

# Department of Trade and Industry: programmes and administration

## Introduction

1. This Vote covers support for business, consumer and investor protection, energy programmes and employment relations. These activities represent a major part of the Department's assistance to industry and include the promotion of enterprise and innovation at national, sectoral and regional levels; Regional Selective Assistance; payment to DETR for the RDA Competitiveness Development fund; support for the development of Business Links and the Department's contribution to the local competitiveness budget, including Business Services for small firms and payment to DETR for the Regional Supply Offices; the Enterprise Fund, including the Small Firms Loan Guarantee Scheme and other measures for small firms; export promotion; inward investment, including payment to DETR for the Regional Development Organisations; Skills Support Fund; improvement of radio spectrum efficiency; support for standards and the National Measurement System; telecommunications and posts; civil aircraft research and demonstration; space technology; nuclear and non-nuclear energy programmes, including liabilities; the coal industry, including the discharge of liabilities to former coal industry employees – mainly employees of the British Coal Corporation – and other liabilities transferred from the British Coal Corporation; British Coal Corporation's External Financing Limit (EFL); grant in aid to the Coal Authority; petroleum licensing repayments; support for consumer organisations, consumer safety and investor protection measures; regulation of trade policy and fulfilment of international non-proliferation obligations; employment relations, including the promotion of fairness and minimum standards at work and payment to the Inland Revenue for the enforcement of a national minimum wage; discharge of liabilities in respect of former public sector employees who suffered damage as a result of an admitted failure to implement the Acquired Rights Directive; and re-imburement of claims for the restitution of property of victims of Nazi persecution seized during the Second World War under the Trading With the Enemy legislation. Assistance is also provided to certain other industries, including shipbuilding and aerospace. Departmental running costs (including support for the Advisory, Conciliation and Arbitration Service), associated capital expenditure, the funding of executive agencies, privatisation expenses and certain other miscellaneous expenditure are also borne on this Vote.
2. Expenditure in Sections A to H and J to M is explained in Chapters 1–3 and 5–12 of "Trade and Industry, the Government's Expenditure Plans 1999–2000 to 2001–02" Cm 4211. Section I is explained in Chapter 13 of Cm 4211.
3. A detailed analysis of appropriations in aid of the Vote, EC expenditure, and related receipts and Consolidated Fund extra receipts can be found in Table S1 of Cm 4211. Details of long term projects can be found at Table S4 of Cm 4211.
4. A number of grants in aid and international subscriptions in excess of £1 million are borne on this Vote. Grants in aid are provided to the Advisory, Conciliation and Arbitration Service ♥ (£27,465,000); the National Association of Citizens' Advice Bureaux ♦ (£14,600,000); Citizens' Advice Scotland ♦ (£1,540,000); the National Consumer Council ♦ (£2,390,000); the Gas Consumers' Council ♦ (£3,249,000); the Design Council ♥ (£5,900,000); the Competition Commission ♥ (£7,548,000); the British Standards Institution (£1,200,000); the Coal Authority ♥ (£40,000,000); and the United Kingdom Atomic Energy Authority (UKAEA) ♥ (£16,778,000). 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.
5. The provision for 1999–2000 is 5.7 per cent higher than the final net provision and the forecast outturn for 1998–99 of £1,467.5 million. A breakdown of the forecast outturn for 1998–99 by individual function is given in table S1 of Cm 4211.
6. Details of contingent liabilities arising from statutory and non-statutory commitments for which this department takes administrative responsibility are contained in Table S2 of Cm 4211.
7. Symbols are explained in the Introduction to this booklet.

# Department of Trade and Industry: programmes and administration

## Part I

**£1,551,781,000**

Amount required in the year ending 31 March 2000 for expenditure by the Department of Trade and Industry on support for business; the promotion of enterprise and innovation, including the preparation of regional innovation strategies, the spread of industry led partnerships aimed at spreading best practice and the encouragement of the uptake and accessibility of technology at home and overseas; research and development, including support for standards and the National Measurement System; the promotion of competition, consumer and investor protection; the regulation of trade; fulfilment of international non-proliferation obligations; the promotion of awareness of the Century Date Change problem and the facilitation of access to solutions; improvement of employment relations and other programmes to encourage the development of a skilled and flexible labour market, the promotion of fairness and minimum standards at work, including a national minimum wage and payment to the Inland Revenue for its enforcement, and payments towards the expenses of the Office of Manpower Economics; discharge of liabilities in respect of former public sector employees who suffered damage as a result of an admitted failure to implement the Acquired Rights Directive; improvement of radio spectrum efficiency; regional and selective assistance; the aerospace and shipbuilding industries; exchange risk and other losses; international subscriptions; energy-related programmes including research and development, nuclear liabilities, security of oil and gas supplies, and civil nuclear emergency planning; grants and loans to the British Coal Corporation, liabilities in respect of former coal industry employees, mainly employees of the British Coal Corporation, and other liabilities transferred from British Coal and associated administration costs including arbitration arrangements, grant in aid to the Coal Authority; assistance to redundant steel workers; claims for the restitution of property of victims of Nazi persecution seized during the Second World War under the Trading With the Enemy legislation; departmental administration including the Advisory, Conciliation and Arbitration Service grant in aid, support for employment tribunals, a share of the running costs of the Government Offices for the Regions; central and miscellaneous services; the operational costs of departmental executive agencies; privatisation expenses including the coal, nuclear power and electricity industries; loans to trading funds; petroleum licensing and royalty; provision of land and buildings, loans, grants and other payments.

