Department for Transport

Memorandum for Supplementary Estimate 2019-20

Department for Transport

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1. Overview

1.1 Objectives

The Department's overall mission is to create a safe, secure, efficient and reliable transport system that works for the people who depend on it; supporting a strong, productive economy and the jobs and homes people need.

The Department's strategic objectives as set out in its Single Departmental Plan (as of June 2019) are:

1. Support the creation of a stronger, cleaner, more productive economy
2. Help to connect people and places, balancing investment across the country
3. Make journeys easier, modern and reliable
4. Make sure transport is safe, secure and sustainable
5. Prepare the transport system for technological progress, and a prosperous future outside the EU
6. Promote a culture of efficiency and productivity in everything we do

1.2 Spending Controls

DfT's spending is broken down into control totals, for which Parliamentary approval is sought.

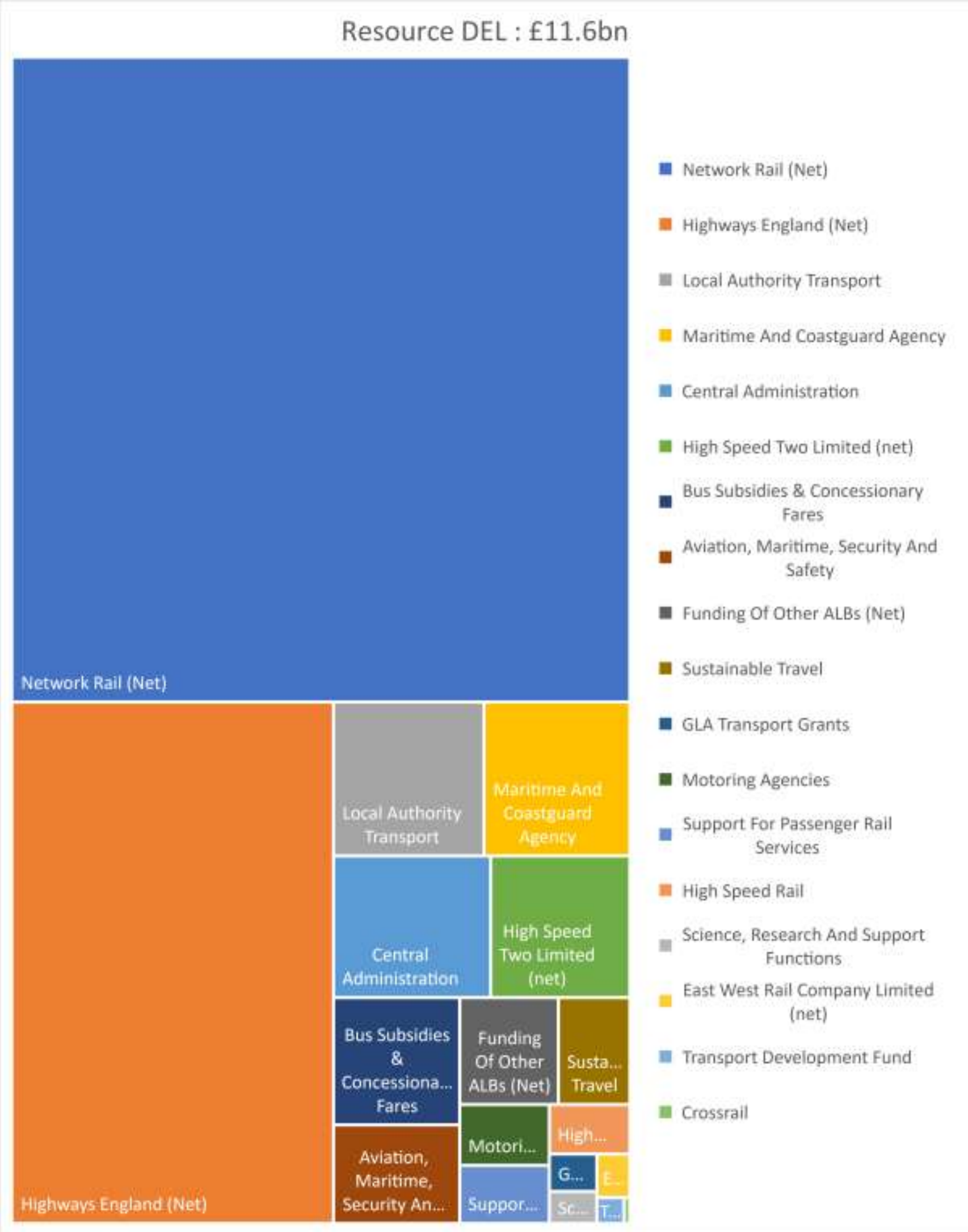
The spending totals which Parliament votes are:

