618,668	-	-	-	539,000	-
I Other Programmes										
-	-	-	85,505	-53,284	32,221	67,594	-	67,594	69,905	68,543
J Departmental operating costs										
970,755	-87,876	882,879	443,780	-42,394	401,386	38,710	-1,000	37,710	1,483,595	321,578
K Unallocated provision										
-	-	-	1,217,933	-	1,217,933	248,730	-	248,730	-	-
<i>Child Maintenance and Enforcement Commission (Net)</i>										
-	-	-	-	-	-	-	-	-	155,280	7,700
Non-voted expenditure										
-	-	-	611,379	-	611,379	-	-	-	705,915	-
<i>Of which:</i>										
L National Insurance Fund										
-	-	-	611,379	-	611,379	-	-	-	706,107	-
<i>Consolidated Fund Extra Receipts</i>										
-	-	-	-	-	-	-	-	-	-192	-
Total Spending in DEL										
1,364,682	-87,876	1,276,806	6,981,186	-501,278	6,479,908	372,730	-1,000	371,730	7,523,248	426,553

Part II: Subhead detail

£'000

2013-14 Plans									2012-13 Provisions	
Resources						Capital			Resources	Capital
Administration			Programme			Gross	Income	Net	Net	Net
Gross	Income	Net	Gross	Income	Net					
1	2	3	4	5	6	7	8	9	10	11
Spending in Annually Managed Expenditure (AME)										
Voted expenditure										
-	-	-	72,412,851	-92,761	72,320,090	-	-	-	72,051,710	-
<i>Of which:</i>										
M Severe Disablement Allowance										
-	-	-	855,736	-8	855,728	-	-	-	894,620	-
N Industrial Injuries Benefits Scheme										
-	-	-	931,581	-27,098	904,483	-	-	-	911,509	-
O Universal Credit										
-	-	-	72,419	-	72,419	-	-	-	-	-
P Jobseekers Allowance										
-	-	-	4,604,036	-2,276	4,601,760	-	-	-	4,660,258	-
Q Employment and Support Allowance										
-	-	-	6,547,469	-4,174	6,543,295	-	-	-	4,423,431	-
R Income Support										
-	-	-	3,301,650	-21,628	3,280,022	-	-	-	5,377,587	-
S Pension Credit										
-	-	-	7,208,296	-	7,208,296	-	-	-	7,560,626	-
T Financial Assistance Scheme										
-	-	-	450,258	-	450,258	-	-	-	265,000	-
U TV Licences for the over 75s										
-	-	-	604,044	-	604,044	-	-	-	590,669	-
V Attendance Allowance										
-	-	-	5,594,776	-4,241	5,590,535	-	-	-	5,527,453	-
W Personal Independence Payment										
-	-	-	182,560	-	182,560	-	-	-	-	-
X Disability Living Allowance										
-	-	-	13,826,199	-33,336	13,792,863	-	-	-	13,502,803	-
Y Carer's Allowance										
-	-	-	2,075,961	-	2,075,961	-	-	-	1,927,471	-
Z Housing Benefit										
-	-	-	17,659,465	-	17,659,465	-	-	-	17,781,129	-
AA Rent Rebates										
-	-	-	5,647,387	-	5,647,387	-	-	-	5,771,134	-
AB Statutory Sick Pay and Statutory Maternity Pay										
-	-	-	2,441,773	-	2,441,773	-	-	-	2,448,243	-
AC Other Benefits										
-	-	-	415,410	-	415,410	-	-	-	427,557	-
AD Other Expenditure										
-	-	-	-6,169	-	-6,169	-	-	-	-15,245	-
<i>Other Expenditure ENDPBs (Net)</i>										
-	-	-	-	-	-	-	-	-	-2,535	-

