# Department for Business, Innovation and Skills

## Introduction

This Supplementary Estimate is required for the following purposes:

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| Changes in budgets, non-budget voted provision and cash | Increases | Reductions | Total |
|---|---|---|---|
| Reserve Claims | | | |
| (Section B) Energy Industries Compensation Scheme | 6,000,000 | | |
| (Section D) Student Loans | 1,750,000,000 | | |
| Budget Exchange | | | |
| Administration costs | | | |
| (Section F) Central administration | | -20,294,000 | |
| (Section F) Shareholder Executive | | -4,688,000 | |
| (Section L) Skills Funding Agency | | -25,018,000 | |
| Programme costs | | | |
| (Section D) Higher Education | | -170,473,000 | |
| (Section I) Technology Strategy Board | | -135,527,000 | |
| Machinery of Government changes | | | |
| Administration costs | | | |
| (Section F) Transfer of URENCO from the Department of Energy and Climate Change | 20,000 | | |
| Programme costs | | | |
| (Section G) Transfer of URENCO from the Department of Energy and Climate Change | 8,051,000 | | |

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|---|---|---|
| Transfers of budgetary cover to/from other government departments | | |
| (Section C) Transfer to Office of Fair Trading for work on Competition and Markets Authority guidance | | -450,000 |
| (Section D) Transfer to Department for Culture, Media and Sport for GREAT | | -3,500,000 |
| (Section D) Transfer to Foreign and Commonwealth Office for GREAT | | -500,000 |
| (Section C) Transfer to UK Trade and Investment to increase UKTI services supporting Small to Medium-sized Enterprises and High-Value Opportunities | | -13,000,000 |
| (Section E) Transfer to the Department for Education for Learners with Learning Difficulties and/or Disabilities (and other minor transfers) | | -60,541,000 |
| (Section F) Transfer from the Department for Education for Learning and Skills Council Estates | 2,900,000 | |
| (Section G) Transfer from the Security and Intelligence Agencies for Cyber Security | 1,437,000 | |
| (Section I) Transfer to the Department for Communities and Local Government for the Local Enterprise Partnerships Capacity Fund | | -2,438,000 |
| (Section L) Transfer from Ministry of Justice for Offender Learning | 222,000 | |
| Movements between sections | | |
| Administration costs | | |
| (Section A) Reallocation of administration to reflect mid-year review of Departmental priorities | 530,000 | |
| (Section B) Reallocation of administration to reflect mid-year review of Departmental priorities | | -473,000 |
| (Section C) Reallocation of administration to reflect mid-year review of Departmental priorities | | -801,000 |
| (Section F) Reallocation of administration to reflect mid-year review of Departmental priorities | 9,655,000 | |
| (Section H) Reallocation of administration to reflect mid-year review of Departmental priorities | | -16,140,000 |

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| (Section I) Reallocation of administration to reflect mid-year review of Departmental priorities | 4,128,000 | |
| (Section J) Reallocation of administration to reflect mid-year review of Departmental priorities | 292,000 | |
| (Section K) Reallocation of administration to reflect mid-year review of Departmental priorities | | -2,000,000 |
| (Section L) Reallocation of administration to reflect mid-year review of Departmental priorities | 4,809,000 | |
| Programme costs | | |
| (Section A) Reallocation of programme to reflect mid-year review of Departmental priorities | 10,936,000 | |
| (Section B) Reallocation of programme to reflect mid-year review of Departmental priorities | | -139,699,000 |
| (Section B) Reallocation of programme to reflect mid-year review of Departmental priorities | 26,265,000 | |
| (Section C) Reallocation of programme to reflect mid-year review of Departmental priorities | 25,555,000 | |
| (Section C) Reallocation of programme to reflect mid-year review of Departmental priorities | 78,705,000 | |
| (Section D) Reallocation of programme to reflect mid-year review of Departmental priorities | 13,368,000 | |
| (Section E) Reallocation of programme to reflect mid-year review of Departmental priorities | 21,535,000 | |
| (Section E) Reallocation of programme to reflect mid-year review of Departmental priorities | | -468,000 |
| (Section F) Reallocation of programme to reflect mid-year review of Departmental priorities | 7,566,000 | |
| (Section F) Reallocation of programme to reflect mid-year review of Departmental priorities | | -17,797,000 |
| (Section G) Reallocation of programme to reflect mid-year review of Departmental priorities | 54,884,000 | |
| (Section H) Reallocation of programme to reflect mid-year review of Departmental priorities | | -5,374,000 |
| (Section I) Reallocation of programme to reflect mid-year review of Departmental priorities | 200,463,000 | |