The Department of Trade and Industry will account for this Vote.

	£
Net total	1,551,781,000
Allocated in the Vote on Account (HC 1134)	619,012,000
Balance to complete	932,769,000

## Part II Subhead Detail

£'000

Direct Expenditure			Grants and transfers			Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital						
<b>Departmental expenditure in Departmental Expenditure Limits</b>										
<b>Central government's own expenditure</b>										
★A: <i>Support for business, consumer and investor protection, energy programmes and employment relations</i>										
—	517,793	1,735	477,432	132,800	1,129,760	41,462	<b>1,088,298</b>	1,054,382	959,018	

## Part II

Subhead Detail *continued*

£'000

	Direct Expenditure			Grants and transfers						
	1: Running costs	2: Other current	3: Capital	4: Current	5: Capital	Gross total	Z: Approp- riations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
<b>B: Measures relating to individual industries and related programmes</b>	—	41,933	—	331,915	50,005	423,853	336,419	<b>87,434</b>	32,595	149,192
<b>★C: Departmental capital and administration Ω</b>	391,634	-6,479	27,481	—	—	412,636	60,797	<b>351,839</b>	355,706	328,549
<b>★D: Net controlled agencies and central services</b>	37,375	6,610	9,691	—	—	53,676	57,062	<b>-3,386</b>	-2,264	-6,481
<b>E: Loans to and repayment, and receipt of dividends from trading funds</b>	—	—	—	—	—	—	4,451	<b>-4,451</b>	-4,446	-4,051
<b>★F: European Regional Development Fund and other Community programmes expenditure (including Leader Network Project)</b>	—	—	—	8,600	—	8,600	249	<b>8,351</b>	15,696	19,021
<b>G: European Regional Development Fund expenditure</b>	—	—	—	12,101	—	12,101	—	<b>12,101</b>	4,001	1,533
<b>H: Other European Community Programmes expenditure (net)</b>	—	1	—	—	—	1	—	<b>1</b>	1	—
<b>Nationalised industries' external finance</b>										
<b>I: British Coal Corporation external finance</b>	—	—	—	7,000	1	7,001	1	<b>7,000</b>	12,300	51,214
<b>Other expenditure outside Departmental Expenditure Limits</b>										
<b>J: European Regional Development Fund and other European Community receipts (including Leader Network receipts)</b>	—	—	—	—	—	—	7,850	<b>-7,850</b>	-10,444	-9,830
<b>K: European Community Programmes receipts</b>	—	—	—	—	—	—	690	<b>-690</b>	-480	-6,255
<b>L: Petroleum licensing and royalty</b>	—	—	—	25,700	—	25,700	25,699	<b>1</b>	1	—
<b>M: Privatisation expenses and refunds of pension adjustments</b>	—	12,891	—	270	—	13,161	28	<b>13,133</b>	10,433	-725
<b>Total</b>	<b>429,009</b>	<b>572,749</b>	<b>38,907</b>	<b>863,018</b>	<b>182,806</b>	<b>2,086,489</b>	<b>534,708†</b>	<b>1,551,781</b>	<b>1,467,481</b>	<b>1,481,185</b>

† Amount that may be applied as appropriations in aid in addition to the net total, arising from receipts from the European Union/ECSC and receipts and VAT recoveries relating to Regional Selective Assistance, flexible business support measures, Business Links, the Department's contribution to the local competitiveness budget, Small Firms Loan Guarantee and other small firm support schemes, inward investment, trade promotion and export services, energy and coal expenditure, innovation and technology support schemes, sectoral support, improving availability

and accessibility of technology, promotion of awareness of the Millennium Bug problem and facilitation of access to solutions, Regional Development Grants, the Exchange Risk Guarantee Scheme, National Selective Assistance to Industry, privatisation advisers' fees, and fees and expenditure in the following areas: telecommunications, including licence fees, posts, civil aircraft research and demonstration, aerospace, private sector shipbuilding, redundant steelworkers, space, consumer and investor protection, energy, employment relations,

privatisation and the sale of shares, legal services, consultancy, publications, secondments, departmental running costs, central services, European Fast Stream, capital, executive agencies and trading funds, including radio licence fees received by the Radiocommunications Agency and dividends received from Companies House and the Patent Office; repayment of voted loans made to British Coal; receipts in connection with the coal subsidence adviser; and the receipt of surpluses and other distributions from coal industry pension schemes.

## Part III Extra receipts payable to the Consolidated Fund

	£'000		
In addition to appropriations in aid there are the following estimated receipts:	1999-00	1998-99	1997-98
1. Support for business, consumer and investor protection, energy programmes and employment relations ●	41,135	37,934	55,627
2. Measures relating to individual industries and related programmes●	56,711	75,325	77,079
3. Loans to trading funds ●	12,600	12,654	18,380
4. Petroleum Licensing and Royalty ●	545,000	675,000	569,312
5. Expenditure in relation to the coal industry ●	8,700	6,878	14,048
6. Privatisation of the coal industry ●	4,927	3,540	5,238
7. Share proceeds and individual receipts following privatisation of AEA Technology and the electricity industry ●	2	2	268
8. British Coal Corporation external finance ●	2	2	16
9. Privatisation of the nuclear power industry ●	2	950	670,204
10. Distribution of surpluses from coal industry pension scheme ● <i>British Shipbuilders (merchant)</i>	—	—	53,000 25,377
<b>Total</b>	<b>669,081</b>	<b>821,486</b>	<b>1,488,549</b>

