

# 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

Administration costs RfR1: subhead G1 Increase in administration costs (£1,965,000 near-cash and £582,000 non-cash) relating to the restructuring of UK Trade and Investment	2,547,000
Programme costs RfR1: subhead D3 Increase in resource grants (near- cash) - renewable energy Performance and Innovation Fund	800,000
Programme costs RfR1: subhead J3 Increase in non-cash for movement in Concessionary Fuel provision	55,258,000

#### Transfers from RfR2

Administration costs RfR1: subhead G1 Increase in administration costs relating to restructuring of United Kingdom Trade and Investment	319,000
Administration costs RfR1: subhead I1 Increase in administration costs for the Insolvency Service	148,000

#### Transfers from Central Funds

Programme costs RfR1: subhead B3 New provision for face to face debt advice, funded by an award from the Financial Inclusion Fund	1,500,000
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#### Other Increases

Programme costs RfR1: subhead G3 Increase in resource grants relating to restructuring of United Kingdom Trade and Investment funded in budgetary terms by a transfer of near-cash Resource DEL from United Kingdom Trade and Investment	4,373,000
Administration costs RfR1: subhead L1 Increased provision for European Division funded in budgetary terms by a transfer of DEL cover from the Treasury Solicitor's Department	100,000

Transfers from non-voted provision

Programme costs RfR1: subhead A3 switch between Science Research Councils and Waste Electronic and Electrical Equipment Directive	27,000,000
Programme costs RfR1: subhead A3 switch between Science Research Councils and National Measurement System	6,000,000
Programme costs RfR1: subhead J2 switch between Nuclear Decommissioning Authority capital and Cost of Capital credit on UKAEA property and restructuring liabilities	1,500,000
Programme costs RfR1: subhead J3  switch Coal Authority underspend to voted expenditure in respect of Shipbuilding support	2,087,000

Annually Managed Expenditure

Programme costs Revised forecast RfR1: subhead O3 Increased forecast for London Development Agency Corporation Tax	953,000
Programme costs RfR1: subheads N2 and N3 Increased forecasts for Cost of Capital and Movement in provision for coal health liabilities and related assets	116,740,000
Programme costs RfR1: subhead W3 Creation of new Section within RfR1 to reflect reclassification of Paternity Pay from nonvoted to voted expenditure	50,000,000

Non-Budget

Programme costs Revised forecast RfR1: subhead S3 Increase in Grant-in -Aid provision for Regional Development Agencies to reflect increased expenditure as result of MoG transfer from DEFRA to RDAs for "Natural England"	4,172,000
Programme costs Revised forecast RfR1: subhead S3 Regional Development Agencies Grant in Aid increased to reflect utilisation of resource End Year Flexibility	7,739,000
Programme costs Revised forecast RfR1: subhead V3 Nuclear Decommissioning Authority Grant in Aid increased to reflect utilisation of resource End Year Flexibility	60,000,000

Programme costs	
Revised forecast	
RfR1: subhead V3	5,193,000
Nuclear Decommissioning Authority Grant in Aid increased to support additional capital expenditure	

**Decreases:****Transfers from capital grants to capital**

Programme costs	
RfR1: subheads F3 to J7	-5,000,000
Switch Regional Selective Assistance capital grant underspends to fund British Shipbuilders' PDC	
Programme costs	
RfR1: subheads L3 to L7	-5,211,000
2 roof strategy	
Programme costs	
RfR1: subheads D3 to L7	-300,000
Switch renewable energy capital grant underspends to fund core Department capital	
Programme costs	
RfR1: subheads K3 to L7	-790,000
Switch nuclear non-proliferation capital grant underspends to fund core Department capital	

**Other Decreases**

Administration costs	
RfR1: subhead G1	-1,013,000
Reduction to fund budgetary transfer to Department for Communities and Local Government in respect of United Kingdom Trade and Investment contribution to English Regional Offices	
Programme costs	
RfR1: subhead A3	-492,000
Reduction to fund budgetary transfer to Northern Ireland in respect of the Waste Electronic and Electrical Equipment Directive	

**Non-Budget**

Programme costs	
RfR1: subhead J3	-2,087,000
Reduction of Coal Authority Grant in Aid reflecting switch of underspend to voted expenditure in respect of Shipbuilding support	

