

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 £169,325,000 (including associated non-voted expenditure) of which £53,767,000 is near cash and £115,558,000 is non-cash

| | |
|---|------------|
| Programme costs RfR1: subhead F3 University Innovation Centres capital grants | 2,444,000 |
| Programme costs RfR1: subhead H3 Utilisation of Science End Year Flexibility for Advisory, Conciliation and Arbitration Service to address Department's near-cash pressures | 979,000 |
| Programme costs RfR1: subhead J3 Increase in balance sheet provisions for Enemy Property | 2,055,000 |
| Programme costs RfR1: subhead J3 Increase in balance sheet provisions for British Shipbuilders | 87,000,000 |
| Programme costs RfR1: subhead J3 Increase in Cost of Capital for Concessionary Fuel liability and associated assets | 10,000,000 |

Transfers from other government departments

| | |
|--|-----------|
| Administration costs Transfer from the Cabinet Office RfR1: subhead L1 Parliamentary Counsel Office | 1,587,000 |
| Administration costs Transfer from the Home Office RfR1: subhead L1 Commission for Equality and Human Rights transition costs | 24,000 |
| Administration costs Transfer from the Department for Constitutional Affairs RfR1: subhead L1 Commission for Equality and Human Rights transition costs | 126,000 |

Introduction (continued)

| | |
|---|---------|
| Programme costs | 305,000 |
| Transfer from the Home Office | |
| RfR1: subhead H3 | |
| Commission for Equality and Human Rights transition costs | |

| | |
|---|--------|
| Programme costs | 38,000 |
| Transfer from the Department for Constitutional Affairs | |
| RfR1: subhead H3 | |
| Commission for Equality and Human Rights transition costs | |

| | |
|---|---------|
| Programme costs | 229,000 |
| Transfer from the Department of Work and Pensions | |
| RfR1: subhead H3 | |
| Commission for Equality and Human Rights transition costs | |

Transfers from non-voted provision

| | |
|--|-----------|
| Programme costs | 1,500,000 |
| RfR1: subhead J3 | |
| Virement of non-cash Cost of Capital credit for Nuclear Decommissioning Authority to non-voted capital expenditure | |

| | |
|--|------------|
| Programme costs | 14,000,000 |
| RfR1: subhead N3 | |
| Virement from Regional Development Agencies to London Development Agency | |

Annually Managed Expenditure

| | |
|--|-------------|
| Programme costs | 240,005,000 |
| Revised forecasts | |
| RfR1: subhead O2 and O3 | |
| Revised Cost of Capital and movement in provisions forecasts for Coal Health and nuclear liabilities | |

Non Budget

| | |
|---|---------|
| Programme costs | 500,000 |
| Revised forecast | |
| RfR1: subhead T3 | |
| Regional Development Agencies Grant in Aid increased to reflect increased contributions from other Government Departments | |

| | |
|---|-----------|
| Programme costs | 6,500,000 |
| Revised forecast | |
| RfR1: subhead T3 | |
| Regional Development Agencies Grant in Aid increased to reflect virement from Knowledge Transfer into the Single Pot for MG Rover Support package | |

| | |
|---|-----------|
| Programme costs | 7,000,000 |
| Revised forecast | |
| RfR1: subhead T3 | |
| Regional Development Agencies Grant in Aid increased to reflect virement of part of MG Rover Support package provided in Winter Supplementary into the Single Pot | |

| | |
|---|-------------|
| Programme costs | 167,000,000 |
| Revised forecast | |
| RfR1: subhead W3 | |
| Nuclear Decommissioning Authority Grant in Aid increased to reflect transfer from Ministry of Defence | |

Introduction (continued)**Decreases:****Transfers to other government departments (RfR1)**

| | |
|--|----------|
| Administration costs | -210,000 |
| Transfer to the Office of the Deputy Prime Minister | |
| RfR1: subhead G1 | |
| Government Offices for the Regions | |
| Administration costs | -100,000 |
| Transfer to the Department of Culture, Media and Sport | |
| RfR1: subhead L1 | |
| Ministry for Women | |
| Administration costs | -165,000 |
| Transfer to Cabinet Office | |
| RfR1: subhead L1 | |
| Equalities Review/CEHR | |
| Programme costs | -224,000 |
| Transfer to Cabinet Office | |
| RfR1: subhead H3 | |
| Equalities Review/CEHR | |

