

# Department of Trade and Industry

## Introduction

1. The Department of Trade and Industry has two Requests for Resources: RfR1 Increasing UK competitiveness and RfR2 Increasing Scientific Excellence in the UK and maximising its contribution to society.

### **RfR 1: Increasing UK competitiveness**

2. This Request for Resources provides for the promotion of enterprise, innovation and increased productivity delivered through market solutions designed to meet market imperfections; promotion of strong, fair and competitive markets at home and abroad including developing fair and effective legal and regulatory frameworks; support for energy-related activities including regulation, security, civil-emergency planning, environmental remediation and support for new and sustainable energy sources; the efficient management and discharge of liabilities (mainly nuclear and coal) falling to the Department; payments to other Government Departments and grants and grants-in-aid in relation to the above objectives; financial assistance to public corporations.

### **RfR 2: Increasing Scientific Excellence in the UK and maximising its contribution to society**

3. This Request for Resource provides grant in aid to the seven science Research Councils – Biotechnology and Biological Sciences Research Council (£268,390,000); Economic and Social Research Council (£104,074,000); Engineering and Physical Sciences Research Council (£486,414,000); Medical Research Council (£408,208,000); Natural Environment Research Council (£293,463,000); Particle Physics and Astronomy Research Council (£268,657,000); the Council for the Central Laboratory of the Research Councils (£84,407,000), and the Council for the Central Laboratory of the Research Councils for Diamond Synchrotron (£80,800,000) including the UK's subscriptions to international organisations in their fields of activity; Research Council's Pension Scheme; grants in aid to other scientific bodies (the Royal Society and the Royal Academy of Engineering); and grants for other sundry scientific services including the University Challenge Fund, the Joint Infrastructure Fund and the Cambridge/MIT Institute and administration costs of the Office of Science and Technology.

4. A detailed analysis of appropriations in aid of these Requests for Resources, and related income and Consolidated Fund extra receipts can be found below.

5. A number of grants in aid and international subscriptions in excess of £1 million are borne by these Requests for Resources. For RfR1 grants in aid are provided to the Advisory, Conciliation and Arbitration Service; The National Association of Citizen's Advice Bureaux; Citizen's Advice Scotland; the National Consumer Council; the Gas and Electricity Consumer Council; the Consumer Council for Postal Services; the Design Council; the Equal Opportunities Commission; the Competition Commission; the Coal Authority; the eight Regional Development Agencies and the London Development Agency; and the United Kingdom Atomic Energy Authority. For RfR 1 relevant international subscriptions are the European Space Agency; World Trade Organisation; the International Telecommunications Union; the Universal Postal Union; the International Atomic Energy Agency; and the organisation for the Prohibition of Chemical Weapons. For RfR2 relevant international subscriptions are paid to the Institute Laue-Langevin and European Synchrotron Radiation Facility, (by EPSRC), International Agency for Research on Cancer, Human Frontier Science Programme, European Molecular Biology Conference and European Molecular Laboratory (by MRC); European Organisation for Nuclear Research, European Incoherent Scatter Facility, European Space Agency and Anglo Australian Telescope (by PPARC), and European Science Foundation (by EPSRC, MRC and PPARC).

## Introduction (*continued*)

6. A breakdown of the resource estimate for 2004-05 by individual function is given in Annex B1 of “The Government’s Expenditure Plans 2004-05 to 2005-06” (Cm 6216).

7. DTI issues overall resource-based budgets and makes payments of Grant in Aid to the Regional Development Agencies (RDAs). ODPM, DfES, DEFRA, DCMS and UKTI will contribute by supplying resources which DTI will appropriate in aid. DTI will manage the resources centrally, with payments to the RDAs being authorised and certified by the Government Offices for the Regions (GOs). The eight Regional Development Agencies (and the London Development Agency) are currently expected to receive £224,000,000 of receipts from the private sector and local authorities. They are entitled to use receipts up to a total of £291,000,000. Receipts over and above that level will be treated as appropriations in aid for which Parliamentary approval will be needed, or surrendered to the Consolidated Fund as extra receipts.

8. Details of long term projects can be found at Annex C3 of “The Government’s Expenditure Plans 2004-05 to 2005-06” (Cm 6216).

