
Cabinet Office

Introduction

1. This Estimate provides for expenditure by the Cabinet Office in providing the government's co-ordination function with an overarching purpose of making government work better and more efficiently.
2. The department's latest Annual Report and Accounts 2011-12 have been published under reference HC56. The Annual Report and Accounts 2012-13 will be published in summer 2013.

Part I

£

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	436,761,000	2,000,000	438,761,000
Capital	34,500,000	-	34,500,000
Annually Managed Expenditure			
Resource	4,866,000	-	4,866,000
Capital	-	-	-
Total Net Budget			
Resource	441,627,000	2,000,000	443,627,000
Capital	34,500,000	-	34,500,000
Non-Budget Expenditure	-		
Net cash requirement	453,836,000		

Amounts required in the year ending 31 March 2014 for expenditure by Cabinet Office on:

Departmental Expenditure Limit:Expenditure arising from:

Administration and operation of the department in connection with the following functions:

Providing the government's co-ordination function with an overarching purpose of making government work better and more efficiently;

Supporting the Prime Minister and Deputy Prime Minister - to define and deliver the government's objectives, implement political and constitutional reform, and drive forward from the centre particular cross-departmental priority issues;

Supporting the Cabinet - to drive the coherence, quality and delivery of policy and operations across departments; and

Strengthening the Civil Service – to ensure the Civil Service is organised effectively and efficiently and has the capability in terms of skills, values and leadership to deliver the government's objectives, including ensuring value for money to the taxpayer.

Working with the Treasury to drive efficiency and reform across the public sector.

Political and constitutional reform includes: costs in relation to constitutional offices; constitutional issues; electoral policy and administration, in particular costs in relation to the policy on the conduct of all UK Parliamentary and European elections and certain referendums in the UK, and the administration of payments to returning officers from the Consolidated Fund; payments relating to the Representation of the People Act 1983 and other electoral legislation; costs arising from the implementation of Individual Electoral Registration and the existing registration system; policy on the financing and regulation of political parties; Parliamentary Boundary Commissions for England & Wales; research into constitution settlement/devolution, including costs of a Commission to consider the West Lothian Questions; costs associated with a programme of constitutional and political reform, including recall of MPs and a statutory register of lobbyists.

Costs in relation to the Privy Council Office.

Development and implementation of programmes to promote the building of the Big Society, including through direct support to civil society organisations and which includes development of the Big Society Capital, National Citizen Service, the Mutuals Support Programme and community based funding, across the UK.

Supporting not-for-profit bodies associated with the public service: Civil Service Benevolent Fund, Civil Service Retirement Fellowship, Civil Service Sports Council and the Chequers Trust.

Payments to and relating to former Prime Ministers. Reimbursement of Lord Lieutenants' expenses. Special payments.

Providing a professional procurement service to the public sector to enable organisations to deliver improved value for money in their commercial activities.

Expenditure incurred in providing marketing and communications services to Government, advising on marketing and communications policy and setting up a function to evaluate the impact of marketing on policy outcomes. Providing strategic advice to departments and agencies on achieving their communications objectives, and supplying directly those services that, for propriety or other reasons, can only be provided by a government organisation.

The management of the Government's property portfolio.

The management and administration of the Royal Mail Statutory Pension Scheme.

The provision of IT, employee and financial transactional services to other public sector bodies.

Shares in mutual joint ventures and shares in joint ventures granted to employees and held within Employee Benefits Trusts on employees' behalf; issue of loans to mutual joint ventures and issue of financial guarantee contracts.

Expenditure by executive non-departmental public body, the Civil Service Commission. Expenditure by advisory non-departmental public bodies.

Expenditure on non-current assets including property and other financial assets, such as loans and investments, and the issue of capital grants in kind on transfer of assets to other government departments for nil consideration.

Depreciation and notional audit fee and associated non-cash items in DEL.