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|---|---|---|
| (Section J) Reallocation of programme to reflect mid-year review of Departmental priorities | | -8,856,000 |
| (Section K) Reallocation of programme to reflect mid-year review of Departmental priorities | | -38,168,000 |
| (Section L) Reallocation of programme to reflect mid-year review of Departmental priorities | | -212,754,000 |
| (Section M) Reallocation of programme to reflect mid-year review of Departmental priorities | | -16,161,000 |
| (Sections E and L) Reduction in funding from the Department for Education for Apprenticeships | 165,000,000 | -165,000,000 |
| (Sections E and L) Reduction in funding from the Department for Education for European Social Fund | 198,700,000 | -198,700,000 |
| (Sections E and L) Reduction in funding from the Department for Education for Young People's Helpline | 400,000 | -400,000 |
| (Sections L and E) Increased Skills Funding Agency expenditure on Adult Skills Programmes Clusters funded by receipts from the Department for Education | 897,000 | -897,000 |
| (Sections L and E) Increased Skills Funding Agency expenditure and related receipts related to the Training and Enterprise Councils liquidation | 3,271,000 | -3,271,000 |
| (Sections L and E) Increased UK Commission for Employment and Skills Funding Agency expenditure and related receipts | 1,046,000 | -1,046,000 |
| (Sections L and E) Increased Skills Funding Agency expenditure on English for Speakers of Other Languages funded by receipts from the Department for Communities and Local Government | 4,024,000 | -4,024,000 |
| (Sections M and G) Reclassification of Green Investment Bank | 29,000,000 | -29,000,000 |
| Offsetting increases in expenditure and income | | |
| (Section E) Increased expenditure and receipts from the Department for Education relating to Joint Information Systems Committee | 1,698,000 | -1,698,000 |

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|---|---|---|---|
| (Section E) Increased expenditure and receipts from the Department for Work and Pensions relating to Joint Information Systems Committee | 300,000 | -300,000 | |
| **Total change in Resource DEL (Voted)** | **2,631,657,000** | **-1,299,456,000** | **1,332,201,000** |
| (Section N) Revised forecasts for nuclear decommissioning provisions | 21,000,000 | | |
| (Section O) Revised forecasts for Enterprise Finance Guarantee provisions | 15,000,000 | | |
| (Section P) Revised forecasts for Paternity Pay | 99,000,000 | | |
| (Section P) Reduction in provisions and bad debts for Insolvency Service | | -17,500,000 | |
| (Section P) Reclassification of Redundancy Payments Service as non-voted | | -340,000,000 | |
| (Section Q) Increase in Student Loans Unwinding of Discount | 1,167,627,000 | | |
| (Section Q) Decrease in Student Loans Interest Receivable | | -108,000,000 | |
| (Section S) Increase in onerous lease provisions | 61,000,000 | | |
| (Section T) Royal Mail Fundco sale of pension scheme assets unrealised losses | 218,000,000 | | |
| (Section T) Royal Mail shareholder loan interest receivable | | -51,000,000 | |
| (Section T) Dividend from URENCO | | -50,000,000 | |
| (Section U) Revised forecasts for Medical Research Council provisions | 18,000,000 | | |
| (Section U) Revised forecasts for Natural Environment Research Council provisions | 12,000,000 | | |
| (Section U) Revised forecasts for Science and Technology Facilities Council provisions | 20,000,000 | | |
| (Section V) Reduction in Advisory, Conciliatory and Arbitration Service provisions | | -2,000,000 | |
| (Section V) Reduction in Consumer Focus provisions | | -500,000 | |
| (Section W) Revised forecasts for Higher Education Funding Council for England (HEFCE) provisions | 12,000,000 | | |

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|---|---|---|---|
| (Section X) Revised forecasts for Skills Funding Agency provisions | 5,000,000 | | |
| **Total change in Resource AME (Voted)** | **1,648,627,000** | **-569,000,000** | **1,079,627,000** |
| (Section Y) Reclassification of Redundancy Payments Service as non-voted | 340,000,000 | | |
| (Section Y) Increased forecasts for Redundancy Payments Service | 110,000,000 | | |
| **Total change in Resource AME (Non-Voted)** | **450,000,000** | | **450,000,000** |
| Budget Exchange | | | |
| (Section L) Skills Funding Agency | | -40,000,000 | |
| (Section M) Green Investment Bank | | -503,000,000 | |
| Autumn Statement Award | | | |
| (Section B) National Measurement Office | 2,000,000 | | |
| (Section H) Economic and Social Research Council | 4,000,000 | | |
| (Section I) Technology Strategy Board | 4,000,000 | | |
| (Section L) Skills Funding Agency | 3,274,000 | | |
| Transfers of budgetary cover to/from other government departments | | | |
| (Section B) Transfer to the Department for Communities and Local Government for the Regional Growth Fund | | -30,000,000 | |
| Movements between sections | | | |
| (Section A) Reallocation of capital to reflect mid-year review of Departmental priorities | 18,500,000 | | |
| (Section B) Reallocation of capital to reflect mid-year review of Departmental priorities | | -123,299,000 | |
| (Section B) Reallocation of capital to reflect mid-year review of Departmental priorities | 17,800,000 | | |
| (Section C) Reallocation of capital to reflect mid-year review of Departmental priorities | | -2,400,000 | |

