

Department of Trade and Industry

Introduction

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

RfR 1: Increasing UK competitiveness

Increases:

Take up of Resource End Year Flexibility of £99,258,000 (including associated non-voted expenditure) all of which is near cash

- 1 Administration costs
Utilisation of Cabinet Office EYF
£1,250,000
RfR1: subhead L1
Shareholder Executive
- 2 Administration costs
£1,350,000
RfR1: subhead L1
Shareholder Executive administration
- 3 Programme costs
£4,200,000
RfR1: subhead F3
University Innovation Centres capital grants
- 4 Programme costs
£2,000,000
RfR1: subhead D3
Renewable Energy Performance and Innovation Fund
- 5 Programme costs
£31,400,000
RfR1: subhead J3
Modernisation of the Post Office Network
- 6 Programme costs
£6,500,000
RfR1: subhead K3
Nuclear Support for the Former Soviet Union
- 7 Programme costs
£3,095,000
RfR1: subhead L3
Efficiency Challenge Fund
- 8 Capital grants vired to Capital costs
£6,500,000
RfR1: subhead E7
Loans to MG Rover Group (£5,200,000) and PowerTrain (£1,300,000)
- 9 Capital grants vired to Capital costs
£2,683,000
RfR1: subhead E7
MG Rover Task Force
- 10 Capital grants vired to Capital costs
£10,600,000
RfR1: subhead L7
2-roof strategy

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Transfers from other government departments

- 1 Administration costs
 - Transfer from the Office of the Deputy Prime Minister
 - £1,125,000
 - RfR1: subhead L1
 - Government Offices for the Regions efficiency savings
- 2 Programme costs
 - Transfer from the Department for Education and Skills
 - £350,000
 - RfR1: subhead E3
 - National Council for Graduate Entrepreneurship
- 3 Programme costs
 - Transfer from the Department for Education and Skills
 - £101,000
 - RfR1: subhead H3
 - School Teachers Pay Review Body

Transfers from non-voted provision

- 1 Programme costs
 - £53,411,000
 - RfR1: subhead F5
 - Reduced resource contributions for Regional Development Agencies from Other Government Departments
- 2 Programme costs
 - £172,018,000
 - RfR1: subhead F5
 - Reduced capital grants contributions for Regional Development Agencies from Other Government Departments

Annually Managed Expenditure

- 1 Programme costs
 - Revised forecast
 - £370,000
 - RfR1: subhead P3
 - London Development Agency Corporation tax
- 2 Capital costs
 - Revised forecast
 - £430,000,000
 - RfR1: subhead O8
 - increased working capital facility for Royal Mail

Non Budget

- 1 Programme costs
 - Revised forecast
 - £26,680,000
 - RfR1: subhead T3
 - Regional Development Agencies Grant in Aid increased to match EYF utilised as non-voted DEL
- 2 Programme costs
 - Revised forecast
 - £2,840,000
 - RfR1: subhead T3
 - Regional Development Agencies Grant in Aid increased to reconcile Main Estimate Grant in Aid to near-cash DEL allocation in Main Estimate
- 3 Programme costs
 - Revised forecast
 - £1,780,000
 - RfR1: subhead T3
 - Regional Development Agencies Grant in Aid increased to reflect transfer of responsibility for Business Link oversight administration

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- 4 Programme costs
 - Revised forecast
 - £127,913,000
 - RfR1: subhead T3
 - Regional Development Agencies Grant in Aid increased to reflect increased capital contributions from Other Government Departments

Claims on Central Reserve

- 1 Programme Costs
 - £13,000,000
 - RfR1: subhead E3
 - MG Rover capital grants support package following the administration of Rover

Other increases

- 1 Programme Costs
 - £2,200,000
 - RfR1: subhead K3
 - Virement from non-voted DEL for Nuclear Support to the Former Soviet Union

There is also, in non-Voted resource DEL, take up of non-cash End Year Flexibility of £3,000,000 near-cash resource End Year Flexibility vired to noncash for the Regional Development Agencies and £26,680,000 for capital grants for the Regional Development Agencies; and an increase of £21,020,000 to reflect the transfer from the Office of the Deputy Prime Minister of non-cash budgets for the Regional Development Agencies.

