

Department of Trade and Industry

Introduction

1. This Supplementary Estimate is required for the following purposes:

Amount £

Changes in resources

RfR 1: Increasing UK competitiveness

Increases:

Take up of Resource End Year Flexibility of £106,752,000 (including associated non-voted expenditure) of which £71,371,000 is near cash and £35,381,000 is non-cash

Programme costs	
RfR1: subhead E3	£9,300,000
Small Business Service impairment of venture capital funds	
Administration costs	
RfR1: subhead L1	£7,730,000
Utilisation of EYF for departmental pressures	
Administration costs	
RfR1: subhead L1	£1,894,000
Invest to Save Budget - Supplier Route to Government Project and Insolvency Service	
Programme costs	
RfR1: subhead J3	£10,000,000
Modernising the Post Office Network	
Programme costs	
RfR1: subhead K3	£3,200,000
Nuclear Support for the Former Soviet Union	
Programme costs	
RfR1: subhead D3	£2,000,000
Renewable energy Performance and Innovation Fund	
Programme costs	
RfR1: subhead A3	£3,377,000
Waste from Electrical and Electronic Equipment (WEEE) Directive	
Programme costs	
RfR1: subhead A3	£10,220,000
Knowledge Transfer Legacy Schemes, Standards etc	
Programme costs	
RfR1: subhead B2	£2,270,000
Ofcom	
Programme costs	
RfR1: subhead E2	£7,512,000
Business Support Legacy schemes	
Programme costs	
RfR1: subhead F3	£6,610,000
MG Rover	
Programme costs	
RfR1: subhead I2	£3,500,000
Inspectors for MG Rover	
Programme costs	
RfR1: subhead H2	£3,900,000
ACAS change programme	
Programme costs	
RfR1: subhead J2	£700,000
Shipbuilders Credit Guarantee scheme	

Programme costs	
RfR1: subhead J2	£630,000
Royal Mail (representation)	
Programme costs	
RfR1: subhead L2	£850,000
GDRS and Direct.gov	
Capital costs	
RfR1: subhead F3	£4,116,000
Capital grants for University Innovation Centres	
Budgetary transfers from other government departments	
Programme costs	
Budgetary transfer from the Department for Education and Skills	
RfR1: subhead E3	£350,000
National Council for Graduate Entrepreneurship	
Administration costs	
Budgetary transfer from the Cabinet Office	
RfR1: subhead L1	£1,525,000
Parliamentary Counsel Office	
Programme costs	
Budgetary transfer from the Department for Environment, Food and Rural Affairs	
RfR1: subhead D3	£4,750,000
Energy Demand Reduction Trials	
Transfers from non-voted provision	
Programme costs	
RfR1: subhead K3	£2,200,000
Nuclear Support to the Former Soviet Union	
Reserve claim	
Programme costs	
RfR1: subhead J3	£75,000,000
Subsidy to Royal Mail for support of the rural network	
Reclassification from capital to resource Estimate column	
Capital costs	
RfR1: subheads D3 and D7	£4,000,000
Reclassification of Energy Demand Reduction Trials from capital to resource column	
Annually Managed Expenditure	
Programme costs	
Revised forecast	
RfR1: subhead O3	£620,000
Increased forecast for London Development Agency Corporation Tax	
Non Budget	
Programme costs	
Revised forecast	
RfR1: subhead P3	£10,000
Competition Commission Grant in Aid increased to reflect virement of capital from voted expenditure	
Programme costs	
Revised forecast	
RfR1: subhead S3	£19,073,000
Regional Development Agencies Grant in Aid increased to reflect increased contributions from other Government Departments	