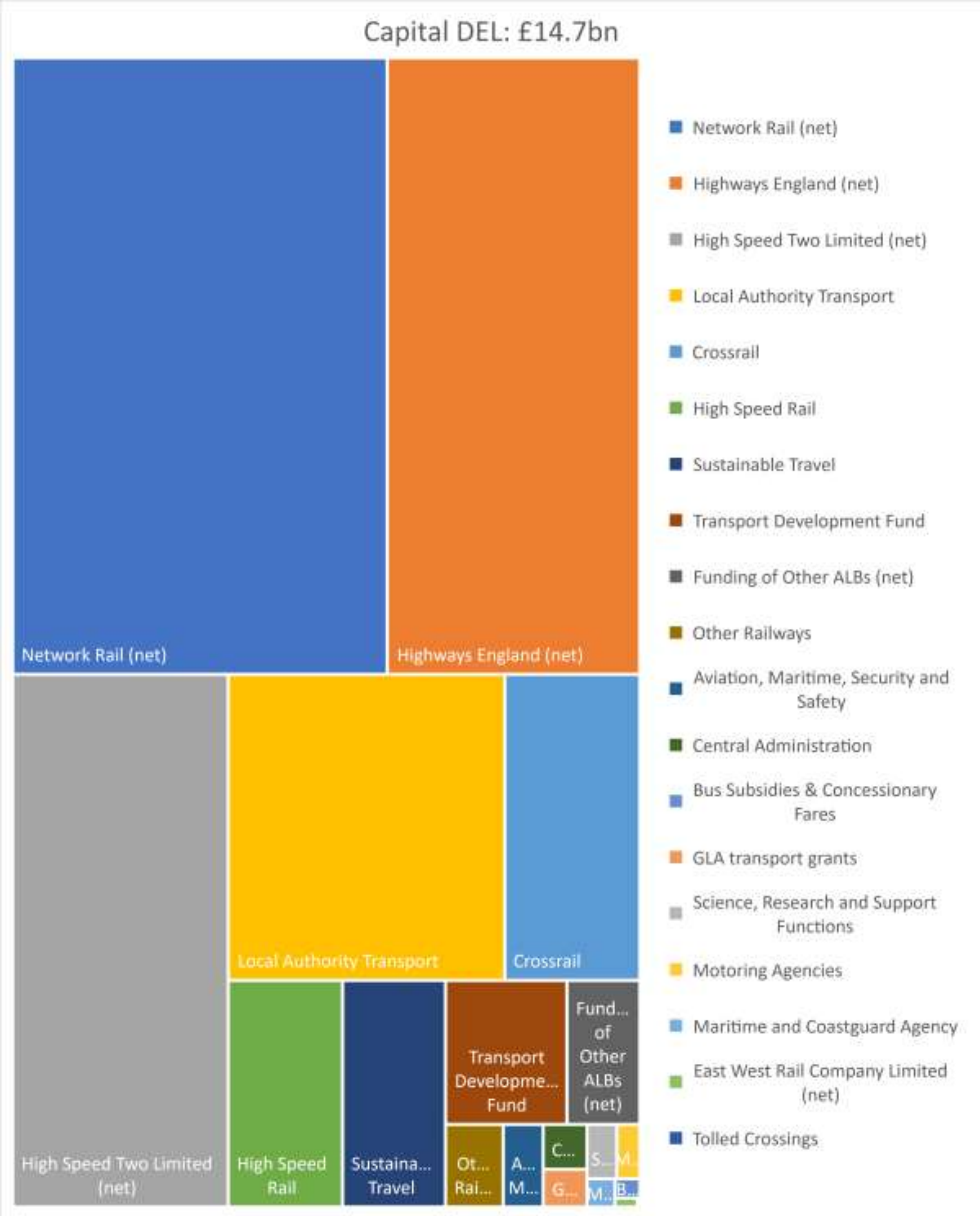
- Resource Departmental Expenditure Limit ("Resource DEL"): day to day running costs
- Capital Departmental Expenditure Limit ("Capital DEL"): investment in infrastructure
- Resource Annually Managed Expenditure ("Resource AME"): in DfT's case mainly demand-led expenditure for Network Rail
- Capital Annually Managed Expenditure ("Capital AME"): in DfT's case mainly capital provision expenses for High Speed Rail in support of High Speed Two

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets which require DfT to pay out cash in year.

1.3 Main areas of Spending

The chart below shows the key areas of DfT's DEL funding sought in the latest Supplementary Estimate 2019-20. The numbers include depreciation.



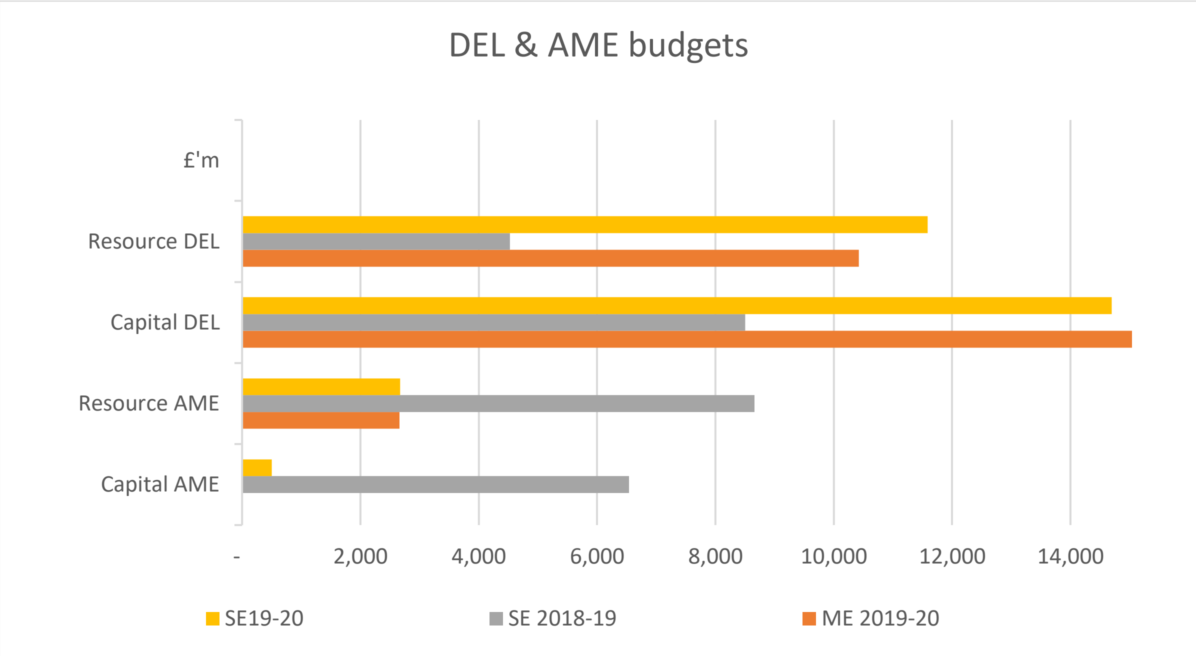


The Supplementary Estimate also includes £3.1bn AME, split between £2.6bn resource and £500m capital. The majority of Resource AME (£2.3bn) is allocated to Network Rail and the majority of Capital AME (£475m) to High Speed Rail in support of the High Speed Two project.

1.4 Comparison of spending totals sought

The Table and graph below show how the totals sought in the Supplementary Estimate compare to original budgets sought in the Main Estimate 19-20 as well as to last year's final outturn. The key difference to last year's outturn is the movement of Network Rail's budget from AME to DEL for Control Period 6: all of Network Rail's CAME has been fully re-classified into CDEL and the majority of Network Rail's RAME has been classified into RDEL (leaving non-cash items excluding Depreciation in RAME).

