



Research Note 141 | 16 February 2015

Departmental Losses 2013-14

This research note details losses and special payments made by Ministerial Departments for the year 2013-14.

In this research note the TaxPayers' Alliance highlights how government departments spent beyond what Parliament would have contemplated when agreeing funds for each department in the 2013-14 financial year.

It is important to note that some of these losses may have been to other public sector organisations such as local authorities, NHS trusts, other departments or HMRC

“Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the Department or passed legislation. By their nature they are items that ideally should not arise.”²

Key Findings

- The Ministry of Defence made a loss of **£6 million** on ear plugs found not to be fit for purpose.
- The Ministry of Defence made a loss of **£7.2 million** on mobile mine-detection capability for Warrior vehicles that was deemed unsuitable.
- The Ministry of Defence made a fruitless payment of **£4 million** due to the forward purchase of an inventory liability as a result of the early withdrawal from service of Sea King Helicopters

¹ Autumn Statement 2014,
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/382327/44695_Accessible.pdf

² Department for Culture, Media and Sport,
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/368276/DCMS_Annual_Report_and_Accounts_2013-14_-_WEB_BOOKMARKED.pdf
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- The Department for Education made a loss of **£1.2 million** because of a payment by a school that went to the wrong bank-account.
- The Department for Work and Pensions made a loss of **£11 million** due to overpayments to work programme providers.
- The Department for Work and Pensions' cancellation of the My Benefits Online programme resulted in a loss of **£27 million**.
- The Department for Work and Pensions wrote off **£51 million** of low-cost funeral expenses which could not be recovered from the assets of the deceased.
- The Department for Work and Pensions wrote off a **£1.4 million** because receipts for items bought by claimants for job interviews were incomplete or incorrect.
- The Department of Health incurred **£255 million** of constructive losses primarily due to vaccine write-offs.
- The Department of Health wrote off **£49 million** for the exchange of Tamiflu stock.
- The Home Office made a special payment of **£16 million** for legal costs relating to Asylum Support cases.
- The Department for Transport made a loss of **£7.5 million** because the costs of repairs and maintenance to roads and railways due to theft and damage could not be recovered.

Summary of Losses

- Total losses were **£5,101,789,908**
- The Ministry of Defence incurred losses of **£3,070,825,000**
- The Department for Work and Pensions incurred losses of **£569,319,000**
- The Department of Business, Innovation and Skills incurred losses of **£469,066,000**
- The Department of Health incurred losses of **£761,331,000**
- The Ministry of Justice incurred losses of **£121,884,000**

Special Payments

- Total special payments amounted to **£156,986,652**
- The Home office made **£49,563,000** of special payments
- The Department for Transport made special payments of **£33,117,000**
- The Department of Health made special payments of **£28,546,000**
- The Ministry of Justice made special payments of **£27,852,000**
- The Department for Work and Pensions made Special Payments of **£6,909,000**
- The Department for Culture, Media and Sport made special payments of **£3,200,000**

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Sources and Methodology

All the expenditure items in this research note have been taken from the 2013/14 annual accounts of each government Department.

As well as a total of the losses and special payments made, departments must disclose details on all losses and Special Payments with a value of more than £300,000. These have been detailed in the examples section of this note.

The examples section of this research note is divided into three categories:

- Firstly losses and special payments which are directly due to the actions of the public sector and the loss has come at the expense of taxpayers.
- Secondly, losses and special payments that are due to circumstances which were largely out of the control of the department.
- Thirdly losses and special payments which were confined to the public sector and do not represent a loss to the taxpayer.

Notes

There are instances where sums of money have been written off as 'constructive losses'. For example where the continued expense of a programme does not represent value for money and any costs already incurred by the programme are written off as losses. These initial losses may have long-term financial benefits but are included in this research note for completeness and to show how decisions in the past can have a great impact in the future.

The National Audit Office's Comptroller and Auditor General's Report on the Department for Education Financial Statements expressed concern about the accuracy of the department's accounts. The report found that the financial statements were not "true or fair" as the level of error was both "material and pervasive"¹. For this reason, items of expenditure noted in this research note relating to the Department for Education are subject to change.

Detailed in this research note are all cases of Ministry of Defence spending which have been closed in 2013/14. This includes losses and special payments which had been notified in advance in 2012/13 but were not signed off until the 2013/14 financial year.