Programme costs	
Revised forecast	
RfR1: subhead S3	£23,687,000
Regional Development Agencies Grant in Aid increased to reflect utilisation of EYF to increase non-voted expenditure	
Programme costs	
Revised forecast	
RfR1: subhead S3	£900,000
Regional Development Agencies Grant in Aid increased to reflect virement of Manufacturing Advisory Service to RDA Single Pot	
Programme costs	
Revised forecast	
RfR1: subhead V3	£6,978,000
Coal Authority Grant in Aid increased to reflect utilisation of EYF to increase non-voted expenditure	
Programme costs	
Revised forecast	
RfR1: subhead V3	£774,100,000
Nuclear Decommissioning Authority Grant in Aid increased to reflect increased Appropriations in Aid	
Programme costs	
Revised forecast	
RfR1: subhead V3	£283,043,000
Nuclear Decommissioning Authority Grant in Aid increased to correct shortfall in Main Estimate figure	
Programme costs	
Grant in Aid to Nuclear Decommissioning Authority (£56,945,000) and UKAEA (£230,000)	
RfR1: subhead V3	£57,175,000
SCAPE pensions - increase offset by increased CFER receipts on UKAEA Pensions Estimate	

Decreases:**Transfers to non-voted provision**

Programme costs	
RfR1: subhead A2	-£10,000,000
Virement from non-Science non-cash to nonvoted noncash of the Science Research Councils	
Programme costs	
RfR1: subhead H2	-£700,000
Reclassification from voted DEL to nonvoted AME in respect of age discrimination programmes	
Programme costs	
RfR1: subhead J5	-£774,100,000
Increased voted resource contributions for nuclear decommissioning from external sources, with matching increase in Nuclear Decommissioning Authority Grant in Aid	
Programme costs	
RfR1: subhead F5	-£19,073,000
Increased resource (£491,000) and capital (£18,582,000) contributions for Regional Development Agencies from Other Government Departments	
Capital costs	
RfR1: subhead D3	-£4,200,000
Virement of voted underspend on non-Science capital grants to nonvoted capital expenditure in respect of the Science Research Councils	
Programme costs	
RfR1: subhead E2	-£900,000
Virement of Manufacturing Advisory Service to RDA Single Pot	

Programme costs	
RfR1: subhead F3	-£1,000,000
Virement of voted underspend on non-Science capital grants to nonvoted capital expenditure in respect of the Science Research Councils	

Transfers to other government departments

Programme costs	
Budgetary transfer to the Welsh administration	
RfR1: subhead C2	-£650,000
Waste Electrical and Electronic Equipment directive new burdens	
Programme costs	
Budgetary transfer to the Scottish administration	
RfR1: subhead C2	-£1,244,000
Waste Electrical and Electronic Equipment directive new burdens	
Administration costs	
Budgetary transfer to the Department for Communities and Local Government	
RfR1: subhead L1	-£1,257,000
Government Offices for the Regions early release scheme	
Administration costs	
Machinery of Government Transfer to the Department for Work and Pensions	
RfR1: subhead L1	-£309,000
Engineering Inspectorate transferring to the Health and Safety Executive within the Department for Work and Pensions	
Administration costs	
Machinery of Government Transfer to the Department for Communities and Local Government	
RfR1: subhead L1	-£3,036,000
Equal Opportunities and Women's Equality	
Programme costs	
Machinery of Government Transfer to the Department for Communities and Local Government	
RfR1: subhead H2	-£8,020,000
Equal Opportunities and Women's Equality	
Administration costs	
Machinery of Government Transfer to the Cabinet Office	
RfR1: subhead L1	-£470,000
Social Enterprise Unit	
Programme costs	
Budgetary transfer to the Department of Health	
RfR1: subhead V3	-£1,600,000
SCAPE Pensions	
Programme costs	
Budgetary transfer to the Ministry of Defence	
RfR1: subhead V3	-£200,000
SCAPE Pensions	
Programme costs	
Machinery of Government Transfer to the Cabinet Office	
RfR1: subhead H2	-£800,000
Social Enterprise Unit	

Annually Managed Expenditure

Programme costs	
RfR1: subheads N2 and N3	£179,626,000
Virement of noncash related to nuclear decommissioning to nonvoted expenditure by the Nuclear Decommissioning Authority	

Non Budget

Programme costs	
Revised forecast	
RfR1: subhead T3	-£7,356,000
Equal Opportunities Commission Grant in Aid reduced to reflect Machinery of Government transfer to Department for Communities and Local Government	

Neutral Changes:

Spending offset by A-in-A	
£8,245,000	
RfR1: subheads B2 and B5	
Increased Ofcom expenditure financed by increased receipts	
Spending offset by A-in-A	
£2,200,000	
RfR1: subheads I1 and I5	
Increased Insolvency Service administration expenditure financed by increased receipts	
Spending offset by A-in-A	
£44,525,000	
RfR1: subheads I2 and I5	
Increased Insolvency Service programme expenditure financed by increased receipts	
Movements within the RfR	
£896,000	
RfR1: subheads A3 and B2	
Virement of underspends in one Function to cover overspends in another	
Movements within the RfR	
£21,467,000	
RfR1: subheads A3 and E2	
Virement of underspends in one Function to cover overspends in another	
Movements within the RfR	
£350,000	
RfR1: subheads A3 and F2	
Virement of underspends in one Function to cover overspends in another	
Movements within the RfR	
£4,807,000	
RfR1: subheads A3 and H2	
Virement of underspends in one Function to cover overspends in another	
Movements within the RfR	
£3,200,000	
RfR1: subheads A3 and I2	
Virement of underspends in one Function to cover overspends in another	
Movements within the RfR	
£84,000	
RfR1: subheads A3 and J2	
Virement of underspends in one Function to cover overspends in another	
Movements within the RfR	
£824,000	
RfR1: subheads A3 and D3	
Virement of underspends in one Function to cover overspends in another	
Movements within the RfR	
£1,666,000	
RfR1: subheads C2 and J2	
Virement of underspends in one Function to cover overspends in another	
Movements within the RfR	
£7,000,000	
RfR1: subheads E2 and F2	
Reclassification of MG Rover capital grants support package between Departmental objectives	
Movements within the RfR	
£360,000	
RfR1: subheads E2 and L2	
Queen's Award funding reclassified between Departmental objectives	

Total change in resources for RfR1 675,931,000

RfR 2: Increasing scientific excellence in the UK and maximising its contribution to society**Increases:****Non Budget**

Programme costs	
Revised forecast	
RfR2: subhead N3	£10,000,000
Increase in Engineering and Physical Sciences Research Council Grant in Aid resulting from utilisation of non-Science capital Departmental Unallocated Provision vired to Science in part repayment of the Science loan	
Programme costs	
Revised forecast	
RfR2: subhead O3	£6,055,000
Increase in Medical Research Council Grant in Aid resulting from virement of voted non-science capital	
Programme costs	
Revised forecast	
RfR2: subhead O3	£11,880,000
Increase in Medical Research Council Grant in Aid resulting from utilisation of non-Science capital EYF in part repayment of the Science loan	
Programme costs	
Revised forecast	
RfR2: subhead O3	£7,851,000
Increase in Medical Research Council Grant in Aid resulting from utilisation of non-Science administration noncash EYF vired to Science capital in part repayment of the Science loan	
Programme costs	
Revised forecast	
RfR2: subhead O3	£4,214,000
Increase in Medical Research Council Grant in Aid resulting from utilisation of non-Science capital Departmental Unallocated Provision vired to Science in part repayment of the Science loan	
Programme costs	
RfR2: subhead N3	£2,763,000
SCAPE pensions - increase in Engineering and Physical Sciences Research Council Grant in Aid offset by increased CFER receipts on UKAEA Pensions Estimate	
Programme costs	
RfR2: subhead R3	£782,000
SCAPE pensions - increase in Council for the Central Laboratory of the Research Councils Grant in Aid offset by increased CFER receipts on UKAEA Pensions Estimate	

Neutral Changes:

Movements within the RfR	
£9,000,000	
RfR2: subheads D3 and U3	
Creation of new Estimate line for Science and Society	

Total change in resources for RfR2 43,545,000

Total change in resources for Estimate 719,476,000

Changes in capital**Take up of Capital End Year Flexibility of £93,354,000 (including associated non-voted expenditure)**

Capital costs	
RfR1: subhead A7	£9,468,000
Non-cash administration EYF vired to capital for National Measurement System	
Capital costs	
RfR1: subhead L7	£7,132,000
Non-cash administration EYF vired to capital for Corporate Services	