**Neutral Changes:**

Spending offset by A-in-A	
£11,800,000	
RfR1: subheads A2 and A5	
Increased National Measurement System expenditure financed by increased receipts	
Spending offset by A-in-A	
£1,542,000	

RfR1: subheads B2 and B5

Increased Ofcom Spectrum Management expenditure financed by increased receipts

Spending offset by A-in-A

£28,445,000

RfR1: subheads I2 and I5

Increased Insolvency Service expenditure financed by increased receipts

Movements within the RfR (Switch from admin to programme)

£17,000

RfR1: subheads I3 and L1

Administration noncash costs switched from core Department to Insolvency Service programme

Movements within the RfR (Switch from admin to programme)

£820,000

RfR1: subheads I2 and L1

Administration cash costs switched from core Department to Insolvency Service programme

Movements within the RfR

£450,000

RfR1: subheads A3 and E3

Future and Innovation Unit

Movements within the RfR

£3,510,000

RfR1: subheads C3 and D3

Switch from renewable energy capital grants to Coal Investment Aid

Movements within the RfR

£2,000,000

RfR1: subheads C3 and F3

Switch from Regional Selective Assistance capital grants to Coal Investment Aid

Movements within the RfR

£25,000,000

RfR1: subheads E3 and L3

Switch from Small Firms Loan Guarantee Scheme provisions to restructuring provisions

Movements within the RfR

£1,976,000

RfR1: subheads I2 and L2

Switch from core Department to INSS for CIB

Movements within the RfR

£4,661,000

RfR1: subheads J1 and L1

Reclassification of Shareholder Executive against Assets and Liabilities objective

Movements within the RfR

£3,000,000

RfR1: subheads V3 and X3

Creation of new Section within RfR1 to reflect switch of grant from Nuclear Decommissioning Authority to Civil Nuclear Police Authority

Movements within the RfR

£81,000

RfR1: subheads I1 and L1

switch of admin from Departmental administration to the Insolvency Service

Movements within the RfR

£479,000

RfR1: subheads G1 and L1

switch of admin from Departmental administration to UKTI

**Total change in resources for RfR1 331,536,000**

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

**Increases:**

Transfers from non-voted provision

Programme costs

RfR2: subhead D3

switch between OST Initiatives and nonvoted expenditure on Council for the Central Laboratory of the Research Councils

1,825,000

Programme costs

RfR2: subhead D3

switch between Science and Society and nonvoted expenditure on the Natural Environment Research Council

975,000

Annually Managed Expenditure

Programme costs

Revised forecast

RfR2: subhead J3

Increased forecast for Science Research Councils pensions

2,000,000

Non-Budget

Programme costs

Revised forecast

RfR2: subhead L3

Increase in Grant in Aid for Biotechnology and Biological Sciences Research Council, reflecting switch of non-voted non-cash to capital

9,532,000

Programme costs

Revised forecast

RfR2: subhead P3

Increase in Grant in Aid for Natural Environment Research Council, reflecting switch of non-voted non-cash to capital

395,000

Programme costs

Revised forecast

RfR2: subhead Q3

Increase in Grant in Aid for Particle Physics and Astronomy Research Council, reflecting switch of non-voted non-cash to capital

6,424,000

Programme costs	
Revised forecast	29,149,000
RfR2: subhead R3	
Increase in Grant in Aid for Council for the Central Laboratory of the Research Councils, reflecting switch of non-voted non-cash to capital	

**Decreases:**Transfers to RfR1

Administration costs	
RfR1: subhead I1	-148,000
SEB underspend transferred to RfR1	
Administration costs	
RfR1: subhead H1	-319,000
TSTG, underspend transferred to RfR1	

Transfers to non-voted provision

Programme costs	
RfR2: subhead F5	-3,000,000
switch of underspend from Science Research Investment Fund to fund Biotechnology and Biological Sciences Research Council	
Capital Costs	-5,710,000
RfR2: subhead I5	
Increased capital contributions for Biotechnology and Biological Sciences Research Council from Other Government Departments	

**Neutral Changes:**

Movements within the RfR  
£1,200,000  
RfR2: subheads C3 and D3  
switch between British Academy and Office of Science and Innovation Initiatives