### Notes:

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

	£000
A2 Export Promotion: trade fairs, trade missions. Century Date Change: promoting awareness. IT for All ■	74,511
A3 International Trade capital expenditure: administrative computers and associated development costs ■	1,600
A4 Trade Policy and Non-Proliferation: international subscriptions ■	20,355
L2 Expenses incurred in connection with privatisation of the nuclear power and coal industries ■	12,891

# Department of Trade and Industry: science

## Introduction

1. This Vote provides grant in aid to the seven science Research Councils- Biotechnology and Biological Sciences Research Council ♥ (£194,545,000); Economic and Social Research Council ♥ (£69,872,000); Engineering and Physical Sciences Research Council ♥ (£395,760,000); Medical Research Council ♥ (£304,538,000); Natural Environment Research Council ♥ (£175,787,000); Particle Physics and Astronomy Research Council ♥ (£186,762,000); and the Council for the Central Laboratory of the Research Councils ♥ (£2,000,000), including the UK's subscriptions to international organisations in their fields of activity; Research Councils' Pension Scheme ♥ (£19,452,000) 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 Science Enterprise Challenge Scheme.
2. The provision sought for 1999–2000 is 8.2 per cent higher than the final net provision and the forecast outturn for 1998–99 of £1,382 million. A breakdown of forecast outturn for 1998–99 by individual function is given in the table at the end of chapter 4 of "Trade and Industry, the Government's Expenditure Plans 1999–2000 to 2001–02" Cm 4211.
3. There are a number of international subscriptions in excess of £1 million borne by this Vote. Relevant international subscriptions are paid to the Institute Laue-Langevin, 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, Anglo Australian Telescope, and European Science Foundation (by PPARC) and European Science Foundation (by EPSRC). Details of the international subscriptions borne by this vote are given in the tables in Chapter 4 of Cm 4211.
4. There is one contingent liability in the case of the Biotechnology and Biological Sciences Research Council (the successor Council to the Agricultural and Food Research Council – AFRC). The AFRC had a liability to meet the redundancy costs of AFRC employees attached to Horticultural Research International who are made redundant. The maximum amount involved is £18 million. The Vote also bears the liability arising from "back end" costs of decommissioning international scientific facilities (UK share) quantified at £66.3 million. The UK's debts in the event of early withdrawals from CERN are estimate at £26 million. The Council for the Central Laboratory of the Research Councils has a liability for the "back end" costs of decommissioning nuclear facilities, quantified at £5 million. The Medical Research Council's costs for similar decommissioning would be £3 million.
5. Further details of expenditure by the Research Councils is given in Chapter 4 and in the grant in aid analysis tables and long term project tables at S3 and S4 of Cm 4211.
6. Symbols are explained in the Introduction to the booklet.

# Department of Trade and Industry: science

## Part I

**£1,496,220,000**

Amount required in the year ending 31 March 2000 for expenditure by the Department of Trade and Industry on payments to the Science Research Councils; the Royal Society; the Royal Academy of Engineering; OST initiatives; the University Challenge Fund, the Joint Infrastructure Fund, and the Science Enterprise Challenge Scheme; fees payable under the Animals (Scientific Procedures) Act 1986; and Research Council Pensions.

The Department of Trade and Industry will account for this Vote.

	£
Net total	1,496,220,000
Allocated in the Vote on Account (HC 1134)	614,890,000
Balance to complete	881,330,000

## Part II Subhead detail

£'000

Direct Expenditure		Grants and transfers			Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98	
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital						
<b>Departmental expenditure in Departmental Expenditure Limits</b>										
<b>Central government's own expenditure</b>										
<b>★A: Biotechnology and Biological Sciences Research Council</b>										
—	5,109	250	169,366	21,320	196,045	1,500	<b>194,545</b>	190,818	183,042	
<b>★B: Economic and Social Research Council</b>										
—	2,125	300	66,747	700	69,872	—	<b>69,872</b>	67,506	65,227	
<b>★C: Engineering and Physical Sciences Research Council</b>										
—	37,226	345	323,852	34,337	395,760	—	<b>395,760</b>	389,444	384,670	
<b>★D: Medical Research Council</b>										
—	125,400	13,200	157,662	8,276	304,538	—	<b>304,538</b>	293,998	289,078	
<b>★E: Natural Environment Research Council</b>										
—	104,506	10,499	56,977	3,805	175,787	—	<b>175,787</b>	174,967	166,150	
<b>★F: Particle Physics and Astronomy Research Council</b>										
—	39,648	1,800	139,275	6,039	186,762	—	<b>186,762</b>	207,418	197,869	
<b>★G: Council for the Central Laboratory of the Research Councils</b>										
—	-7,948	9,948	—	—	2,000	—	<b>2,000</b>	1,462	1,206	
<b>★H: Swindon Research Councils' Pensions Scheme</b>										
—	19,452	—	—	—	19,452	—	<b>19,452</b>	13,298	14,682	
<b>★I: The Royal Society</b>										
—	—	—	23,850	—	23,850	—	<b>23,850</b>	22,621	22,271	
<b>★J: The Royal Academy of Engineering</b>										
—	—	—	3,706	—	3,706	—	<b>3,706</b>	3,436	3,370	
<b>★K: OST initiatives</b>										
—	—	—	2,823	7,000	9,823	50	<b>9,773</b>	2,320	1,824	
<b>★L: Joint Infrastructure Fund</b>										
—	—	—	—	75,000	75,000	—	<b>75,000</b>	—	—	