Transfers to non-voted provision

| | |
|--|-------------|
| Programme costs | -11,500,000 |
| RfR1: subhead A3 | |
| Virement of £6,500,000 near-cash and £5,000,000 noncash from Knowledge Transfer into the Regional Development Agencies Single Pot for MG Rover Support | |
| Programme costs | -7,000,000 |
| RfR1: subhead E3 | |
| Virement of part of MG Rover Support package provided in Winter Supplementary into the Regional Development Agencies Single Pot | |
| Programme costs | -500,000 |
| RfR1: subhead F5 | |
| Increased capital contributions for Regional Development Agencies from Other Government Departments | |
| Virement from administration to programme | -2,500,000 |
| RfR1: subhead G1 | |
| Utilisation of administration underspend to fund payments in respect of British Energy liabilities | |
| Virement from administration to programme | -26,679,000 |
| RfR1: subhead L1 | |
| Utilisation of administration underspend to fund payments in respect of British Energy liabilities | |
| Virement from noncash to nearcash within programme (within Spending Review £20,000,000 flexibility) | -11,497,000 |
| RfR1: subhead A3 | |
| Utilisation of noncash underspend to fund payments in respect of British Energy liabilities | |

Introduction (*continued*)

Non Budget

Programme costs -14,000,000

RfR1: subhead T3

Virement from Regional Development Agencies to London Development Agency

Other Decreases:

Virement from capital grants to capital -2,300,000

RfR1: subheads D3 and A7

Virement from renewable energy to National Physical Laboratory

Virement from capital grants to capital -4,600,000

RfR1: subheads D3 and H7

Virement from renewable energy to Employment Tribunals Service

Virement from capital grants to capital -14,162,000

RfR1: subheads D3 and L7

Virement from renewable energy to Excellent Corporate Services

Neutral Changes:

Spending offset by A-in-A

£62,000

RfR1: subheads G1 and G5

Increased expenditure financed by increased receipts from Other Government Departments

Movements within the RfR

£7,052,000

RfR1: subheads A2 and H2

Virement of underspends in one Function to cover overspends in another

Movements within the RfR

£5,091,000

RfR1: subheads A3 and B3

Virement of underspends in one Function to cover overspends in another

Movements within the RfR

£11,692,000

RfR1: subheads A3 and E3

Virement of underspends in one Function to cover overspends in another

Movements within the RfR

£22,611,000

RfR1: subheads A3 and E3

Virement of noncash to provide for impairment of Venture Capital Funds and Enterprise Capital Funds

Movements within the RfR

£100,000

RfR1: subheads C3 and D3

Introduction (*continued*)

Virement of Consolidated Policy Studies budget

Movements within the RfR

£30,000

RfR1: subheads C3 and E3

Virement of underspends in one Function to cover overspends in another

Movements within the RfR

£82,000

RfR1: subheads D3 and E3

Virement of underspends in one Function to cover overspends in another

Movements within the RfR

£18,938,000

RfR1: subheads D3 and C3

Capital grant virement from renewable energy to Coal Investment Aid

Movements within the RfR

£1,010,000

RfR1: subheads E3 and F2

Virement of underspends in one Function to cover overspends in another

Movements within the RfR

£2,355,000

RfR1: subheads E3 and I2

Virement of underspends in one Function to cover overspends in another

Movements within the RfR

£103,000

RfR1: subheads E3 and K3

Virement of underspends in one Function to cover overspends in another

Movements within the RfR

£4,952,000

RfR1: subheads F3 and C3

Capital grant virement from Regional Selective Assistance to Coal Investment Aid

Movements within the RfR

£350,000

RfR1: subheads G5 and L5

Virement of administration receipts between Functions

Package of virements from cash to noncash within ring fences and from noncash to cash within nonringfence

£20,000,000

RfR1: subheads A2 and A3

Noncash to cash within Knowledge Transfer and Innovation

£10,000,000

Introduction (*continued*)

RfR1: subheads E2 and E3

Cash to noncash within SFLGS/Enterprise Fund

£5,150,000

RfR1: subheads H2 and H3

Cash to noncash within Advisory, Conciliation and Arbitration Service

£5,150,000

RfR1: subheads A2 and A3

Noncash to cash within Knowledge Transfer and Innovation

£3,000,000

RfR1: subheads A2 and A3

Noncash to cash within Knowledge Transfer and Innovation offset by cash to noncash virement within administration subhead L1