Part II: Subhead detail

£'000

2013-14 Plans									2012-13 Provisions	
Resources						Capital			Resources	Capital
Administration			Programme			Gross	Income	Net	Net	Net
Gross	Income	Net	Gross	Income	Net					
1	2	3	4	5	6	7	8	9	10	11
Non-voted expenditure										
-	-	-	91,465,823	-48,123	91,417,700	46,247	-	46,247	89,868,587	85,083
<i>Of which:</i>										
AE Incapacity Benefit										
-	-	-	963,609	-31,394	932,215	-	-	-	3,264,241	-
AF Jobseekers Allowance										
-	-	-	657,610	-1,607	656,003	-	-	-	672,873	-
AG Employment and Support Allowance										
-	-	-	3,062,181	-15,122	3,047,059	-	-	-	2,213,323	-
AH Maternity Allowance										
-	-	-	401,973	-	401,973	-	-	-	387,520	-
AI State Pension										
-	-	-	83,426,974	-	83,426,974	-	-	-	80,065,661	-
AJ Bereavement benefits										
-	-	-	574,860	-	574,860	-	-	-	602,698	-
AK Expenditure incurred by the Social Fund										
-	-	-	2,378,616	-	2,378,616	46,247	-	46,247	2,662,419	85,083
<i>Consolidated Fund Extra Receipts</i>										
-	-	-	-	-	-	-	-	-	-148	-
Total Spending in AME										
-	-	-	163,878,674	-140,884	163,737,790	46,247	-	46,247	161,920,297	85,083
Non-Budget spending										
Voted expenditure										
-	-	-	2,403,374	-	2,403,374	-	-	-	2,798,480	-
<i>Of which:</i>										
AL Cash paid in to the Social Fund										
-	-	-	2,403,374	-	2,403,374	-	-	-	2,798,480	-
Total Non-Budget Spending										
-	-	-	2,403,374	-	2,403,374	-	-	-	2,798,480	-
Total for Estimate										
1,364,682	-87,876	1,276,806	173,263,234	-642,162	172,621,072	418,977	-1,000	417,977	172,242,025	511,636
<i>Of which:</i>										
Voted Expenditure										
1,364,682	-87,876	1,276,806	81,186,032	-594,039	80,591,993	372,730	-1,000	371,730	81,667,523	426,553
Non Voted Expenditure										
-	-	-	92,077,202	-48,123	92,029,079	46,247	-	46,247	90,574,502	85,083

Part II: Resource to cash reconciliation

£'000

	2013-14 Plans	2012-13 Provisions	2011-12 Outturn
Net Resource Requirement	173,897,878	172,242,025	164,480,594
Net Capital Requirement	417,977	511,636	314,950
Accruals to cash adjustments	-1,388,235	173,143	-1,301,587
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-212,810	-256,860	-280,724
New provisions and adjustments to previous provisions	-545,796	-375,000	-1,250,163
Departmental Unallocated Provision	-1,466,663	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-267,694	-317,642	-266,993
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-539,601	-706,321	-376,279
Add cash grant-in-aid	541,201	701,235	366,217
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	400,000	400,000	-732,641
Increase (-) / Decrease (+) in creditors	600,000	600,000	1,140,545
Use of provisions	103,128	127,731	98,451
Removal of non-voted budget items	-92,075,326	-90,659,585	-85,496,510
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-92,075,326	-90,659,585	-85,496,510
Net Cash Requirement	80,852,294	82,267,219	77,997,447

Part III: Note A - Statement of Comprehensive Net Expenditure & Reconciliation Table

	£'000		
	2013-14 Plans	2012-13 Provisions	2011-12 Outturn
Gross Administration Costs	1,364,682	1,299,531	1,353,161
<i>Less:</i>			
Administration DEL Income	-87,876	-64,761	-105,668
Net Administration Costs	1,276,806	1,234,770	1,247,493
Gross Programme Costs	169,664,987	168,815,180	161,411,434
<i>Less:</i>			
Programme DEL Income	-501,278	-373,317	-464,236
Programme AME Income	-140,884	-31,527	-39,024
Non-budget income	-	-	-1,535
Net Programme Costs	169,022,825	168,410,336	160,906,639
Total Net Operating Costs	170,299,631	169,645,106	162,154,132
<i>Of which:</i>			
Resource DEL	5,736,106	6,757,634	6,760,501
Capital DEL	-	-	1,939
Resource AME	163,840,918	162,049,520	154,576,005
Capital AME	-	-	-
Non-budget	722,607	837,952	815,687
<i>Adjustments to include:</i>			
Departmental Unallocated Provision (resource)	1,217,933	-	-
Consolidated Fund Extra Receipts in the budget but not in the SoCNE	-	-	-
<i>Adjustments to remove:</i>			
Capital in the SoCNE	-	-	-1,939
Grants to devolved administrations	-	-	-
Non-Budget Consolidated Fund Extra Receipts in the SoCNE	-	-	1,535
Other adjustments	-23,060	-201,561	-187,972
Total Resource Budget	171,494,504	169,443,545	161,965,756
<i>Of which:</i>			
Resource DEL	7,756,714	7,523,248	7,488,202
Resource AME	163,737,790	161,920,297	154,477,554
<i>Adjustments to include:</i>			
Grants to devolved administrations	-	-	-
Prior period adjustments	-	-	-
<i>Adjustments to remove:</i>			
Consolidated Fund Extra Receipts in the resource budget	-	-340	-
Other adjustments	2,403,374	2,798,820	2,514,838
Total Resource (Estimate)	173,897,878	172,242,025	164,480,594