<b>Part II</b>		<b>Subhead detail</b> <i>continued</i>							£'000	
Direct Expenditure			Grants and transfers							
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital	Gross total	Z: Approp- riations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98	
<b>★M: University Challenge Fund</b>										
—	—	—	12,000	—	12,000	2,000	<b>10,000</b>	15,000	—	
<b>★N: Science Enterprise Challenge Scheme</b>										
—	—	—	22,500	2,500	25,000	—	<b>25,000</b>	—	—	
<b>Other expenditure outside Departmental Expenditure Limits</b>										
<b>O: Fees payable under the Animals (Scientific Procedures) Act 1986</b>										
—	—	—	175	—	175	—	<b>175</b>	171	79	
<b>Total</b>	<b>—</b>	<b>325,518</b>	<b>36,342</b>	<b>978,933</b>	<b>158,977</b>	<b>1,499,770</b>	<b>3,550†</b>	<b>1,496,220</b>	<b>1,382,459</b>	<b>1,329,468</b>

† Amount that may be applied as appropriations in aid in addition to the net total, arising from receipts from the sale of the remainder of the Hurley site (BBSRC), VAT recoveries relating to OST initiatives and the Gatsby Charitable Foundation's contribution to the University Challenge Fund.

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

	£'000		
In addition to appropriations in aid there are the following estimated receipts:	1999-00	1998-99	1997-98
1. Medical Research Council ●	220	200	180
2. Royal Society ●	126	70	129
3. Biotechnology and Biological Sciences Research Council ●	100	100	139
<i>Economic and Social Research Council</i> ●	—	—	52
<i>Engineering and Physical Sciences Research Council</i> ●	—	—	116
<b>Total</b>	<b>446</b>	<b>370</b>	<b>616</b>

# Department of Trade and Industry: United Kingdom Atomic Energy Authority superannuation funds

## Introduction

1. This Vote covers the payment of pensions etc to retired members or their dependants, transfer values for members transferring to other schemes and repayments of contributions under the UKAEA's superannuation schemes. The schemes, which are the Principal Non-Industrial Superannuation Scheme (PNISS), the Combined Pension Scheme of UKAEA and the Protected Persons Superannuation Scheme (PPSS) cover employees of the UKAEA, National Radiological Protection Board and British Nuclear Fuels plc together with some employees of Nycomed Amersham and some employees of the Engineering and Physical Sciences Research Council, the Particle Physics and Astronomy Research Council and the Council for the Central Laboratory of the Research Councils who were formerly employed by the Science and Engineering Research Council and former UKAEA employees who transferred to the Ministry of Defence (Atomic Weapons Establishment (AWE)).
2. Further details of the expenditure contained in this Vote can be found in Chapter 7 of the "Trade and Industry, the Government's Expenditure Plans 1999–2000 to 2001–02 (Cm 4211).
3. The income consists of actual receipts and notional interest which is credited each year at rates agreed with the Government Actuary. Income from contributions under the scheme is appropriated in aid. A detailed analysis of the appropriations in aid of this Vote can be found in Table S1 of Cm 4211.
4. The provision sought for 1999–2000 is 0.1 per cent lower than the final net provision and forecast outturn for 1998–99 of £126.438 million. A breakdown of the forecast outturn for 1998–99 by individual function is given in Table S1 of Cm 4211.
5. Assumptions for 1999–2000 compared to current estimates for 1998–99 are:

	1998–99			1999–2000		
	Number	Average Pension		Number	Average Pension	
		Annual	Weekly		Annual	Weekly
Pensioners	15,242	6,529	125.56	16,005	6,757	129.94
Dependants	5,887	2,723	52.37	6,160	2,819	54.20
6. Associated administrative costs are borne by the UKAEA who recover the appropriate proportion from the other participating employers.
7. Symbols are explained in the Introduction to this booklet.

# Department of Trade and Industry: United Kingdom Atomic Energy Authority superannuation funds

## Part I

**£126,330,000**

Amount required in the year ending 31 March 2000 for payment of pensions etc to members of the United Kingdom Atomic Energy Authority's superannuation schemes and other related expenditure.

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

	£
Net total	126,330,000
Allocated in the Vote on Account (HC 1134)	51,947,000
Balance to complete	74,383,000

## Part II

### Subhead detail

£'000

Direct Expenditure		Grants and transfers			Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital					
<b>Main departmental programmes in Annually Managed Expenditure</b>									
<b>Central government expenditure</b>									
<i>A: Payments of pensions, transfer values, and repayments of contributions</i>									
—	—	—	142,980	—	142,980	16,650†	126,330	126,438	112,251

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

## Part III

### Extra receipts payable to the Consolidated Fund

£'000

In addition to appropriations in aid there are the following estimated receipts:

	1999-00	1998-99	1997-98
<i>Employees and employers contributions and transfer values received</i> ●	—	—	10,989

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# Export Credits Guarantee

## Department: administration

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### Introduction

1. This Vote covers the cost of administering the operations of the Export Credits Guarantee Department (ECGD) described in Class IX, Votes 5 and 6. Capital expenditure (Section A) is classified as expenditure within the Departmental Expenditure Limit but administration costs (Section B) are not because they are met from trading income. Charges made to exporters for the Department's services largely anticipate the recovery of related costs. Further details of these costs can be found in Chapter 14 of Trade and Industry, the Government's Expenditure Plans, 1999–2000 (Cm 4211).
2. Further trading expenses of £24.6 million, £1.4 million and £0.1 million are provided for in Sections A, B and C respectively of the trading operations Vote (Class IX, Vote 6).
3. A detailed analysis of the appropriations in aid of this Vote and extra receipts payable to the Consolidated Fund can be found in Table S1 of Cm 4211.
4. The provision sought for 1999–2000 is less than 1 per cent lower than the final net provision and the forecast outturn for 1998–99 of £23.8 million. A breakdown of the forecast outturn for 1998–99 by individual function is given in Table S1 of Cm 4211.
5. Symbols are explained in the Introduction to this booklet.