¹ National Audit Office, <http://www.nao.org.uk/wp-content/uploads/2015/01/CAG-report-on-Department-for-Education-2013-14-financial-statements-pdf>

Losses and Special Payments Overview

Detailed here are the total losses and special payments from each Ministerial Department

2013/14	Losses (Departmental Group)		Special Payments (Departmental Group)	
Department	Amount (£)	Page number	Amount (£)	Page number
Attorney General's Office	<300,000	78	<£300,000	78
Cabinet Office	179,000	168	597,000	168
Department for Business, Innovation & Skills	469,066,000	204	254,000	206
Department for Communities and Local Government	82,233,000	171	1,812,000	171
Department for Culture, Media & Sport	2,391,000	179	3,200,000	179
Department for Education	2,669,000	156	1,109,000	156
Department for Environment, Food and Rural Affairs	5,083,000	155	(372,000)	155
Department for International Development	404,000	216	2,000	216
Department for Transport	10,916,000	203	33,117,000	203
Department for Work and Pensions	569,319,000	126	6,909,000	126
Department of Energy & Climate Change	645,221	155	34,652	156
Department of Health	761,331,000	171	28,546,000	174
Foreign & Commonwealth Office	1,361,000	121	366,000	121
HM Treasury	16,000	166	0	166
Home Office	3,292,000	141	49,563,000	142
Ministry of Defence	3,070,825,000	158	3,997,000	160
Ministry of Justice	121,884,000	117	27,852,000	118
Northern Ireland Office	175,687	100	0	100
Sub Total	5,101,789,908		156,986,652	
Total (£)	5,258,776,560			

1. Losses incurred by departments

Organisation	Amount (£)	Description
Cabinet Office	575,000	A personal injury claim for the amount of £600,000; £25,000 of which was paid in 2011-12. (Special Payment)
Department for Business, Innovation & Skills	720,277	Elmfield Training's liquidation making a Skills Funding Agency grant unrecoverable
Department for Business, Innovation & Skills	469,480	First for Skills' liquidation making a Skills Funding Agency grant unrecoverable
Department for Business, Innovation & Skills	301,866	Success Training's (Scotland) liquidation making a Skills Funding Agency grant unrecoverable
Department for Business, Innovation & Skills	402,608	Training for Travel's liquidation making a Skills Funding Agency grant unrecoverable
Department for Business, Innovation & Skills	406,336	£406,336 was written off in respect of student loan repayments which have been collected by the employer from the borrower but were uncollectable from employers by HMRC, normally because of employer insolvency.
Department for Business, Innovation & Skills	319,000,000	Most of the redundancy payments made from the National Insurance Fund (NIF) are in respect of employees of insolvent companies. Repayment of debt is recovered from the sale of the assets of the insolvent company. A small part of the debt is preferential but most ranks with ordinary creditors. Therefore most of the debt is irrecoverable. HMRC record the impairment of the Redundancy Payment Services (RPS) receivable in NIF accounts. The RPS receivable impairment for 2013/14 is £319,000,000

Organisation	Amount (£)	Description
Department for Business, Innovation & Skills	458,394	Due to low take up of Advanced or Higher Apprenticeship loans the courses were removed with effect from 7 March 2014. 664 Apprenticeship loans were taken up during this period and borrowers were advised that they were no longer required to repay their outstanding loan and the balance outstanding of £458,394 was written off.
Department for Business, Innovation & Skills	1,997,125	The scrappage incentive scheme was launched in the 2009 Budget. The program was limited to £400,000,000 allowing for about 400,000 customers to benefit. At the end of the scheme, BIS undertook a final audit exercise. Following further analysis, BIS has calculated the expected value of any write-off to be £1,997,125.
Department for Business, Innovation & Skills	28,143,618	The core Department holds onerous leases for properties on the Department's estate, for which the department have provided £151,000,000. The payments made during the course of 2013/14 in respect of these leases amounted to £28,143,618.
Department for Business, Innovation & Skills	1,235,664	The Department and UK Shared Business Services Limited began work on the implementation of a new IT infrastructure – the Flite programme. Following a change in strategic direction, the initial work undertaken on the programme was reapplied where possible. £1,235,664 of costs incurred could not be recycled, and have been treated as sunk costs by the Department.
Department for Business, Innovation & Skills	1,318,620	The Skills Funding Agency incurred constructive losses of £1,318,620 in 2013/14 relating to impairment costs for a capital project that was discontinued.
Department for Business, Innovation & Skills	339,908	The Medical Research Council incurred stores losses totalling £339,908 in 2013/14 relating to expiry of stock held within institutes based in Africa.
Department for Business, Innovation & Skills	800,000	Student Loan Company's (SLC) practice of consolidating loans for mortgage-style loan borrowers was not compliant with the Consumer Credit legislation since its introduction in 2008. The SLC is making contact with these 7,000 customers at a cost of £800,000