Part III: Note B - Analysis of Departmental Income

£'000

	2013-14 Plans	2012-13 Provision	2011-12 Outturn
Voted Resource DEL	-589,154	-437,886	-569,701
<i>Of which:</i>			
Administration			
Sales of Goods and Services	-87,876	-47,115	-99,941
<i>Of which:</i>			
A: Operational Delivery	-	-304	-130
B: Child Maintenance Group	-	-10	-
C: Health and Safety Executive (Net)	-	-	-17,021
J: Departmental operating costs	-87,876	-46,801	-82,600
<i>Child Maintenance and Enforcement Commission (Net)</i>	-	-	-190
Interest and Dividends	-	-	-1,667
<i>Of which:</i>			
J: Departmental operating costs	-	-	-1,667
Other Grants	-	-180	-
<i>Of which:</i>			
J: Departmental operating costs	-	-180	-
Other Income	-	-17,466	-4,060
<i>Of which:</i>			
A: Operational Delivery	-	-2	-52
C: Health and Safety Executive (Net)	-	-	-347
J: Departmental operating costs	-	-17,464	-3,661
Total Administration	-87,876	-64,761	-105,668
Programme			
EU Grants Received	-400,000	-260,000	-248,560
<i>Of which:</i>			
E: European Social Fund	-400,000	-260,000	-248,560
Sales of Goods and Services	-84,782	-60,563	-183,600
<i>Of which:</i>			
A; Operational Delivery	-3,600	-6,343	-9,377
B: Child Maintenance Group	-2,000	-1,909	-
C: Health and Safety Executive (Net)	-	-	-98,079
G: Employment Programmes	-	-	-1,224
I: Other Programmes	-45,832	-36,226	-31,264
J: Departmental operating costs	-33,350	-16,085	-40,953
<i>Child Maintenance and Enforcement Commission (Net)</i>	-	-	-2,703
Interest and Dividends	-7,452	-	-13,086
<i>Of which:</i>			
G: Employment Programmes	-	-	-1,184
I: Other Programmes	-7,452	-	-
J: Departmental operating costs	-	-	-11,902
Other Grants	-9,044	-14,113	-
<i>Of which:</i>			
J: Departmental operating costs	-9,044	-14,113	-

Part III: Note B - Analysis of Departmental Income continued

£'000

	2013-14 Plans	2012-13 Provision	2011-12 Outturn
Other Income	-	-38,449	-3,413
<i>Of which:</i>			
A: Operational Delivery	-	-1,766	-2,590
B: Child Maintenance and Enforcement Commission (Net)	-	-	-28
C: Health and Safety Executive (Net)	-	-	-802
G: Employment Programmes	-	-21,301	7
J: Departmental operating costs	-	-15,382	-
Taxation	-	-	-15,374
<i>Of which:</i>			
I: Other Programmes	-	-	-15,374
Total Programme	-501,278	-373,125	-464,033
Voted Resource AME	-92,761	-29,794	-39,024
<i>Of which:</i>			
Programme			
Sales of Goods and Services	-	-	-937
<i>Of which:</i>			
AC: Other Benefits	-	-	-937
Other Income	-92,761	-29,794	-38,087
<i>Of which:</i>			
M: Severe Disablement Allowance	-8	-	-
N: Industrial Injuries Benefits Scheme	-27,098	-	-
P: Jobseekers Allowance	-2,276	-2,242	-6,425
Q: Employment and Support Allowance	-4,174	-138	-76
R: Income Support	-21,628	-27,412	-31,586
V: Attendance Allowance	-4,241	-	-
X: Disability Living Allowance	-33,336	-	-
AC: Other Benefits	-	-1	-
AD: Other Expenditure	-	-1	-
Total Programme	-92,761	-29,794	-39,024
Total Voted Resource Income	-681,915	-467,680	-608,725

