Annual report and accounts 2022 to 2023

Parliamentary accountability and audit report

Statement of Outturn against Parliamentary Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires ORR to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SOPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn.

The SOPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed

breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (note 2); a reconciliation of outturn to net cash requirement (note 3); and an analysis of income payable to the Consolidated Fund (note 4).

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 45, in the financial review section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in Chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOPS disclosures.

Summary tables – mirrors part 1 of the Estimates

Summary table for 2022-23

Type of spend	SOPS note	Outturn voted (£000)	Outturn non-voted (£000)	Outturn total (£000)	Estimate voted (£000)	Estimate non-voted (£000)
Departmental Expenditure Limit - resource	1.1	3	-	3	4	-
Departmental Expenditure	1.2	450	-	450	720	-

Type of spend	SOPS note	Outturn voted (£000)	Outturn non-voted (£000)	Outturn total (£000)	Estimate voted (£000)	Estimate non-voted (£000)
Limit – capital						
Total Departmental Expenditure Limit		453	-	**453**	**724**	-
Annually Managed Expenditure Limit - resource	1.1	-	-	-	-	-
Annually Managed Expenditure Limit – capital	1.2	-	-	-	-	-
Total Annually managed expenditure limit		-	-	-	-	-

Type of spend	SOPS note	Outturn voted (£000)	Outturn non-voted (£000)	Outturn total (£000)	Estimate voted (£000)	Estimate non-voted (£000)
Total Resource		3	-	3	4	-
Total Capital		450	-	450	720	-
Total Budget expenditure		453	-	453	724	-
Net Cash Requirement	3	2,060	-	2,060	5,000	-
Administration costs		453		453	724	-

Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on gov.uk, for detail on the control limits voted by Parliament. Although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

Notes to the Statement of Outturn against Parliamentary Supply, 2022-23

SOPS1: Outturn detail, by Estimate line

SOPS1.1: Analysis of resource outturn by Estimate line

Type of spend (Resource)	Administration resource outturn gross expenditure (£000)	Administration resource outturn income (£000)	Administration resource outturn net expenditure (£000)	Estimate outturn net total (£000)	Out con wit Est sav (ex (£0
A Economic regulation, admin, associated capital and other expenditure	19,193	(19,192)	1	2	1
B Safety regulation, admin and other expenditure	17,739	(17,738)	1	1	-

Type of spend (Resource)	Administration resource outturn gross expenditure (£000)	Administration resource outturn income (£000)	Administration resource outturn net expenditure (£000)	Estimate outturn net total (£000)	Out con wit Est sav (ex (£0
C Other regulation, admin and other expenditure	3,019	(3,018)	1	1	-
Total spending in Department Expenditure Limit	39,951	(39,948)	3	4	1

SOPS1.2: Analysis of capital outturn by Estimate line

Voted capital spending in Departmental Expenditure Limit	Outturn gross expenditure (£000)	Outturn income (£000)	Outturn net total (£000)	Estimate total (£000)	Estimate virements (£000)	E t i v (
A Economic regulation, admin, associated capital and other expenditure	234	(1)	233	720	(250)	4
B Safety regulation, admin and other expenditure	217	-	217	-	250	2
C Other regulation, admin and other expenditure	-	-	-	-	-	-

Voted capital spending in Departmental Expenditure Limit	Outturn gross expenditure (£000)	Outturn income (£000)	Outturn net total (£000)	Estimate total (£000)	Estimate virements (£000)	E t i v (
Total spending in Department Expenditure Limit	451	(1)	450	720	-	7

The total Estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on gov.uk.

The outturn versus estimate column is based on the total including virements. The Estimate total before virements have been made is included so that users can tie the Estimate back to the Estimates laid before Parliament.

SOPS2: Reconciliation of outturn to net operating expenditure

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SOPS to the financial statements. As the total resource outturn in the SOPS is the same as net operating expenditure in the SoCNE, no reconciliation is required.

SOPS3: Reconciliation of net resource outturn to net cash requirement

Item	SOPS Note	Outturn total (£000)	Estimate (£000)	Outturn compared with estimate: saving/(excess) (£000)
Resource Outturn	1.1	3	4	1
Capital Outturn	1.2	450	720	270
Adjustments to remove non-cash items:				
Depreciation and amortisation		(1,720)	(1,826)	(106)
New provisions and adjustments to previous provisions		23	(40)	(63)
Other non-cash items		(57)	(42)	15
Adjustments to reflect movements				

Item	SOPS Note	Outturn total (£000)	Estimate (£000)	Outturn compared with estimate: saving/(excess) (£000)
in working balances:				
Increase in receivables		832	-	(832)
Decrease in payables		1,374	6,184	4,810
Use of provisions		66	-	(66)
Repayment of principal on lease liabilities		1,089	-	(1,089)
Total adjustments		**1,607**	**4,276**	**2,669**
Net Cash Requirement		**2,060**	**5,000**	**2,940**

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource

and capital outturn to the net cash requirement. We require a Net Cash Requirement to cover any timing differences in the collection or payment of cash and the recognition of costs or income.

SOPS4: Income payable to the Consolidated Fund

SOPS4.1: Analysis of income payable to the Consolidated Fund

In addition to income retained by the department, the following income is payable to the Consolidated Fund (cash receipts being shown in italics).

Item	SOPS Note	2022-23 Outturn total Accruals (£000)	2022-23 Outturn total Cash basis (£000)	2021-22 Outturn total Accruals (£000)	2021-22 Outturn total Cash basis (£000)
Excess cash surrenderable to the Consolidated Fund	3	-	-	530	530
Total amounts payable to the Consolidated Fund		-	-	530	530

SOPS4.2: Consolidated Fund income

Consolidated Fund income shown in note 4.1 above does not include any amounts collected by the

department where it was acting as agent for the Consolidated Fund rather than as principal. The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from the financial statements) were:

Item	Outturn total (£000)	Prior year outturn total 2021-22 (£000)
Balance of Intergovernmental Commission levy due to be paid	345	254
Balance of DfT roads funding due to be paid	133	228
Amount payable to the Consolidated Fund	**478**	**482**

ORR receives funding from Eurotunnel to meet the UK's share of the expenses of the Intergovernmental Commission and Safety Authority pertaining to the Channel Tunnel. This fee is calculated annually in line with a settlement agreement. ORR is allowed to cover its costs only, therefore any excess funding is paid over to the Consolidated Fund.

ORR receives a grant from DfT for funding of our highways monitoring function. Any excess funding is paid over to the Consolidated Fund.

Parliamentary accountability disclosures (audited)

ORR has nothing to report in respect of:

- Losses or special payments in excess of £300,000, either individually or in aggregate;
- Gifts; and
- Remote contingent liabilities.

Fees and charges are as set out in note 2 to the accounts.

John Larkinson

Accounting Officer

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