Decreases (excluding Token Estimates):

Transfers to other government departments (RfR1)

- 1 Administration costs
 - Transfer to the Office of the Deputy Prime Minister
 - £731,000
 - RfR1: subhead G1
 - Government Offices for the Regions
- 2 Programme Costs
 - Transfer to the Department for Transport
 - £250,000
 - RfR1: subhead A3
 - Low Carbon Vehicle Partnership

Transfers to non-voted provision

- 1 Administration costs
 - £1,780,000
 - RfR1: subhead L1
 - Virement to the Regional Development Agencies to reflect transfer of responsibility for Business Link oversight administration
- 2 Programme Costs
 - £96,000
 - RfR1: subhead C3
 - Virement to the Natural Environment Research Council to reflect transfer of responsibility for Gilmerton Core Store
- 3 Programme costs
 - £127,913,000
 - RfR1: subhead F5
 - Increased capital contributions for Regional Development Agencies from Other Government Departments
- 4 Programme Costs
 - £149,000
 - RfR1: subhead L3
 - Virement to the Natural Environment Research Council to reflect transfer of responsibility for Gilmerton Core Store

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Non Budget

- 1 Programme Costs
£53,411,000
RfR1: subhead T3
Regional Development Agencies Grant in Aid reduced to reflect reduced resource contributions from Other Government Departments
- 2 Programme Costs
£172,018,000
RfR1: subhead T3
Regional Development Agencies Grant in Aid reduced to reflect reduced capital grants contributions from Other Government Departments

There is also within the Net Cash Requirement a reduction of £152,000,000 in expenditure for coal health compensation payments.

Other Decreases:

- 1 Virement of Programme between Requests for Resources
£2,200,000
RfR1 subhead A3 and RfR2 subhead E3
Knowledge Transfer
- 2 Programme costs
£5,000,000
RfR1: subhead J3
Surrender of DEL to Central Reserve as contribution to Post Office Card Account

Neutral Changes:

- 1 Administration to Programme virement
£7,187,000
RfR1: subheads A1 and A2
reclassification of non-cash costs relating to the National Measurement System
- 2 Administration to Programme virement
£900,000
RfR1: subheads L1 and E3
Small Business Service Business Link oversight
- 3 Capital Grants to Capital virement
£5,211,000
RfR1: subheads L3 and L7
2-roof strategy
- 4 Virement of Programme between Subheads
£382,000
RfR1: subheads A2 and A3
To correct an error in the scoring of the Department's noncash Spending Review settlement
- 5 Virement of Programme between Functions
£2,200,000
RfR1: subheads A3 and E3
- 6 Virement of Programme between Functions
£42,000
RfR1 subheads C3 and D3
- 7 Virement of Capital between Functions
£166,000
RfR1: subheads A7 and L7
- 8 Increased Spending offset by income
£625,000
RfR1: subheads L1 and L5
increased gross expenditure and receipts for OCNS Fees Orders (£570,000), Legal Services to the Patent Office (£38,000) and the Coastal Protection Act (£17,000)

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- 9 Increased Spending offset by income
£11,500,000
RfR1: subheads A3 and A5
increased gross expenditure and receipts for European Space Agency
- 10 Increased Spending offset by income
£2,880,000
RfR1: subheads B3 and B5
increased gross expenditure and receipts for the Spectrum Efficiency Scheme
- 11 Increased Spending offset by income
£12,438,000
RfR1: subheads B3 and B5
increased gross expenditure and receipts for Ofcom spectrum management
- 12 Increased Spending offset by income
£39,371,000
RfR1: subheads M3 and M5
increased gross resource expenditure and receipts for the London Development Agency
- 13 Increased Spending offset by income
£44,037,000
RfR1: subheads N3 and N5
increased capital grants expenditure and receipts for the London Development Agency

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

Increases:

Take up of Resource End Year Flexibility of £143,386,000 (including associated non-voted expenditure) of which £123,148,000 is near cash and £20,238,000 is non-cash

- 1 Programme Costs
£65,780,000
RfR2: subhead I3
Utilisation of Departmental End Year Flexibility for Science Research Investment Fund
- 2 Programme Costs
£110,000
RfR2: subhead B3
Utilisation of Departmental Unallocated Provision for Royal Society
- 3 Programme Costs
£720,000
RfR2: subhead D3
Utilisation of Departmental Unallocated Provision for British Academy
- 4 Programme Costs
£25,598,000
RfR2: subhead E3
Utilisation of Departmental Unallocated Provision for OST Initiatives
- 5 Programme Costs
£12,300,000
RfR2: subhead G3
Utilisation of Departmental Unallocated Provision for Cambridge Massachusetts Institute of Technology
- 6 Programme Costs
£452,000
RfR2: subhead H3
Utilisation of Departmental Unallocated Provision for Foresight Link Awards

Transfers from non-voted provision

- 1 Programme costs
£13,380,000
RfR2: subhead I3
Transfer from Research Councils to Science Research Investment Fund

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- 2 Programme costs
£2,620,000
RfR2: subhead X3
Transfer from Research Councils to Joint Infrastructure Fund

Other Increases:

- 1 Virement of Programme between Requests for Resources
£2,200,000
RfR1 subhead A3 and RfR2 subhead E3

Non Budget

- 1 Programme Costs
Revised forecast
£245,000
RfR2: subhead S3
Increase for the Natural Environment Research Council to reflect transfer of responsibility for Gilmerton Core Store
- 2 Programme Costs
Revised forecast
£5,542,000
RfR2: subhead O3
Increase for the Biotechnology and Biological Sciences Research Council to reflect utilisation of End Year Flexibility
- 3 Programme Costs
Revised forecast
£128,897,000
RfR2: subhead P3
Increase for the Economic and Social Research Council to reflect utilisation of End Year Flexibility and Departmental Unallocated Provision
- 4 Programme Costs
Revised forecast
£5,204,000
RfR2: subhead S3
Increase for the Natural Environment Research Council to reflect utilisation of End Year Flexibility
- 5 Programme Costs
Revised forecast
£42,283,000
RfR2: subhead T3
Increase for the Particle Physics and Astronomy Research Council to reflect utilisation of Departmental Unallocated Provision and End Year Flexibility
- 6 Programme Costs
Revised forecast
£77,791,000
RfR2: subhead U3
Increase for the Council for the Central Laboratory of the Research Councils to reflect utilisation of Departmental Unallocated Provision and End Year Flexibility
- 7 Programme Costs
Revised forecast
£25,753,000
RfR2: subhead V3
Increase for the Council for the Central Laboratory of the Research Councils for Diamond Synchrotron to reflect utilisation of Departmental Unallocated Provision and End Year Flexibility

Neutral Changes:

- 1 Virement of Programme between Functions
£15,143,000
RfR2 subheads A3 and M3
Reclassification of Research Councils Pensions from Departmental Expenditure Limit to Annually Managed Expenditure

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- 2 Virement of Programme between Functions
£5,022,000
RfR2 subheads F3 and E3
Transfer from Knowledge Transfer to OST Initiatives
- 3 Virement of Programme between Functions
£448,000
RfR2 subheads N3 and O3
Transfer of Grant in Aid between Research Councils
- 4 Virement of Programme between Functions
£12,103,000
RfR2 subheads R3 and P3
Transfer of Grant in Aid between Research Councils