9. Symbols are explained in the Introduction to this booklet.

## Part I

	£
<b>Request for Resources 1: Increasing UK competitiveness</b>	<b>2,124,413,000</b>
<b>Request for Resources 2: Increasing Scientific Excellence in the UK and maximising its contribution to society</b>	<b>2,468,084,000</b>
<b>Total net resource requirement</b>	<b>4,592,497,000</b>
<b>Net cash requirement</b>	<b>5,853,226,000</b>

Amounts required in the year ending 31 March 2005 for expenditure by the Department of Trade and Industry on:

### **RfR 1: Increasing UK competitiveness**

Promotion of enterprise, innovation and increased productivity delivered through market solutions designed to meet market imperfections identified within the portfolios of innovation, international trade and investment, regional investment, enterprise for small firms and people & skills; support for business, including support for specific industries, small businesses, regional programmes and programmes to promote research and development, innovation, best practice and sustainable development; promotion of strong, fair and competitive markets at home and abroad including developing fair and effective legal and regulatory frameworks, measures to protect investors, measures to promote the interests of consumers, support for employment relations programmes and measures to promote a skilled and flexible labour market; support for energy-related activities including measures related to regulation, civil-emergency planning, environmental remediation and support for new and sustainable energy sources, security, non-proliferation; safety, environment and social impact programmes relating to nuclear sites in Central and Eastern Europe and the Former Soviet Union and other countries where future G8 Global Partnership related initiatives may be pursued; the efficient management and discharge of liabilities falling to the Department including nuclear waste management and decommissioning and liabilities in respect of former coal and shipbuilding industry employees; provision of repayable credit facilities for British Energy and the Post Office; petroleum royalties; exchange risk and other guarantee losses; subscriptions to international organisations and fulfilment of international treaty obligations; payments to other Government Departments in relation to programmes supporting DTI objectives; support for Government Offices; grants and grants-in-aid to organisations promoting DTI objectives, including Non Departmental Public Bodies; financial assistance to public corporations including Ofcom; funding of the department's executive agencies; issuing budgets and making payments to Regional Development Agencies, to which other government departments will contribute by supplying resources which DTI will appropriate in aid; miscellaneous programmes including payments in respect of claims for the restitution of property of victims of Nazi persecution, compensation for distant water trawlermen and assistance to redundant steelworkers and dismissed miners; departmental administration costs and a share of the administration costs of UK Trade and Investment; payments towards the expenses of the Office of Manpower Economics; associated non-cash items.

### **RfR 2: Increasing Scientific Excellence in the UK and maximising its contribution to society**

Research Councils; the Royal Society; the Royal Academy of Engineering; Office of Science and Technology initiatives; nuclear fusion; the University Challenge Fund; the Joint Infrastructure Fund; the Cambridge/Massachusetts Institute of Technology; the Council for the Central Laboratory of the Research Councils for Diamond Synchrotron; the Science Enterprise Challenge Scheme; the Science Research Investment Fund; Foresight Link Awards; the Department for Education and Skills, for the Higher Education Innovation Fund; exploitation of discoveries at public sector research establishments; the Foreign and Commonwealth Office for Chevening Scholarships; fees payable under the Animals (Scientific Procedures) Act 1986; Research Council pensions; capital and administration costs of the Office of Science and Technology and associated non-cash items.

The **Department of Trade and Industry** will account for this Estimate.

**Part I (continued)**

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	2,124,413,000	1,073,763,000	1,050,650,000
<b>RfR 2</b>	2,468,084,000	1,027,423,000	1,440,661,000
<b>Total net resource requirement</b>	4,592,497,000	2,101,186,000	2,491,311,000
<b>Net cash requirement</b>	5,853,226,000	3,749,956,000	2,103,270,000

## Part II: Subhead detail

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
<b>RfR 1: Increasing UK competitiveness</b>									
428,966	375,416	3,128,462	3,932,844	1,808,431	2,124,413	19,551,475	19,151,094	4,325,395	4,791,462
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Commercial Best Practice and Enterprise									
-	384,291	8,000	392,291	7,500	384,791	-	14,700	437,719	382,874
B Maximising Potential in the Workplace									
24,842	55,550	-	80,392	105	80,287	1,075	-	80,897	86,278
C Finance for Investment									
-	19,728	73,820	93,548	9,649	83,899	17,930	98,930	98,320	145,137
D Strengthening Regional Economies									
-	8,427	76,000	84,427	1,289,372	-1,204,945	-	-	-1,289,659	-1,192,465
E Knowledge Transfer and Innovation									
19,928	63,860	76,208	159,996	4,805	155,191	7,600	-	176,529	173,523
F Security of Energy Supply									
-	6,094	1,109	7,203	14,023	-6,820	-	-	-6,887	-5,612
G Sustainability and the Environment									
-	30,563	17,000	47,563	198	47,365	-	-	45,865	25,248
H Free and Fair World Markets									
34,866	851	8,940	44,657	10	44,647	-	-	46,048	35,999
I Consumers and Competition									
-	42,739	17,317	60,056	9,583	50,473	-	-	43,724	46,444
J Corporate Activity Framework									
1,125	161,223	2,803	165,151	170,478	-5,327	12,609	30,551	16,108	18,641