Part III: Note B - Analysis of Departmental Income continued

£'000

	2013-14 Plans	2012-13 Provision	2011-12 Outturn
Voted Capital DEL	-1,000	-225	-6,056
<i>Of which:</i>			
Programme			
Sales of Assets	-1,000	-225	-1,813
<i>Of which:</i>			
C: Health and Safety Executive (Net)	-	-	-561
J: Departmental operating costs	-1,000	-225	-1,252
EU Grants Received	-	-	-203
<i>Of which:</i>			
J: Departmental operating costs	-	-	-203
Repayments	-	-	-4,040
<i>Of which:</i>			
J; Departmental operating costs	-	-	-4,040
Total Programme	-1,000	-225	-6,056
Total Voted Capital Income	-1,000	-225	-6,056

Part III: Note C - Analysis of Consolidated Fund Extra Receipts

In addition to income retained by the Department the following income is payable to the Consolidated Fund:

£'000

	2013-14 Plans		2012-13 Provisions		2011-12 Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Income in budgets surrendered to the Consolidated Fund (resource)	-	-	-340	-340	-	-
Income in budgets surrendered to the Consolidated Fund (capital)	-	-	-	-	-	-
Non-budget amounts collectable on behalf of the Consolidated Fund (in the SoCNE)	-	-	-	-	-1,535	-1,535
Total	-	-	-340	-340	-1,535	-1,535

Detailed description of CFER sources

£'000

	2013-14 Plans		2012-13 Provisions		2011-12 Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Departmental Expenditure Limit						
Unattributed receipts	-	-	-192	-192	-	-
Annually Managed Expenditure						
Unattributed receipts	-	-	-148	-148	-	-
Non-Budget						
Unattributed receipts	-	-	-	-	-1,535	-1,535
Total	-	-	-340	-340	-1,535	-1,535

Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

Accounting Officer: Robert Devereux

In accordance with Chapter 3 of Managing Public Money (issued by the Treasury), the following individuals are NDPB Accounting Officer appointments:

ALB/NDPB Accounting Officers:

Geoffrey Podger	Health and Safety Executive
James Sanderson	Independent Living Fund
Marta Phillips OBE	The Pensions Advisory Service
Bill Gavin	The Pensions Regulator
Tony King	The Pensions Ombudsman

Robert Devereux has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities, particular regard is given to:

- observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FRM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of Managing Public Money.

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

Part III: Note E - Non-Departmental Public Bodies

£'000

Section in Part II: Subhead Detail	Body	Resources	Capital	Grant-in-aid
C - DEL	Health and Safety Executive	156,800	8,200	164,289
F - DEL	The Independent Living Fund	297,110	-	307,144
F - DEL	The Pensions Regulator	66,518	806	62,733
F - DEL	The Pensions Advisory Service	6,429	90	3,467
F - DEL	The Pensions Ombudsman	3,648	-	3,568

Total		530,505	9,096	541,201
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Part III: Note G - Expenditure resting on the sole authority of the Supply and Appropriation Act

The following subheads contain provision sought under the sole authority of Part I of the Estimate and of the confirming Supply and Appropriation Act

Section in Part II: Subhead Detail	Service	£'000
Section J - DEL	Establishment and Development of Regional Forums on Ageing	171

Part III: Note J - Staff Benefits

For the financial year 2013-14 budget holders have delegated authority to award reward vouchers to staff under the terms of the Department's Reward and Recognition Scheme. The vouchers are for a range of well known retail outlets and are given in recognition of valuable or exceptional contributions to business performance, as well as to recognise the importance the Department places on the loyalty and commitment of employees. Individual awards will not exceed £150 and, in total, the expenditure for the Reward and Recognition Scheme will not exceed 0.25% of the DWP paybill. In practice the total expenditure is likely to be less than £2.9 million.