Organisation	Amount (£)	Description
Department for Communities and Local Government	383,000	ERDF 00-06-London East Ethnic Business Association (claim abandoned)
Department for Communities and Local Government	500,000	ERDF 07-13 -East of England Energy Group (claim abandoned)
Department for Communities and Local Government	5,683,000	ERDF 07-13 Self Correction (claim abandoned)
Department for Communities and Local Government	42,918,000	HCA Norwepp exit from share in company (claim abandoned)
Department for Communities and Local Government	3,436,000	HCA NEPP exit from share in company (claim abandoned)
Department for Communities and Local Government	1,141,000	HCA Artisan FTBI partial write off of loan balance (claim abandoned)
Department for Communities and Local Government	27,000,000	Fruitless payment in respect of exit costs for Eland House in advance of the move to Marsham Street. Overall the move will produce savings, this fruitless payment is restricted to the exit costs only and does not include any benefits to be realised.

Organisation	Amount (£)	Description
Department for Culture, Media & Sport	960,000	BIG Lottery Fund incurred two losses that exceeded £300,000 for grants for the Neighbourhood Initiatives Foundation £336,000 and Ceramica Trust £624,000
Department for Culture, Media & Sport	389,000	English heritage incurred one book-keeping write off of £389,000 due to a change in the methodology used for recognising direct debit income agreed with National Audit Office.
Department for Education	1,210,000	In July 2013, St Aldhern's Academy Trust suffered a loss as a result of the misdirection of a payment to the wrong bank account. The loss, including legal and professional fees was £1,210,000. The Incident is currently the subject of an ongoing police investigation, although to date the loss has not been recovered.
Department for Environment, Food and Rural Affairs	891,000	Ensors Gloucestershire Ltd received grant funding from Rural Payment Agency (RPA) for the creation of a new facilities from 2010 to 2013. In September 2013 the company entered into administration and the business sold to a non-compliant company resulting in the grant being invalid. The loss of £891,000 represents the exchequer funding provided, less amounts expected to be received from the administrator.
Department for Environment, Food and Rural Affairs	(464,000)	A credit balance of £464,000 within RPA relating to the release of costs accrued in previous years in excess of payments made in 2013–14; these mostly relate to Fruit and Vegetable Aid Scheme payments made to producer organisations following a producer organisation review. HM Treasury had previously granted approval for these payments to be made ex-gratia. (Special Payment)
Department for Transport	313,319	A loss of £313,319 was recorded in relation to the operation of the Bus Service Operators' Grant. The scheme allows payments to be made in advance to bus operators and on this occasion the company which received payments in advance went into liquidation before satisfying the terms of their funding. Attempts were made to recover funds but these concluded that there was no prospect of recovery.
Department for Transport	2,223,000	A loss of £2,223,000 was recorded by Highways Agency in relation to compensation for the early termination of an IT contract (refer to Highways Agency published accounts for details).