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|---|---|---|---|
| (Section C) Reallocation of capital to reflect mid-year review of Departmental priorities | 500,000 | | |
| (Section F) Reallocation of capital to reflect mid-year review of Departmental priorities | 18,189,000 | | |
| (Section G) Reallocation of capital to reflect mid-year review of Departmental priorities | | -4,600,000 | |
| (Section H) Reallocation of capital to reflect mid-year review of Departmental priorities | 7,500,000 | | |
| (Section I) Reallocation of capital to reflect mid-year review of Departmental priorities | | -12,307,000 | |
| (Section J) Reallocation of capital to reflect mid-year review of Departmental priorities | | -200,000 | |
| (Section K) Reallocation of capital to reflect mid-year review of Departmental priorities | | -13,393,000 | |
| (Section L) Reallocation of capital to reflect mid-year review of Departmental priorities | 93,710,000 | | |
| (Sections M and G) Reclassification of Green Investment Bank | 775,000,000 | -775,000,000 | |
| Offsetting increases in expenditure and income | | | |
| (Section B) Launch Investment | 41,600,000 | -41,600,000 | |
| **Total change in Capital DEL (Voted)** | **986,073,000** | **-1,545,799,000** | **-559,726,000** |
| Other Changes | | | |
| (Section Q) Increase in student loans | 327,000,000 | | |
| (Section Q) Increase in student loans interest capitalised | 108,000,000 | | |
| (Section Q) Decrease in receipts relating to student loans | | -169,000,000 | |
| (Section T) Royal Mail Fundco assets | 150,000,000 | | |
| (Section T) Royal Mail Shareholder Loan - capitalisation of the debtor | 51,000,000 | | |
| (Section T) Increase in Royal Mail Working Capital loan repayments | | -549,000,000 | |
| **Total change in Capital AME (Voted)** | **636,000,000** | **-718,000,000** | **-82,000,000** |

| | | | |
|---|---|---|---|
| (Section Z) Prior Period Adjustment for Higher Education Funding Council for England | 4,000,000 | | |
| **Total change in Non-Budget** | **4,000,000** | | **4,000,000** |
| Revisions to the net cash requirement reflect not only the changes to resources and capital as set out above but also a change in creditors. | | -901,304,000 | |
| **Total change in Net Cash Requirement** | | **-901,304,000** | **-901,304,000** |

# Part I

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| | Voted | Non-Voted | Total |
|---|---|---|---|
| **Departmental Expenditure Limit** | | | |
| Resource † | **1,332,201,000** | - | 1,332,201,000 |
| Capital | **-559,726,000** | - | -559,726,000 |
| **Annually Managed Expenditure** | | | |
| Resource | **1,079,627,000** | 450,000,000 | 1,529,627,000 |
| Capital | **-82,000,000** | - | -82,000,000 |
| **Total Net Budget** | | | |
| Resource | **2,411,828,000** | 450,000,000 | 2,861,828,000 |
| Capital | **-641,726,000** | - | -641,726,000 |
| **Non-Budget Expenditure** | **4,000,000** | | |
| **Net cash requirement †** | **-901,304,000** | | |

Supplementary amounts required in the year ending 31 March 2013 for expenditure by Department for Business, Innovation and Skills on:

**Departmental Expenditure Limit:**

Expenditure arising from:

The promotion of enterprise, innovation and increased productivity delivered through the portfolios of innovation, international trade and investment, regional investment, delivering regulatory reform, and measures to combat international bribery and corruption.

The provision of support for business, including support for specific industries, small and medium businesses, regional programmes, programmes to promote research and development, innovation and standards, best practice and sustainable development.

The promotion of strong, fair and competitive markets at home and abroad; measures to protect investors and to promote the interests of consumers; support for employment relations programmes and measures to promote a skilled and flexible labour market.

The efficient management and discharge of liabilities falling to the Department, including nuclear waste management and decommissioning and liabilities in respect of former shipbuilding industry employees.

The management of the Government's shareholder interest in the portfolio of commercial businesses wholly or partly owned by Government; providing financial assistance to public corporations, and trading funds including Ofcom; the management and administration of the Royal Mail Statutory Pension Scheme and the realisation of certain pension scheme assets.

The management of miscellaneous programmes, including payments in respect of claims for the restitution of the property of victims of Nazi persecution, compensation for distant water trawlermen and assistance to redundant steelworkers.

The payment of subscriptions to international organisations to fulfil international treaty obligations.

The management of Departmental exchange risk and other guarantee losses; payments to other Government Departments and the Devolved Administrations, the expenditure of arms-length organisations and other funding to organisations in relation to programmes supporting BIS objectives, including Non-Departmental Public Bodies and the Department's executive agencies, and payments to the Department for Education.

Education-related expenditure covers payments, grants and loans to organisations in the public, private and other sectors, including employers, community, voluntary and business support organisations, to individuals and other Government Departments and the Devolved Administrations. Expenditure relates primarily to England, but in some cases includes supporting activities in other parts of the United Kingdom and abroad.