**Part II: Subhead detail (continued)**

£'000

2004-05						2003-04 Provision	2002-03 Outturn			
Resources						Capital		Net Total Resources	Net Total Resources	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A			
1	2	3	4	5	6	7	8	9	10	
K	Assets and Liabilities									
	-	41,127	105,457	146,584	10,161	136,423	-	-	119,585	-60,257
L	Nuclear Security and Export Control									
	-	3,970	47,555	51,525	-	51,525	-	-	61,225	27,010
M	Activities in Support of all Objectives									
	348,205	18,170	80	366,455	13,431	353,024	12,261	6,910	364,710	316,747
	<i>Commercial Best Practice and Enterprise - Capital Modernisation Fund</i>									
	-	-	-	-	-	-	-	-	2,500	-
	<i>Knowledge Transfer and Innovation - Capital Modernisation Fund</i>									
	-	-	-	-	-	-	-	-	25,000	102
	<i>Security of Energy Supply - Capital Modernisation Fund</i>									
	-	-	-	-	-	-	-	-	200	983
	<i>Sustainability and the Environment - Capital Modernisation Fund</i>									
	-	-	-	-	-	-	-	-	30,000	2,101
	<i>Consumers and Competition - Capital Modernisation Fund</i>									
	-	-	-	-	-	-	-	-	10,000	10,000
	<i>Consumers and Competition European Community Expenditure</i>									
	-	-	-	-	-	-	-	-	1	-
	<b>Support for Local Authorities</b>									
N	Current Grants to the London Development Agency									
	-	-	154,997	154,997	116,248	38,749	-	-	1	42,331
O	Capital Grants to the London Development Agency									
	-	-	160,352	160,352	144,317	16,035	-	-	1	9,937
	<b>Spending in Annually Managed Expenditure (AME)</b>									
	<i>Central Government spending</i>									

Part II: Subhead detail (*continued*)

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
P	Finance for Investment								
-	-	-	-	-	-	19,500,000	19,000,000	-	-6,286
Q	Corporate Activity Framework								
-	272	614	886	3	883	-	-	883	2
R	Assets and Liabilities								
-	-461,449	788,325	326,876	5	326,871	-	-	2,386,033	3,402,720
	<i>Activities in Support of all Objectives</i>								
-	-	-	-	-	-	-	-	-	7,017
	<i>Support for Local Authorities</i>								
S	Strengthening Regional Economies								
-	-	684	684	-	684	-	-	425	1,212
	<b>Non-budget</b>								
T	Commercial Best Practice and Enterprise								
-	-	6,705	6,705	-	6,705	-	-	6,500	6,200
U	Maximising Potential in the Workplace								
-	-	7,205	7,205	-	7,205	-	-	7,205	6,886
V	Strengthening Regional Economies								
-	-	1,459,104	1,459,104	7,944	1,451,160	-	-	1,546,589	1,244,338
W	Security of Energy Supply								
-	-	23,893	23,893	10,599	13,294	-	-	13,294	12,375
X	Free and Fair World Markets								
-	-	700	700	-	700	-	-	700	1,048
Y	Consumers and Competition								
-	-	29,124	29,124	-	29,124	-	-	31,112	26,681

**Part II: Subhead detail (continued)**

£'000

2004-05						2003-04 Provision	2002-03 Outturn			
Resources						Capital		Net Total Resources	Net Total Resources	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A			
1	2	3	4	5	6	7	8	9	10	
Z	Corporate Activity Framework									
-	-	392	392	-	392	-	3	392	451	
AA	Assets and Liabilities									
-	-	62,078	62,078	-	62,078	-	-	73,078	25,725	
	<i>Knowledge Transfer and Innovation</i>									
-	-	-	-	-	-	-	-	-2,703	-1,928	
	<b>RfR 2: Increasing Scientific Excellence in the UK and maximising its contribution to society</b>									
<b>12,810</b>	<b>31,447</b>	<b>2,423,893</b>	<b>2,468,150</b>	<b>66</b>	<b>2,468,084</b>	<b>198</b>	<b>148</b>	<b>2,399,252</b>	<b>1,957,569</b>	
	<b>Spending in Departmental Expenditure Limits (DEL)</b>									
	<i>Central Government spending</i>									
A	Swindon Research Councils' Pension Scheme									
-	31,140	-	31,140	-	31,140	-	-	29,740	28,450	
B	The Royal Society									
-	-	31,045	31,045	-	31,045	-	-	29,245	28,783	
C	Royal Academy of Engineering									
-	-	5,600	5,600	-	5,600	-	-	5,270	4,770	
D	OST Initiatives									
-	-	5,305	5,305	-	5,305	-	-	6,192	2,243	
E	Knowledge Transfer									
-	-	64,960	64,960	-	64,960	-	-	74,012	39,931	
F	Cambridge/Massachusetts Institute of Technology									
-	-	14,000	14,000	-	14,000	-	-	14,000	10,705	
G	Foresight LINK Awards									
-	-	2,000	2,000	-	2,000	-	-	5,000	2,534	