# Export Credits Guarantee Department: administration

## Part I

**£23,733,000**

Amount required in the year ending 31 March 2000 for expenditure by the Export Credits Guarantee Department on administration.

The **Export Credits Guarantee Department** will account for this Vote.

	£
Net total	23,733,000
Allocated in the Vote on Account (HC 1134)	10,709,000
Balance to complete	13,024,000

## Part II Subhead detail

£'000

Direct Expenditure		Grants and transfers					Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital							
<b>Departmental expenditure in Departmental Expenditure Limits</b>											
<b>Central government's own expenditure</b>											
<b>★A: Capital</b>											
—	—	611	—	—	611	91	<b>520</b>	507	448		
<b>Other expenditure outside Departmental Expenditure Limits</b>											
<b>B: Administration</b>											
—	—	—	24,413	—	24,413	1,200	<b>23,213</b>	23,290	22,179		
<b>Total</b>	<b>—</b>	<b>—</b>	<b>611</b>	<b>24,413</b>	<b>—</b>	<b>25,024</b>	<b>1,291†</b>	<b>23,733</b>	<b>23,797</b>	<b>22,627</b>	

† Amount that may be applied as appropriations in aid in addition to the net total, arising from recoverable VAT.

## Part III Extra receipts payable to the Consolidated Fund

£'000

In addition to appropriations in aid there are the following estimated receipts:

	1999-00	1998-99	1997-98
<i>Administration</i> ●	—	—	97

# Export Credits Guarantee

## Department: export finance assistance

### Introduction

1. This Vote provides for expenditure by the Export Credits Guarantee Department (ECGD) on its non-trading public expenditure programme of financial support for exporters. Statutory authority is given under sections 1 and 3 of the Export and Investment Guarantees Act 1991. Further details of the programmes run by ECGD can be found in Chapter 14 of Trade and Industry, the Government's Expenditure Plans, 1999–2000 (Cm 4211). A detailed analysis of the appropriations in aid of this Vote and extra receipts payable to the Consolidated Fund can be found in Table S1 of Cm 4211.
2. Section A provides for costs arising from interest equalisation agreements with lending banks under the fixed rate export finance scheme (FREF). This section also provides for payment of grants to lenders to meet the difference between fixed consensus rates and concessionary rates of interest offered on commercial loans for long term projects in developing countries, or for certain long-term defence export contracts. It also incorporates the costs/savings arising from ECGD initiatives aimed at reducing or containing the cost of supporting exports, e.g. in connection with arrangements for capital market funding of fixed rate export finance loans and for certain interest rate swap arrangements. It also includes the mixed credit matching facility which reduced the cost of export finance to match foreign competition in certain circumstances.
3. Approximately £7 billion of supported finance is presently outstanding in relation to FREF. Operations in support of this lending are projected to show a net inflow of £13 million compared with a net outflow of £39 million in 1997–98 (including the element now shown under section D) and the latest forecast for 1998–99 of £57.2 million.
4. Section B provides for partial protection to exporters tendering in foreign currency against losses caused by exchange rate fluctuations in the period before the contract is secured. The forward exchange supplement guarantee affords similar protection after the contract is secured and where cover cannot be obtained through normal forward exchange markets. Gross cashflow is affected by the size and timing of rolled over forward exchange contracts and the scheme should show a net outflow of £0.5 million in 1999–2000 compared with a net outflow of £0.5 million in 1997–98 and a forecast net inflow of £1.1 million in 1998–99.
5. Section C provides for residual commitments under schemes which have been discontinued, i.e. Comprehensive Bank Guarantees (CBG) and Comprehensive External Trade Guarantees (CET) issued prior to 25 October 1985 and 1 April 1987 respectively and the Cost Escalation Scheme.
6. Section D provides for the funding of the Guaranteed Export Finance Corporation (GEFCO). This private sector company operates refinancing activities on behalf of ECGD. The £700 million loan being provided by ECGD accounts for 95% of the expenditure under this Vote. Figures shown represent the funding loan plus a transfer of certain amounts formerly falling within Section A. Those for 1997–98, prior to the creation of Section D, are indicative of the split had it existed.
7. The provision sought for 1999–2000 is 124 per cent higher than the final net provision and forecast outturn for 1998–99 because of the new requirement for direct funding of GEFCO which commenced at the end of 1998–99. A breakdown of the forecast outturn for 1998–99 by individual function is given in Table S1 of Cm 4211.
8. As at 31 March 1998 contingent liabilities chargeable to the Consolidated Fund in connection with activities provided for in this Vote were under Section 1 (£4,979 million) and Section 3 (£1,685 million) of the Export and Investment Guarantees Act 1991.
9. Symbols are explained in the Introduction to this booklet.

# Export Credits Guarantee

## Department: export finance assistance

### Part I

**£715,765,000**

Amount required in the year ending 31 March 2000 for expenditure by the Export Credit Guarantee Department in connection with interest support to banks and other lenders of export finance; cover under the tender to contract (forward exchange supplement scheme; grants towards financing of exports to match foreign competition; residual commitment under discontinued guarantees offered to banks and external trade agencies; cost escalation; and funding for the Guaranteed Export Finance Corporation (GEFCO).