Increasing science and research excellence in the UK and maximising its contribution to society through the Research Councils; the Royal Society; the Royal Academy of Engineering; the British Academy; and the Higher Education Funding bodies.

The promotion of Science in Society; Public Sector Research Establishments grants; contributions to the Science and Innovation Network including payments to the Foreign and Commonwealth Office; funding Foresight projects and research base initiatives and obtaining licences for research involving animals.

Helping to build a competitive economy by creating opportunities for everyone to develop their learning and skills through further, higher and other education provision and initiatives for young people and adults; Providing research and related initiatives at institutions delivering higher education; training, skills, enterprise, assessment and advice and guidance provision for young people, adults and employers and related initiatives.

The provision of financial and other support for students and trainees including grants, allowances, access funds, loans and their repayment; the resource consequences of loans to students; support for students through Local Authorities; the cost of sales of the student loan debt; reimbursement of fees for qualifying European Union students; post graduate awards; mandatory student awards; education maintenance allowances and childcare and transport support and loans.

Funding initiatives to support, improve and promote education, training, skills and student and trainee support and investments and loans to support Private Finance Initiatives; and programmes supported by the European Union.

The residual costs of the winding up of the Training and Enterprise Councils (TECs); the distribution of residual TEC assets returned to the Secretary of State under the terms of the TEC licence.

The activities of BIS's Partner Organisations: the Regional Development Agencies; the Skills Funding Agency; the Higher Education Funding Council for England; the Student Loans Company; the UK Commission for Employment and Skills; the Office for Fair Access; other Education-related bodies; Industrial Construction Training Boards; the Research Councils and associated bodies; the UK Space Agency; the Technology Strategy Board; Capital for Enterprise; the Advisory, Conciliation and Arbitration Service, Consumer Focus, the Competition Service, the Competition Commission, the Insolvency Service, the National Measurement Office and the United Kingdom Atomic Energy Authority.

Making payments to Local Authorities in respect of Local Area Agreements and New Burdens responsibilities; funding administration costs including a share of the costs of UK Trade & Investment, the expenses of the Office of Manpower Economics and other partner organisations.

Providing financial assistance to Land Registry, Ordnance Survey and the Meteorological Office, and expenditure on the activities of the Learning and Skills Improvement Service, the Wave Hub, MRC Technology, the Ufi Charitable Trust, and subsidiaries and shares in joint ventures of the Research Councils, the Regional Development Agencies and BIS, the public weather service and mapping services.

Non cash items associated with the above activities.

* Work towards securing an injection of private capital into the Royal Mail.

To provide financial solutions to accelerate private sector investment in the green economy and address market failures through the Green Investment Bank.

Income arising from:

Contributions from other Government Departments supplying resources which BIS will use to fund Partner Organisations; miscellaneous receipts from other Government Departments.

The Advisory, Conciliation and Arbitration Service, the Insolvency Service, legal services, consultancy, publications, secondments, departmental administration costs, central services, executive agencies and trading funds.

Ofcom receipts, receipts from Ofcom and the Office of Gas and Electricity Markets to cover the costs of the relevant consumer bodies. Receipts from the realisation of certain pension scheme assets related to the Royal Mail Statutory Pension scheme.

Receipts from licences and levies; Launch Investment receipts, Capital Venture Funds receipts; premium income and other receipts from Financial Guarantee schemes, and of dividends; equity withdrawals; interest on loans and loan repayments from the Land Registry, Ordnance Survey and Meteorological Office, UK Intellectual Property Office and Companies House.

Contributions from the Department of Health towards the UK Centre for Medical Research and Innovation.

The Department for Education for 14-19 programmes; contributions from the National Assembly for Wales; receipts to support the UK Commission for Employment and Skills; contributions from the Scottish Executive, the National Assembly for Wales, the Northern Ireland Executive and others towards education programmes and international programmes.

Contributions from other Government Departments and other sources towards the cost of promoting UK education and training overseas; London Challenge receipts; receipts from the Department of Health; student loan interest receivable; student support receipts; further and higher education receipts from the Department for Education; receipts from the Home Office for offender education; receipts from the Department for Communities and Local Government for Faith Leader project; the Further Education improvement programme, the Skills for Life programme and the Learning and Skills Improvement Service.

European Fast Stream receipts; repayment and default recoveries by banks in respect of career development loans; receipts for student support; repayment of working capital loans; receipts from outside organisations (including the EU) in respect of advertising and publicity activities and materials; sale of research publications; receipts from the European Social Fund to cover departmental programmes; Sponsorship Funding.

Receipts covering the return of assets from the Training and Enterprise Councils (TECs) as part of their winding-up process; receipts from the wind-down of Individual Learning Accounts; receipts and profit from the sale of surplus land, buildings and equipment; rental income from BIS properties including three domestic properties on the estate of the European School of Culture at Culham, Oxfordshire and from the National Physical Laboratory.

Receipts from the Land Registry, Ordnance Survey and the Meteorological Office, the Learning and Skills Improvement Service, the Wave Hub, MRC Technology, the Ufi Charitable Trust, and subsidiaries and shares in joint ventures of the Research Councils, the Regional Development Agencies and BIS, the public weather service and mapping services.

