**REVENUE ALLOCATIONS**

The UK Government publishes full details of its income and expenditure (outturn figures, estimates and forecasts).[[1]](#footnote-2) Budget forecasting is overseen by the independent Office for Budget Responsibility (OBR).[[2]](#footnote-3) Government accounts are audited by the National Audit Office (NAO)[[3]](#footnote-4) and scrutinised by the Public Accounts Committee.[[4]](#footnote-5)

With very few exceptions, central government receipts are not hypothecated to specific items or types of expenditure. The principal central government extractive revenues currently earmarked for specific UK programmes or geographic regions involve the allocation of a population-based share of income from seaward petroleum licences to the Northern Ireland Government, as required by section 2 of the Miscellaneous Financial Provisions Act 1968.[[5]](#footnote-6) The amount transferred in respect of 2020/21 was £1.7m (£2.0m in respect of 2019/20).[[6]](#footnote-7)

All revenue ‘profit’ from Crown Estate Scotland goes to the Scottish Consolidated Fund and it is the responsibility of Scottish Ministers to decide how this is used. Crown Estate Scotland ensures that the assets are developed and enjoyed to deliver long-term value for communities and for the nation.

Onshore petroleum licensing is now devolved in Great Britain as well as to Northern Ireland, although the Oil and Gas Authority (OGA) continues to collect licence fees due on licences in Scotland and Wales as an agent for the respective administrations. Any amounts received in 2020 have been reported as received by the OGA; in practice, fees for licences in Scotland and Wales were waived.

In addition, the OGA Levy part-funds the operation of the OGA.[[7]](#footnote-8) The rates of the Levy are set by statutory instrument so have to be approved by Parliament. Any excess of income over expenditure is repaid to levy-payers which can result in net refunds for some levy-payers in a calendar year. The OGA is a vested company with operational independence from Government. However, the Secretary of State (SoS) for Business, Energy and Industrial Strategy (BEIS) is the company’s sole shareholder and is ultimately responsible to Parliament for the OGA; the OGA Board of Directors is accountable to the SoS. The Permanent Secretary of BEIS is the Principal Accounting Officer for the OGA and is responsible to Parliament for any grant funding of the OGA; the OGA’s Chief Executive is responsible to the Permanent Secretary. The OGA’s Annual Report and Accounts are approved by the Board of Directors and the SoS.

**GLOSSARY OF ABBREVIATIONS FOR REVENUE ALLOCATIONS**

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| BEIS | Department for Business, Energy & Industrial Strategy |
| DECC | Department of Energy & Climate Change |
| HM | Her Majesty’s |
| NAO | National Audit Office |
| OBR | Office for Budget Responsibility |
| OGA | Oil and Gas Authority |
| SoS | Secretary of State |
| UK | United Kingdom |

1. See e.g. HM Treasury, [Budget 2021](https://www.gov.uk/government/topical-events/budget-2021), [↑](#footnote-ref-2)
2. OBR, <http://obr.uk/> [↑](#footnote-ref-3)
3. NAO, <https://www.nao.org.uk/> [↑](#footnote-ref-4)
4. Public Accounts Committee, <http://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/> [↑](#footnote-ref-5)
5. <https://www.legislation.gov.uk/ukpga/1968/75/section/2> [↑](#footnote-ref-6)
6. OGA, Annual Report and Accounts 2020–21 <https://www.ogauthority.co.uk/about-us/leadership-governance/annual-report-and-accounts/> [↑](#footnote-ref-7)
7. DECC, Funding the Oil and Gas Authority, <https://www.gov.uk/government/consultations/funding-the-oil-and-gas-authority-consultation-on-levy-design>; OGA, Annual Report and Accounts 2020–21, https://www.ogauthority.co.uk/about-us/leadership-governance/annual-report-and-accounts/ [↑](#footnote-ref-8)