The **Export Credits Guarantee Department** will account for this Vote.

	£
Net total	715,765,000
Allocated in the Vote on Account (HC 1134)	25,523,000
Balance to complete	690,242,000

### Part II

### Subhead detail

£'000

	Direct Expenditure			Grants and transfers			Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
	1: Running costs	2: Other current	3: Capital	4: Current	5: Capital						
<b>Main departmental programmes in Annually Managed Expenditure</b>											
<b>Central government's own expenditure</b>											
<b>A: Fixed rate export finance</b>											
	—	30,000	—	58,739	—	88,739	101,697	<b>-12,958</b>	8,724	1,453	
<b>B: Tender to contract/forward exchange supplement</b>											
	—	—	—	1,977	—	1,977	1,490	<b>487</b>	-629	58	
<b>C: Discontinued insurance services, export finance and cost escalation guarantees</b>											
	—	—	—	150	—	150	—	<b>150</b>	156	375	
<b>Other expenditure outside Departmental Expenditure Limits</b>											
<b>D: Funding of the Guarantee Export Finance Corporation - (GEFCO)</b>											
	—	—	—	77,059	700,000	777,059	48,973	<b>728,086</b>	311,466	37,588	
<b>Total</b>	<b>—</b>	<b>30,000</b>	<b>—</b>	<b>137,925</b>	<b>700,000</b>	<b>867,925</b>	<b>152,160†</b>	<b>715,765</b>	<b>319,717</b>	<b>39,474</b>	

† Amount that may be applied as appropriations in aid in addition to the net total, arising from interest equalisation receipts under the interest support schemes and interest swap

agreements, contributions from DFID and MoD; premium paid for tender to contract/forward exchange supplement guarantees, gains arising from fluctuations in exchange rates of

guaranteed contracts, and interest and recoveries due under rescheduling agreements.

## Part III                    Extra receipts payable to the Consolidated Fund

	£'000		
In addition to appropriations in aid there are the following estimated receipts:	1999-00	1998-99	1997-98
Guarantee Export Finance Corporation (GEFCO)	1	—	—
<i>Discontinued insurance services, export finance and cost escalation guarantees</i> $\Phi$	—	—	500
<b>Total</b>	<b>1</b>	<b>—</b>	<b>500</b>

# Export Credits Guarantee

## Department: trading operations

### Introduction

1. This Vote provides for payment by the Export Credits Guarantee Department (ECGD) of claims and associated trading expenses arising under credit insurance and other support activities for exporters including cover against certain risks for new direct overseas investment. Statutory authority for these activities is given in Sections 1, 2 and 3 of the Export and Investment Guarantees Act 1991.

2. Full details of all ECGD's trading activities are reported to Parliament in the annual trading account and published by HMSO as "ECGD: Annual Report and Trading Accounts". They are summarised in Chapter 14 of Trade and Industry, the Government's Expenditure Plans, 1999–2000 (Cm 4211). A detailed analysis of the appropriations in aid of this Vote and extra receipts payable to the Consolidated Fund can be found in Table S1 of Cm 4211.

3. Section A provides for claims expected under credit insurance guarantees and/or obligations arising from debt rescheduling agreements, payments under other forms of guarantee including cover to banks financing insured exports, indemnities for banks and surety companies issuing bonds against calls by overseas buyers, and reinsurance arrangements with other countries' credit insurance organisations for jointly sourced goods. Expenses in connection with the provision of these services are also included and cover commission to brokers for negotiating and administering ECGD guarantees, charges by agents for information on company and market risks, legal fees and professional advice on underwriting of guarantees and assessment of risk and liability and costs arising out of action taken to avoid or minimise potential loss or recover payments under guarantees.

4. Section B provides for the settlement of reinsurance arrangements between ECGD and private sector export credit organisations in addition to the administration and reinsurance of risks transferred as a result of the partial privatisation of ECGD and expenses in connection with the provision of these services.

5. Section C provides for claims, related expenses and recoveries under contracts insuring investors overseas against certain political risks.

6. ECGD is required to operate these activities at no overall cost to public funds (for new business this is subject to agreed levels of confidence). For a period since 1980–81 the need for many of the UK's overseas trading partners to reschedule trade debts caused claims to exceed income, and the Department's notional cash balance with the Consolidated Fund went into deficit in February 1984. By the end of March 1998 ECGD's notional borrowing from the Fund, including interest, amounted to £2,878 million after writing off £166 million in 1997–98.

7. The token provision sought for 1999–2000 is the same as the final net provision and forecast outturn for 1998–99. A breakdown of the forecast outturn for 1998–99 by individual function is given in Table S1 of Cm 4211.

8. As at 31 March 1998 contingent liabilities chargeable to the Consolidated Fund in connection with activities provided for in this Vote were:

Export and Investment Guarantees Act 1991	£ million
Section 1	26,100
Section 2	520
Section 3	1,298

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

# Export Credits Guarantee

## Department: trading operations

### Part I

£1,000

Token amount required in the year ending 31 March 2000 for expenditure by the Export Credits Guarantee Department in connection with export credit guarantees, other guarantees given in the national interest or to render economic assistance to overseas countries, overseas investment insurance and trading expenses.

The **Export Credits Guarantee Department** will account for this Vote.