* Receipts from repayments of loans to the education sector.

Lead private sector engagement in, and raise business awareness of, cyber security.

Continued co-operation on Regional Growth Fund (RGF) supporting projects and programmes that lever private sector investment to create economic growth and sustainable employment across England, which aims to help areas and communities currently dependent on the public sector.

**Annually Managed Expenditure:**

<u>Expenditure arising from</u>:

Bad debts, impairments and provisions including those in relation to BIS's Partner Organisations: the Regional Development Agencies; the Skills Funding Agency; the Higher Education Funding Council for England; the Student Loans Company; the UK Commission for Employment and Skills; the Office for Fair Access; the Research Councils, the UK Space Agency, the Design Council, the Technology Strategy Board, Capital for Enterprise, the Local Better Regulation Office, Consumer Focus, the Competition Service, the Competition Commission, the Advisory, Conciliation and Arbitration Service, the Insolvency Service, the National Measurement Office and the United Kingdom Atomic Energy Authority.

The Redundancy Payments Service.

Bad debts, impairments and provisions in relation to: departmental administration; financial guarantee schemes; regional investment and programmes; enterprise for small and medium firms; provision of support for business, including support for specific industries; support for employment relations programmes and measures to promote a skilled and flexible labour market; miscellaneous programmes, including payments in respect of claims for the restitution of the property of victims of Nazi persecution, compensation for distant water trawlermen and assistance to redundant steelworkers.

The efficient management and discharge of liabilities falling to the Department, including nuclear waste management and decommissioning and liabilities in respect of former shipbuilding industry employees.

The provision of repayable credit facilities for Royal Mail and Post Office Ltd; contributions to the Research Councils' Pension Scheme and the provision of Paternity Pay.

The provision of financial and other support for students and trainees including grants, allowances, access funds, loans and their repayment; the resource consequences of loans to students; support for students through Local Authorities; the cost of sales of the student loan debt; education maintenance allowances and loans.

The expenditure of the Industrial Training Boards.
Other non cash items.

Providing financial assistance to the Land Registry, Ordnance Survey and the Meteorological Office, and expenditure on the Learning and Skills Improvement Service, the Financial Reporting Council, the Wave Hub, MRC Technology, the Ufi Charitable Trust, and subsidiaries and shares in joint ventures of the Research Councils, the Regional Development Agencies and BIS, the public weather service and Ordnance Survey.

* Refund of European Space Agency tax adjustments made on UK pensions payments.

Liabilities, including those relating to various legacy pension schemes.

NESTA Trust expenditure.

<u>Income arising from</u>:

Receipt of interest on loans and loan repayments from Royal Mail and Post Office Ltd; repayment of principal on student loans; receipts of, and levies from, the Construction Industry Training Board and the Engineering Construction Industry Training Board; repayments of student loans and receipts in respect of the charitable National Endowment for Science, Technology and the Arts.

Receipts from Land Registry, Ordnance Survey and the Meteorological Office.

Receipts from the realisation of certain pension scheme assets related to the Royal Mail Statutory Pension scheme.

* Income from Enrichment Holdings Ltd in respect of dividends from shares held by Enrichment Investments Ltd in URENCO.

**Non-Budget Expenditure:**

<u>Expenditure arising from</u>:
* Prior period adjustments.

**Department for Business, Innovation and Skills** will account for this Estimate.

† Policy and ownership responsibility for the UK shareholding in Urenco transferred from the Department of Energy and Climate Change on 17 January 2013.
Within the overall changes sought in this Estimate, the specific changes relating to this Machinery of Government change are:
a) Departmental Expenditure Limit – Resource (Voted) is increased by £8,071,000; and
b) the net cash requirement is increased by £8,071,000.