Movements within the RfR  
£2,301,000  
RfR2: subheads K3 and L3  
switch between Grants in Aid for Arts and Humanities Research Council and Biotechnology and Biological Sciences Research Council

Movements within the RfR  
£9,995,000  
RfR2: subheads O3 and P3  
switch between Grants in Aid for Medical Research Council and Natural Environment Research Council

Movements within the RfR  
£26,431,000  
RfR2: subheads N3 and Q3  
switch between Grants in Aid for Engineering and Physical Sciences Research Council and Particle Physics and Astronomy Research Council

Movements within the RfR  
£182,000  
RfR2: subheads R3 and S3  
Virement between Grants in Aid for Council for the Central Laboratory of the Research Councils and Council for the Central Laboratory of the Research Councils (Diamond Synchrotron)

Spending offset by A-in-A  
 £770,000  
 RfR2: subheads F3 and F5  
 Public Sector Research Establishments

Spending offset by A-in-A  
 £125,000  
 RfR2: subheads U3 and U5

**Total change in resources for RfR2 41,123,000**

**Total change in resources for Estimate 372,659,000**

### **Changes in capital**

#### **Increases:**

#### Transfer from capital grants to capital

RfR1: subheads F3 and J7 5,000,000  
 Switch Regional Selective Assistance capital grant underspends to fund British Shipbuilders' PDC

RfR1: subheads L3 and L7 5,211,000  
 2 roof strategy

RfR1: subheads D3 to L7 300,000  
 Switch renewable energy capital grant underspends to fund core Department capital

RfR1: subheads K3 to L7 790,000  
 Switch nuclear non-proliferation capital grant underspends to fund core Department capital

#### Annually Managed Expenditure

Revised forecast 550,000,000  
 £550,000,000  
 RfR1: subhead N7  
 increased working capital facility for Royal Mail

Revised forecast 64,000,000  
 £64,000,000  
 RfR1: subhead N7  
 Purchase of equity to topup Royal Mail Reserve to enable Pensions Escrow

**Total change in capital for Estimate 625,301,000**

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £823,880,000.
3. Symbols are explained in the Introduction to this booklet.

**Part I**

£

<b>RfR 1: Increasing UK competitiveness</b>	<b>331,536,000</b>
<b>RfR 2: Increasing scientific excellence in the UK and maximising its contribution to society</b>	<b>41,123,000</b>
Total additional net resource requirement	372,659,000
<b>Additional net cash requirement</b>	<b>823,880,000</b>

SUPPLEMENTARY amounts required in the year ending 31 March 2007 for expenditure by the Department of Trade and Industry on:

**RfR 1: Increasing UK competitiveness**

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

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

Research Councils; the Royal Society; the Royal Academy of Engineering; the British Academy; Office of Science and Innovation 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
<b>RfR 1: Increasing UK competitiveness</b>					
<b>Spending in Departmental Expenditure Limits (DEL)</b>					
RfR 1 - A Knowledge Transfer and Innovation	298,653	44,758	11,800	32,958	331,611
RfR 1 - B Extending Competitive Markets	47,388	3,042	1,542	1,500	48,888
RfR 1 - C Security of Energy Supply	-6,527	5,510	-	5,510	-1,017
RfR 1 - D Sustainability and the Environment	107,847	-3,010	-	-3,010	104,837
RfR 1 - E Enterprise Growth and Business Investment	167,589	-25,450	-	-25,450	142,139
RfR 1 - F Regional Economies	-1,668,087	-7,000	-	-7,000	-1,675,087
RfR 1 - G Trade and Investment	33,718	6,705	-	6,705	40,423
RfR 1 - I Corporate Activity and Insolvency Framework	58,456	31,487	28,445	3,042	61,498
RfR 1 - J Assets and Liabilities	-1,223,378	63,506	-	63,506	-1,159,872
RfR 1 - K Nuclear Security and Export Control	54,591	-790	-	-790	53,801
RfR 1 - L Activities in Support of all Objectives	296,704	11,855	-	11,855	308,559
<b>Spending in Annually Managed Expenditure (AME)</b>					
RfR 1 - N Assets and Liabilities	-9,571	116,740	-	116,740	107,169
RfR 1 - O Regional Economies	2,501	953	-	953	3,454
<b>Non-Budget</b>					
RfR 1 - S Regional Economies	1,851,034	11,911	-	11,911	1,862,945
RfR 1 - V Assets and Liabilities	2,838,995	60,106	-	60,106	2,899,101
<b>Spending in Annually Managed Expenditure (AME)</b>					
RfR1-W Maximising Potential in the Workplace	-	50,000	-	50,000	50,000
<b>Non-Budget</b>					
RfR1-X Nuclear Security and Export Control	-	3,000	-	3,000	3,000
<b>Total RfR 1</b>		<b>373,323</b>	<b>41,787</b>	<b>331,536</b>	