Total change in resources for RfR1 445,855,000**RfR 2: Increasing scientific excellence in the UK and maximising its contribution to society****Take up of Resource End Year Flexibility of £115,000,000 (including associated non-voted expenditure) all of which is near cash loaned to non-Science activities to alleviate pressures on the Department's non-Science near-cash activities.****Increases:**

Programme Costs 2,474,000

Revised forecast

RfR 2: subhead O3

Increase for the Biotechnology and Biological Sciences Research Council to reflect changed cashflow

Programme Costs 1,527,000

Revised forecast

RfR2: subhead R3

Increase for the Medical Research Council to reflect changed cashflow

Decreases:

Programme costs -4,000,000

RfR2: subhead L5

Increased capital contributions for Biotechnology and Biological Sciences Research Council from Other Government Departments

Neutral Changes:

Virement of Programme between Functions

£6,199,000

RfR2 subheads N3 and R3

Transfer of Grant in Aid between Research Councils

Virement of Programme between Functions

£5,000,000

RfR2 subheads O3 and P3

Transfer of Grant in Aid between Research Councils

Virement of Programme between Functions

£13,392,000

RfR2 subheads Q3 and T3

Transfer of Grant in Aid between Research Councils

Introduction (*continued*)

Virement of Programme between Functions
 £3,188,000
 RfR2 subheads R3 and U3
 Transfer of Grant in Aid between Research Councils

Virement of Programme between Functions
 £2,293,000
 RfR2 subheads R3 and V3
 Transfer of Grant in Aid between Research Councils

Virement of Programme between Functions
 £6,308,000
 RfR2 subheads R3 and T3
 Transfer of Grant in Aid between Research Councils

Total change in resources for RfR2 1,000

Total change in resources for Estimate 445,856,000

Changes in capital**Take up of End Year Flexibility**

Capital grants vired to capital costs 6,190,000
 RfR1: subhead B8
 Reprofiling of recovery of Ofcom loan

Capital costs
 RfR1: subhead E5 6,000,000
 Enterprise Capital Fund/Early Growth Fund

Other changes

Virement from capital grants to capital 2,300,000
 RfR1: subheads D3 and A7
 Virement from renewable energy to National Physical Laboratory

Virement from capital grants to capital 4,600,000
 RfR1: subheads D3 and H7
 Virement from renewable energy to Employment Tribunals Service

Virement from capital grants to capital 14,162,000
 RfR1: subheads D3 and L7

Virement from renewable energy to Excellent Corporate Services

Total change in capital for Estimate 33,252,000

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £357,437,000.
3. Symbols are explained in the Introduction to this booklet.

Part I

£

| | |
|---|--------------------|
| RfR 1: Increasing UK competitiveness | 445,855,000 |
| RfR 2: Increasing scientific excellence in the UK and maximising its contribution to society | 1,000 |
| Total additional net resource requirement | 445,856,000 |
| Additional net cash requirement | 357,437,000 |

SUPPLEMENTARY amounts required in the year ending 31 March 2006 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 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; 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.

Part I (*continued*)

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.

Part II: Changes proposed

| Resources | £'000 | | | | | |
|--|---|---------------------------|------------------|-------------------------|-------------------|------------|
| | 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 | 391,296 | -69,443 | - | -69,443 | 321,853 |
| RfR 1 - B | Extending Competitive Markets | 50,318 | 5,091 | - | 5,091 | 55,409 |
| RfR 1 - C | Security of Energy Supply | -6,973 | 23,760 | - | 23,760 | 16,787 |
| RfR 1 - D | Sustainability and the Environment | 101,057 | -39,982 | - | -39,982 | 61,075 |
| RfR 1 - E | Enterprise Growth and Business Investment | 184,228 | 30,883 | - | 30,883 | 215,111 |
| RfR 1 - F | Regional Economies | -1,192,537 | -3,518 | 500 | -4,018 | -1,196,555 |
| RfR 1 - G | Trade and Investment | 35,987 | -2,648 | 412 | -3,060 | 32,927 |
| RfR 1 - H | Maximising Potential in the Workplace | 142,383 | 8,379 | - | 8,379 | 150,762 |
| RfR 1 - I | Corporate Activity and Insolvency Framework | 52,534 | -2,355 | - | -2,355 | 50,179 |
| RfR 1 - J | Assets and Liabilities | -987,000 | 100,555 | - | 100,555 | -886,445 |
| RfR 1 - K | Nuclear Security and Export Control | 60,946 | -103 | - | -103 | 60,843 |
| RfR 1 - L | Activities in Support of all Objectives | 321,996 | -25,207 | -350 | -24,857 | 297,139 |
| RfR 1 - N | Capital Grants to the London Development Agency | 1 | 14,000 | - | 14,000 | 14,001 |
| Spending in Annually Managed Expenditure (AME) | | | | | | |
| RfR 1 - O | Assets and liabilities | 116,111 | 240,005 | - | 240,005 | 356,116 |
| RfR 1 - W | Assets and Liabilities | 6,406,910 | 167,000 | - | 167,000 | 6,573,910 |
| Total RfR 1 | | | 446,417 | 562 | 445,855 | |