Organisation	Amount (£)	Description
Department for Transport	15,913,915	Payments made in respect of the cancellation of the InterCity West Coast franchise competition totalling £15,913,915 in respect of reasonable direct costs incurred by bidders. (Special Payment)
Department for Transport	7,000,000	The Driver and Vehicle Licensing Agency (DVLA) made a special payment to IBM of £7,000,000 in December 2013 in order to make some significant improvements to the contract that DVLA holds with IBM which will provide an overall financial benefit to DVLA. (Special Payment)
Department for Work and Pensions	420,915,000	General losses mainly due to non-recoverable overpayments of benefit which the Department does not have the legal right to pursue or cannot enforce repayment.
Department for Work and Pensions	7,177,000	Customer fraud written off following exhaustion of debt recovery processes.
Department for Work and Pensions	355,000	In 2000, part-time working customers were given the opportunity to apply for backdated membership to their employer occupational pension scheme. If successful, the impact on the individual pensioner's State Pension would generally be a reduction, resulting in overpayment. The amount of State Pension overpayment, after offsetting against a refund of NI contributions, will not have to be repaid and will therefore be written off. In 2013/14, 226 claimants who took up this option have incurred an overpayment that has been written off.
Department for Work and Pensions	467,000	The Guaranteed Minimum Pension (GMP) exercise commenced in 2006 in respect of 172,000 customers in receipt of Pension Credit. A system error meant that the correct action was not taken to review entitlement as widows approached aged 60 & therefore GMP was not being deducted from the award as is appropriate. 98 cases with a value of £467,000 have been written off in 2013/14.
Department for Work and Pensions	1,435,000	The Department identified 34,886 claimants at risk of being incorrectly paid Disability Living Allowance or Attendance Allowance alongside their State Pension. In 2013/14 1,049 cases have been waived.

Organisation	Amount (£)	Description
Department for Work and Pensions	1,033,000	Duplicate Christmas Bonus payments can arise because more than one benefit system may generate that payment.
Department for Work and Pensions	713,000	The Secretary of State may exercise his discretion in deciding as to whether, and if so, how much of Housing Benefit and Council Tax Benefit overpaid subsidies to recover from local authorities. In the exercise of his discretion the Secretary of State has waived 5 overpaid subsidy cases in respect of 2007/08, 2008/09, 2010/11 and 2011/12 inclusive.
Department for Work and Pensions	50,804,000	Low-cost funeral expenses payments are made to a person who is in receipt of (or whose partner is in receipt of) a qualifying benefit or tax credit. The majority are written off because insufficient assets exist to recover the payment.
Department for Work and Pensions	5,331,000	Budgeting and Crisis Loans are written off in a limited number of cases, subject to a set of strict criteria. During the year, 46,073 loans with a total value of £5,300,000 were written off which represents less than 0.5 per cent of the total debt stock.
Department for Work and Pensions	1,499,000	During the year, there were 20,064 irrecoverable grant overpayments, totalling £1,500,000 that have been written off.
Department for Work and Pensions	1,331,000	The Independent Living Fund (ILF) Grant seeks formal recovery of grants paid to individuals where the provision of incorrect information has led to incorrect payment, or where grants have not been used for their intended purpose. During the year ILF wrote off 243 such grants where recovery was deemed to be unachievable.
Department for Work and Pensions	11,000,000	The Department has estimated potential overpayments of £11,000,000 to Work Programme providers relating to Sustainment Payments. These are payments made to providers for every four weeks that a participant spends off-benefit and in employment following a Job Outcome.

Organisation	Amount (£)	Description
Department for Work and Pensions	5,928,000	Reimbursements of Child Maintenance overpayments arise when a non-resident parent has a change in circumstances which has been notified to Child Maintenance Group (CMG) and a delay in implementing the new maintenance assessment leads to an overpayment. These overpayments are not recovered from the parent with care, but CMG makes a refund to the non-resident parent.
Department for Work and Pensions	15,080,000	Claims for Technical Assistance deemed ineligible by the European Social Fund (ESF) Certifying Authority have been written off after a review by the ESF Audit Authority and European Commission Auditors.
Department for Work and Pensions	635,000	Following the 2013 audit by the Audit Authority to the European Commission, the European Social Fund Certifying Authority agreed to a one-off financial correction by the Department due to inadequate procurement documentation for ESF claims.
Department for Work and Pensions	1,215,000	The Department undertook an exercise to cleanse old and un-recoverable debt in respect of Court costs.
Department for Work and Pensions	4,538,000	Following a review of administration debt relating to Return to Work Credit and In Work Credit allowances, 19,309 overpayments identified as low value and uneconomical to pursue or owed by individuals deemed to be vulnerable, were written off.
Department for Work and Pensions	1,369,000	The Department provides funds to some claimants to buy items needed to attend a job interview. Where claimants do not provide receipts, or provide incomplete or incorrect receipts to provide claim validation, the funding is written off as a loss.
Department for Work and Pensions	27,172,000	The My Benefits Online (MyBOL) project was designed to allow claimants to access claims and information online. A significant amount of the savings have been achieved by action elsewhere in the Department. In addition, Universal Credit's online access plan will reduce the period over which the MyBOL project delivers benefits. The decline in future benefits has resulted in the Department not continuing with the full roll out of MyBOL resulting in a loss.