	£
Net total	1,000
Allocated in the Vote on Account (HC 1134)	—
Balance to complete	1,000

### Part II Subhead detail

£'000

	Direct Expenditure			Grants and transfers			Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
	1: Running costs	2: Other current	3: Capital	4: Current	5: Capital						
<b>Other expenditure outside Departmental Expenditure Limits</b>											
<i>A: Export credit guarantees</i>	—	—	—	424,324	—	424,324	424,323	1	1	1	
<i>B: Reinsurance operations</i>	—	—	—	2,176	—	2,176	2,176	—	—	—	
<i>C: Overseas investment insurance</i>	—	—	—	1,752	—	1,752	1,752	—	—	—	
<b>Total</b>	—	—	—	<b>428,252</b>	—	<b>428,252</b>	<b>428,251†</b>	<b>1</b>	<b>1</b>	<b>1</b>	

† Amount that may be applied as appropriations in aid in addition to the net total, arising from receipts of premium, receipts with interest of or in

respect of debts which have been subject to claims and/or debt rescheduling agreements, recoveries of loss minimisation costs including

contributions from insured parties towards joint action, recovered VAT input and certain reimbursed legal fees.

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

£'000

In addition to appropriations in aid there are the following estimated receipts:

	1999-00	1998-99	1997-98
1. Export credit guarantees ●	96,621	169,352	461,600
2. Reinsurance operations ●	14,972	31,041	7,270
3. Overseas investment insurance ●	3,358	4,173	4,127
<b>Total</b>	<b>114,951</b>	<b>204,566</b>	<b>472,997</b>

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# Office of Fair Trading

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## Introduction

1. The Office of Fair Trading supports the Director General of Fair Trading in carrying out a wide range of statutory duties and functions in relation to the promotion of competition and the protection of consumers, including the Competition Act 1998. The Director General is responsible for initiating action against restrictive agreements, monopolies and anti competitive practices. He also advises Ministers on mergers affecting competition, and on the rules of the regulatory bodies in the financial services sector. The Director General takes action against trading practices including ‘unfair contract terms’ which adversely affect consumers and negotiates codes of practice. He administers the legislation and regulation of consumer credit and is charged with initiating court action on misleading advertising wherever other means of control have been inadequate.
2. Further details of the expenditure contained in Sections A and B of this Vote are in Chapter 15 of the Department of Trade and Industry’s Departmental Report Cm 4211. Details of appropriations in aid and extra receipts payable to the Consolidated Fund are in Table S1 of Cm 4211.
3. The refunds, in Section B, are of fees overpaid under the Consumer Credit Act, or those mergers falling under EC Regulation.
4. The provision sought for 1999–2000 is 28 per cent higher than the final net provision and forecast outturn for 1998–99 of £24 million. A breakdown of the forecast outturn for 1998–99 by individual function is given in Table S1 of Cm 4211.
5. Symbols are explained in the Introduction to this booklet.

# Office of Fair Trading

## Part I

**£30,745,000**

Amount required in the year ending 31 March 2000 for expenditure by the Office of Fair Trading on administrative and operational costs.

The **Office of Fair Trading** will account for this Vote.

	£
Net total	30,745,000
Allocated in the Vote on Account (HC 1134)	13,039,000
Balance to complete	17,706,000

## Part II

### Subhead detail

£'000

Direct Expenditure			Grants and transfers			Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital						
<b>Departmental expenditure in Departmental Expenditure Limits</b>										
<b>Central government's own expenditure</b>										
<b>★A: Administration</b>										
24,288	550	6,154	—	—	30,992	270	<b>30,722</b>	24,069	19,586	
<b>Other expenditure outside Departmental Expenditure Limits</b>										
<b>B: Refunds</b>										
—	—	—	23	—	23	—	<b>23</b>	23	9	
<b>Total</b>	<b>24,288</b>	<b>550</b>	<b>6,154</b>	<b>23</b>	<b>—</b>	<b>31,015</b>	<b>270†</b>	<b>30,745</b>	<b>24,092</b>	<b>19,595</b>

† Amount that may be applied as appropriations in aid in addition to the net total, arising from receipts from european travel, recovered legal costs, receipts for VAT refunds on contracted out services, and receipts from common services provided to other departments.

## Part III

### Extra receipts payable to the Consolidated Fund

£'000

In addition to appropriations in aid there are the following estimated receipts:

	1999-00	1998-99	1997-98
Administration ●	3,491	3,491	6,030

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# Office of Telecommunications

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## Introduction

1. The Office of Telecommunications (OFTEL) was set up on 1 July 1984 under the Telecommunications Act 1984. The Director General of Telecommunications is responsible for the enforcement of telecommunications operators' licences and for initiating their modification where appropriate, his duties include the promotion of users' interest and of effective competition. OFTEL's aim is to promote competition in order to create conditions in which telecommunications can operate most effectively to the benefit of the economy. OFTEL is funded by licence fees paid to the Government by UK telecommunications operators, and by sundry small commercial receipts.
2. Further details of the expenditure contained in Section A of this Vote can be found in Chapter 15 of Trade and Industry, the Government's Expenditure Plans, 1999–2000 (Cm 4211).
3. The token net provision sought for 1999–2000 is similar to the token provision for 1998–99. The token net provision reflects the fact that receipts from fees levied by OFTEL are appropriated in aid instead of surrendered directly to the Consolidated Fund. A breakdown of the forecast outturn for 1998–99 by individual function is given in Table S1 of Cm 4211.
4. Symbols are explained in the Introduction to this booklet.

# Office of Telecommunications

## Part I

**£1,000**

Token amount required in the year ending 31 March 2000 for expenditure by the Office of Telecommunications on administrative and operational costs.

The **Office of Telecommunications** will account for this Vote.