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

Spending in Departmental Expenditure Limits (DEL)

| | | | | | | |
|-----------|--|--------|---|-------|--------|--------|
| RfR 2 - L | Biotechnology and Biological Sciences Research Council | -1,000 | - | 4,000 | -4,000 | -5,000 |
|-----------|--|--------|---|-------|--------|--------|

Non-budget

| | | | | | | |
|-----------|--|---------|--------|---|--------|---------|
| RfR 2 - N | Arts and Humanities Research Council | 75,087 | -6,199 | - | -6,199 | 68,888 |
| RfR 2 - O | Biotechnology and Biological Sciences Research Council | 316,805 | 7,474 | - | 7,474 | 324,279 |
| RfR 2 - P | Economic and Social Research Council | 260,864 | -5,000 | - | -5,000 | 255,864 |
| RfR 2 - Q | Engineering and Physical Sciences Research Council | 541,129 | 13,392 | - | 13,392 | 554,521 |

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 |
| RfR 2 - R | Medical Research Council | 439,855 | 19,515 | - | 19,515 | 459,370 |
| RfR 2 - T | Particle Physics and Astronomy Research Council | 330,000 | -19,700 | - | -19,700 | 310,300 |
| RfR 2 - U | Council for the Central Laboratory of the Research Councils | 165,188 | -3,188 | - | -3,188 | 162,000 |
| RfR 2 - V | Council for the Central Laboratory of the Research Councils - Diamond Synchrotron | 76,253 | -2,293 | - | -2,293 | 73,960 |
| Total RfR 2 | | | 4,001 | 4,000 | 1 | |
| Total Changes to RfRs | | | 450,418 | 4,562 | 445,856 | |

| | | £000 | | |
|-----------------------------|--|----------------------|------------------------|------------------|
| | | Present Provision | Change in Provision | New Provision |
| Capital and Cash | | | | |
| Total Capital Expenditure | | 35,056,729 | 27,062 | 35,083,791 |
| Non-Operating A in A | | 34,588,993 | -6,190 | 34,582,803 |
| Net cash requirement | | 7,786,874 | 357,437 | 8,144,311 |