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

#### Spending in Departmental Expenditure Limits (DEL)

RfR 2 - C British Academy	18,085	-1,200	-	-1,200	16,885
RfR 2 - D OST Initiatives	6,975	3,025	-	3,025	10,000
RfR 2 - E Knowledge Transfer	94,000	770	770	-	94,000
RfR 2 - F Science Research Investment Fund	300,000	-3,000	-	-3,000	297,000
RfR 2 - G Science and Engineering Base Administration Costs	3,500	-148	-	-148	3,352

RfR 2 - H	Transdepartmental Science and Technology Group administration costs	5,000	-319	-	-319	4,681
RfR 2 - I	Biotechnology and Biological Sciences Research Council	-1,000	-	5,710	-5,710	-6,710
<b>Spending in Annually Managed Expenditure (AME)</b>						
RfR 2 - J	Research Councils' Pension Schemes	15,202	2,000	-	2,000	17,202
<b>Non-Budget</b>						
RfR 2 - K	Arts and Humanities Research Council	90,557	-2,301	-	-2,301	88,256
RfR 2 - L	Biotechnology and Biological Sciences Research Council	366,185	11,833	-	11,833	378,018
RfR 2 - N	Engineering and Physical Sciences Research Council	663,565	-26,431	-	-26,431	637,134
RfR 2 - O	Medical Research Council	512,418	-9,995	-	-9,995	502,423
RfR 2 - P	Natural Environment Research Council	355,971	10,390	-	10,390	366,361
RfR 2 - Q	Particle Physics and Astronomy Research Council	295,645	32,855	-	32,855	328,500
RfR 2 - R	Council for the Central Laboratory of the Research Councils	128,952	29,331	-	29,331	158,283
RfR 2 - S	Council for the Central Laboratory of the Research Councils - Diamond Synchrotron	45,000	-182	-	-182	44,818
<b>Spending in Departmental Expenditure Limits (DEL)</b>						
RfR 2 - U	Science and Society	9,000	1,100	125	975	9,975
<b>Total RfR 2</b>			<b>47,728</b>	<b>6,605</b>	<b>41,123</b>	
<b>Total Changes to RfRs</b>			<b>421,051</b>	<b>48,392</b>	<b>372,659</b>	

	£000		
	Present Provision	Change in Provision	New Provision
<b>Capital and Cash</b>			
Total Capital Expenditure	12,458,456	625,301	13,083,757
Non-Operating A in A	11,954,845	-	11,954,845
<b>Net cash requirement</b>	<b>8,066,248</b>	<b>823,880</b>	<b>8,890,128</b>