The Department operates an Employee Discount Scheme which provides staff with the opportunity to purchase a range of on-line goods and retail vouchers at a reduced price. The cost of items purchased is met by the employee however the Department pays an annual fee to a third party provider for the operation of the contract. This cost is determined by the number of employees registered with the scheme and is likely to be in the region of £50,000.

Budget holders have delegated authority to provide staff with childcare assistance. This includes provision of on site facilities and contributions to the cost of private childcare made directly to the employee through payroll. The availability, method and amount of assistance is at the discretion of the budget holder.

Part III: Note K - Contingent Liabilities

Nature of liability	£'000
Contingent Liabilities disclosed under IAS 37	
<p>Remploy Limited</p> <p>In the event of Remploy Limited becoming insolvent, the Secretary of State has agreed to pay Remploy Limited a sum equal to its remaining debts and to cover any shortfall in its pension provision.</p>	Unquantifiable
<p>Remploy Factories</p> <p>On transfer of two Remploy factory businesses to new ownership the Department provided a redundancy indemnity of up to £0.6m, payable if owners make redundancies within 6 months of transfer of ownership and building dilapidations guarantee of up to £0.5m, payable if new owners exit the site at the end of the lease in June 2013.</p>	1,100
<p>European Social Fund (ESF) Repayments</p> <p>The Audit Authority produces an annual control report and opinion for the EU. The opinion is largely based on the amount of error found during checks of claims submitted by the Department, as Managing Authority of the ESF in England and Gibraltar, to the EU. If this exceeds the EU's defined 2 per cent tolerable error the opinion is likely to be qualified, with the risk that the EU would impose a financial correction, which may not be recoverable.</p> <p>A further risk arises because ESF commitments are made in sterling, whereas funds are reimbursed from the EU in euros and are fixed at the start of the seven year programme. An overspend against the euro allocation is not expected but should it arise, it would have to be funded by the Department.</p>	Unquantifiable
<p>Financial Assistance Scheme (FAS)</p> <p>Regulations came into force enabling the transfer of assets in FAS qualifying schemes, to Government. As a result, the liabilities associated with FAS will increase as the assets transfer from individual schemes to Government. The provision has increased by £99m for liabilities associated with the assets transferred so far in 2012-13.</p>	Unquantifiable
<p>Vaccine Damage Payments</p> <p>Currently there are approximately 3,300 Vaccine Damage Payment claims which have existing appeal rights. There is no time limit for requesting Vaccine Damage Payment Appeals and so no means of establishing if, or when, these appeal rights may be exercised. It is therefore not possible to estimate the value or success of these claims.</p>	Unquantifiable

<p>Incorrect payment of Disability Living Allowance (DLA) or Attendance Allowance (AA)</p> <p>During 2010, the Pension, Disability and Carers Service (PDCCS) concluded its review of data matching opportunities between DLA/AA and State Pension and identified 34,866 cases for investigation of customers who are in receipt of an incorrect combined payment of State Pension with either DLA/AA.</p> <p>Errors have occurred due to a breakdown in communication between Pension Centres and Disability Centres and in particular, the reliance on a clerical process involving Authorities to Pay (ATPs). These errors are considered to be avoidable and steps have been taken to prevent it happening again.</p> <p>Since the 34,866 cases were identified, some of the errors have been resolved via normal work processes, and the estimate of cases still to be actioned was 22,000.</p>	Unquantifiable
<p>Ministers gave permission to review the cases identified and during 2011/12, 5,478 cases were reviewed. 1,382 cases were found underpaid, resulting in arrears payments of £7.0m. In addition to this, special payments of £0.3m were paid to 998 customers as financial redress. Overpayments totalling £1.8m arose on 595 cases and are disclosed within the Losses section of the accounts.</p> <p>Based on the findings of the work carried out in 2011/12, it was estimated that further arrears of benefit will need to be paid out on c5,500 cases amounting to £28.2m, with special payments of £1.4m expected on c4,000 cases. However, as the number of cases in the exercise fluctuates, these numbers can only be estimated and are expected to reduce.</p> <p>During the period 1 April 2012 - 30 September 2012, 10,110 cases were corrected leaving 14,263 cases outstanding.</p>	Unquantifiable
<p>Of the 10,110 cases reviewed 952 cases were found underpaid, resulting in arrears payments of £7.4m. In addition to this, special payments of £0.2m were paid to 646 customers as financial redress. Overpayments totalling £1.2m arose on 569 cases and will be disclosed within the Losses section of the accounts.</p>	Unquantifiable
<p>Transfer of State Pensions and Benefits</p> <p>In 2007 regulations were put in place to allow staff employed in certain EU institutions to transfer an enhanced cash value of potential entitlement to the state pension and other contributory benefits to the Pension Scheme for Officials and Servants of Community Institutions.</p> <p>Since 2007 1,040 transfer applications have been received, 80% of which have resulted in transfer payments. In 2011-12 the overall cash equivalent transfer valuation was over £5.2million amounting to an average transfer value of around £34,800 a case. Recent changes to the status and rules of certain EU institutions could result in around 500 additional potential applicants.</p>	Unquantifiable
<p>Lump sum compensation payments in respect of pneumoconiosis and certain other dust related diseases</p> <p>The Department makes lump sum compensation payments in relation to pneumoconiosis and certain other dust related diseases.</p> <p>The diseases covered have a long latency period which makes the number of years over which claims will continue to be made unclear. Therefore the total value payments which may become due cannot be reliably estimated.</p>	Unquantifiable