# Part II: Changes Proposed

£'000

| | Net Resources | | | | | | Net Capital | | |
|---|---|---|---|---|---|---|---|---|---|
| | Present | | Changes | | Revised | | Present | Changes | Revised |
| | Admin | Prog | Admin | Prog | Admin | Prog | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Spending in Departmental Expenditure Limits (DEL)** | | | | | | | | | |
| **Voted Expenditure** | 766,949 | 17,481,441 | -49,980 | 1,382,181 | 716,969 | 18,863,622 | 2,097,726 | -559,726 | 1,538,000 |
| *Of which:* | | | | | | | | | |
| A Science and Research | 2,057 | 476,252 | 530 | 10,936 | 2,587 | 487,188 | 35,453 | 18,500 | 53,953 |
| B Innovation, Enterprise and Business | 2,688 | 409,658 | -473 | -107,434 | 2,215 | 302,224 | 209,244 | -133,499 | 75,745 |
| C Market Frameworks | 5,379 | 79,156 | -801 | 90,810 | 4,578 | 169,966 | 14,700 | -1,900 | 12,800 |
| D Higher Education | - | 3,780,272 | - | 1,588,895 | - | 5,369,167 | - | - | - |
| E Further Education | - | -1,091,958 | - | 315,388 | - | -776,570 | - | - | - |
| F Capability | 345,893 | 35,615 | -15,307 | -7,331 | 330,586 | 28,284 | 5,500 | 18,189 | 23,689 |
| G Government as Shareholder | - | 390,040 | - | 35,372 | - | 425,412 | 839,600 | -779,600 | 60,000 |
| H Science and Research (NDPB) net | 147,048 | 4,457,511 | -16,140 | -5,374 | 130,908 | 4,452,137 | 566,647 | 11,500 | 578,147 |
| I Innovation, Enterprise and Business (NDPB) net | 25,859 | 266,141 | 4,128 | 62,498 | 29,987 | 328,639 | 37,782 | -8,307 | 29,475 |
| J Market Frameworks (NDPB) net | 17,639 | 73,046 | 292 | -8,856 | 17,931 | 64,190 | 1,600 | -200 | 1,400 |
| K Higher Education (NDPB) net | 66,312 | 3,875,569 | -2,000 | -38,168 | 64,312 | 3,837,401 | 108,300 | -13,393 | 94,907 |
| L Further Education (NDPB) net | 154,074 | 4,730,139 | -20,209 | -567,394 | 133,865 | 4,162,745 | 278,900 | 56,984 | 335,884 |
| M Government as Shareholder (NDPB) net | - | - | - | 12,839 | - | 12,839 | - | 272,000 | 272,000 |
| **Total Spending in DEL** | | | **-49,980** | **1,382,181** | | | | **-559,726** | |
| **Spending in Annually Managed Expenditure (AME)** | | | | | | | | | |
| **Voted Expenditure** | - | -1,455,033 | - | 1,079,627 | - | -375,406 | 6,851,817 | -82,000 | 6,769,817 |
| *Of which:* | | | | | | | | | |
| N Science and Research | - | 62,389 | - | 21,000 | - | 83,389 | - | - | - |
| O Innovation, Enterprise and Business | - | -39,171 | - | 15,000 | - | -24,171 | - | - | - |
| P Market Frameworks | - | 451,556 | - | -258,500 | - | 193,056 | - | - | - |
| Q Higher Education | - | -1,824,963 | - | 1,059,627 | - | -765,336 | 6,094,000 | 266,000 | 6,360,000 |
| S Capability | - | -42,446 | - | 61,000 | - | 18,554 | - | - | - |

# Part II: Changes Proposed

£'000

| | Net Resources | | | | | | Net Capital | | |
|---|---|---|---|---|---|---|---|---|---|
| | Present | | Changes | | Revised | | Present | Changes | Revised |
| | Admin | Prog | Admin | Prog | Admin | Prog | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| T Government as Shareholder | - | -727 | - | 117,000 | - | 116,273 | 750,000 | -348,000 | 402,000 |
| U Science and Research (NDPB) net | - | -45,785 | - | 50,000 | - | 4,215 | - | - | - |
| V Market Frameworks (NDPB) net | - | 1,530 | - | -2,500 | - | -970 | - | - | - |
| W Higher Education (NDPB) net | - | -19,970 | - | 12,000 | - | -7,970 | - | - | - |
| X Further Education (NDPB) net | - | 2,581 | - | 5,000 | - | 7,581 | 7,817 | - | 7,817 |
| **Non Voted Expenditure** | - | - | - | 450,000 | - | 450,000 | - | - | - |
| *Of which:* | | | | | | | | | |
| Y Market Frameworks | - | - | - | 450,000 | - | 450,000 | - | - | - |
| **Total Spending in AME** | | | **-** | **1,529,627** | | | | **-82,000** | |
| **Non-Budget spending** | | | | | | | | | |
| **Voted Expenditure** | - | - | - | 4,000 | - | 4,000 | - | - | - |
| *Of which:* | | | | | | | | | |
| Z Prior Period Adjustments | - | - | - | 4,000 | - | 4,000 | - | - | - |
| **Total Non-Budget Spending** | | | **-** | **4,000** | | | | **-** | |
| **Total for Estimate** | | | **-49,980** | **2,915,808** | | | | **-641,726** | |
| *Of which:* | | | | | | | | | |
| **Voted Expenditure** | | | -49,980 | 2,465,808 | | | | -641,726 | |
| **Non Voted Expenditure** | | | - | 450,000 | | | | - | |

£'000

| | Present Plans | Changes | Revised Plans |
|---|---|---|---|
| **Net Cash Requirement** | **24,744,227** | **-901,304** | **23,842,923** |