Part II: Subhead detail (*continued*)

£'000

2004-05						2003-04 Provision	2002-03 Outturn			
Resources						Capital		Net Total Resources	Net Total Resources	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A			
1	2	3	4	5	6	7	8	9	10	
H	Science Research Investment Fund									
-	-	296,570	296,570	-	296,570	-	-	250,000	105,018	
I	Science and Engineering Board Administration Costs									
4,860	-	-	4,860	-	4,860	63	49	4,860	-9,025	
J	Transdepartmental Science and Technology Group Administration Costs									
7,950	-	-	7,950	-	7,950	135	99	7,880	8,703	
	<i>Joint Infrastructure Fund</i>									
-	-	-	-	-	-	-	-	44,000	85,384	
	<i>Nuclear Fusion</i>									
-	-	-	-	-	-	-	-	-	14,630	
<b>Spending in Annually Managed Expenditure (AME)</b>										
<i>Central Government spending</i>										
K	Research Councils' Pension Scheme									
-	132	10,000	10,132	66	10,066	-	-	101	50	
<b>Non-budget</b>										
L	Biotechnology and Biological Sciences Research Council									
-	-	268,390	268,390	-	268,390	-	-	268,075	241,510	
M	Economic and Social Research Council									
-	-	104,074	104,074	-	104,074	-	-	94,584	82,963	
N	Engineering and Physical Sciences Research Council									
-	-	486,414	486,414	-	486,414	-	-	425,000	473,534	
O	Medical Research Council									
-	-	408,208	408,208	-	408,208	-	-	430,058	365,136	
P	Natural Environment Research Council									
-	-	293,463	293,463	-	293,463	-	-	288,661	205,677	

**Part II: Subhead detail (continued)**

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
Q	Particle Physics and Astronomy Research Council								
-	-	268,657	268,657	-	268,657	-	-	281,506	235,540
R	Council for the Central Laboratory of the Research Councils								
-	-	84,407	84,407	-	84,407	-	-	101,593	15,607
S	Council for the Central Laboratory of the Research Councils - Diamond Synchrotron								
-	-	80,800	80,800	-	80,800	-	-	39,300	15,292
T	Fees Payable under the Animals (Scientific Procedures) Act 1986								
-	175	-	175	-	175	-	-	175	134
<b>Total for Estimate:</b>									
441,776	406,863	5,552,355	6,400,994	1,808,497	4,592,497	19,551,673	19,151,242	6,724,647	6,749,031

## Part II: Resource to cash reconciliation

	2004-05		2003-04		2002-03	
	Provision		Provision		Outturn	
	£'000					
<b>Net Total Resources</b>	4,592,497		6,724,647		6,749,031	
<b>Voted capital items</b>						
Capital	19,551,673		4,730,059		879,916	
Less Non-operating A-in-A	19,151,242		3,650,399		711,565	
<b>Total net voted capital</b>	400,431		1,079,660		168,351	
<b>Accruals to cash adjustment</b>						
Adjustments to remove non-cash items:						
Cost of Capital charges	366,775		507,383		533,438	
Depreciation	-20,841		-20,841		-16,832	
New provisions and adjustments to previous provisions	-899,330		-3,080,031		-3,979,362	
Profit/loss on sale of assets	-		-		-	
Prior period adjustments	-		-		-	
Other non-cash items	-243		-243		-243	
Increase (+) / Decrease (-) in stock	-		-		-	
Increase (+) / Decrease (-) in debtors	-6,000		-6,000		-110,738	
Increase (-) / Decrease (+) in creditors	-		-		243,851	
Use of provisions	1,419,937		1,409,745		1,308,755	
<b>Total accruals to cash adjustments</b>	860,298		-1,189,987		-2,021,131	
<b>Excess cash to be CFERd</b>	-		-		-	
<b>Net Cash Requirement</b>	5,853,226		6,614,320		4,896,251	

## Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	2004-05		2003-04		2002-03	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
	£'000					
Operating income not classified as AinA	345,986	<i>75,750</i>	412,858	<i>79,155</i>	413,206	<i>74,141</i>
Non-operating income not classified as AinA	4	<i>4</i>	4	<i>4</i>	6	<i>6</i>
Other amounts collectable on behalf of the Consolidated Fund	135,904	<i>406,140</i>	757,875	<i>1,091,578</i>	626,764	<i>965,829</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	<b>481,894</b>	<b><i>481,894</i></b>	<b>1,170,737</b>	<b><i>1,170,737</i></b>	<b>1,039,976</b>	<b><i>1,039,976</i></b>

## Forecast Operating Cost Statement

	2004-05 Provision	2003-04 Provision	2002-03 Outturn	£'000
<b>Net Administration Costs</b>				
RfR 1	416,259	433,347	382,811	
RfR 2	<u>12,810</u>	<u>12,740</u>	<u>-322</u>	
<b>Total Net Administration costs</b>	<b>429,069</b>	<b>446,087</b>		<b>382,489</b>
<b>Net Programme Costs</b>				
RfR 1	1,362,168	3,479,190	3,996,157	
RfR 2	2,455,274	2,386,512	1,957,179	
National Insurance Fund	<u>242,809</u>	<u>237,809</u>	<u>289,183</u>	
<b>Total Net Programme costs</b>	<b>4,060,251</b>	<b>6,103,511</b>		<b>6,242,519</b>
<b>Total Net Operating Cost</b>	<b>4,489,320</b>	<b>6,549,598</b>		<b>6,625,008</b>
<i>of which:</i>				
<b>Net Resource Outturn</b>	<b>4,592,497</b>	<b>6,724,647</b>		<b>6,749,031</b>
CFERs	-345,986	-412,858		-413,206
Non-voted expenditure	242,809	237,809		289,183
<b>Resource Budget Outturn</b>	<b>4,845,470</b>	<b>6,945,230</b>		<b>6,844,677</b>

## Notes to the Main Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2004-05	2003-04	2002-03
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>4,592,497</b>	<b>6,724,647</b>	<b>6,749,031</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	242,809	237,809	289,183
Consolidated Fund Extra Receipts in the OCS	-345,986	-412,858	-413,206
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>4,489,320</b>	<b>6,549,598</b>	<b>6,625,008</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-17,509	-1,475	-68,875
capital grants financed from the Capital Modernisation Fund	-	-67,700	-13,186
European Union income and related adjustments	196,324	288,371	213,772
voted expenditure outside the budget	-568	2,135	1,343
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	6,145	6,379	-33,149
resource consumption of non departmental public bodies	-36,554	63,134	127,038
unallocated resource provision	96,112	4,588	-
Other adjustments	112,200	100,200	-7,274
<b>Resource Budget Outturn (Budget)</b>	<b>4,845,470</b>	<b>6,945,230</b>	<b>6,844,677</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	4,808,901	4,942,712	3,832,689
Annually Managed Expenditure (AME)	36,569	2,002,518	3,011,988

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2004-05	2003-04	2002-03
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>400,431</b>	<b>1,079,660</b>	<b>168,351</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	250,163	308,480	461,329
capital grants to local authorities	17,509	1,475	68,875
capital grants financed by the Capital Modernisation Fund	-	67,700	13,186
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	40,254	16,334	-
Other adjustments	-50,997	-138,534	-365,860
<b>Capital Budget Outturn (Budget)</b>	<b>657,360</b>	<b>1,335,115</b>	<b>345,881</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	157,360	635,115	345,881
Annually Managed Expenditure (AME)	500,000	700,000	-

## Notes to the Main Estimate *(continued)*

### Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Department of Trade and Industry, Sir Robin Young, as Principal Accounting Officer with overall responsibility for preparing the Department's Estimate.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