Income arising from:

Rental income and receipts from property and land, sales of goods and services, sale or the use of rights and assets, recoverable management costs of the Principal Civil Service Pension Scheme and income from employers participating in the Principal Civil Service Pension Scheme to cover administration of the scheme, secondment and loan payments, training courses, learning and development activities and related consultancy work, Honours and Appointments, Office for Civil Society programmes, repayment of grants and subsidies, sales of publications and consultancy services, interest receivable, shared services income, cost sharing arrangements, receipts of dividends, sales of capital and non-capital assets, repayment of loan principal by the LHA London Limited and Bridges Social Entrepreneurs' Fund LP, capital grant in kind income on receipt of donated assets, income on disposal of donated assets, receipts from staff, rebates from suppliers, annual subscriptions from government departments and their Arms Length Bodies for the use of shared communications services in media monitoring, the provision of a regional news network, and for shared services in media planning, media buying and evaluation of the effectiveness of marketing spend, and sales of financial assets and proceeds on the sale of shares in mutual joint ventures to the private sector, and transactional services carried out on behalf of other public sector bodies.

Annually Managed Expenditure:Expenditure arising from:

Provisions for early departures, dilapidations, onerous contracts and doubtful debts, write off of bad debt, revaluation of assets and depreciation on donated assets and associated non-cash items in AME.

The **Cabinet Office** will account for this Estimate.

	Voted Total	Allocated in Vote on Account	Balance to complete or surrender
£			
Departmental Expenditure Limit			
Resource	436,761,000	250,529,000	186,232,000
Capital	34,500,000	15,525,000	18,975,000
Annually Managed Expenditure			
Resource	4,866,000	2,466,000	2,400,000
Capital	-	-	-
Non-Budget Expenditure	-	-	-
Net cash requirement	453,836,000	272,066,000	181,770,000

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										
297,939	-102,574	195,365	245,120	-3,724	241,396	34,520	-20	34,500	432,032	23,174
<i>Of which:</i>										
A Support to the Cabinet, the PM & the Deputy PM										
44,134	-	44,134	26,027	-	26,027	-	-	-	56,371	1,203
B Political & Constitutional Reform										
3,948	-	3,948	5,623	-	5,623	11,000	-	11,000	12,105	3,000
C National Security										
15,639	-	15,639	12,223	-1,224	10,999	-	-	-	46,855	-
D Efficiency and Reform										
31,273	-9,820	21,453	25,783	-2,500	23,283	450	-	450	223,848	12,768
E Government Innovation Group										
4,442	-	4,442	175,464	-	175,464	15,238	-	15,238	-	-
F Transactional Shared Services										
48,983	-47,310	1,673	-	-	-	-	-	-	-	-
G Hosted Functions										
1,341	-	1,341	-	-	-	-	-	-	1,926	-
H Corporate Services Group										
147,074	-45,444	101,630	-	-	-	7,832	-20	7,812	89,727	6,203
I eNDPBs (NET)										
1,105	-	1,105	-	-	-	-	-	-	1,200	-
Non-voted expenditure										
-	-	-	2,000	-	2,000	-	-	-	2,143	-
<i>Of which:</i>										
J Consolidated Fund Standing Services (CFSS)										
-	-	-	2,000	-	2,000	-	-	-	2,143	-
Total Spending in DEL										
297,939	-102,574	195,365	247,120	-3,724	243,396	34,520	-20	34,500	434,175	23,174
Spending in Annually Managed Expenditure (AME)										
Voted expenditure										
-	-	-	4,866	-	4,866	-	-	-	5,480	-
<i>Of which:</i>										
K Corporate Services Group (AME)										
-	-	-	4,866	-	4,866	-	-	-	5,480	-
Total Spending in AME										
-	-	-	4,866	-	4,866	-	-	-	5,480	-