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 | | | | | | | | |
| 356,513 | 116,410 | 10,391,650 | 10,864,573 | 2,905,296 | 7,959,277 | 35,083,593 | 34,582,655 | |
| Spending in Departmental Expenditure Limits (DEL) | | | | | | | | |
| <i>Central Government spending</i> | | | | | | | | |
| A Knowledge Transfer and Innovation | | | | | | | | |
| 712 | 126,145 | 211,301 | 338,158 | 16,305 | 321,853 | 7,641 | 40,166 | |
| B Extending Competitive Markets | | | | | | | | |
| - | 128,833 | 28,927 | 157,760 | 102,351 | 55,409 | 100 | 17,810 | |
| C Security of Energy Supply | | | | | | | | |
| - | 5,276 | 24,731 | 30,007 | 13,220 | 16,787 | - | - | |
| D Sustainability and the Environment | | | | | | | | |
| - | 17,725 | 44,060 | 61,785 | 710 | 61,075 | - | - | |
| E Enterprise Growth and Business Investment | | | | | | | | |
| - | 138,775 | 92,786 | 231,561 | 16,450 | 215,111 | 32,183 | - | |
| F Regional Economies | | | | | | | | |
| - | 990 | 57,942 | 58,932 | 1,255,487 | -1,196,555 | - | - | |
| G Trade and Investment | | | | | | | | |
| 33,339 | - | - | 33,339 | 412 | 32,927 | - | - | |
| H Maximising Potential in the Workplace | | | | | | | | |
| 28,350 | 117,286 | 5,679 | 151,315 | 553 | 150,762 | 7,350 | - | |
| I Corporate Activity and Insolvency Framework | | | | | | | | |
| 1,950 | 92,929 | - | 94,879 | 44,700 | 50,179 | 100 | 385 | |
| J Assets and Liabilities | | | | | | | | |
| - | 38,790 | 139,254 | 178,044 | 1,064,489 | -886,445 | - | - | |
| K Nuclear Security and Export Control | | | | | | | | |
| - | 246 | 60,597 | 60,843 | - | 60,843 | - | - | |
| L Activities in Support of all Objectives | | | | | | | | |
| 292,162 | 7,190 | 2,946 | 302,298 | 5,159 | 297,139 | 36,219 | 4,291 | |
| <i>Knowledge Transfer and Innovation - Capital Modernisation Fund</i> | | | | | | | | |
| - | - | - | - | - | - | - | - | |
| <i>Extending Competitive Markets - Capital Modernisation Fund</i> | | | | | | | | |
| - | - | - | - | - | - | - | - | |
| <i>Security of Energy Supply - Capital Modernisation Fund</i> | | | | | | | | |
| - | - | - | - | - | - | - | - | |
| <i>Sustainability and the Environment - Capital Modernisation Fund</i> | | | | | | | | |
| - | - | - | - | - | - | - | - | |
| <i>Enterprise Growth and Business Investment - Capital Modernisation Fund</i> | | | | | | | | |
| - | - | - | - | - | - | - | - | |
| Support for Local Authorities | | | | | | | | |
| M Current Grants to the London Development Agency | | | | | | | | |
| - | - | 188,071 | 188,071 | 188,070 | 1 | - | - | |

Part II: Revised subhead detail including additional provision (cont.)

| 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 | |
| N | Capital Grants to the London Development Agency | | | | | | | |
| - | - | 200,537 | 200,537 | 186,536 | 14,001 | - | - | |
| Spending in Annually Managed Expenditure (AME) | | | | | | | | |
| <i>Central government spending</i> | | | | | | | | |
| O | Assets and liabilities | | | | | | | |
| - | -557,775 | 913,896 | 356,121 | 5 | 356,116 | 35,000,000 | 34,520,000 | |
| <i>Support for Local Authorities</i> | | | | | | | | |
| P | Regional Economies | | | | | | | |
| - | - | 2,147 | 2,147 | - | 2,147 | - | - | |
| Non-budget | | | | | | | | |
| Q | Extending Competitive Markets | | | | | | | |
| - | - | 41,020 | 41,020 | - | 41,020 | - | - | |
| R | Security of Energy Supply | | | | | | | |
| - | - | 23,700 | 23,700 | 10,599 | 13,101 | - | - | |
| S | Enterprise Growth and Business Development | | | | | | | |
| - | - | 9,752 | 9,752 | - | 9,752 | - | - | |
| T | Regional Economies | | | | | | | |
| - | - | 1,756,088 | 1,756,088 | 250 | 1,755,838 | - | - | |
| U | Maximising Potential in the Workplace | | | | | | | |
| - | - | 7,914 | 7,914 | - | 7,914 | - | - | |
| V | Corporate Activity and Insolvency Framework | | | | | | | |
| - | - | 392 | 392 | - | 392 | - | - | |
| W | Assets and Liabilities | | | | | | | |
| - | - | 6,573,910 | 6,573,910 | - | 6,573,910 | - | 3 | |
| X | Nuclear Security and Export Control | | | | | | | |
| - | - | 6,000 | 6,000 | - | 6,000 | - | - | |
| RfR 2: Increasing scientific excellence in the UK and maximising its contribution to society | | | | | | | | |
| | 12,810 | 33,541 | 3,098,831 | 3,145,182 | 5,067 | 3,140,115 | 198 | 148 |
| Spending in Departmental Expenditure Limits (DEL) | | | | | | | | |
| <i>Central Government spending</i> | | | | | | | | |
| A | Research Councils' Pension Schemes | | | | | | | |
| - | 18,097 | - | 18,097 | - | 18,097 | - | - | |
| B | The Royal Society | | | | | | | |
| - | - | 32,555 | 32,555 | - | 32,555 | - | - | |
| C | Royal Academy of Engineering | | | | | | | |
| - | - | 5,850 | 5,850 | - | 5,850 | - | - | |
| D | British Academy | | | | | | | |
| - | - | 14,050 | 14,050 | - | 14,050 | - | - | |
| E | OST Initiatives | | | | | | | |
| - | - | 40,907 | 40,907 | - | 40,907 | - | - | |