**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	
<b>RfR 1: Increasing UK competitiveness</b>								
347,780	720,329	5,998,085	7,066,194	3,376,647	3,689,547	13,083,757	11,954,845	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
<b>A Knowledge Transfer and Innovation</b>								
7,899	162,701	173,366	343,966	12,355	331,611	16,809	166	
<b>B Extending Competitive Markets</b>								
-	122,465	23,451	145,916	97,028	48,888	-	-	
<b>C Security of Energy Supply</b>								
-	3,784	6,619	10,403	11,420	-1,017	-	-	
<b>D Sustainability and the Environment</b>								
-	27,725	77,822	105,547	710	104,837	-	-	
<b>E Enterprise Growth and Business Investment</b>								
-	122,702	35,887	158,589	16,450	142,139	52,000	-	
<b>F Regional Economies</b>								
-	7,900	48,726	56,626	1,731,713	-1,675,087	-	-	
<b>G Trade and Investment</b>								
36,462	-	4,373	40,835	412	40,423	-	-	
<b>H Maximising Potential in the Workplace</b>								
-	59,122	80	59,202	203	58,999	1,035	-	
<b>I Corporate Activity and Insolvency Framework</b>								
13,011	172,117	5,131	190,259	128,761	61,498	100	385	
<b>J Assets and Liabilities</b>								
4,661	38,350	156,506	199,517	1,359,389	-1,159,872	5,000	-	
<b>K Nuclear Security and Export Control</b>								
-	191	53,610	53,801	-	53,801	-	-	
<b>L Activities in Support of all Objectives</b>								
285,747	5,414	25,000	316,161	7,602	308,559	18,813	4,291	
<i>Support for Local Authorities</i>								
<b>M Grants to London Development Agency</b>								
-	-	392,689	392,689	-	392,689	-	-	
<b>Spending in Annually Managed Expenditure (AME)</b>								
<i>Central Government spending</i>								
<b>N Assets and Liabilities</b>								
-	-12,742	119,916	107,174	5	107,169	12,990,000	11,950,000	
<i>Support for Local Authorities</i>								
<b>O Regional Economies</b>								
-	-	3,454	3,454	-	3,454	-	-	
<b>Non-Budget</b>								
<b>P Extending Competitive Markets</b>								
-	-	38,217	38,217	-	38,217	-	-	

**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		
Q	Security of Energy Supply	-	10,600	11,300	21,900	10,599	11,301	-	-
R	Enterprise Growth and Business Investment	-	-	6,500	6,500	-	6,500	-	-
S	Regional Economies	-	-	1,862,945	1,862,945	-	1,862,945	-	-
T	Maximising Potential in the Workplace	-	-	-	-	-	-	-	-
U	Corporate Activity and Insolvency Framework	-	-	392	392	-	392	-	-
V	Assets and Liabilities	-	-	2,899,101	2,899,101	-	2,899,101	-	3
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
W	Maximising Potential in the Workplace	-	-	50,000	50,000	-	50,000	-	-
<b>Non-Budget</b>									
X	Nuclear Security and Export Control	-	-	3,000	3,000	-	3,000	-	-
<b>RfR 2: Increasing scientific excellence in the UK and maximising its contribution to society</b>									
	<b>8,033</b>	<b>17,318</b>	<b>3,117,426</b>	<b>3,142,777</b>	<b>7,672</b>	<b>3,135,105</b>		-	-
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A	The Royal Society	-	-	36,359	36,359	-	36,359	-	-
B	Royal Academy of Engineering	-	-	7,885	7,885	-	7,885	-	-
C	British Academy	-	-	16,885	16,885	-	16,885	-	-
D	OST Initiatives	-	-	10,000	10,000	-	10,000	-	-
E	Knowledge Transfer	-	-	94,770	94,770	770	94,000	-	-
F	Science Research Investment Fund	-	-	297,000	297,000	-	297,000	-	-
G	Science and Engineering Base Administration Costs	3,352	-	-	3,352	-	3,352	-	-
H	Transdepartmental Science and Technology Group administration costs	4,681	-	-	4,681	-	4,681	-	-
I	Biotechnology and Biological Sciences Research Council	-	-	-	-	6,710	-6,710	-	-
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									

**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	
J	Research Councils' Pension Schemes							
-	17,143	126	17,269	67	17,202	-	-	
<b>Non-Budget</b>								
K	Arts and Humanities Research Council							
-	-	88,256	88,256	-	88,256	-	-	
L	Biotechnology and Biological Sciences Research Council							
-	-	378,018	378,018	-	378,018	-	-	
M	Economic and Social Research Council							
-	-	140,508	140,508	-	140,508	-	-	
N	Engineering and Physical Sciences Research Council							
-	-	637,134	637,134	-	637,134	-	-	
O	Medical Research Council							
-	-	502,423	502,423	-	502,423	-	-	
P	Natural Environment Research Council							
-	-	366,361	366,361	-	366,361	-	-	
Q	Particle Physics and Astronomy Research Council							
-	-	328,500	328,500	-	328,500	-	-	
R	Council for the Central Laboratory of the Research Councils							
-	-	158,283	158,283	-	158,283	-	-	
S	Council for the Central Laboratory of the Research Councils - Diamond Synchrotron							
-	-	44,818	44,818	-	44,818	-	-	
T	Fees Payable under the Animals (Scientific Procedures) Act 1986							
-	175	-	175	-	175	-	-	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
U	Science and Society							
-	-	10,100	10,100	125	9,975	-	-	
<b>Total for Estimate:</b>								
<b>355,813</b>	<b>737,647</b>	<b>9,115,511</b>	<b>10,208,971</b>	<b>3,384,319</b>	<b>6,824,652</b>	<b>13,083,757</b>	<b>11,954,845</b>	

## Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
<b>Net Resource Requirement</b>	<b>6,451,993</b>	<b>372,659</b>	<b>6,824,652</b>
<b>Voted capital items</b>			
Capital	12,458,456	625,301	13,083,757
<i>Less:</i> Non-operating A in A	<u>11,954,845</u>	<u>-</u>	<u>11,954,845</u>
<b>Total net voted capital</b>	<b>503,611</b>	<b>625,301</b>	<b>1,128,912</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-31,856	-34,501	-66,357
Depreciation	-35,248	-	-35,248
New provisions and adjustments to previous provisions	-111,504	-139,579	-251,083
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>1,295,495</u>	<u>-</u>	<u>1,295,495</u>
<b>Total accruals to cash adjustments</b>	<b>1,110,644</b>	<b>-174,080</b>	<b>936,564</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>8,066,248</b>	<b>823,880</b>	<b>8,890,128</b>

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

' As in existing provision'

## Forecast Operating Cost Statement

	£'000
	2006-07 provision
<b>Net Administration Costs</b>	
RfR1	328,848
RfR2	8,033
<b>Total Net Administration Costs</b>	<b>336,881</b>
<b>Net Programme Costs</b>	
RfR1	3,356,558
RfR2	3,127,072
Non-voted	244,509
<b>Total Net Programme costs</b>	<b>6,728,139</b>
<b>Total Net Operating Cost</b>	<b>7,065,020</b>
<i>of which:</i>	
<b>Net Resource Requirement</b>	<b>6,824,652</b>
Non-voted expenditure	244,509
Consolidated Fund Extra Receipts	-4,141
<b>Resource Budget</b>	<b>5,296,041</b>

## Notes to the Estimate

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

	£'000
	2006-07 Provision
<b>Net Resource Requirement (Estimates)</b>	<b>6,824,652</b>
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	244,509
Consolidated Fund extra receipts in the OCS	-4,141
<b>Net Operating Costs (Accounts)</b>	<b>7,065,020</b>
<i>Adjustments to remove:</i>	
capital grants	-635,976
European Union income related to capital grants	-
voted expenditure outside the budget	-568
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-4,200
resource consumption of non departmental public bodies	-1,135,844
unallocated resource provision	7,609
<b>Resource Budget (Budget)</b>	<b>5,296,041</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	5,718,681
Annually Managed Expenditure (AME)	-422,640

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
<b>Net Voted Capital (Estimates)</b>	<b>1,128,912</b>
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-429,999
capital spending by non departmental public bodies	710,866
capital grants	635,976
European Union income related to capital grants	-
supported capital expenditure (revenue)	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	3
<b>Capital Budget (Budget)</b>	<b>2,045,758</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	1,292,758
Annually Managed Expenditure (AME)	753,000

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## Notes to the Estimate (*continued*)

### Explanation of Accounting Officer responsibilities

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

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

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

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

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

## Notes to the Estimate (*continued*)

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

£'000

 2006-07  
 Provision

**RfR 1: Increasing UK competitiveness**

<b>Administration</b>	<b>18,932</b>
<i>of which:</i>	
Sale of goods and services	18,932
<b>Programme</b>	<b>3,357,715</b>
<i>of which:</i>	
Sale of goods and services	1,511,455
Regulatory licences, fines, penalties and taxes	88,058
EU Income	-
Other grant income (including repayment of grants/subsidies)	1,731,463
Interest and dividends	4,141
CFERs	-4,141
Other income (including receipts)	26,739
<b>Total RfR1</b>	<b>3,376,647 †</b>