Spending Total Amounts sought this year (Supplementary Estimate 2019-20)		**Compared to original budget this year (Main Estimate 19-20)**		**Compared to final outturn last year (Accounts outturn 2018-19)**	
	£m	£m	%	£m	%
Resource DEL	11,584.9	+ 874.7	8.2%	+ 7,683.1	196.9%
Capital DEL	14,696.1	- 627.8	-4.1%	+ 6,422.0	77.6%
Resource AME	2,668.8	+ 5.9	0.2%	- 4,787.2	-64.2%
Capital AME	500.6	+ 855.9	-240.9%	- 4,667.4	-90.3%



1.5 Key drivers of spending changes since Main Estimate 2019-20

The main cause of changes in Resource DEL are:

- Increase in resource costs due to Brexit activities. Refer to Subheads J & L and notes 4 & 5 in 2.1.
- New funding cover for the Operation Matterhorn repatriation effort following the collapse of Thomas Cook. Refer to Subheads D & J and notes 2 & 4 in 2.1.
- Increased funding related to Rail Risk Share mechanism and cost pressures arising in rail franchises. The Rail Risk Share mechanism is a risk sharing agreement with HM Treasury and there are a number of changes across the 'Support for Passenger Services' portfolio. Refer to 1.9 and subhead O, note 7 in 2.1.
- Additional non-cash cover in relation to a write-down of land and property assets accounted for as inventory for the High Speed Two project. See Subhead N, note 6 in 2.1.

The main causes of change in Capital DEL are an underspend in High Speed Two and an increase in Crossrail Funding. Refer to Subheads I, P & R, notes 11 & 18 in 2.1.

The main change in Resource AME is a reduction in the budget held for Highways England, as a number of provisions needed to be utilised due to an adverse HMRC decision. Refer to Subhead V, note 19 in 2.1.

The main change in Capital AME is due to higher provisions required for HS2 Land and Property. Refer to Subhead AD, note 22 in 2.1.

£3.6bn has been advanced to DfT from the Contingencies Fund to provide cash supporting an existing service. A corresponding cash amount is required to enable repayment to be made to the Fund.

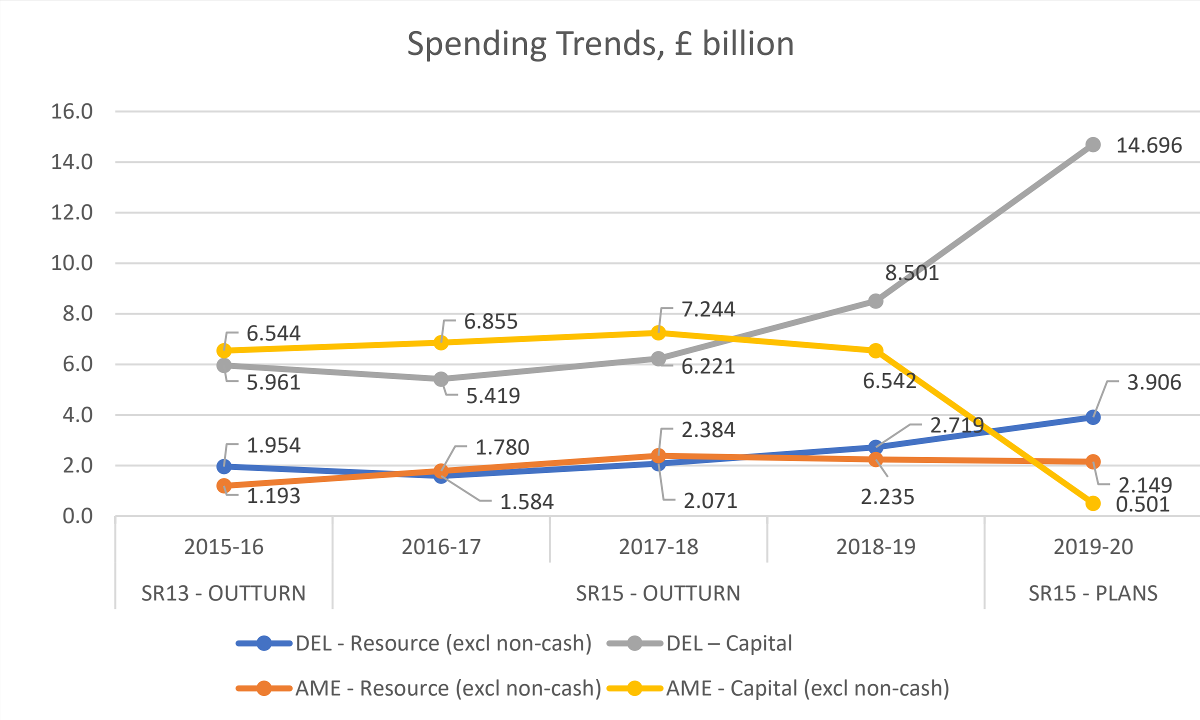
1.6 New policies and programmes: ambit changes and accounting policy changes

- We made two additions to our ambit for our DEL expenditure to cover 'loans for wider transport-related activities' and 'grants for the North and Statutory Bodies'.

- We implemented IFRS 16 in 2019-20, which is a new lease accounting standard published by the International Accounting Standards Board (IASB) in January 2016. We are adopting it in line with the private sector, with most other government bodies following next year. This brings most of the Department's leases on to the balance sheet as right-of-use assets and lease liabilities. Under IFRS 16, new leases to existing leases score in the Department's capital budget and depreciation on the right-of-use assets score in the Department's resource non-cash budget.

1.7 Spending trends

The chart below shows overall spending trends for the last five years with revised plans presented in Supplementary Estimates for 2019-20. Numbers exclude depreciation and other non-cash.



Resource DEL has broadly remained stable in cash terms up to 2018-19 but then increased as a result of Network Rail transferring out of AME and into the Department's DEL boundary.

Capital DEL has been steadily increasing in cash terms since 2016-17 because of increasing work programmes for Highways England and High Speed Two project. In 2019-20 this increases significantly with the incorporation of Network Rail in the Department's DEL boundary.

Resource AME has broadly remained stable in cash terms up to 2018-19 but then decreased as a result of Network Rail transferring out of AME and into the Department's DEL boundary.

Capital AME has broadly remained stable in cash terms up to 2018-19 but then decreased as a result of Network Rail transferring into the Department's DEL boundary.

1.8 Administration costs and efficiency plans

Administration costs are set to increase by 2% compared to Main Estimate and 18% compared to last year's final outturn.

Spending Total Amounts sought this year (Supplementary Estimate 2019-20)		**Compared to original budget this year (Main Estimate 2019-20)**		**Compared to final outturn last year (Accounts outturn 2018-19)**	
	£m	£m	%	£m	%
Administration costs	305.9	+5.6	+1.9%	+26.9	+9.6%

Increase in administration costs in-year primarily related to increased costs of rail franchising and the impact of IFRS 16. The implementation of the IFRS 16 accounting policy resulted in a net decrease of £9.5m in the admin cash budget, however it led to an increase of £9.8m in admin depreciation charges.