There is also, in non-Voted resource DEL utilisation of Departmental Unallocated Provision of £120,000,000 of resource near-cash to the Economic and Social Research Council, of £25,000,000 resource near-cash and £5,000,000 of capital grants to the Particle Physics and Astronomy Research Council, of £57,230,000 resource End Year Flexibility to be vired to capital grants (£11,616,000 to the Biotechnological and Biological Sciences Research Council, £15,000,000 to the Economic and Social Research Council, £30,514,000 to the Engineering and Physical Sciences Research Council, and £100,000 to the Natural Environment Research Council); of capital grants End Year Flexibility of £138,000 to the Engineering and Physical Sciences Research Council, and of non-cash End Year Flexibility of £20,238,000 for the Science Research Councils (£331,000 for Arts and Humanities Research Council, £2,785,000 for Biotechnology and Biological Sciences Research Council, £329,000 for the Engineering and Physical Sciences Research Council, £10,205,000 for the Medical Research Council, £4,064,000 for the Natural Environment Research Council, £2,524,000 for the Particle Physics and Astronomy Research Council); and an increase of £245,000 for the Natural Environment Research Council to reflect transfer of responsibility for Gilmerton Core Store.

There is also, in non-Voted capital DEL, take up of End Year Flexibility of £48,272,000 for the Science Research Councils (£2,700,000 to BBSRC for the Institute of Animal Health, £2,000,000 to MRC for ISIS, £3,000,000 to NERC for Halley VI, £8,800,000 to NERC for RRS James Cook, £372,000 for the Council for the Central Laboratory for the Research Councils for the ISIS 2nd Target Station, £3,800,000 to CCLRC for 4GLS, £4,300,000 to CCLRC for MICE and £23,300,000 to CCLRC for Diamond Synchrotron) and utilisation of £40,406,000 from the Departmental Unallocated Provision for the Council for the Central Laboratory for the Research Councils for the ISIS 2nd Target Station

2. As a result of these changes there is an increase in the net cash requirement of £795,075,000.
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Increasing UK competitiveness	82,824,000
RfR 2: Increasing scientific excellence in the UK and maximising its contribution to society	408,875,000
Total additional net resource requirement	491,699,000
Additional net cash requirement	795,075,000

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

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Increasing UK competitiveness					
Spending in Departmental Expenditure Limits (DEL)					
RfR 1 - A Knowledge Transfer and Innovation	395,946	6,850	11,500	-4,650	391,296
RfR 1 - B Extending Competitive Markets	50,318	15,318	15,318	-	50,318
RfR 1 - C Security of Energy Supply	-6,835	-138	-	-138	-6,973
RfR 1 - D Sustainability and the Environment	99,015	2,042	-	2,042	101,057
RfR 1 - E Enterprise Growth and Business Investment	167,778	16,450	-	16,450	184,228
RfR 1 - F Regional Economies	-1,294,253	4,200	-97,516	101,716	-1,192,537
RfR 1 - G Trade and Investment	36,718	-731	-	-731	35,987
RfR 1 - H Maximising Potential in the Workplace	142,282	101	-	101	142,383
RfR 1 - J Assets and Liabilities	-1,013,400	26,400	-	26,400	-987,000
RfR 1 - K Nuclear Security and Export Control	52,246	8,700	-	8,700	60,946
RfR 1 - L Activities in Support of all Objectives	323,216	-595	625	-1,220	321,996
RfR 1 - M Current Grants to the London Development Agency	1	39,371	39,371	-	1
RfR 1 - N Capital Grants to the London Development Agency	1	44,037	44,037	-	1
Spending in Annually Managed Expenditure (AME)					
RfR 1 - P Regional Economies	1,777	370	-	370	2,147
Non-budget					
RfR 1 - T Regional Economies	1,822,054	-66,216	-	-66,216	1,755,838
Total RfR 1		96,159	13,335	82,824	

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

Spending in Departmental Expenditure Limits (DEL)

RfR 2 - A Research Councils' Pension Schemes	33,240	-15,143	-	-15,143	18,097
RfR 2 - B The Royal Society	32,445	110	-	110	32,555
RfR 2 - D British Academy	13,330	720	-	720	14,050
RfR 2 - E OST Initiatives	8,087	32,820	-	32,820	40,907
RfR 2 - F Knowledge Transfer	79,140	-5,022	-	-5,022	74,118
RfR 2 - G Cambridge/Massachusetts Institute of Technology	1,000	12,300	-	12,300	13,300
RfR 2 - H Foresight LINK Awards	154	452	-	452	606
RfR 2 - I Science Research Investment Fund	300,000	79,160	-	79,160	379,160