Part II: Revised subhead detail including additional provision (cont.)

| 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 | | |
| F | Knowledge Transfer | - | - | 74,118 | 74,118 | - | 74,118 | - | - |
| G | Cambridge/Massachusetts Institute of Technology | - | - | 13,300 | 13,300 | - | 13,300 | - | - |
| H | Foresight LINK Awards | - | - | 606 | 606 | - | 606 | - | - |
| I | Science Research Investment Fund | - | - | 379,160 | 379,160 | - | 379,160 | - | - |
| J | Science and Engineering Base Administration Costs | 4,860 | - | - | 4,860 | - | 4,860 | 63 | 49 |
| K | Transdepartmental Science and Technology Group Administration Costs | 7,950 | - | - | 7,950 | - | 7,950 | 135 | 99 |
| L | Biotechnology and Biological Sciences Research Council | - | - | - | - | 5,000 | -5,000 | - | - |
| | <i>Joint Infrastructure Fund</i> | - | - | - | - | - | - | - | - |
| | Spending in Annually Managed Expenditure (AME) | | | | | | | | |
| | <i>Central Government spending</i> | | | | | | | | |
| M | Research Councils' Pension Schemes | - | 15,269 | 3,500 | 18,769 | 67 | 18,702 | - | - |
| | Non-budget | | | | | | | | |
| N | Arts and Humanities Research Council | - | - | 68,888 | 68,888 | - | 68,888 | - | - |
| O | Biotechnology and Biological Sciences Research Council | - | - | 324,279 | 324,279 | - | 324,279 | - | - |
| P | Economic and Social Research Council | - | - | 255,864 | 255,864 | - | 255,864 | - | - |
| Q | Engineering and Physical Sciences Research Council | - | - | 554,521 | 554,521 | - | 554,521 | - | - |
| R | Medical Research Council | - | - | 459,370 | 459,370 | - | 459,370 | - | - |
| S | Natural Environment Research Council | - | - | 322,983 | 322,983 | - | 322,983 | - | - |
| T | Particle Physics and Astronomy Research Council | - | - | 310,300 | 310,300 | - | 310,300 | - | - |
| U | Council for the Central Laboratory of the Research Councils | - | - | 162,000 | 162,000 | - | 162,000 | - | - |
| V | Council for the Central Laboratory of the Research Councils - Diamond Synchrotron | - | - | 73,960 | 73,960 | - | 73,960 | - | - |
| W | Fees Payable under the Animals (Scientific Procedures) Act 1986 | - | 175 | - | 175 | - | 175 | - | - |

Part II: Revised subhead detail including additional provision (cont.)

| 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 | |
| Spending in Departmental Expenditure Limits (DEL) | | | | | | | | |
| <i>Central Government spending</i> | | | | | | | | |
| X | Joint Infrastructure Fund | | | | | | | |
| - | - | 2,620 | 2,620 | - | 2,620 | - | - | |
| Total for Estimate: | | | | | | | | |
| 369,323 | 149,951 | 13,490,481 | 14,009,755 | 2,910,363 | 11,099,392 | 35,083,791 | 34,582,803 | |

Part II: Resource to cash reconciliation

| | Present | Increase (+)/ Decrease (-) | £'000 Revised |
|---|-------------------|-------------------------------|-------------------|
| Net total Resources | 10,653,536 | 445,856 | 11,099,392 |
| Voted capital items | | | |
| Capital expenditure | 35,056,729 | 27,062 | 35,083,791 |
| <i>Less: non-operating A in A</i> | <i>34,588,993</i> | <i>-6,190</i> | <i>34,582,803</i> |
| Total net voted capital | 467,736 | 33,252 | 500,988 |
| Accruals to cash adjustment | | | |
| Adjustments to remove non-cash items: | | | |
| Cost of Capital charges | 465,408 | 69,959 | 535,367 |
| Depreciation | -20,767 | -3,000 | -23,767 |
| New provisions and adjustments to previous provisions | -5,056,547 | -381,022 | -5,437,569 |
| 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 | 1,283,751 | 192,392 | 1,476,143 |
| Total accruals to cash adjustments | -3,334,398 | -121,671 | -3,456,069 |
| Excess cash to be CFERd | - | - | - |
| Net cash requirement | 7,786,874 | 357,437 | 8,144,311 |