Annually Managed Expenditure

Programme costs	
RfR1: subhead N3	£376,000,000
Purchase of equity in Royal Mail related to restructuring	

Decreases:**Transfers to non-voted provision**

Capital costs	
RfR1: subhead B7	-£10,000
Virement from voted Fair Markets to Competition Commission	
Capital costs	
RfR1: subhead B7	-£90,000
Virement of voted capital underspends to the Science Research Councils	
Capital costs	
RfR1: subhead H7	-£115,000
Virement of voted capital underspends to the Science Research Councils	
Capital costs	
RfR1: subhead L7	-£650,000
Virement of voted capital underspends to the Science Research Councils	

Reclassification from capital to resource Estimate column

Capital costs	
RfR1: subheads D3 and D7	-£4,000,000
Reclassification of Energy Demand Reduction Trials from capital to capital grants	

Total change in capital for Estimate 387,735,000

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £928,285,000.
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Increasing UK competitiveness	†	675,931,000
RfR 2: Increasing scientific excellence in the UK and maximising its contribution to society		43,545,000
Total additional net resource requirement		719,476,000
Additional net cash requirement	†	928,285,000

SUPPLEMENTARY amounts required in the year ending 31 March 2007 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 Royal Mail; petroleum royalties; exchange risk and other guarantee losses; subscriptions to international organisations and fulfilment of international treaty obligations; payments to other Government Departments and the Devolved Administrations 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; managing the Government's shareholder interest in Royal Mail, British Energy, BNFL, UKAEA, Royal Mint, Partnerships UK and Actis; 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; payments to local authorities in respect of Local Area Agreements and New Burdens responsibilities; 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; the British Academy; Office of Science and Technology initiatives; nuclear fusion; the Cambridge/Massachusetts Institute of Technology; the Council for the Central Laboratory of the Research Councils for Diamond Synchrotron; the University Challenge Fund; the Joint Infrastructure Fund; 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 Dorothy Hodgkin 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.

† The Function of the administration of the Engineering Inspectorate was transferred to the Department for Work

Part I (*continued*)

and Pensions on 2 October. Within the overall changes sought in this Estimate the specific changes related to this Machinery of Government transfer are:

- a) for RfR1 the Net Resource Requirement is reduced by £309,000
- b) the Net Cash Requirement for the Estimate is reduced by £309,000.

† The Function of the Social Enterprise Unit was transferred to the Cabinet Office on 5 May. Within the overall changes sought in this Estimate the specific changes related to this Machinery of Government transfer are:

- a) for RfR1 the Net Resource Requirement is reduced by £1,270,000
- b) the Net Cash Requirement for the Estimate is reduced by £1,270,000.

† The Function of the Equal Opportunities Commission and Women's Equality was transferred to the Department for Communities and Local Government on 5 May. Within the overall changes sought in this Estimate the specific changes related to this Machinery of Government transfer are:

- a) for RfR1 the Net Resource Requirement is reduced by £18,412,000
- b) the Net Cash Requirement for the Estimate is reduced by £18,412,000

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Increasing UK competitiveness					
Spending in Departmental Expenditure Limits (DEL)					
RfR 1 - A Knowledge Transfer and Innovation	263,870	34,783	-	34,783	298,653
RfR 1 - B Extending Competitive Markets	46,014	9,619	8,245	1,374	47,388
RfR 1 - C Security of Energy Supply	-8,193	1,666	-	1,666	-6,527
RfR 1 - D Sustainability and the Environment	104,015	3,832	-	3,832	107,847
RfR 1 - E Enterprise Growth and Business Investment	179,334	-11,745	-	-11,745	167,589
RfR 1 - F Regional Economies	-1,665,390	16,376	19,073	-2,697	-1,668,087
RfR 1 - H Maximising Potential in the Workplace	68,184	-9,185	-	-9,185	58,999
RfR 1 - I Corporate Activity and Insolvency Framework	58,156	47,025	46,725	300	58,456
RfR 1 - J Assets and Liabilities	-533,858	84,580	774,100	-689,520	-1,223,378
RfR 1 - K Nuclear Security and Export Control	49,191	5,400	-	5,400	54,591
RfR 1 - L Activities in Support of all Objectives	291,037	5,667	-	5,667	296,704
Spending in Annually Managed Expenditure (AME)					
RfR 1 - N Assets and Liabilities	-189,197	179,626	-	179,626	-9,571
RfR 1 - O Regional Economies	1,881	620	-	620	2,501
Non-Budget					
RfR 1 - P Extending Competitive Markets	38,207	10	-	10	38,217
RfR 1 - S Regional Economies	1,807,374	43,660	-	43,660	1,851,034
RfR 1 - T Maximising Potential in the Workplace	7,356	-7,356	-	-7,356	-
RfR 1 - V Assets and Liabilities	1,719,499	1,119,496	-	1,119,496	2,838,995
Total RfR 1		1,524,074	848,143	675,931	