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

telecommunications, including licence fees, posts, civil aircraft research and demonstration, aerospace, private sector shipbuilding, British Energy, redundant steelworkers, space, consumer and investor protection, employment relations including the promotion of Work-Life Balance, support for the construction industry, privatisation and the sale of shares, petroleum licensing and royalties; legal services, consultancy, publications, secondments, departmental administration costs, central services, European Fast Stream, executive agencies and trading funds, including income relating to Ofcom; receipts from the Postal Services Commission and Office of Gas and Electricity Markets to cover the costs of the relevant Consumer Councils; receipts in connection with the coal subsidence adviser and the coal operating subsidy; the receipt of distributions from coal industry pension schemes other than distribution of surpluses; income relating to the dissolution of British Coal Corporation; income from the Office of the Deputy Prime Minister in respect of the Framework V helpline; miscellaneous receipts from other Government Departments and other income from the Office of Gas and Electricity Markets.

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

<b>Programme</b>	<b>7,672</b>
<i>of which:</i>	
Sale of goods and services	895
Other grant income (including repayment of grants/subsidies)	6,710
Pension scheme related income	67
CFERs	-
<b>Total RfR2</b>	<b>7,672 †</b>

† 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.

<b>Total Operating A in A</b>	<b>3,384,319</b>
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## Analysis of non - operating appropriations in aid (A in A)

### RfR 1: Increasing UK competitiveness

<b>Administration</b>	-
<i>of which:</i>	
Sale of assets	-
<b>Programme</b>	<b>11,954,845</b>
<i>of which:</i>	
Sale of assets	4,291
Loan, etc, repayments	11,950,554
<b>Total RfR1</b>	<b>11,954,845 †</b>
† Amount that may be applied as non-operating appropriations in aid in addition to the net total arising from: the recovery of income from the sales of fixed assets and from sale of land by the Department and its executive agencies, the repayment of loans	
<b>Total Non - operating A in A</b>	<b>11,954,845</b>

## Notes to the Estimate (*continued*)

### Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	102,460	3,157	-447,919	6,166,600	5,718,681
<i>of which:</i>					
<i>Administration budget*</i>	797		336,881	-	336,881
<i>Near-cash in RDEL</i>	45,120	34,024	-699,550	6,071,280	5,371,730
Capital**	-8,710	38,077	-282,271	1,575,029	1,292,758
Less Depreciation†	-	-	-35,248	-109,845	-145,093
Total	93,750	41,234	-765,438	7,631,784	6,866,346

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

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

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

### Cash which may be retained to offset expenditure

£'000  
15,339,164

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

## Notes to the Estimate (*continued*)

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

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

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

### Grants in Aid

RfR/Section	Body	£'000
<b>RfR 1</b>		
H	Advisory, Conciliation and Arbitration Service	43,652
A	British Standards Institution	1,055
B	National Association of Citizen's Advice Bureaux	23,855
B	Citizen's Advice Scotland	3,240
B	National Consumer Council	3,271
Q	Energy Watch	11,300
P	Postwatch	9,487
R	Design Council	6,500
P	Competition Commission and Competition Service	24,759
V	Coal Authority	32,060
S	Regional Development Agencies	1,862,945
V	United Kingdom Atomic Energy Authority	12,596
V	Nuclear Decommissioning Authority	2,854,445
X	Civil Nuclear Police Authority	3,000
	<b>Total</b>	<b>4,892,165</b>
<b>RfR 2</b>		
A	Royal Society	36,359
B	Royal Academy of Engineering	7,885
C	British Academy	16,885
K	Arts and Humanities Research Council	88,256
L	Biotechnology and Biological Sciences Research Council	378,018
M	Economic and Social Research Council	140,508
N	Engineering and Physical Sciences Research Council	637,134
O	Medical Research Council	502,423
P	Natural Environment Research Council	366,361
Q	Particle Physics and Astronomy Research Council	328,500
R	Council for the Central Laboratory of the Research Councils	158,283
S	Council for the Central Laboratory of the Research Councils for Diamond Synchrotron	44,818
	<b>Total</b>	<b>2,705,430</b>
	<b>Overall Total</b>	<b>7,597,595</b>