	£
Net total	1,000
Allocated in the Vote on Account (HC 1134)	—
<b>Balance to complete</b>	<b>1,000</b>

## Part II

### Subhead detail

£'000

Direct Expenditure			Grants and transfers			Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital						
<b>Departmental expenditure in Departmental Expenditure Limits</b>										
<b>Central government's own expenditure</b>										
<b>★A: Administration</b>										
<b>11,903</b>	<b>279</b>	<b>452</b>	—	—	<b>12,634</b>	<b>12,633†</b>	<b>1</b>	<b>3</b>	<b>10,631</b>	

† Amount that may be applied as appropriate in aid in addition to the net total, arising from receipts from licence fees, VAT refunds on contracted out services and the sale of publications and obsolete office equipment

## Part III

### Extra receipts payable to the Consolidated Fund

£'000

In addition to appropriations in aid there are the following estimated receipts:

	1999-00	1998-99	1997-98
<i>Administration</i>	—	<b>1</b>	<b>10,737</b>

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# Office of Gas Supply

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## Introduction

1. The Office of Gas Supply is established under the authority of the Gas Act 1986. The Vote makes provision for expenditure by the Director General of Gas Supply exercising his regulatory powers under the Act as amended by the Gas Act 1995. These powers relate to the authorisation of gas suppliers, shippers and transporters.
2. Further details of the expenditures contained in section A of this Vote are supplied in Chapter 15 of the Trade and Industry, the Government's Expenditure Plans, 1999–2000 to 2001–02 (Cm 4211). Details of appropriations in aid and extra receipts payable to the Consolidated Fund are supplied in Table S1 of Cm 4211.
3. OFGAS's aims are to continue to maximise competition in the supply industry while protecting the interests of gas consumers.
4. OFGAS central expenditure is offset by income from licence fees from authorised gas suppliers, shippers and transporters.
5. The Technical Directorate expenditure is offset in part by receipts from those using the services provided and in part by a subsidy from the licence fees.
6. The token provision sought for 1999–2000 reflects the classification of the receipts from fees levied by the utilities regulators which enables OFGAS to appropriate these receipts in aid of the Vote instead of surrendering them to the Consolidated Fund. The final net provision and the forecast outturn for 1998–99 is £2,000. A breakdown of the forecast outturn for 1998–99 by individual function is given in Chapter 15 of Cm 4211.
7. Symbols are explained in the Introduction to this booklet.

# Office of Gas Supply

## Part I

**£1,000**

Token amount required in the year ending 31 March 2000 for expenditure by the Office of Gas Supply on administrative and operational costs.

The **Office of Gas Supply** will account for this Vote.

	£
Net total	1,000
Allocated in the Vote on Account (HC1134)	—
Balance to complete	1,000

## Part II

### Subhead detail

£'000

Direct Expenditure			Grants and transfers			Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital						
<b>Departmental expenditure in Departmental Expenditure Limits</b>										
<b>Central government's own expenditure</b>										
<b>★A: Administration</b>										
12,938	—	1,300	—	—	14,238	14,237†	1	2	10,964	

† Amount that may be applied as appropriations in aid in addition to the net total, arising from receipts from licence fees, and other fees and charges levied under the Gas Act, in connection with metering and examining.

## Part III

### Extra receipts payable to the Consolidated Fund

£'000

In addition to appropriations in aid there are the following estimated receipts:

	1999-00	1998-99	1997-98
<i>Administration</i>	—	—	8,100

# Office of Electricity Regulation

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## Introduction

1. The Office of Electricity Regulation (OFFER) is established under the authority of the Electricity Act 1989. It covers expenditure by the Director General of Electricity Supply in exercising his regulatory powers under the Act. It also includes provision for supporting the Electricity Consumers' Committees. Further details of the expenditure contained in Section A can be found in Chapter 15 of The Department of Trade and Industry's Annual Report Cm 4211.
2. The net token provision sought for 1999–2000 is significantly less than the provision and forecast outturn for 1998–99 of £941,000. A breakdown of the forecast outturn for 1998–99 by individual function is given in table S1 of Cm 4211.
3. OFFER's expenditure is offset by income from licence fees collected from the electricity generators, transmitters, distributors and suppliers.
4. Symbols are explained in the Introduction to this booklet.

# Office of Electricity Regulation

## Part I

**£1,000**

Token amount required in the year ending 31 March 2000 for expenditure by the Office of Electricity Regulation on administrative and operational costs.

The **Office of Electricity Regulation** will account for this Vote.

	£
Net total	1,000
Allocated in the Vote on Account (HC 1134)	—
<b>Balance to complete</b>	<b>1,000</b>

## Part II

### Subhead detail

£'000

Direct Expenditure			Grants and transfers			Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital						
<b>Departmental expenditure in Departmental Expenditure Limits</b>										
<b>Central government's own expenditure</b>										
★A: <i>Administration</i>										
18,100	—	250	—	—	18,350	18,349†	1	941	16,009	

† Amount that may be applied as appropriations in aid in addition to the net total, arising from the levying of electricity licence fees, the recovery of

the cost of administering the Fossil Fuel Levy; receipts in connection with the Electricity Meter Examining Service; recovery of costs of the services

provided for OFREG; user contributions from the official car scheme; and refunds of VAT on contracted out services and business activities.

## Part III

### Extra receipts payable to the Consolidated Fund

£'000

In addition to appropriations in aid there are the following estimated receipts:

	1999-00	1998-99	1997-98
<i>Administration</i>	—	—	16,792