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
Spending in Annually Managed Expenditure (AME)					
RfR 2 - M Research Councils' Pension Schemes	3,559	15,143	-	15,143	18,702
Non-budget					
RfR 2 - N Arts and Humanities Research Council	75,535	-448	-	-448	75,087
RfR 2 - O Biotechnology and Biological Sciences Research Council	310,815	5,990	-	5,990	316,805
RfR 2 - P Economic and Social Research Council	119,864	141,000	-	141,000	260,864
RfR 2 - R Medical Research Council	451,958	-12,103	-	-12,103	439,855
RfR 2 - S Natural Environment Research Council	317,534	5,449	-	5,449	322,983
RfR 2 - T Particle Physics and Astronomy Research Council	287,717	42,283	-	42,283	330,000
RfR 2 - U Council for the Central Laboratory of the Research Councils	87,397	77,791	-	77,791	165,188
RfR 2 - V Council for the Central Laboratory of the Research Councils - Diamond Synchrotron	50,500	25,753	-	25,753	76,253
Spending in Departmental Expenditure Limits (DEL)					
RfR 2 - X Joint Infrastructure Fund	-	2,620	-	2,620	2,620
Total RfR 2		408,875	-	408,875	
Total Changes to RfRs		505,034	13,335	491,699	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	35,031,735	24,994	35,056,729
Non-Operating A in A	35,018,993	-430,000	34,588,993
Net cash requirement	6,991,799	795,075	7,786,874

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								
384,368	191,751	9,842,037	10,418,156	2,904,734	7,513,422	35,056,531	34,588,845	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Knowledge Transfer and Innovation								
712	105,047	301,842	407,601	16,305	391,296	5,341	40,166	
B Extending Competitive Markets								
-	128,833	23,836	152,669	102,351	50,318	100	24,000	
C Security of Energy Supply								
-	5,276	971	6,247	13,220	-6,973	-	-	
D Sustainability and the Environment								
-	17,725	84,042	101,767	710	101,057	-	-	
E Enterprise Growth and Business Investment								
-	148,775	51,903	200,678	16,450	184,228	26,183	-	
F Regional Economies								
-	2,000	60,450	62,450	1,254,987	-1,192,537	-	-	
G Trade and Investment								
35,987	-	-	35,987	-	35,987	-	-	
H Maximising Potential in the Workplace								
28,350	114,405	181	142,936	553	142,383	2,750	-	
I Corporate Activity and Insolvency Framework								
1,950	95,284	-	97,234	44,700	52,534	100	385	
J Assets and Liabilities								
-	38,790	38,699	77,489	1,064,489	-987,000	-	-	
K Nuclear Security and Export Control								
-	246	60,700	60,946	-	60,946	-	-	
L Activities in Support of all Objectives								
317,369	7,190	2,946	327,505	5,509	321,996	22,057	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							
-	-	186,537	186,537	186,536	1	-	-	
Spending in Annually Managed Expenditure (AME)								
<i>Central government spending</i>								
O	Assets and liabilities							
-	-471,820	587,936	116,116	5	116,111	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							
-	-	6,406,910	6,406,910	-	6,406,910	-	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	3,094,830	3,141,181	1,067	3,140,114	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	-	-	-	-	1,000	-1,000	-	-
	<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	-	-	75,087	75,087	-	75,087	-	-
O	Biotechnology and Biological Sciences Research Council	-	-	316,805	316,805	-	316,805	-	-
P	Economic and Social Research Council	-	-	260,864	260,864	-	260,864	-	-
Q	Engineering and Physical Sciences Research Council	-	-	541,129	541,129	-	541,129	-	-
R	Medical Research Council	-	-	439,855	439,855	-	439,855	-	-
S	Natural Environment Research Council	-	-	322,983	322,983	-	322,983	-	-
T	Particle Physics and Astronomy Research Council	-	-	330,000	330,000	-	330,000	-	-
U	Council for the Central Laboratory of the Research Councils	-	-	165,188	165,188	-	165,188	-	-
V	Council for the Central Laboratory of the Research Councils - Diamond Synchrotron	-	-	76,253	76,253	-	76,253	-	-
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:								
397,178	225,292	12,936,867	13,559,337	2,905,801	10,653,536	35,056,729	34,588,993	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	10,161,837	491,699	10,653,536
Voted capital items			
Capital expenditure	35,031,735	24,994	35,056,729
<i>Less:</i> non-operating A in A	<u>35,018,993</u>	<u>-430,000</u>	<u>34,588,993</u>
Total net voted capital	12,742	454,994	467,736
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	465,408	-	465,408
Depreciation	-21,149	382	-20,767
New provisions and adjustments to previous provisions	-5,056,547		-5,056,547
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	<u>1,435,751</u>	<u>-152,000</u>	<u>1,283,751</u>
Total accruals to cash adjustments	-3,182,780	-151,618	-3,334,398
Excess cash to be CFERd	-	-	-
Net cash requirement	6,991,799	795,075	7,786,874