RfR 2: Increasing scientific excellence in the UK and maximising its contribution to society

Spending in Departmental Expenditure Limits (DEL)

RfR 2 - D OST Initiatives	15,975	-9,000	-	-9,000	6,975
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Non-Budget

RfR 2 - N Engineering and Physical Sciences Research Council	650,802	12,763	-	12,763	663,565
RfR 2 - O Medical Research Council	482,418	30,000	-	30,000	512,418
RfR 2 - R Council for the Central Laboratory of the Research Councils	128,170	782	-	782	128,952

Part II: Changes proposed (*continued*)

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
Spending in Departmental Expenditure Limits (DEL)					
RfR 2 - U Science and Society	-	9,000	-	9,000	9,000
Total RfR 2		43,545	-	43,545	
Total Changes to RfRs		1,567,619	848,143	719,476	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	12,070,721	387,735	12,458,456
Non-Operating A in A	11,954,845	-	11,954,845
Net cash requirement	7,137,963	928,285	8,066,248

Part II: Revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
RfR 1: Increasing UK competitiveness								
346,516	643,696	5,702,659	6,692,871	3,334,860	3,358,011	12,458,456	11,954,845	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Knowledge Transfer and Innovation								
7,899	151,393	139,916	299,208	555	298,653	16,809	166	
B Extending Competitive Markets								
-	120,923	21,951	142,874	95,486	47,388	-	-	
C Security of Energy Supply								
-	3,784	1,109	4,893	11,420	-6,527	-	-	
D Sustainability and the Environment								
-	27,725	80,832	108,557	710	107,847	-	-	
E Enterprise Growth and Business Investment								
-	122,702	61,337	184,039	16,450	167,589	52,000	-	
F Regional Economies								
-	7,900	55,726	63,626	1,731,713	-1,668,087	-	-	
G Trade and Investment								
34,130	-	-	34,130	412	33,718	-	-	
H Maximising Potential in the Workplace								
-	59,122	80	59,202	203	58,999	1,035	-	
I Corporate Activity and Insolvency Framework								
12,782	140,859	5,131	158,772	100,316	58,456	100	385	
J Assets and Liabilities								
-	36,850	99,161	136,011	1,359,389	-1,223,378	-	-	
K Nuclear Security and Export Control								
-	191	54,400	54,591	-	54,591	-	-	
L Activities in Support of all Objectives								
291,705	7,390	5,211	304,306	7,602	296,704	12,512	4,291	
<i>Support for Local Authorities</i>								
M Grants to London Development Agency								
-	-	392,689	392,689	-	392,689	-	-	
<i>Sustainability and the Environment - Capital Modernisation Fund</i>								
-	-	-	-	-	-	-	-	
Spending in Annually Managed Expenditure (AME)								
<i>Central Government spending</i>								
N Assets and Liabilities								
-	-45,743	36,177	-9,566	5	-9,571	12,376,000	11,950,000	
<i>Support for Local Authorities</i>								
O Regional Economies								
-	-	2,501	2,501	-	2,501	-	-	