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 | 332,141 | <i>61,438</i> | 332,141 | <i>61,438</i> |
| Non-operating income not classified as A in A | 158,302 | <i>158,302</i> | 134,402 | <i>134,402</i> |
| Other amounts collectable on behalf of the Consolidated Fund | 144,782 | <i>415,485</i> | 144,782 | <i>415,485</i> |
| Excess receipts to be surrendered to the Consolidated Fund | - | - | - | - |
| Total | 635,225 | <i>635,225</i> | 611,325 | <i>611,325</i> |

Forecast Operating Cost Statement

| | | £'000 |
|---------------------------------------|-----------|----------------------|
| | | 2005-06 provision |
| <hr/> | | |
| Net Administration Costs | | |
| RfR 1 | 350,796 | |
| RfR 2 | 12,810 | |
| | <hr/> | |
| Total Net Administration Costs | | 363,606 |
| Net Programme Costs | | |
| RfR 1 | 7,276,340 | |
| RfR 2 | 3,127,305 | |
| National Insurance Fund | 223,809 | |
| | <hr/> | |
| Total Net Programme costs | | 10,627,454 |
| Total Net Operating Cost | | 10,991,060 |
| <i>of which:</i> | | |
| Net Resource Outturn | | 11,099,392 |
| CFERs | | -332,141 |
| Non-voted expenditure | | 223,809 |
| Resource Budget Outturn | | 30,844,534 |
| <hr/> | | |

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

| | £'000 |
|---|----------------------|
| | 2005-06 Provision |
| Net Resource Outturn (Estimates) | 11,099,392 |
| <i>Adjustments to remove:</i> | |
| provision voted for earlier years | - |
| <i>Adjustments to additionally include:</i> | |
| non-voted expenditure in the OCS | 223,809 |
| Consolidated Fund extra receipts (CFERS) in the OCS | -332,141 |
| Other adjustments | - |
| Net Operating Costs (Accounts) | 10,991,060 |
| <i>Adjustments to remove:</i> | |
| capital grants to local authorities | -1,501 |
| capital grants financed from the Capital Modernisation Fund | - |
| European Union income and related adjustments | 208,150 |
| voted expenditure outside the budget | -4,283,100 |
| <i>Adjustments to additionally include:</i> | |
| other Consolidated Fund Extra Receipts | -4,200 |
| resource consumption of non departmental public bodies | 23,920,281 |
| unallocated resource provision | 3,844 |
| Other adjustments | 10,000 |
| Resource Budget Outturn (Budget) | 30,844,534 |
| <i>of which:</i> | |
| Departmental Expenditure Limit (DEL) | 6,412,160 |
| Annually Managed Expenditure (AME) | 24,432,374 |

Reconciliation of capital expenditure between Estimates and Budgets

| | £'000 |
|---|----------------------|
| | 2005-06 Provision |
| Net Voted Capital Outturn (Estimates) | 500,988 |
| <i>Adjustments to remove:</i> | |
| gains/losses from sale of capital assets | - |
| <i>Adjustments to additionally include:</i> | |
| other Consolidated Fund Extra Receipts | -134,400 |
| capital spending by non departmental public bodies | 901,348 |
| capital grants to local authorities | 1,501 |
| capital grants financed by the Capital Modernisation Fund | - |
| local authority credit approvals | - |
| capital spending by levy funded bodies | - |
| unallocated capital provision | 104 |
| Other adjustments | -250,911 |
| Capital Budget Outturn (Budget) | 1,018,630 |
| <i>of which:</i> | |
| Departmental Expenditure Limits (DEL) | 538,630 |
| Annually Managed Expenditure (AME) | 480,000 |

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 of Trade and Industry

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

Sir Brian Bender as the Principal Accounting Officer (PAO) 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 PAO 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 Department of Trade and Industry's policies, aims, and objectives; and should regularly review the effectiveness of that system.