## Notes to the Main Estimate (continued)

## Analysis of appropriations in aid (A in A)

	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
<b>RfR 1: Increasing UK competitiveness</b>						
Administration costs related to the promotion of enterprise, innovation and increased productivity	2,230	3,475	2,230	3,475	5,607	—
Small Firms' Loan Guarantee Scheme	8,950	—	13,250	—	9,606	—
Innovation in Support of Commercial Best Practice	—	14,700	—	—	—	—
Innovation in Support of Knowledge Transfer	4,250	—	4,250	—	5,082	—
Telecommunications and posts	3,278	—	3,278	—	10,107	—
Space	57	—	57	—	18	—
Small Business Service, including Farm Business Advice Service	7,500	—	15,500	—	7,029	—
Receipts from ODPM for RDAs	1,189,400	—	1,274,590	—	1,135,258	—
Receipts from ODPM for LDA	260,565	—	294,529	—	233,444	—
Receipts from Department of Education and Skills for RDAs	42,500	—	42,500	—	39,443	—
Receipts from Department of Education and Skills for LDA	—	—	7,581	—	7,581	—
Receipts from UK Trade and Investment for RDAs	12,930	—	19,700	—	10,057	—
Receipts from UK Trade and Investment for LDA	—	—	1,145	—	1,145	—
Receipts from DEFRA for RDAs	40,559	—	40,559	—	62,658	—
Receipts from DCMS for RDAs	3,600	—	—	—	—	—
Office of Communications (Ofcom)	80,000	—	29,070	—	—	—
Exchange Risk Guarantee Scheme	55	—	55	—	62	—
National Selective Assistance	—	—	479	—	—	—
Credit Facility Agreement for British Energy	—	—	—	200,000	—	579,986
Aerospace and Launch Aid	—	98,930	—	112,787	—	129,214
Shipbuilding	644	—	644	—	1,846	—
Administration costs related to legal and regulatory framework and markets	10,798	3,435	34,223	3,435	10,620	1,791
Non-nuclear receipts of a regulatory nature (including Gas and Electricity Consumers Council	14,023	—	14,023	—	12,603	—
Non-nuclear receipts directly related to creation of open markets	198	—	198	—	82	—
Spectrum Efficiency	5,000	—	5,000	—	—	—
Consumer Protection	109	—	109	—	270	—
Postwatch	9,474	—	9,797	—	8,200	—
Trade Policy	10	—	10	—	—	—
External Legal Receipts	203	—	203	—	608	—
Coal Subsidence & Arbitration	77	—	77	—	29	—
Ring-fenced Coal Health Liabilities	5	—	5	—	74	—
Non-ring-fenced Coal Liabilities	10,034	—	10,034	—	9,723	—
Coal Operating Subsidy recoveries	50	—	50	—	3	—
Leader Network Project	133	—	133	—	—	—
Regional Selective Assistance	250	—	250	—	2,183	—
Working capital credit facility for the Post Office	—	19,000,000	—	3,300,000	—	—
European Regional Development Fund receipts	7,944	—	7,944	—	11,336	—
Petroleum Licensing	10,599	—	23,599	—	28,978	—
Privatisation Receipts	3	3	3	3	—	23
	<b>1,725,428</b>	<b>19,120,543</b>	<b>1,855,075</b>	<b>3,619,700</b>	<b>1,613,652</b>	<b>711,014</b>

Notes to the Main Estimate *(continued)*Analysis of appropriations in aid (A in A) *(continued)*

£'000

	2004-05 provision		2003-04 provision		2002-03 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
<b>RfR 1: Increasing UK competitiveness <i>(continued)</i></b>						
<b>On Vote Agencies</b>						
Insolvency Service	82,200		30,000		58,666	
Employment Tribunals Service	105		105		1,532	
Radiocommunications			50,999		63,926	
NWML	498		498		700	
Other Govt Depts	200		1,076		1,076	
	<b>83,003</b>		<b>82,678</b>		<b>125,900</b>	
<b>Trading Funds</b>						
Companies House		385		385		385
Patent Office		30,166		30,166		166
<b>Total RfR 1</b>	<b>1,808,431*</b>	<b>19,151,094**</b>	<b>1,937,753</b>	<b>3,650,251</b>	<b>1,739,552</b>	<b>711,565</b>

a) Amount that may be applied as appropriations in aid in addition to the net total, arising from the recovery of income from the European Union/ECSC and income relating to Regional Selective Assistance, flexible business support measures, the Small Business Service, Business Link Operators, Small Firms Loan Guarantee and other small firm support schemes, receipts from the Department of Environment, Food and Rural Affairs in respect of the Farm Business Advice Service, trade policy, e-commerce, energy and coal, innovation and technology support schemes, sectoral support, receipts from the Office of the Deputy Prime Minister, Department of Environment, Food and Rural Affairs, the Department for Education and Skills, the Department for Culture, Media and Sport and UK Trade and Investment in relation to Regional Development Agencies and the London Development Agency, the exchange risk guarantee scheme, national selective assistance to industry, the Office of Civil Nuclear Security, fees to advisers on privatisation and BNFL, and expenditure in the following areas: telecommunications, including licence fees, posts, civil aircraft research and demonstration, aerospace, private sector shipbuilding, British Energy, redundant steelworkers, space, consumer and investor protection, employment relations including the promotion of Work-Life Balance, support for the construction industry, privatisation and the sale of shares, petroleum licensing and royalties; legal services, consultancy, publications, secondments, departmental administration costs, central services, European Fast Stream, executive agencies and trading funds, including income relating to Ofcom; receipts from the Postal Services Commission and Office of Gas and Electricity Markets to cover the costs of the relevant Consumer Councils; receipts in connection with the coal subsidence adviser and the coal operating subsidy; the receipt of distributions from coal industry pension schemes other than distribution of surpluses; income relating to the dissolution of British Coal Corporation; income from the Office of the Deputy Prime Minister in respect of the Framework V helpline; miscellaneous receipts from other Government Departments and other income from the Office of Gas and Electricity Markets.