Part II: Subhead detail continued

£'000

2013-14 Plans									2012-13 Provisions	
Resources						Capital			Resources	Capital
Administration			Programme							
Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	Net	Net
1	2	3	4	5	6	7	8	9	10	11
Total for Estimate										
297,939	-102,574	195,365	251,986	-3,724	248,262	34,520	-20	34,500	439,655	23,174
<i>Of which:</i>										
Voted Expenditure										
297,939	-102,574	195,365	249,986	-3,724	246,262	34,520	-20	34,500	437,512	23,174
Non Voted Expenditure										
-	-	-	2,000	-	2,000	-	-	-	2,143	-

Part II: Resource to cash reconciliation

£'000

	2013-14 Plans	2012-13 Provisions	2011-12 Outturn
Net Resource Requirement	443,627	439,655	453,924
Net Capital Requirement	34,500	23,174	17,441
Accruals to cash adjustments	-22,291	27,933	-31,161
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-24,587	-26,450	-9,709
New provisions and adjustments to previous provisions	-300	-1,295	-13,022
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-425	-925	-321
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-1,105	-1,200	-1,160
Add cash grant-in-aid	1,105	1,200	1,270
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	52,258	-17,664
Use of provisions	3,021	4,345	9,445
Removal of non-voted budget items	-2,000	-2,143	-1,849
<i>Of which:</i>			
Consolidated Fund Standing Services	-2,000	-2,143	-1,849
Other adjustments	-	-	-
Net Cash Requirement	453,836	488,619	438,355

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

£'000

	2013-14 Plans	2012-13 Provisions	2011-12 Outturn
Gross Administration Costs	294,918	300,385	257,898
<i>Less:</i>			
Administration DEL Income	-102,574	-101,056	-79,175
Net Administration Costs	192,344	199,329	178,723
Gross Programme Costs	268,007	310,692	363,974
<i>Less:</i>			
Programme DEL Income	-3,724	-21,111	-70,147
Programme AME Income	-	-	-
Non-budget income	-	-	-
Net Programme Costs	264,283	289,581	293,827
Total Net Operating Costs	456,627	488,910	472,550
<i>Of which:</i>			
Resource DEL	433,740	425,327	437,650
Capital DEL	15,000	51,398	8,965
Resource AME	7,887	9,825	14,564
Capital AME	-	-	-
Non-budget	-	2,360	11,371
<i>Adjustments to include:</i>			
Departmental Unallocated Provision (resource)	-	-	-
Consolidated Fund Extra Receipts in the budget but not in the SoCNE	-	-	-
<i>Adjustments to remove:</i>			
Capital in the SoCNE	-15,000	-51,398	-8,965
Grants to devolved administrations	-	-	-
Non-Budget Consolidated Fund Extra Receipts in the SoCNE	-	-	-
Other adjustments	2,000	2,143	-9,661
Total Resource Budget	443,627	439,655	453,924
<i>Of which:</i>			
Resource DEL	438,761	434,175	448,805
Resource AME	4,866	5,480	5,119
<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	-	-	-
Other adjustments	-	-	-
Total Resource (Estimate)	443,627	439,655	453,924

Part III: Note B - Analysis of Departmental Income

£'000

	2013-14 Plans	2012-13 Provision	2011-12 Outturn
Voted Resource DEL	-106,298	-114,148	-147,447
<i>Of which:</i>			
Administration			
Sales of Goods and Services	-102,574	-97,902	-62,061
<i>Of which:</i>			
A: Support to the Cabinet, the PM & the Deputy PM	-	-7,598	-3,189
B: Political & Constitutional Reform	-	-	-1
C: National Security	-	-	-665
D: Efficiency and Reform	-9,820	-38,920	-30,527
F: Transactional Shared Services	-47,310	-	-
G: Hosted Functions	-	-	-1,873
H: Corporate Services Group	-45,444	-51,384	-25,806
Other Income	-	-3,154	-17,114
<i>Of which:</i>			
A: Support to the Cabinet, the PM & the Deputy PM	-	-733	-924
B: Political & Constitutional Reform	-	-	-92
C: National Security	-	-353	-
D: Efficiency and Reform	-	-	-13,555
G: Hosted Functions	-	-38	-
H: Corporate Services Group	-	-2,030	-2,543
Total Administration	-102,574	-101,056	-79,175
Programme			
Sales of Goods and Services	-1,224	-10,571	-65,744
<i>Of which:</i>			
C: National Security	-1,224	-1,511	-1,548
D: Efficiency and Reform	-	-7,506	-63,150
G: Hosted Functions	-	-1,554	-1,046
Interest and Dividends	-2,500	-2,521	-2,287
<i>Of which:</i>			
D: Efficiency and Reform	-2,500	-2,521	-2,287
Other Income	-	-	-241
<i>Of which:</i>			
D: Efficiency and Reform	-	-	-241
Total Programme	-3,724	-13,092	-68,272
Total Voted Resource Income	-106,298	-114,148	-147,447