1.9 Funding: Reserve Claims and Budget Exchanges

Key announcement that affected the Department's budgetary control total:

- **Transforming Cities Fund (TCF): £190m CDEL** in line with Autumn Budget 2018 announcement to allocate funding to proceed with the programme of investment in transport in some of the largest English city regions.

The Department received Reserve Claims in relation to the following:

- **Operation Matterhorn: £268m RDEL** for the Operation Matterhorn repatriation effort following the collapse of Thomas Cook.
- **Crossrail: £935m CDEL** for the bridging loan agreed with Crossrail Ltd to address their funding issues.
- **Brexit Funding: £87m (of which: £59 RDEL and £28m CDEL)** for the Department's Brexit preparations. This was allocated to secure vital no-deal freight capacity; upgrade ports infrastructure; provide additional resilience in Kent; maritime security, and communications.
- **Trust Ports: £28m CDEL** of non-cash cover for net borrowing.

The Department received additional budget cover for the following non-standard Reserve Claims:

- **Additional Rail funding: £198m RDEL** additional budget cover reflects additional funding from HM Treasury to the Department, as part of a risk sharing agreement following lower than forecast rail revenue income since the 2015 Spending Review settlement. The risk sharing calculation is based on a combination of GDP and Central London Employment data and reflects the OBR's latest GDP forecasts.

- **HS2 Ltd VAT claim and Intending Trader Status: £413m (of which: £341m CDEL and £72m RDEL)** due to HMRC's decision that the company cannot reclaim VAT. This decision was taken after the Main Estimate was finalised and accordingly additional budget cover is required.
- **Class 365 rolling stock: £90m CDEL** of budget cover for the Class 365 trains that transferred into public ownership.
- **IFRS 16: £199m CDEL** for the change in financial accounting policy. DfT has agreed to adopt IFRS16 from this financial year and the pressure arises as we capitalise new leases commencing during 2019-20.
- **HS2 inventory: £100m RDEL (non-cash)** cover in relation to a write-down of land and property assets for the High Speed project which are accounted for as inventory. A further assessment of the inventory write-down is underway but the results will not be available until the first quarter of 2020.
- **Network Rail depreciation: £270m (non-cash)** due to a revaluation exercise at the previous year-end which increases the depreciation charge for the current year. The outcome of the revaluation exercise was not known at the point of finalising the Main Estimate.

In addition to the above, the Department is transferring the following funding to 2020-21:

- **Network Rail: £480m CDEL** utilising Network Rail's full Supplementary Estimate budget flexibility.
- **GovTech Competition: £750k CDEL** for the GovTech competition due to delays in awarding funding to successful bidders.

2. Spending detail

2.1 Explanations of changes in spending

Resource DEL

The table below shows a breakdown by programmes within each RDEL Estimate line compared with the 2019-20 Main Estimate. **Error! Not a valid link.**

Differences of more than 10% and which are more than £+/-10m are explained below. Numbers relate to the relevant row in the table above. Further detail of spending within these totals is given in the table in Annex A.

1. Highways England
   Resource DEL spending under these subheads is, overall, forecast to increase by £411.1m or £18%.
   This is mainly driven by:
   - increases in requirements for Highways England following a decision by HMRC that they could not reclaim VAT and the uplift for Operation Brock. Also, this reflects adjustments to DfT's overall budget to manage pressures across the Department.

2. Funding of Other ALBs
   Resource DEL spending under these subheads is, overall, forecast to increase by £196.1m.
   This is driven by:
   - Costs incurred refunding ATOL (Air Travel Organiser's Licence) protected customers for holidays paid for but not yet taken and the repatriation of ATOL customers stranded abroad.

3. Sustainable Travel
   Resource DEL spending under these subheads is, overall, forecast to increase by £13.0m or 12% since Main Estimate.
   This is driven by:
   - increase in Plug in Car Grant RDEL budget from Main Estimate to Supplementary Estimate. Demand for the grant has been significantly higher than expected this year and supply of electric vehicles has increased beyond expectations so manufacturers have been able to meet increased demand with supply. Plug in Car Grant has both CDEL (85%) and RDEL (15%) elements, so this also can be seen in CDEL.

4. Aviation, Maritime, Security and Safety
   Resource DEL spending under these subheads is, overall, forecast to increase by £122.9m.
   This is mainly driven by:

- Further costs (£108m) incurred as a result of the collapse of Thomas Cook. These relate to the repatriation of non-ATOL customers stranded abroad and other costs associated with the insolvency process.
- The cost of securing freight capacity in the event of a no deal Brexit in October 2019 and boosting maritime security and surveillance.

5. Motoring Agencies
   Net Resource DEL is forecast to increase by £34.6m or 64% since Main Estimate.
   This is driven by:
   - The cost of no deal preparations to provide additional resilience in Kent and essential Brexit preparations for Ports and Enforcement, and Road Haulage permits.

6. Central Administration
   Resource DEL spending under these subheads is, overall, forecast to increase by £98.3m or 37%.
   This is driven by:
   - The allocation of an additional £100m non-cash cover in relation to a write-down of land and property assets for the High Speed Two project which are accounted for as inventory and is offset by a small number of adjustments.

7. Support for Passenger Rail Services and Other Railways
   Resource DEL spending under these subheads is, overall, forecast to increase by £24.3m (net). There have been a number of changes across the Support for Passenger Services portfolio, resulting in an increased requirement.
   This is largely driven by:
   - A decrease in forecast of income by £120m due to the impact of the CP6 regulatory charging review on TOCs. The CP6 Charging Review covers Network Rail Track Access Charges and Performance Benchmarks, which impact on DfT through premia and subsidy in rail franchising. At the time of the Main Estimate, based on limited information, these were estimated to result in a net receipt to the Department of (£119m). Following analysis of the TOC by TOC impact, this is forecast to result in an estimated £120m decrease in net income.
   - A Wales and Border budget transfer to the Welsh Government of £72m for access charge adjustment for the Wales and Border franchise.
   - Further costs of £128m arising as a result of commercial negotiations.

   These are offset in part by:
   - Better than budgeted performance by £151m on those franchises where the Department holds revenue risk.
   - Revenue Protection Mechanism requirements, Profit Share and alterations to franchise start dates have resulted in £125m decrease in expenditure.
   - Budgets set aside for Mobile Connectivity costs have been transferred to Network Rail.

8. East West Rail Co Ltd

Resource DEL spending is forecast to reduce by £12m or 34%. This is driven by changes to the company's scale and pace of operating plans.

Capital DEL

The table below shows a breakdown by programmes within each CDEL Estimate line compare with the 2019-20 Main Estimate.