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2005-06 provision
Net Administration Costs		
RfR 1	378,713	
RfR 2	12,810	
Total Net Administration Costs		391,523
Net Programme Costs		
RfR 1	6,802,568	
RfR 2	3,127,304	
National Insurance Fund	223,809	
Total Net Programme costs		10,153,681
Total Net Operating Cost		10,545,204
<i>of which:</i>		
Net Resource Outturn		10,653,536
CFERs		-332,141
Non-voted expenditure		223,809
Resource Budget Outturn		6,078,651

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2005-06 Provision
Net Resource Outturn (Estimates)	10,653,536
<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)	10,545,204
<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	88,150
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	-279,746
unallocated resource provision	3,844
Other adjustments	10,000
Resource Budget Outturn (Budget)	6,078,651
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	6,000,082
Annually Managed Expenditure (AME)	78,569

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
Net Voted Capital Outturn (Estimates)	467,736
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-158,300
capital spending by non departmental public bodies	789,776
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	-246,411
Capital Budget Outturn (Budget)	854,406
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	374,406
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	24,000
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	1,116,548	-
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	5,309	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	-
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	2,904,734 *	34,588,845 **

*Amount that may be applied as operating appropriations in aid in addition to the net total, arising from the recovery of income from the European Union/ECSC and income relating to Regional Selective Assistance, flexible business support measures, the Small Business Service, Business Link Operators, Small Firms Loan Guarantee and other small firm support schemes, receipts from the Department of Environment, Food and Rural Affairs in respect of the Farm Business Advice Service, trade policy, e-commerce, energy and coal, innovation and technology support schemes, sectoral support, receipts from the Office of the Deputy Prime Minister, Department of Environment, Food and Rural Affairs, the Department for Education and Skills, the Department for Culture, Media and Sport and UK Trade and Investment in relation to Regional Development Agencies and the London Development Agency, the exchange risk guarantee scheme, national selective assistance to industry, the Office of Civil Nuclear Security, fees to advisers on privatisation and BNFL, and expenditure in the following areas: telecommunications, including licence fees, posts, civil aircraft research and demonstration, aerospace,

Notes to the Estimate (*continued*)

Analysis of appropriations in aid (A in A)

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.

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	1,000	-
Administrative Costs	-	148

Total RfR 2	1,067 *	148 **
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* 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	2,905,801	34,588,993
<i>of which: Administration budgets</i>	<i>4,957</i>	<i>-</i>

Notes to the Estimate (*continued*)

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:

	Change	New DEL		£'000
		Voted	Non-voted	Total
Resource	232,122	80,123	5,919,959	6,000,082
<i>of which :Administration Budget</i>	<i>-6,873</i>	<i>391,523</i>	<i>-</i>	<i>391,523</i>
Capital	73,266	-257,174	631,580	374,406
Depreciation*	382	-20,767	-101,433	-122,200
Total	305,770	-197,818	6,450,106	6,252,288

**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

37,494,794

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