Part II: Revised subhead detail including additional provision

		Resources				Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
Non-Budget								
P	Extending Competitive Markets							
-	-	38,217	38,217	-	38,217	-	-	
Q	Security of Energy Supply							
-	10,600	11,300	21,900	10,599	11,301	-	-	
R	Enterprise Growth and Business Investment							
-	-	6,500	6,500	-	6,500	-	-	
S	Regional Economies							
-	-	1,851,034	1,851,034	-	1,851,034	-	-	
T	Maximising Potential in the Workplace							
-	-	-	-	-	-	-	-	
U	Corporate Activity and Insolvency Framework							
-	-	392	392	-	392	-	-	
V	Assets and Liabilities							
-	-	2,838,995	2,838,995	-	2,838,995	-	3	
	<i>Nuclear Security and Export Control</i>							
-	-	-	-	-	-	-	-	
RfR 2: Increasing scientific excellence in the UK and maximising its contribution to society								
	8,500	15,318	3,071,231	3,095,049	1,067	3,093,982	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A	The Royal Society							
-	-	36,359	36,359	-	36,359	-	-	
B	Royal Academy of Engineering							
-	-	7,885	7,885	-	7,885	-	-	
C	British Academy							
-	-	18,085	18,085	-	18,085	-	-	
D	OST Initiatives							
-	-	6,975	6,975	-	6,975	-	-	
E	Knowledge Transfer							
-	-	94,000	94,000	-	94,000	-	-	
F	Science Research Investment Fund							
-	-	300,000	300,000	-	300,000	-	-	
G	Science and Engineering Base Administration Costs							
3,500	-	-	3,500	-	3,500	-	-	
H	Transdepartmental Science and Technology Group administration costs							
5,000	-	-	5,000	-	5,000	-	-	
I	Biotechnology and Biological Sciences Research Council							
-	-	-	-	1,000	-1,000	-	-	

Part II: Revised subhead detail including additional provision

		Resources				Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
<i>Research Councils Pension Scheme</i>								
-	-	-	-	-	-	-	-	
<i>Cambridge/Massachusetts Institute of Technology</i>								
-	-	-	-	-	-	-	-	
<i>Foresight LINK Awards</i>								
-	-	-	-	-	-	-	-	
<i>Joint Infrastructure Fund</i>								
-	-	-	-	-	-	-	-	
Spending in Annually Managed Expenditure (AME)								
Central Government spending								
J	Research Councils' Pension Schemes							
-	15,143	126	15,269	67	15,202	-	-	
Non-Budget								
K	Arts and Humanities Research Council							
-	-	90,557	90,557	-	90,557	-	-	
L	Biotechnology and Biological Sciences Research Council							
-	-	366,185	366,185	-	366,185	-	-	
M	Economic and Social Research Council							
-	-	140,508	140,508	-	140,508	-	-	
N	Engineering and Physical Sciences Research Council							
-	-	663,565	663,565	-	663,565	-	-	
O	Medical Research Council							
-	-	512,418	512,418	-	512,418	-	-	
P	Natural Environment Research Council							
-	-	355,971	355,971	-	355,971	-	-	
Q	Particle Physics and Astronomy Research Council							
-	-	295,645	295,645	-	295,645	-	-	
R	Council for the Central Laboratory of the Research Councils							
-	-	128,952	128,952	-	128,952	-	-	
S	Council for the Central Laboratory of the Research Councils - Diamond Synchrotron							
-	-	45,000	45,000	-	45,000	-	-	
T	Fees Payable under the Animals (Scientific Procedures) Act 1986							
-	175	-	175	-	175	-	-	
Spending in Departmental Expenditure Limits (DEL)								
Central Government spending								
U	Science and Society							
-	-	9,000	9,000	-	9,000	-	-	
Total for Estimate:								
355,016	659,014	8,773,890	9,787,920	3,335,927	6,451,993	12,458,456	11,954,845	

Part II: Resource to cash reconciliation

	Present	Increase (+)/ Decrease (-)	£'000 Revised
Net Resource Requirement	5,732,517	719,476	6,451,993
Voted capital items			
Capital	12,070,721	387,735	12,458,456
<i>Less: Non-operating A in A</i>	11,954,845	-	11,954,845
Total net voted capital	115,876	387,735	503,611
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	616,596	-648,452	-31,856
Depreciation	-35,948	700	-35,248
New provisions and adjustments to previous provisions	-580,330	468,826	-111,504
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-243	-	-243
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-6,000	-	-6,000
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	1,295,495	-	1,295,495
Total accruals to cash adjustments	1,289,570	-178,926	1,110,644
Excess cash to be CFERd	-	-	-
Net Cash Requirement	7,137,963	928,285	8,066,248