Organisation	Amount (£)	Description
Department for Work and Pensions	3,594,000	Following a review of The Enhancing Security Infrastructure Controls the scope of this project was reduced.
Department for Work and Pensions	967,000	The IT reporting functionality project - Analytics project was terminated early as this reporting functionality will be delivered to the Department by Shared Services Connected Limited.
Department for Work and Pensions	777,000	Due to changes in Universal Credit's project plans, software licenses purchased to support the development and operation of the Pathfinder system will no longer be utilised.
Department of Energy & Climate Change	407,913	The core Department bad debts figure contains £407,913, 26 cases relating to Energy Efficiency loans which were impaired during the year.
Department of Health	61,463,388	During the 2013/14 financial year NHS England, with the agreement and support of the Department and local NHS commissioners, negotiated the early settlement of a contract awarded in 2009 to Clinicenta (Hertfordshire) Limited for the construction of a new elective services treatment centre in Stevenage (known as the "Surgicenta") and the treatment of NHS patients from that and other locations in Hertfordshire.
Department of Health	4,707,543	The Department's contract with Computer Sciences Corporation (CSC) to deliver electronic patient records to the North Midlands and East of England did not allow for a reduction in service charges when sites were decommissioned early, for example when organisations merge. As a result service charges for these decommissioned sites remain a liability to the Department and resulted in a £4,707,543 Constructive Loss.
Department of Health	385,529	As part of the Picture Archive and Communications systems (PACs) contract, entered into by the Department in 2009, DH became liable to pay any outstanding liabilities relating to the non-recovery of technology refresh costs.

Organisation	Amount (£)	Description
Department of Health	7,716,518	Public Health England authorised write-offs relating to date-expired stock items in line with existing accounting standards.
Department of Health	18,007,973	Written off by Public Health England in relation to countermeasures held for pandemic flu preparedness that have now passed their shelf life.
Department of Health	49,066,790	Public Health England exchanged a volume of Tamiflu capsules sufficient to maintain approximately 50% population coverage with Roche. This involves returning stock with one months residual shelf life in exchange for a new product with a shelf life of approximately seven years. The exchange fees are approximately 60% of the new product purchase price.
Department of Health	12,499,000	Expired vaccines were disposed of and their value written off by Public Health England in respect of the children's flu programme (with a short shelf-life of 12 weeks), an unlicensed rabies immunoglobulin held as an insurance policy following shortages during 2013, HPV vaccines and strategic flu reserves.
Department of Health	255,279,000	Losses within the NHS are predominantly within NHS England Group (16 cases totalling £120,726,000), NHS Trusts (18,980 cases totalling £23,343,000), NHS Foundation Trusts (50,499 cases totalling £23,106,000), Non Departmental Public Bodies (1,200 cases totalling £215,000) and Special Health Authorities (452 cases totalling £565,000).
Department of Health	1,062,005	The House of Lords declared putting people on the Protection of Vulnerable Adults (POVA) list provisionally was illegal. The Department agreed to make out of court settlements to the applicants on 21 June 2013 – a total of £1,062,005 was paid inclusive of legal costs. (Special Payment)

Organisation	Amount (£)	Description
Home Office	448,000	A payment of around £448,000 was made for the decommissioning of an IT system which is no longer required following staff relocation.
Home Office	15,600,000	An amount totalling £13,800,000 relates to payments for adverse legal costs relating to Asylum Support cases. A further £1,800,000 relates to professional legal fees relating to Asylum Support cases and Removals. (Special Payment)
Home Office	1,744,000	A payment of £1,744,000 was made as a result of cancelled scheduled flight costs which are non-recoverable.
Ministry of Defence	347,280,000	Write-off of unsupported balances. The loss consists of balances that could not be verified with the information available. This £347,280,000 loss consists of six separate cases, the most significant of which is an Assets Under Construction balance of £267M.
Ministry of Defence	5,634,000	Overpayments to service personnel due to system and process issues with the introduction of the Joint Personnel and Administration (JPA) system. Appropriate remedies are now in place to prevent recurrence. Included is advanced notification from 2012/13 of £640,000.
Ministry of Defence	483,000	Cost of repairs to a Sea King helicopter gearbox as a result of accidental damage.
Ministry of Defence	860,000,000	Impairment charges for certain non-current assets (capital spares and Guided Weapons Missiles and Bombs and current asset inventory resulting from an 860,000 inventory impairment exercise conducted in year.