Compensation claims	Unquantifiable
<p>The Department has contingent liabilities arising from possible compensation payments that may become due as a result of compensation claims against the Department by staff and members of the public. Claims relate to employment tribunal, personal injury and Civil Service Appeal Board cases. There is significant uncertainty surrounding the estimated liability and the timing of payments, which can fluctuate based on various factors such as medical evidence received, witness statements and whether claims proceed to trial or are settled early.</p>	
Bearer connection charges	2,800
<p>A contingent liability exists in respect of bearer connection charges incurred by British Telecom. These costs will only become payable by the Department if a site closes within three years of connection. At 31 March 2013, the total potential liability is £2.8 million.</p>	
IT Supplier Disputes	Unquantifiable
<p>The Department has a contingent liability arising from a dispute with one of its IT suppliers in relation to the termination of the contract in March 2011 for the provision of desktop IT equipment.</p> <p>Negotiations about the financial impact of the IT dispute are ongoing and as such the information usually required by IAS37 is not being disclosed because the Department believes that to do so would seriously prejudice the outcome of these discussions.</p>	
Debt Manager Contract	Unquantifiable
<p>The contract with the supplier for support and maintenance of the Debt Manager system covers volumes of up to 3.8 million accounts. If the past volumes are found to be in excess of 3.8 million when the supplier completes an audit in September 2013, then the additional liability may be up to 14 pence per account over and above the level already accounted for.</p>	
Fixed Term Appointments	Unquantifiable
<p>The Department's position is that the release of Fixed Term Appointment employees at the agreed end date of their contract of employment does not constitute a redundancy situation. That view is challenged by the Department's Trade Unions and lead cases will be robustly defended at Employment Tribunal in 2013. The Department has not disclosed the information usually required for IAS 37 because it believes that to do so would seriously prejudice the outcome of these cases.</p>	
Intellectual Property Rights	Unquantifiable
<p>The Health and Safety Executive (HSE) has recently been made aware of a potential claim for a breach of copyright by a company alleging use of their intellectual property which had not been agreed in advance. No formal claim has yet been received and at this stage there is a significant element of uncertainty concerning liability.</p>	
Refunds of deductions made during Bankruptcy	Unquantifiable
<p>On 14 December 2011 the Supreme Court passed judgment that recoveries made by deduction from benefits against Social Fund or overpayment debts included in a Bankruptcy Order were unlawful. On legal advice, the liability to refund deductions is limited to those made since 15 December 2005. The Department is presently liaising with the Insolvency Service to obtain details of those benefit debtors who are potentially due a refund. Until this data is received the financial implications are not yet known.</p>	

Part III: Note L - International Subscriptions

Section in Part II: Subhead Detail	Body	£'000
Section I - DEL	International Labour Organisation	16,000