Notes to the Estimate (*continued*)

Analysis of appropriations in aid (A in A)

| | £'000 | |
|---|---------------------|----------------------------|
| | 2005-06 Provision | |
| | Operating A in A | Non operating A in A |
| RfR 1: Increasing UK competitiveness | | |
| Innovation in Support of Knowledge Transfer | 4,250 | - |
| Space | 11,557 | - |
| Office of Communications (Ofcom) | 85,193 | 17,810 |
| Spectrum Efficiency | 7,880 | - |
| Consumer Protection | 109 | - |
| Postwatch | 9,169 | - |
| Non-nuclear receipts of a regulatory nature (including Gas and Electricity Consumers Council) | 13,220 | - |
| Non-nuclear receipts directly related to creation of open markets | 710 | - |
| Small Firms' Loan Guarantee Scheme | 8,950 | - |
| Small Business Service, including Farm Business Advice Service | 7,500 | - |
| Receipts from ODPM for RDAs | 1,117,048 | - |
| Receipts from Department of Education and Skills for RDAs | 42,500 | - |
| Receipts from UK Trade and Investment for RDAs | 15,230 | - |
| Receipts from DEFRA for RDAs | 76,859 | - |
| Receipts from DCMS for RDAs | 3,600 | - |
| Regional Selective Assistance | 250 | - |
| External Legal Receipts | 203 | - |
| Telecommunications and posts | 3,278 | - |
| Coal Subsidence & Arbitration | 77 | - |
| Non-ring-fenced Coal Liabilities | 10,034 | - |
| Nuclear Decommissioning Authority | 1,051,100 | - |
| Administration costs | 4,959 | 4,291 |
| Receipts from ODPM for LDA | 374,606 | - |
| Working capital credit facility for the Royal Mail | - | 34,520,000 |
| Privatisation Receipts | - | 3 |
| Ring-fenced Coal Health Liabilities | 5 | - |
| Petroleum Licensing | 10,599 | - |
| EHLASS (European Home Leisure Accident Surveillance Survey) | 250 | - |
| UK Trade and Investment | 412 | - |
| On Vote Agencies | | |
| NWML | 498 | - |
| Employment Tribunals Service | 350 | - |
| Insolvency Service | 44,700 | - |
| Other Govt Depts | 200 | - |
| Trading Funds | | |
| Patent Office | - | 40,166 |
| Companies House | - | 385 |
| Total RfR 1 | 2,905,296 * | 34,582,655 ** |

*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

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

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.

** 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 Royal Mail and of loans to the trading funds and utilisation of Patent Office reserves.

| | £'000 | |
|---|-------------------|-------------------|
| | 2005-06 Provision | Non |
| | Operating | operating |
| | A in A | A in A |
| RfR 2: Increasing scientific excellence in the UK and maximising its contribution to society | | |
| Research Councils' Pension Schemes | 67 | - |
| Co-funding of Biotechnology and Biological Sciences Research Council by Department for Environment, Food and Rural Affairs | 5,000 | - |
| Administrative Costs | - | 148 |
| Total RfR 2 | 5,067 * | 148 ** |
| * 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. | | |
| ** 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. | | |
| Total A in A | 2,910,363 | 34,582,803 |
| <i>of which: Administration budgets</i> | <i>5,019</i> | <i>-</i> |

Notes to the Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

| | £'000 | |
|--|-------------------|----------------|
| | 2005-06 provision | Receipts |
| | Income | Receipts |
| Distribution of surpluses from coal industry pension scheme | 328,000 | 328,000 |
| 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 | 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 | 1,751 | 1,751 |
| Receipt of dividend from the Companies House Executive Agency trading fund | 1,582 | 1,582 |
| Interest on loans advanced by the S of S to the Patent Office Executive Agency trading fund | 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 | 49 | 49 |
| Privatisation of electricity, including clawback receipts | 2 | 2 |
| Levies on sales of aero engines and airframes | 134,400 | 134,400 |
| Total | 611,325 | 611,325 |

Departmental Expenditure Limits and Administration Budgets

As announced to the House of Commons, the Department of Trade and Industry Departmental Expenditure Limit will change as follows:

| | New DEL | | | £'000 |
|---|---------|----------|-----------|-----------|
| | Change | Voted | Non-voted | Total |
| Resource | 412,078 | 225,473 | 6,186,687 | 6,412,160 |
| <i>of which : Administration Budget</i> | -27,917 | 363,606 | - | 363,606 |
| Capital | 164,224 | -214,422 | 753,052 | 538,630 |
| Depreciation* | -38,101 | -23,767 | -136,534 | -160,301 |
| Total | 538,201 | -12,716 | 6,803,205 | 6,790,489 |

*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 |
|---|------------|
| 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 | 37,493,166 |