Subheads	Description		**Capital DEL**			
			£ million		%	
		Supplementary Estimate 19-20	Main Estimate 19-20	Change from Main Estimate		note number
A	Tolled Crossings	0.5	0.8	**-0.2**	**-33%**	
B	Local Authority Transport	1,748.7	1,764.4	**-15.7**	**-1%**	
C	Highways England ALB (net)	3,214.6	3,179.5	**35.1**	**1%**	
D	Funding of Other ALBs (net)	216.9	14.0	**203.0**	**1447%**	9
E	Other railways	98.2	141.7	**-43.5**	**-31%**	10
F	Sustainable Travel	481.7	498.2	**-16.5**	**-3%**	
G	Bus Subsidiaries and Concessionary Fares	10.0	2.7	**7.3**	**277%**	
H	GLA Transport grants	34.0	34.0	**0.0**	**0%**	
I	Crossrail	854.9	-120.0	**974.9**	**-812%**	11
J	Aviation, Maritime, Security & Safety	68.5	24.2	**44.4**	**184%**	12
K	Maritime & Coastguard Agency	16.3	29.1	**-12.7**	**-44%**	13
L	Motoring Agencies	25.9	12.1	**13.8**	**114%**	14
M	Science, research and support functions	33.5	39.8	**-6.3**	**-16%**	
N	Central Administration	40.6	26.1	**14.7**	**56%**	15
P	High Speed Rail	405.8	936.1	**-530.3**	**-57%**	16
Q	Transport Development Fund	360.0	336.4	**23.6**	**7%**	
	National Productivity Investment Fund	0.0	105.0	**-105.0**	**-100%**	17
R	High Speed Two Limited (net)	2,311.5	3,507.7	**-1,196.2**	**-34%**	18
S	East West Rail Company Limited (net)	4.0	0.2	**3.8**		
T	Network Rail	4,768.3	4,792.2	**-23.9**	**0%**	
U	Funding of ALBs (Net) non-voted	2.0	0.0	**2.0**		
	Total voted and non-voted	**14,696.1**	**15,324.0**	**-627.9**	**-4%**	

Differences of more than 10% and more than £10m are explained below. Numbers relate to the relevant row in the table above. Further detail of spending within these totals is given in the table in Annex A.

9. Funding of Other ALBs
   Capital DEL spending under these subsegments is forecast to increase by £203.0m.
   This is mainly a result of:
   - The Department's obligation to purchase and take ownership of a fleet of trains, originally procured by British Rail.

10. Other Railways
   Capital DEL spending under these subsegments is forecast to reduce by £43.5m or 31%.
   This is a result of:
   - Re-profiling of Digital Signalling costs into later years.

11. Crossrail
   Capital DEL spending under these subsegments is forecast to increase by £974.9m.
   This is a result of:
   - Agreement with HM Treasury to provide additional budget cover so that the Department can support continued works at Crossrail. This is line with the agreed £1.3bn loan to GLA for Crossrail.

12. Aviation, Maritime, Security and Safety
   Capital DEL spending under these subsegments is forecast to increase by £44.4m.
   This is mainly due to:
   - £28m to cover the net borrowing requirements of the Trust Ports.
   - Additional funding provided by HM Treasury to upgrade ports infrastructure.

13. Maritime and Coastguard Agency
   Capital DEL spending under these subsegments is forecast to reduce by £12.7m or 44%.
   This is a result of:
   - Delays in awarding the contract for the Radio Network Infrastructure Replacement project.

14. Motoring Agencies
   Capital DEL spending under these subsegments is forecast to increase by £13.8m.
   This is a result of:
   - Additional funding provided by HM Treasury to provide additional resilience in Kent and essential Brexit preparations for DVSA Enforcement and Road Haulage permits.

15. Central Administration
   - Capital DEL spending under these subsegments is forecast to increase by £14.7m or 56%. This is mainly a result of Historic VAT liability.

16. High Speed Rail
   Capital DEL spending under these subsegments is forecast to reduce by £530m or 57%.
   This is a result of:
   - Lower than anticipated expenditure of £433m relating to the purchase of land and property for the HS2 project.

- The £75m HS2 Dual Key Contingency budget not being required.
- Transfers of capital budgets to Network Rail and HS2 Ltd for the Redevelopment of Euston Conventional Station and Euston Oversite Development projects.

17. National Productivity Investment Fund
    Capital DEL spending under these subsegments is reduced to zero. This estimate line was holding £105m funding for the Digital Rail programme and this has been allocated accordingly in the Supplementary Estimate 2019-20.

18. High Speed Two Limited
    Capital DEL spending under these subsegments is forecast to reduce by £1,196.2m or 34%.
    This is a result of:
    - Lower rate of spend due to Early Works being slower and more complex than initially expected.
    - Additionally, the Oakervee Review and General Election have also contributed to slower mobilisation of the Main Works Civil Contracts and general corporate expenditure on the project.
    - Surrendering of the budget contingency that was included in the Main Estimate.

Resource AME

The table below shows a breakdown by programmes within each RAME Estimate line compare with the 2019-20 Main Estimate.**Error! Not a valid link.**
Differences are explained below. Further detail of spending within these totals is given in the table in Annex A.

19. Highways England
    Resource AME spending is forecast to reduce by £54.7m from the Main Estimate. This is a result of an adverse HMRC decision which required a number of payments and the release of provisions.

20. Funding of other ALBs
    Resource AME spending is forecast to increase by £16.8m or 20%. This is largely driven by an increase in provision as a result of the collapse of Thomas Cook (see also RDEL notes 2 & 4).

21. Funding of other ALBs (non-voted)
    Resource AME is forecast to increase by £11.1m. This is driven by the increase in provision for the decommissioning of the Royal Sovereign Lighthouse.

Capital AME

The table below shows a breakdown by programmes within each CAME Estimate line compare with the 2019-20 Main Estimate.**Error! Not a valid link.**

The main difference is explained below. Further detail of spending within these totals is given in the table in Annex A.

22. High Speed Rail
    Capital AME is forecast to increase by £850m. That is driven by higher provisions needed for HS2 Land and Property as a result of unpredictability in claimant behaviour.

2.2 Ring fenced budgets

Within the totals, the following elements are ring fenced i.e.: savings in these budgets cannot be used to fund pressures on other budgets.

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2.3 Contingent liabilities

The following statutory liabilities have been revised since Main Estimate:

- Land Compensation Act 1973, Part I: Highways England: possible obligations in relation to land and property acquisitions increased by £39.4m, from £94m to £133.5m to reflect the characteristics of the land that Highways England is acquiring, i.e. the extent, the location and the price, which in turn reflects Highways England's programme of road schemes.

