
Office of Gas and Electricity Markets

Introduction

1. This Estimate covers the resource, capital and cash expenditure of the Office of Gas and Electricity Markets.
2. The Office of Gas and Electricity Markets (OFGEM) comprises the Gas and Electricity Markets Authority and was set up in December 2000 under the provisions of the Utilities Act 2000. OFGEM's principal aim is to protect the interests of consumers, by promoting competition, wherever appropriate, and regulating the monopoly companies which run the gas and electricity networks.
3. Monies collected on behalf of the Secretary of State, either on behalf of consumer advocacy functions, or in respect of the Secretary of State's own costs are shown as payments to the Department for Business, Innovation and Skills (BIS).
4. Monies collected in respect of metrology functions are shown as payments to the National Measurement Office (NMO).
5. Central expenditure is offset mainly by income from Other Government Departments, recharges in respect of the Offshore Transmission Tender regime, and licence fees recovered from the gas and electricity industries.

Part I

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	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	700,000	-	700,000
Capital	1,500,000	-	1,500,000
Annually Managed Expenditure			
Resource	-	-	-
Capital	-	-	-
Total Net Budget			
Resource	700,000	-	700,000
Capital	1,500,000	-	1,500,000
Non-Budget Expenditure	-		
Net cash requirement	10,790,000		

Amounts required in the year ending 31 March 2014 for expenditure by Office of Gas and Electricity Markets on:

Departmental Expenditure Limit:Expenditure arising from:

administrative and operational costs; payments to other government departments; co-operation with international regulators; services to other government and energy related organisations; administration of energy efficiency, offshore transmission and other environmental schemes; regulation of and participation in the Smart Meter programme; payments in relation to legal costs arising from regulatory duties; adjustments to provisions; depreciation and other non-cash items in DEL.

Income arising from:

gas and electricity licence fees; receipts in respect of the administration of the Offshore Tender regime and Fossil Fuel Levy; income from fees and charges levied under the Gas Act 1986 and the Electricity Act 1989, as amended by the Utilities Act 2000; receipts in respect of letting, disposal, vacation or occupation of accommodation; income from services to other government and energy related organisations; and other cost recovery receipts.

Office of Gas and Electricity Markets will account for this Estimate.

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	Voted Total	Allocated in Vote on Account	Balance to complete or surrender
Departmental Expenditure Limit			
Resource	700,000	315,000	385,000
Capital	1,500,000	671,000	829,000
Annually Managed Expenditure			
Resource	-	-	-
Capital	-	-	-
Non-Budget Expenditure	-	-	-
Net cash requirement	10,790,000	2,761,000	8,029,000

Part II: Subhead detail

£'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
Spending in Departmental Expenditure Limits (DEL)										
Voted expenditure										
90,461	-89,761	700	-	-	-	1,500	-	1,500	5,300	1,490
<i>Of which:</i>										
A Gas and Electricity Markets Authority: Administration										
35,714	-35,714	-	-	-	-	1,500	-	1,500	4,600	1,490
B Ofgem E-Serve: Administration										
54,747	-54,047	700	-	-	-	-	-	-	700	-
Total Spending in DEL										
90,461	-89,761	700	-	-	-	1,500	-	1,500	5,300	1,490
Total for Estimate										
90,461	-89,761	700	-	-	-	1,500	-	1,500	5,300	1,490
<i>Of which:</i>										
Voted Expenditure										
90,461	-89,761	700	-	-	-	1,500	-	1,500	5,300	1,490
Non Voted Expenditure										
-	-	-	-	-	-	-	-	-	-	-

Part II: Resource to cash reconciliation

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	2013-14 Plans	2012-13 Provisions	2011-12 Outturn
Net Resource Requirement	700	5,300	674
Net Capital Requirement	1,500	1,490	815
Accruals to cash adjustments	8,590	10,211	-2,512
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-1,500	-1,400	-1,011
New provisions and adjustments to previous provisions	-	-1,900	-51
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-60	-55	-53
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-	-	-
Add cash grant-in-aid	-	-	-
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	5,000	6,832	3,108
Increase (-) / Decrease (+) in creditors	5,000	6,584	-4,685
Use of provisions	150	150	180
Removal of non-voted budget items	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	10,790	17,001	-1,023

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

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	2013-14 Plans	2012-13 Provisions	2011-12 Outturn
Gross Administration Costs	90,461	82,247	62,038
<i>Less:</i>			
Administration DEL Income	-89,761	-76,947	-61,364
Net Administration Costs	700	5,300	674
Gross Programme Costs	-	-	-
<i>Less:</i>			
Programme DEL Income	-	-	-
Programme AME Income	-	-	-
Non-budget income	-	-	-
Net Programme Costs	-	-	-
Total Net Operating Costs	700	5,300	674
<i>Of which:</i>			
Resource DEL	700	5,300	674
Capital DEL	-	-	-
Resource AME	-	-	-
Capital AME	-	-	-
Non-budget	-	-	-
<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	-	-	-
Grants to devolved administrations	-	-	-
Non-Budget Consolidated Fund Extra Receipts in the SoCNE	-	-	-
Other adjustments	-	-	-
Total Resource Budget	700	5,300	674
<i>Of which:</i>			
Resource DEL	700	5,300	674
Resource AME	-	-	-
<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)	700	5,300	674

Part III: Note B - Analysis of Departmental Income

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	2013-14 Plans	2012-13 Provision	2011-12 Outturn
Voted Resource DEL	-89,761	-76,947	-61,364
<i>Of which:</i>			
Administration			
Sales of Goods and Services	-54,047	-21,634	-21,394
<i>Of which:</i>			
B Ofgem E-Serve: Administration	-54,047	-21,634	-21,394
Taxation	-35,714	-55,313	-39,970
<i>Of which:</i>			
A Gas and Electricity Markets Authority: Administration	-35,714	-55,313	-26,631
B Ofgem E-Serve: Administration	-	-	-13,339
Total Administration	-89,761	-76,947	-61,364
Total Voted Resource Income	-89,761	-76,947	-61,364
Voted Capital DEL	-	-10	-
<i>Of which:</i>			
Programme			
Sales of Assets	-	-10	-
<i>Of which:</i>			
A Gas and Electricity Markets Authority: Administration	-	-10	-
Total Programme	-	-10	-
Total Voted Capital Income	-	-10	-

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: Alistair Buchanan

Alistair Buchanan 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.