b) Amount that may be applied as non-operating appropriations in aid, arising from the recovery of income from the sales of fixed assets and from sale of land by the Department and its executive agencies, the repayment of loans to the aerospace industry and the Post Office and of loans to the trading funds.

**RfR 2: Increasing Scientific Excellence in the UK and maximising its contribution to society**

Research Councils' Pension Scheme	66	—	59	—	58	—
Administrative Costs	—	148	—	148	—	—
<b>Total RfR 2</b>	<b>66*</b>	<b>148**</b>	<b>59</b>	<b>148</b>	<b>58</b>	<b>—</b>

\*Amount that may be applied as appropriations in aid in addition to the net total, arising from receipts for employees' and employers' contributions and transfer values received.

\*\*Amount that may be applied as non-operating appropriations in aid, arising from the recovery of income from the sales of fixed assets and from sale of land.

<b>Total A in A</b>	<b>1,808,497</b>	<b>19,151,242</b>	<b>1,937,812</b>	<b>3,650,399</b>	<b>1,739,610</b>	<b>711,565</b>
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Notes to the Main Estimate *(continued)*

## Analysis of Consolidated Fund extra receipts

	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Levies on sales of aero engines and airframes $\phi$	1,655	1,655	1,493	1,493	33,878	33,878
Interest on loans advanced by the Secretary of State to the Companies House Executive Agency trading fund $\phi$	142	142	142	142	218	218
Receipt of dividend from the Companies House Executive Agency trading fund $\phi$	1,502	1,502	1,902	1,902	—	—
Interest on loans advanced by the Secretary of State to the Patent Office Executive Agency trading fund $\phi$	200	200	345	345	257	257
Receipt of dividend from the Patent Office Executive $\phi$ Agency trading fund	3,142	3,142	7,469	7,469	—	—
Companies House receipts from late filing penalties	12,000	12,000	12,000	12,000	31,256	31,256
Office of Communications (Ofcom)	58,764	58,764	—	—	—	—
Radiocommunications Agency	—	—	57,297	57,297	72,937	72,937
Application fees for petroleum exploration and production licences, and initial and periodic payments (rents). Royalty on petroleum won and saved	67,000	67,000	637,000	637,000	476,650	476,650
Dividends from British Nuclear Fuels plc	—	—	53,600	53,600	—	—
Non-nuclear energy miscellaneous receipts	85	85	85	85	1,131	1,131
Privatisation of the electricity industry, including clawback receipts	2	2	2	2	—	—
Receipts of the Coal Authority	4,200	4,200	4,200	4,200	3,670	3,670
Privatisation of the coal industry including property clawback receipts $\Delta$	4,200	4,200	4,200	4,200	—	—
Distribution of surpluses from coal industry pension schemes $\Delta$	329,000	329,000	391,000	391,000	391,002	412,002
Privatisation of the nuclear power industry	1	1	1	1	5	5
Privatisation of AEA Technology – property and land clawback	1	1	1	1	1	1
Support to the Steel industry	—	—	—	—	6,790	6,790
Nuclear Safety and Security	—	—	—	—	225	225
National Selective Assistance	—	—	—	—	73	73
Trade Policy	—	—	—	—	5	5
Employment Relations	—	—	—	—	70	70
Innovation	—	—	—	—	17	17
Consumer Protection	—	—	—	—	79	79
Royal Society	—	—	—	—	88	88
Biotechnology and Biological Sciences Research Council – interest on bank account	—	—	—	—	315	315
Medical Research Council	—	—	—	—	298	298
Engineering and Physical Sciences Research Council	—	—	—	—	3	3
Particle Physics and Astronomy Research Council	—	—	—	—	8	8
<b>Total</b>	<b>481,894</b>	<b>481,894</b>	<b>1,170,737</b>	<b>1,170,737</b>	<b>1,039,976</b>	<b>1,039,976</b>