Organisation	Amount (£)	Description
Ministry of Defence	4,000,000	Forward purchase of inventory liability as a result of the early withdrawal from service of Sea King Helicopters
Ministry of Defence	1,515,000	Cancellation of a software integration tool due to issues identified during testing that could not be resolved in a timely manner.
Ministry of Defence	971,000	Procurement of a SATCOM airtime service which has subsequently proven to be unsuitable for UK operations.
Ministry of Defence	2,770,000	Loan interest foregone on a joint Future Anti Surface Guided Weapon project with the French Government
Ministry of Defence	10,000,000	Stores discrepancies identified during stock take at RAF Marham. Investigations are on-going and the final write off value is likely to change
Ministry of Defence	7,200,000	Mobile mine detection capability for Warrior vehicles that was deemed unsuitable.
Ministry of Defence	6,073,000	Costs incurred in a failed attempt to host the Army Recruit Partnering Project on the MoD IT network.

Organisation	Amount (£)	Description
Ministry of Defence	23,796,000	Incorrect recording of Merlin aircraft component lives has resulted in a fruitless payment.
Ministry of Defence	6,000,000	Ear plugs found to be not fit for purpose on operations.
Ministry of Defence	328,000	Ex gratia payment to meet hardship caused by Departmental failure to action insurance. (Special payment)
Ministry of Defence	468,000	Empire Air Training Scheme Pension Payments relate to members of the Royal Australian Air Force who were trained under the Empire Air Training Scheme and were subsequently selected for service in the RAF. The British Government agreed in June 1942 that it would contribute towards pensions in respect of disablement or death due to the service with the RAF. (Special payment)
Ministry of Defence	374,000	Noise Induced Sensorineural Hearing Loss: During financial year 2013/14 109 payments were made. (Special payment)
Ministry of Justice	56,300,000	MoJ aimed to secure cost savings in operations through the provision of a single Shared Services Organisation to deliver HR, operational finance, procurement, payroll and end-to-end transactional services. Since the programme began, the government announced its Next Generation Shared Services strategy which is largely based on an outsourced model resulting in a constructive loss of £56,300,000 of expenditure relating to the development of MoJ's original in-house solution.
Ministry of Justice	1,727,000	A constructive loss of £1,727,000 was recognised in respect of a software programme roll out which was curtailed following a reappraisal of the economic benefits of the business case.

Organisation	Amount (£)	Description
Ministry of Justice	6,608,000	Four supplier balances were written off as a result of the suppliers going into administration with no prospect of a dividend. The amounts written off were £3,601,000, £1,386,000, £965,000 and £656,000.
Ministry of Justice	439,000	Write-off of a historical balance within a control account of £439,000.
Ministry of Justice	23,488,000	A constructive loss of £23,488,000 was recognised in respect of eight court construction projects which were curtailed in their original format following a reappraisal of the business cases. The assets were reported under the heading 'assets under construction' with £19,005,000 impaired during 2012/13 and a further £4,483,000 impaired in 2013/14.
Ministry of Justice	4,389,000	A constructive loss of £4,389,000 was recognised in respect of securing a lease on a land site for a court construction project which was curtailed following a reappraisal of the economic benefits. The impairment of the finance leased land was recorded and disclosed in the 2009-10 Annual Report and Accounts.
Ministry of Justice	17,921,000	A constructive loss of £17,921,000 was recognised in respect of securing a lease on a land site for a court construction project which was curtailed following a reappraisal of the economic benefits.
Ministry of Justice	1,187,000	In 2013/14 there were three special payments over £300,000 in respect of compensation payments to members of NOMS staff, of £464,000, £408,000 and £315,000. (Special payment)
Department of Health	26,572,000	Special payments within the NHS are predominantly within NHS Foundation Trusts (totalling £14,668,000), NHS Trusts (totalling £11,342,000), Special Health Authorities (totalling £237,000) and NHS England Group (totalling £325,000). (Special payment)