- Railways Act 1993, Transport Act 2000: Contingent liabilities arise from signing of new, replacement and extended passenger rail franchise agreements, and other agreements to encourage railways investment. The liability reduced by £361.3m from £2.055bn to £1.693bn because our liability decreases as the contracts draw closer to their end date.

- CTRL Act 1996. Undertaking under the HS1 concession agreement. The liability increased from £4.4bn to £4.6bn to reflect the fact that termination for default events is also a contingent liability, arising from events outside of our control. The amount is largely driven by HS1 Ltd.'s outstanding borrowings.

The following non-statutory liabilities have been revised since Main Estimate:

- Indemnities have been issued to non-executive members of the departmental board, and to civil servants appointed to represent the Department on the boards of other organisations, and to individuals in analogous roles. Indemnity to non-execs has reduced from £800k to £700k.

- In 2008 the Secretary of State entered into quantifiable (disclosed) and unquantifiable indemnities under the Crossrail Sponsor's Agreement and the Project Development agreement (between DfT and TfL as joint sponsors and the Project Delivery Agency (Crossrail Limited). These indemnities have now either lapsed or been waived under the Crossrail Loan agreements.

- In 2013 the Secretary of State agreed to quantifiable (disclosed) and unquantifiable assurances, warranties, indemnities and potential losses under the Thameslink Rolling Stock contracts with Siemens, Network Rail and Cross London Trains. The potential contingent liability is reduced from £1.1bn to £1.04bn as the underlying indemnities had lapsed.

- In 2012 the Secretary of State agreed to quantifiable (disclosed) and unquantifiable assurances, warranties, indemnities and potential losses under the Inter City Express Rolling Stock contracts with Agility Consortium and Network Rail. The potential contingent liability is increased from £6.2bn to £6.4bn reflecting experience with rolling out the service.

- Commitment by the Department reduced from £1.489bn to £1.394bn to fund any shortfall of toll revenue from the Mersey Gateway Bridge to meet Halton's financial obligations under the Demand Management Participation Agreement. The Bridge is now open to traffic and generating toll revenues. As a result, the potential shortfall (the difference between Halton's financial obligations and the amount of revenues generated to date) is reducing.

- Cross-guarantees within NR Group - indemnities given by companies within the Network Rail Group to support entities that are not consolidated within the DfT resource accounts, to deliver value for money to the taxpayer. The liability has increased from £35m to £94m as further items discovered between Main Estimates and 31 March 2019.

- Other contingent liabilities, including legal claims reduced from £1.05bn to £506m due to the reclassification of some items. This also includes indemnities for Thomas Cook: one to the official receiver, one to the CAA.

Table A and B

Table A and B are provided separately.

Glossary of Terms

Administration Budget: Expenditure incurred by departments and agencies in providing those services which are not directly associated with frontline service delivery. Includes pay, training, travel, accommodation, stationery, utilities, etc.

Ambit: The ambits describe the activities for which provision sought in the Estimate will be used. They are set out in Part I of the departmental Estimate. Separate ambits are required for both expenditure and income in each budgetary category included in the Estimate (DEL, AME and Non Budget).

Annually Managed Expenditure (AME): A Treasury budgetary control for expenditure which is generally less predictable and controllable than expenditure in DEL.

Arm's Length Body (ALB): A Non-Departmental Public Body, a company in which the department has a significant shareholding, or other sponsored body.

Budget Exchange: A mechanism that allows Departments either a) to carry forward a forecast DEL underspend from one financial year to the next or b) surrender a forecast DEL underspend in advance of the end of the financial year (through a DEL reduction in the Supplementary Estimate) in return for a corresponding DEL increase in the following year.

Contingent liabilities: Potential liabilities that are uncertain but recognise that future expenditure may arise if certain conditions are met or certain events happen.

Departmental Expenditure Limit (DEL): A Treasury budgetary control for expenditure which is generally within the department's control and can be managed within fixed four-year limits (Comprehensive Spending Review period).

Departmental Unallocated Provision (DUP): An amount held back by a department to meet unforeseen pressures in expenditure and is not allocated at the start of the year to any particular programme. It forms part of the DEL.

Derivatives: A derivative is a financial contract that derives its value from an underlying asset. The buyer agrees to purchase the asset on a specific date at a specific price. Derivatives can be used for a number of purposes, including insuring against price movements, increasing exposure to price movements for speculation or getting access to otherwise hard-to-trade assets or markets. Network Rail has in the past bought derivatives, such as interest rate swaps, to offset changes in the prices of their borrowing arrangements or purchases of plant. This helped them to forecast their financial position more accurately over a five-year control period, and to plan other aspects of their budgets and activities more effectively over that period.

Grant-in-Aid: Financing payment made by a department to a Non-Departmental Public Body or other Arm's Length Bodies.

Non-budget: This is a parliamentary control, one of the main items that appear in this limit relates to Prior Period Adjustments.

Provision: A provision is set up to cover recognised liabilities which either have to be paid out by departments over a period of more than one year (such as pensions or contractual obligations), or are held back by the departments pending decision for eventual payment if directed by a ruling body.

Reserve: A small amount of both resource and capital DEL budgetary provision that has not been allocated by HM Treasury to a department. The function of the Reserve is to assist departments with the costs of genuinely unexpected and unforeseeable events, which are also large relative to the department's available resources.

Spending Review (SR): A cross-Government review of the departmental aims and objectives and analysis of all spending programmes, with the resultant allocation of four year Departmental Expenditure Limits (DEL).

Supplementary Estimate: A single opportunity for a Department to seek parliamentary authority for additional resources and/or cash above that obtained in the Main Estimate, or vary the way in which resources are allocated. Supplementary Estimates are normally presented in February.

Voted Expenditure: That which has been authorised by Parliament in response to Supply Estimates.