# Part II: Revised subhead detail including additional provision

£'000

**Revised Plans**

| | Resources | | | | | | Capital | | |
|---|---|---|---|---|---|---|---|---|---|
| | Administration | | | Programme | | | | | |
| | Gross | Income | Net | Gross | Income | Net | Gross | Income | Net |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Spending in Departmental Expenditure Limits (DEL)** | | | | | | | | | |
| **Voted expenditure** | 797,785 | -80,816 | 716,969 | 19,910,573 | -1,046,951 | 18,863,622 | 29,736,000 | -28,198,000 | 1,538,000 |
| *Of which:* | | | | | | | | | |
| A Science and Research | 67,587 | -65,000 | 2,587 | 490,386 | -3,198 | 487,188 | 53,953 | - | 53,953 |
| B Innovation, Enterprise and Business | 2,215 | - | 2,215 | 319,419 | -17,195 | 302,224 | 273,745 | -198,000 | 75,745 |
| C Market Frameworks | 4,578 | - | 4,578 | 275,186 | -105,220 | 169,966 | 12,800 | - | 12,800 |
| D Higher Education | - | - | - | 5,369,167 | - | 5,369,167 | - | - | - |
| E Further Education | - | - | - | 110,253 | -886,823 | -776,570 | - | - | - |
| F Capability | 346,402 | -15,816 | 330,586 | 48,069 | -19,785 | 28,284 | 23,689 | - | 23,689 |
| G Government as Shareholder | - | - | - | 440,142 | -14,730 | 425,412 | 28,060,000 | -28,000,000 | 60,000 |
| H Science and Research (NDPB) net | 130,908 | - | 130,908 | 4,452,137 | - | 4,452,137 | 578,147 | - | 578,147 |
| I Innovation, Enterprise and Business (NDPB) net | 29,987 | - | 29,987 | 328,639 | - | 328,639 | 29,475 | - | 29,475 |
| J Market Frameworks (NDPB) net | 17,931 | - | 17,931 | 64,190 | - | 64,190 | 1,400 | - | 1,400 |
| K Higher Education (NDPB) net | 64,312 | - | 64,312 | 3,837,401 | - | 3,837,401 | 94,907 | - | 94,907 |
| L Further Education (NDPB) net | 133,865 | - | 133,865 | 4,162,745 | - | 4,162,745 | 335,884 | - | 335,884 |
| M Government as Shareholder (NDPB) net | - | - | - | 12,839 | - | 12,839 | 272,000 | - | 272,000 |
| **Total Spending in DEL** | **797,785** | **-80,816** | **716,969** | **19,910,573** | **-1,046,951** | **18,863,622** | **29,736,000** | **-28,198,000** | **1,538,000** |
| **Spending in Annually Managed Expenditure (AME)** | | | | | | | | | |
| **Voted expenditure** | - | - | - | 440,594 | -816,000 | -375,406 | 15,971,817 | -9,202,000 | 6,769,817 |
| *Of which:* | | | | | | | | | |
| N Science and Research | - | - | - | 83,389 | - | 83,389 | - | - | - |
| O Innovation, Enterprise and Business | - | - | - | -24,171 | - | -24,171 | - | - | - |
| P Market Frameworks | - | - | - | 193,056 | - | 193,056 | - | - | - |

# Part II: Revised subhead detail including additional provision

£'000

**Revised**

**Plans**

| | Resources | | | | | | Capital | | |
|---|---|---|---|---|---|---|---|---|---|
| | Administration | | | Programme | | | | | |
| | Gross | Income | Net | Gross | Income | Net | Gross | Income | Net |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Q Higher Education | - | - | - | -54,336 | -711,000 | -765,336 | 8,013,000 | -1,653,000 | 6,360,000 |
| R Further Education | - | - | - | -27 | - | -27 | - | - | - |
| S Capability | - | - | - | 18,554 | - | 18,554 | - | - | - |
| T Government as Shareholder | - | - | - | 221,273 | -105,000 | 116,273 | 7,951,000 | -7,549,000 | 402,000 |
| U Science and Research (NDPB) net | - | - | - | 4,215 | - | 4,215 | - | - | - |
| V Market Frameworks (NDPB) net | - | - | - | -970 | - | -970 | - | - | - |
| W Higher Education (NDPB) net | - | - | - | -7,970 | - | -7,970 | - | - | - |
| X Further Education (NDPB) net | - | - | - | 7,581 | - | 7,581 | 7,817 | - | 7,817 |
| **Non-voted expenditure** | - | - | - | 450,000 | - | 450,000 | - | - | - |
| *Of which:* | | | | | | | | | |
| Y Market Frameworks | - | - | - | 450,000 | - | 450,000 | - | - | - |
| **Total Spending in AME** | **-** | **-** | **-** | **890,594** | **-816,000** | **74,594** | **15,971,817** | **-9,202,000** | **6,769,817** |
| **Non-Budget spending** | | | | | | | | | |
| **Voted expenditure** | - | - | - | 4,000 | - | 4,000 | - | - | - |
| *Of which:* | | | | | | | | | |
| Z Prior Period Adjustments | - | - | - | 4,000 | - | 4,000 | - | - | - |
| **Total Non-Budget Spending** | **-** | **-** | **-** | **4,000** | **-** | **4,000** | **-** | **-** | **-** |
| **Total for Estimate** | **797,785** | **-80,816** | **716,969** | **20,805,167** | **-1,862,951** | **18,942,216** | **45,707,817** | **-37,400,000** | **8,307,817** |
| *Of which:* | | | | | | | | | |
| **Voted Expenditure** | 797,785 | -80,816 | 716,969 | 20,355,167 | -1,862,951 | 18,492,216 | 45,707,817 | -37,400,000 | 8,307,817 |
| **Non Voted Expenditure** | - | - | - | 450,000 | - | 450,000 | - | - | - |