Part III: Extra receipts payable to the Consolidated Fund

In addition to Appropriations in aid, the following income and receipts relate to the department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	Present provision		New provision	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	4,141	<i>4,141</i>	4,141	<i>4,141</i>
Non-operating income not classified as A in A	445,300	<i>445,300</i>	429,999	<i>429,999</i>
Other amounts collectable on behalf of the Consolidated Fund	144,782	<i>144,782</i>	144,782	<i>144,782</i>
Excess receipts to be surrendered to the Consolidated Fund	-	-	-	-
Total	594,223	<i>594,223</i>	578,922	<i>578,922</i>

Forecast Operating Cost Statement

	£'000
	2006-07 provision
Net Administration Costs	
RfR1	327,584
RfR2	8,500
Total Net Administration Costs	336,084
Net Programme Costs	
RfR1	3,026,286
RfR2	3,085,482
Non-voted	244,509
Total Net Programme costs	6,356,277
Total Net Operating Cost	6,692,361
<i>of which:</i>	
Net Resource Requirement	6,451,993
Non-voted expenditure	244,509
Consolidated Fund Extra Receipts	-4,141
Resource Budget	5,557,004

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2006-07 Provision
Net Resource Requirement (Estimates)	6,451,993
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	244,509
Consolidated Fund extra receipts in the OCS	-4,141
Other adjustments	-
Net Operating Costs (Accounts)	6,692,361
<i>Adjustments to remove:</i>	
capital grants	-650,277
European Union income related to capital grants	-
voted expenditure outside the budget	-568
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-4,200
resource consumption of non departmental public bodies	-578,015
unallocated resource provision	47,703
Other adjustments	50,000
Resource Budget (Budget)	5,557,004
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	5,613,064
Annually Managed Expenditure (AME)	-56,060

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
Net Voted Capital (Estimates)	503,611
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-429,999
capital spending by non departmental public bodies	636,717
capital grants	650,277
European Union income related to capital grants	-
supported capital expenditure (revenue)	-
capital spending by levy funded bodies	-
unallocated capital provision	60,364
Other adjustments	-18,579
Capital Budget (Budget)	1,402,391
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	1,263,391
Annually Managed Expenditure (AME)	139,000

Notes to the Estimate (*continued*)

Explanation of Accounting Officer responsibilities

In accordance with the Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointments for the Requests for Resources within this Estimate.

Request for Resources 1 Sir Brian Bender, Permanent Head of the Department

Request for Resources 2 Sir Brian Bender, Permanent Head of the Department

Sir Brian Bender as the Accounting Officer of the Department of Trade and Industry has personal responsibility for the proper presentation of the department's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The AO as the permanent head, remains in general overall charge of the Department of Trade and Industry.

The responsibilities of an Accounting Officer are set out in Annex 4.1 of Government Accounting. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims and objectives and should regularly review the effectiveness of that system.

Notes to the Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000
	2006-07 Provision
RfR 1: Increasing UK competitiveness	
Administration	18,932
<i>of which:</i>	
Sale of goods and services	18,932
Programme	3,315,928
<i>of which:</i>	
Sale of goods and services	1,469,668
Regulatory licences, fines, penalties and taxes	88,058
EU Income	-
Other grant income (including repayment of grants/subsidies)	1,731,463
Interest and dividends	4,141
CFERs	-4,141
Other income (including receipts)	26,739
Total RfR1	3,334,860 †

† Amount that may be applied as operating 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.

RfR 2: Increasing scientific excellence in the UK and maximising its contribution to society

Programme	1,067
<i>of which:</i>	
Sale of goods and services	-
Other grant income (including repayment of grants/subsidies)	1,000
Pension scheme related income	67
CFERs	-
Total RfR2	1,067 †

† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: receipts for employees' and employers' contributions and transfer values received, and contributions towards the Institute of Animal Health.