Non-voted Expenditure: Public expenditure outside that voted by Parliament in Supply Estimates. It is largely used for ALB budgets.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Subheads	Column	Description	Programme	Resource AME						Capital AME				
				Supplementary Estimate 19/20	Main Estimate 19/20	Change				Supplementary Estimate 19/20	Main Estimate 19/20	Change		
				£ million			%	see note number		£ million			%	see note number
V		Highways England ALB (net)		-44.7	10.0	-54.7	-547%	19		45.0	40.0	5.0	13%	
W		Network Rail (net)		2,327.4	2,286.5	40.9	2%			0.0	0.0	0.0	#DIV/0!	
X		Funding of Other ALBs (net)	Air Travel Trust Fund	20.5	2.5	18.0	729%	20		0.0	0.0			
			British Transport Police	80.7	81.9	-1.2				0.0	0.0			
				101.1	84.4	16.8				0.0	0.0	0.0		
Y		Other Railways	Channel Tunnel Rail Link Eurotunnel	62.4	69.2	-6.8				0.0	0.0			
			Rail pensions	-13.4	-13.4	0.0				0.0	0.0			
			London and Continental Railways	131.3	131.3	0.0				0.0	0.0			
				180.3	187.1	-6.8								
Z		Aviation, Maritime, Security & Safety	GLA's Pension	-2.1	-2.1	0.0				-20.0	-20.0	0.0		
AA		Maritime & Coastguard Agency		0.8	3.9	-3.1				0.0	0.0			
AB		Motoring Agencies	Driver & Vehicle Licensing Agency	-1.9	1.6	-3.5				0.0	0.0			
			Vehicle Certification Agency	0.0	0.0	0.0				0.0	0.0			
			Government Car & Discpatch Agency	0.0	0.0	0.0				0.0	0.0			
				-1.9	1.6	-3.5				0.0	0.0			
AC		Central Administration	Human Resources Programme expenditure	95.1	94.1	1.0				0.0	0.0			
AD		High Speed Rail		0.6	0.0					474.9	-375.3	850.2	-227%	22
AE		East West Rail Company Limited		1.0	1.0	0.0				0.0	0.0			

AF		High Speed Two Limited		0.0	0.0	0.0				0.7	0.0	0.7		
AG		Funding of Other ALBs Non-Voted	Norther Lighthouse Board	0.0	0.0	0.0				0.0	0.0			
			Trinity Lighthouse Service	11.2	0.0	11.2	%	21		0.0	0.0			
			Commissioners of Irish Lights	0.0	0.0	0.0				0.0	0.0			
				11.2	0.0	-11.2	50841%			0.0	0.0			

Table B: how DEL & AME funding plans for 2019-20 have altered since Spending Review 2015

	DfT		£ million				£ million
	admin	programme	DEL total	Capital DEL	AME	Capital AME	AME total
DEL baseline for SR2015 (2015-16)	262.0	2,840.0	3,102.0	11,418.0			
SR2015 addition for 2019-20, compared to 2015-16 baseline	-	-	-	-			
Spending Review outcome as at 21st January,2016	262.0	2,840.0	3,102.0	11,418.0	-	-	
adjustments to reflect Estimates treatment of Research & Development (R&D) (i.e. Change	-	-68.9	-68.9	68.9			
SR 15 control total- non ring fenced	255.0	1,510.0	1,765.0	11,418.0			
SR15- control total - ring fenced depreciation	7.0	1,330.0	1,337.0	-			
Revised Spending Review total on spending control basis	262.0	2,771.1	3,033.1	11,486.9	-	-	-
Additional, new, money awarded since SR2015:-							
Improvements to M62 junctions 10-12				96.0			
Local sustainable transport fund				-100.0			
Pothole action fund				-50.0			
Highways Maintenance Challenge Fund				-100.0			
Local Growth Fund and Local Sustainable Transport Fund -Baseline Transfer to DCLG : CPID				-868.0			
ARCC transfer from MOD-OS		0.6	0.6				
UKGI funding - Baseline Transfer to HM Treasury: CPID HMT087		-0.4	-0.4				
Manchester Earn back -Baseline Transfer to DCLG:CPID COM085		-3.8	-3.8				
Agreed Depreciation Revision		297.2	297.2				
Revised Spending Review total as at 11th May, 2016	262.0	3,064.7	3,326.7	10,464.9	-	-	-
Autumn statement 2016							
Local Roads & Local Transport Networks (NPIF)				315.0			
Strategic Road Pinch points (NPIF)				45.0			
Digital Signalling (NPIF)				150.0			
Support for Future Transport (NPIF)				85.0			
Flood resilience (Roads)				25.7			
Post Budget March 2017 changes							
TfL Capital				-993.0			
Plug in car grant reprofile				-15.0			
National Air Quality Plan - HMT letter 29 Sept 2017				60.0			
Autumn Budget 2017							
Plug In Car Grant (electric only vehicles)		8.0	8.0	42.0			
Clean Air Fund (CAF) - Transferred from BEIS				55.0			
Midlands Connect Motorway & Rail Improvements				1.0			
Nexus Rolling Stock				21.6			
Local Road Maintenance				100.0			
Transforming Cities Fund: Competitive Pot				-10.0			
Autumn Budget 2018							
Air Quality - Tackling roadside nitrogen dioxide concentration		6.5	6.5				
Future mobility zones		2.0	2.0				
Northern Powerhouse Rail development funding		37.0	37.0				
East West Rail development funding		20.0	20.0				
Autumn Budget 2019							
Transforming Cities Fund: Mayoral Allocation				190.0			
Estimating, forecasting and reprofiling changes:-							
British Transport Police (BTP) reprofiling (switch from DEL to AME)		-92.7	-92.7		92.7		92.7
Network Rail AME forecast					6,820.4	6,922.0	13,742.4
Highways England AME forecast					6.0	50.0	56.0
High Speed Two (HS2) Limited AME forecast						-98.0	-98.0
Large Local Majors Fund reprofiling from Roads Devolution & Motoring to Network Rail				-20.0		20.0	20.0
Cab Fitments reprofiling from Rail to Network Rail				-31.0		31.0	31.0
Income received by British Transport Police from Network Rail reprofiled		10.8	10.8				-
Other AME allocation incl Resource &Strategy (excl BTP £92.7m switch from DEL)			-		342.8		342.8
Greater London Authority (GLA's) pension buyout forecast			-			-20.0	-20.0
London Congestion budget exchanged from 2018-19			-	45.0			-
Depreciation adjusted to reflect the 2019-20 planning forecast figures during ME18-19 on Oscar as at 11.02.2019		63.8	63.8				-
Non-Cash cover for write-down of HS2 Inventory (In the normal course of business)			-				-
Transforming cities fund Mayroal allocation from HMT			-	-			-
NR transfer into DEL from AME (Depreciation only)		5,590.2	5,590.2		-5,590.2		-5,590.2
Depreciation revision		-170.1	-170.1				-
NR transfer into DEL from AME (without Depreciation)			-	4,793.5		-4,793.5	-4,793.5
NR budgets movement after transfering into DEL		1,048.0	1,048.0				-
NR changes to forecast		786.0	786.0		966.4	-2,179.5	-1,213.0
Pension costs uplift in DEL	21.8		21.8				-
Brexit Funding	12.5	12.5	25.0				-
Adjustment in Rail Forecast (Crossrail)			-	-116.0			-
Highways England Budget Exchenage from 2020-21			-	100.0			-
HSR & HE changes in forecast			-			-287.0	-287.0
Other DEL changes		8.1	8.1	-2.7			-
Other AME changes			-		24.7		24.7