## Notes to the Main Estimate *(continued)*

### Administration costs limits and Departmental Expenditure Limits

Administration costs limits	£'000		
	Gross provision	Income	Total administration costs limit
<b>Gross administration costs limits</b>	<b>440,856</b>	<b>-12,009</b>	<b>428,847</b>
Insolvency Service	1,900	-1,900	—
National Weights and Measures Laboratory	3,170	-2,948	222
Suppliers of Departmental Services	2,500	-2,500	—
<b>Net administration costs limits</b>	<b>7,570</b>	<b>-7,348</b>	<b>222</b>

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	910,618	3,898,283	4,808,901
Capital DEL	-133,057	290,417	157,360
Less depreciation	-20,841	-96,159	-117,000
<b>Total DEL</b>	<b>756,720</b>	<b>4,092,541</b>	<b>4,849,261</b>

- \* i. *Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review*
- ii. *Excludes EU receipts included in Estimates, but excluded in Budgets*

### Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2004-05 of £4,592,497,000 is 31.7 per cent lower than the final provision for 2003-04 of £6,724,647,000 and 30.7 per cent lower than the forecast outturn for that year of £6,629,532,000.

## Notes to the Main Estimate *(continued)*

### Expenditure resting on the sole authority of the Appropriation Act

The following RfR contains provision sought under the sole authority of Part 1 of the Estimate and the confirming Appropriation Act

<b>RfR1 Function H Subheads 2 and 3 ■</b>	<b>£'000</b>
Trade Policy current expenditure	9,791
<b>RfR1 Function L Subheads 2 and 3 ■</b>	
Non-Proliferation: international subscriptions	16,550
<b>RfR1 Function X Subhead 3 ■</b>	
Grant-in-Aid to SITPRO	700
<b>RfR1 Function Q Subheads 2 and 3 ■</b>	
Expenses incurred in connection with privatisation of the nuclear power, electricity and coal industries	886

### Cash which may be retained to offset expenditure

**£'000**

Cash which may be retained by the department to offset expenditure in the year due to its relationship with income that has been or will be appropriated in aid

	2004-05 provision	2003-04 provision	2002-03 outturn
	20,959,739	5,588,211	2,451,175

## Notes to the Main Estimate *(continued)*

### Grants in Aid

A number of grants in aid and international subscriptions in excess of £1 million are borne on these Requests for Resources (RfRs).

For RfR 1 grants in aid are provided to the Advisory, Conciliation and Arbitration Service ♥ (£45,020,000); the National Association of Citizen's Advice Bureaux ♦ (£16,876,000); Citizen's Advice Scotland ♦ (£2,800,000); the National Consumer Council ♦ (£3,200,000); the Gas and Electricity Consumer Council ♦ (£13,293,000), Postwatch ♥ (£7,810,000); the Design Council ♥ (£6,705,000); the Competition Commission and the Competition Service ♥ (£18,114,000); the Coal Authority ♥ (£27,000,000); the Regional Development Agencies ♥ (£1,459,104,000); the United Kingdom Atomic Energy Authority ♥ (£35,078,000); and the Equal Opportunities Commission ♥ (£7,205,000).

For RfR 2 grants in aid are provided to the Biotechnology and Biological Sciences Research Council ♥ (£268,390,000); Economic and Social Research Council ♥ (£104,074,000); Engineering and Physical Sciences Research Council ♥ (£468,414,000); Medical Research Council ♥ (£408,208,000); Natural Environment Research Council ♥ (£293,463,000); Particle Physics and Astronomy Research Council ♥ (£268,657,000); the Council for the Central Laboratory of the Research Councils for Diamond Synchrotron ♥ (£80,800,000); the Council for the Central Laboratory of the Research Councils ♥ (£84,407,000).

### International Subscriptions

For RfR 1 relevant international subscriptions are the European Space Agency; the World Trade Organisation; the International Telecommunications Union; the Universal Postal Union; the International Atomic Energy Agency; and the Organisation for the Prohibition of Chemical Weapons.

For RfR 2 relevant international subscriptions are paid to the Institute Laue-Langevin and European Synchrotron Radiation Facility, (by EPSRC), International Agency for Research on Cancer, Human Frontier Science Programme, European Molecular Laboratory European Molecular Biology Conference (by MRC); European Organisation for Nuclear Research, European Incoherent Scatter Facility, European Space Agency and Anglo Australian Telescope, European Southern Observatory (by PPARC), Ocean Drilling Programme (by NERC), and European Science Foundation (by EPSRC, MRC and PPARC).