Total Operating A in A	3,335,927
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Analysis of non - operating appropriations in aid (A in A)

RfR 1: Increasing UK competitiveness

Administration	-
<i>of which:</i>	
Sale of assets	-
Programme	11,954,845
<i>of which:</i>	
Sale of assets	4,291
Loan, etc, repayments	11,950,554
Total RfR1	11,954,845 †

† Amount that may be applied as non-operating appropriations in aid in addition to the net total 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

Total Non - operating A in A	11,954,845
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Notes to the Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

		2006-07 provision	
		Income	Receipts
Distribution of surpluses from coal industry pension scheme Δ		287,000	287,000
Application fees for petroleum exploration and production licences, and initial and periodic payment (rents). Royalty on petroleum won and saved		67,000	67,000
OFCOM Φ		555	555
OFCOM		57,297	57,297
Companies House receipts from late filing penalties		12,000	12,000
Receipts of the Coal Authority		4,200	4,200
Privatisation of the coal industry, including property clawback receipts Δ		4,200	4,200
Receipt of dividend from the Patent Office Executive Agency trading fund Φ		1,751	1,751
Receipt of dividend from the Companies House Executive Agency trading fund Φ		1,582	1,582
Interest on loans advanced by the S of S to the Patent Office Executive Agency trading fund Φ		204	204
Non-nuclear energy miscellaneous receipts		85	85
Interest on loans advanced by the S of S to the Companies House Executive Agency trading fund Φ		49	49
Levies on sales of aero engines and airframes Φ		142,999	142,999
Total		578,922	578,922

Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	-644,459	841,460	-550,379	6,163,443	5,613,064
<i>of which:</i>					
Administration budget*	5,177	-	336,084	-	336,084
Near-cash in RDEL	-643,759	831,709	-744,670	6,037,256	5,292,586
Capital**	-3,931	83,032	-273,561	1,536,952	1,263,391
Less Depreciation†	700	-10,000	-35,248	-109,845	-145,093
Total	-647,690	914,492	-859,188	7,590,550	6,731,362

* The total of 'Administration budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

**Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

†Depreciation, which forms part of resource DEL, is excluded from total DEL since capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

Cash which may be retained to offset expenditure

£'000
15,290,772

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

Notes to the Estimate (*continued*)

Expenditure resting on the sole authority of the Appropriation Act

The following subheads contain provision sought under the sole authority of Part I of the Estimate and of the confirming Appropriation Act:

RfR/Section	Service	£'000
RfR 1		
H2	Vulnerable Workers Pilot Projects	125

Grants in Aid

RfR/Section	Body		£'000
RfR 1			
H	Advisory, Conciliation and Arbitration Service	♥	43,652
A	British Standards Institution	♥	1,055
B	The National Association of Citizen's Advice Bureaux	♥	23,855
B	Citizen's Advice Scotland	♥	3,240
B	The National Consumer Council	♥	3,271
Q	Energy Watch	♥	11,300
P	Postwatch	♥	9,487
R	The Design Council	♥	6,500
P	The Competition Commission and the Competition Service	♥	24,759
V	The Coal Authority	♥	34,147
S	The Regional Development Agencies	♥	1,851,034
V	The United Kingdom Atomic Energy Authority	♥	12,596
V	The Nuclear Decommissioning Authority	♥	2,792,252
	Total		4,817,148
RfR 2			
A	Royal Society	♥	36,359
B	Royal Academy of Engineering	♥	7,885
C	British Academy	♥	18,085
K	Arts and Humanities Research Council	♥	90,557
L	Biotechnology and Biological Sciences Research Council	♥	366,185
M	Economic and Social Research Council	♥	140,508
N	Engineering and Physical Sciences Research Council	♥	663,565
O	Medical Research Council	♥	512,418
P	Natural Environment Research Council	♥	355,971
Q	Particle Physics and Astronomy Research Council	♥	295,645
R	The Council for the Central Laboratory of the Research Councils	♥	128,952
S	The Council for the Central Laboratory of the Research Councils for Diamond Synchrotron	♥	
	Total		45,000
			2,661,130
	Overall Total		7,478,278