HS2 Ltd VAT payment		72.0	72.0	341.0			-
Operation Matterhorn: Cover for CAA/Thomas Cook refunds		268.0	268.0				-
Brexit funding (Freight Capacity Termination of contract)		0.0	-				-
Brexit Funding other		59.0	59.0	27.0			-
Rail Risk Share		198.0	198.0				-
Crossrail			-	935.0			-
Rail rolling stock purchase (365s)			-	90.0			-
Trust Ports Borrowing			-	28.0			-
Network Rail Budget Exchange to 2020-21			-	- 480.0			-
Reprofiling GovTech funding			-	- 0.8			-
HS2 Inventory (Non-Cash cover, Ringfenced)		100.0	100.0				-
NR Depreciation cover		270.0	270.0				-
High Speed Rail Major Rail Project (HSMRP) Land &Property Provision (non-cash provisions)			-		0.6	550.2	550.9
High Speed Rail Major Rail Project (HSMRP) Land &Property Provision (non-cash provisions)			-			300.0	300.0
Highways England additional CAME cover for Major Projects lands costs provisions, in particular to Highways England's Regional Investment and Complex Infrastructure programmes.			-			5.0	5.0
Other AME					0.3	0.3	0.7
IFRS16 peppercorn lease impacts across ALBs (non cash Depreciation)			-		5.0		5.0
IFRS16 impact on lease expenses plus interest under new regime (cash changes)	- 9.6	- 149.3	- 158.9				-
IFRS16 impact depreciation (non-cash) changes from new regime.	9.9	163.9	173.7	199			-
RDEL prog (NR) to Admin switch	5.8	- 5.8	-				-
RDEL prog (NR) to CDEL (RPE) switch		- 35.0	- 35.0	35.0			-
Cash Manahemnt penalty charge	- 0.3		- 0.3				-
HS2 Surrender of underspend		- 61.9	- 61.9	- 2,072.1			
Netwrok Rail transfer from RDEL to CDEL		- 80.0	- 80.0	80.0			
Other DEL			-	1.5			
Neutral funding changes between departments:-							
<u>Other funding transfers:-</u>							
Transfer for MCA Obs/SAR capability review from DFID		0.4	0.4				-
Transfer for counter terrorism spend, not baseline transfer from Home Office			-	7.3			-
Transfer for local growth fund and local sustainable transport fund to MHCLG			-	253.0			-
Transfer for Aviation security liaison officer (ASLO) from Home Office		5.0	5.0				-
Transfer of DfT local growth funding contribution to MHCLG			-	- 38.1			-
Admin/programme switch	4.0	- 4.0	-				-
Transfer for DfT registration and leisure competency tests for drone users v3 to MOJ		0.0	0.0				-
Transfer for DFT - 400ft flying ban and airport flying restriction for drones to MOJ		0.0	0.0				-
Transfer to MHLG - Adjustment to contribution to the Local Growth Funding			-	- 28.7			-
Transfer from BEIS to DfT re OLEV			-	13.5			-
Transfer from HO to DfT for Aviation Transport Security ASLO funding		5.0	5.0				-
Transfer from FCO to DfT for Platform costs		0.6	0.6				-
Transfer from FCO to DfT (MCA) for CSSF (Conflict, Stability and Security Fund)		1.2	1.2				-
Transfer from DfT to Cabinet Office for Single Intelligence Fund (Counter Terrorism contribution)		- 0.2	- 0.2				-
Transfer from BEIS to Dft for GovTech Catalyst funding.			-	1.0			-
Transfer from FCO to DfT re Transport Security		7.2	7.2				-
Transfer from DHSC as additional Brexit funding for Ferries		-	-				-
Transfer to HCO re Civil Service Group (BI4BG)		- 0.1	- 0.1				-
Transfer from DfT to Department for International Trade (DIT), relates to DfT contribution for the World Road Congress in Abu Dhabi.		- 0.3	- 0.3				-
Transfer from DfT to Northern Ireland Executive, it relates to Regional Airports Connectivity		- 1.8	- 1.8				-
Transfer from DfT to Cabinet Office (CO), relates to Civil Service Group (Better information for Better Government)		- 0.1	- 0.1				-
Transfer from DfT to Ministry of Housing, Communities and Local Government's (MHCLG) , relates to Northern Powerhouse Rail		- 0.2	- 0.2				-
Transfer from DfT to CO, relates to funding for the centralised movement of SPADs to Cabinet Office - Pay Cost	- 0.1	-	- 0.1				-
Transfer from DfT to CO, relates to funding for managing outsource commercial contracts		- 0.8	- 0.8				-
Transfer from CO to DfT, relates to Brexit Get Ready Campaign (Pop-up hauliers (comms)) - Brexit		6.0	6.0				-
Transfer from Welsh Government to DfT, £71.8m relates to Wales & Borders Franchise deal		71.8	71.8				-
Transfer from MOD to DfT, relates to MCA (ACCF, project Vision 5)		-	-	0.5			-
Transfer from DfT to the Home Office (HO), relates to (Access Pass Holder Identification Database) APHIDS project		-	-	-2.0			-
Transfer from DfT to Home Office (HO), relates to SIGMA,TIP and IRC		-	-	-0.3			-
Transfer from Home Office to DfT, relates to FSAB transport security project		-	-	0.3			-
Transfer to MoJ for Air Navigation Order – Restriction zone – JIT 475		- 0.0	- 0.0				-
Transfer to the Scottish Office (Dundee - Regional Airports Connectivity)		- 1.4	- 1.4				-
Transfer to Home eoffice for Brexit funding for UAV procurment		- 4.0	- 4.0				-
Transfer from SIA to DfT in relation to CT- Accelerated Fund for VAW Mitigation Technology project		0.1	0.1				-
Transfer from FCO to DfT, relates to CSSF programme - Overseas territories		0.8	0.8				-
			-				-
2019-20 Supplementary Estimates DEL totals as at March 2020	**305.9**	**11,278.9**	**11,584.8**	**14,696.1**	**2,668.8**	**500.6**	**3,169.4**
Change to original SR15 totals	*43.93*	*8,438.87*	*8,482.80*	*3,278.08*			