Part III: Note B - Analysis of Departmental Income continued

£'000

	2013-14 Plans	2012-13 Provision	2011-12 Outturn
Voted Capital DEL	-20	-52,184	-2,301
<i>Of which:</i>			
Programme			
Sales of Assets	-	-44,145	-134
<i>Of which:</i>			
D: Efficiency and Reform	-	-	-134
H: Corporate Services Group	-	-44,145	-
Other Grants	-	-8,019	-1,875
<i>Of which:</i>			
C: National Security	-	-	-1,875
D: Efficiency and Reform	-	-8,000	-
H: Corporate Services Group	-	-19	-
Repayments	-20	-20	-292
<i>Of which:</i>			
D: Efficiency and Reform	-	-	-265
H: Corporate Services Group	-20	-20	-27
Total Programme	-20	-52,184	-2,301
Total Voted Capital Income	-20	-52,184	-2,301

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

No CFER income or receipts are expected in 2013-14, 2012-13 or 2011-12.

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: Richard Heaton

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:

Clare Salters Chief Executive, Civil Service Commission

Richard Heaton 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 (FRoM), 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
11	Civil Service Commission	1,105	-	1,105

Total	1,105	-	1,105
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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
A4	Grants made by the Cabinet Office	726
D4	Grants made by the Cabinet Office	1,098

Part III: Note K - Contingent Liabilities

Nature of liability	£'000
<p>1. The Cabinet Office has signed an Agreement to Lease Admiralty Arch on a long lease for 99 years to a private sector developer, Prime Investors Capital Limited who will transform the property into an hotel. The Cabinet Office will retain the freehold of the property and the deal will raise £60 million for taxpayers.</p> <p>Consequently, a contingent liability has arisen in respect of the future crystallisation of an uninsured risk to the lessee who purchases the long lease. In the event that the building is lost (for example, through fire or terrorist act), the lessee may exercise a PUT option against the Cabinet Office as landlord to suspend the lease and reclaim the value of the unexpired portion of the lease payment. The property will then revert to the Cabinet Office. The Cabinet Office is putting in place contract management and partnership relationship mechanisms to ensure that the lessee does not allow unreasonable uninsured risks to arise.</p> <p>The estimated initial value of the contingent liability is £9.5 million being the unexpired portion of the lease payment; this will reduce as the lease progresses.</p>	9,500
<p>2. The Cabinet Office has been approached by the Trustees of the Labour Party Superannuation Society in relation to a section 75 debt under the UK Pensions Act 1995 (s75 debt). Legislation provides when an employer ceases to participate in a pension scheme it is liable for its share of the deficiency at that time. The employees who have participated in the pension scheme were special advisors from 1997 up to the last general election and the debt relates to those special advisors employed by the Cabinet Office who were members of the Pension Scheme.</p> <p>The scheme claims that following the departure of the last two special advisors who were members of the scheme just before the general election, that under s75 debt, 'the crown' as the former employer must make a payment to cover any shortfall in the funding for the benefits built up in the society for its former employees. The Society's actuary Hewitt Associates Limited has confirmed a funding shortfall does exist in the society. The probable value of this 'contingent liability' is in the region of £0.5 million and £1 million.</p>	1,000