2. Losses largely out of the control of the Department

Organisation	Amount (£)	Description
Home Office	301,000	A loss of £301,000 on accrued income from EU commission pre-financing payments was made as a result of exchange rate fluctuations.
Home Office	464,000	A compensation payment of £464,000 was paid by the College of Policing in respect of an employee who suffered from post traumatic stress disorder (Special payment).
Ministry of Defence	471,000	Supplies and services provided on a reciprocal basis to Commonwealth and Foreign Navy vessels during visits to British Ports at 471 Clyde, Portsmouth, Devonport and Gibraltar
Ministry of Defence	2,017,000	Provision of equipment to assist with the disposal of Chemical Weapon Agents.
Ministry of Defence	488,000	An RAF HS125 aircraft taken out of service early due to damage sustained during a hailstorm.

Organisation	Amount (£)	Description
Department for Transport	5,693,000	Losses valued at £5,693,000 for damage to the road network where the culprit could not be identified or otherwise pursued for costs.
Department for Transport	905,465	In addition, the 2013/14 losses include several instances of theft of metal (mainly cable) and associated equipment from the Strategic Road Network totalling £905,465
Department for Transport	636,000	A loss of £636,000 was recorded by Highways Agency in relation to an abandoned claim for diesel spillage on the A1 Nottingham Tuxford lay-by. The culprit responsible for the spillage is unknown and there is no insurance policy against which the Agency could claim
Department for Transport	334,000	A loss of £334,000 was recorded by Highways Agency in relation to a theft of cable and other equipment from the strategic road network.
Department of Health	113,178,350	Department of Health Share of National Insurance Contribution Losses. Such losses occur when contributions cannot be collected because companies have ceased to exist during the year. Her Majesty's Revenue & Customs (HMRC) allocates this category of loss to those Departments which are partially funded from NICs, on a proportional basis. It should be noted that the disclosure of this category of loss is a technical requirement which is completely outside the Department's control.

3. Losses confined to the public sector

Organisation	Amount (£)	Description
Department of Health	376,118,000	Cancellation of Public Dividend Capital (PDC) which is issued to NHS Trusts and NHS Foundation Trusts under specific statutory powers given to the Department and it can only be written off with the agreement of HM Treasury by formal notice to Parliament. £376,118,000 was the outstanding PDC of the South London Healthcare National Health Service Trust after the net assets of the Trust, and PDC of the equivalent value to those assets, had transferred to its successor NHS Trusts and Foundation Trusts upon its dissolution.
Department of Health	168,827,275	Strategic Health Authorities (SHAs) and Primary Care Trusts (PCTs) were abolished on 1 April 2013, with their assets and liabilities being transferred to a variety of receiving organisations. This change in ownership/control necessitated impairment. The Department recorded asset impairments of £48,644,275 as a result. NHS England have impaired assets to the value of £120,183,000 for which ownership or usage cannot be proven.
Department of Health	26,572,000	Special payments within the NHS are predominantly within NHS Foundation Trusts (totalling £14,668,000), NHS Trusts (totalling £11,342,000), Special Health Authorities (totalling £237,000) and NHS England Group (totalling £325,000). (Special payment)
Northern Ireland Office	175,687	A fruitless payment was made during the year relating to Parades Commission for Northern Ireland tax liabilities in the sum of £175,687. This payment related to 2012-13 but occurred after NIO consolidated accounts had been signed off and is therefore disclosed this year.
Foreign & Commonwealth Office	820,552	Interest charged by HM Customs and Revenue arising on the late payment of income tax over a number of years by the FCO in respect of certain members of our locally engaged staff in countries not covered by a double taxation treaty.

Organisation	Amount (£)	Description
Department for Business, Innovation & Skills	407,869	The Department inherited North West Business Link Limited whilst it was in liquidation. At that time, the return on investment was estimated to be £4,626,098. However, the final liquidation proceeds amounted to £4,218,229 leading to a write-off of £407,869.
Department for Business, Innovation & Skills	107,945,120	An early repayment premium of £107,945,120 was paid to the National Loans Fund (NLF) in 2013/14. The sale of shares in Royal Mail necessitated a repayment of an outstanding long-term NLF loan provided to Royal Mail (on-lent by BIS) before its original term had ended. The NLF is not legally allowed to make a loss; it was therefore required to charge a premium to BIS to reflect the fact that it was locked into an borrowing at a higher rate at the time.