# Part II: Resource to cash reconciliation

£'000

| | Present Plans | Changes | Revised Plans |
|---|---|---|---|
| **Net Resource Requirement** | **16,793,357** | **2,865,828** | **19,659,185** |
| **Net Capital Requirement** | **8,949,543** | **-641,726** | **8,307,817** |
| **Accruals to cash adjustments** | **-998,673** | **-2,675,406** | **-3,674,079** |
| *Of which:* | | | |
| *Adjustments to remove non-cash items:* | | | |
| Depreciation | -95,867 | -3,912,767 | -4,008,634 |
| New provisions and adjustments to previous provisions | -777,210 | 676,531 | -100,679 |
| Departmental Unallocated Provision | - | - | - |
| Supported capital expenditure (revenue) | - | - | - |
| Prior Period Adjustments | - | -4,000 | -4,000 |
| Other non-cash items | -10,415 | 10,000 | -415 |
| *Adjustment for NDPBs:* | | | |
| Remove voted resource and capital | -14,752,740 | 195,300 | -14,557,440 |
| Add cash grant-in-aid | 14,502,925 | 182,530 | 14,685,455 |
| *Adjustments to reflect movements in working balances:* | | | |
| Increase (+) / Decrease (-) in stock | - | - | - |
| Increase (+) / Decrease (-) in debtors | - | - | - |
| Increase (-) / Decrease (+) in creditors | - | 177,000 | 177,000 |
| Use of provisions | 134,634 | - | 134,634 |
| **Removal of non-voted budget items** | **-** | **-450,000** | **-450,000** |
| *Of which:* | | | |
| Consolidated Fund Standing Services | - | - | - |
| Other adjustments | - | -450,000 | -450,000 |
| **Net Cash Requirement** | **24,744,227** | **-901,304** | **23,842,923** |

# Part III: Note A - Statement of Comprehensive Net Expenditure & Reconciliation Table

£'000

| | Revised Plans |
|---|---|
| Gross Administration Costs | 749,290 |
| *Less:* | |
| Administration DEL Income | -80,816 |
| **Net Administration Costs** | **668,474** |
| Gross Programme Costs | 21,815,401 |
| *Less:* | |
| Programme DEL Income | -29,046,951 |
| Programme AME Income | -816,000 |
| Non-budget income | - |
| **Net Programme Costs** | -8,047,550 |
| **Total Net Operating Costs** | **-7,379,076** |
| *Of which:* | |
| Resource DEL | 19,440,460 |
| Capital DEL | -27,072,261 |
| Resource AME | 252,725 |
| Capital AME | - |
| Non-budget | - |
| *Adjustments to include:* | |
| Departmental Unallocated Provision (resource) | - |
| Consolidated Fund Extra Receipts in the budget but not in the SoCNE | - |
| *Adjustments to remove:* | |
| Capital in the SoCNE | 27,072,261 |
| Non-Budget Consolidated Fund Extra Receipts in the SoCNE | - |
| Other adjustments | -38,000 |
| **Total Resource Budget** | **19,655,185** |
| *Of which:* | |
| Resource DEL | 19,580,591 |
| Resource AME | 74,594 |
| *Adjustments to include:* | |
| Prior period adjustments | 4,000 |
| *Adjustments to remove:* | |
| Consolidated Fund Extra Receipts in the resource budget | - |
| Other adjustments | - |
| **Total Resource (Estimate)** | **19,659,185** |

# Part III: Note B - Analysis of Departmental Income

£'000

| | Revised Plans |
|---|---|
| **Voted Resource DEL** | **-1,127,767** |
| *Of which:* | |
| Administration | |
| Sales of Goods and Services | -72,750 |
| *Of which:* | |
| A Science and Research | -65,000 |
| F Capability | -7,750 |
| Other Income | -8,066 |
| *Of which:* | |
| F Capability | -8,066 |
| Total Administration | -80,816 |
| | |
| Programme | |
| EU Grants Received | -350,062 |
| *Of which:* | |
| A Science and Research | -62 |
| E Further Education | -350,000 |
| Sales of Goods and Services | -166,289 |
| *Of which:* | |
| A Science and Research | -3,136 |
| B Innovation, Enterprise and Business | -17,195 |
| C Market Frameworks | -96,173 |
| E Further Education | -30,000 |
| F Capability | -19,785 |
| Interest and Dividends | -17,030 |
| *Of which:* | |
| C Market Frameworks | -2,300 |
| G Government as Shareholder | -14,730 |
| Other Grants | -506,823 |
| *Of which:* | |
| E Further Education | -506,823 |
| Taxation | -6,747 |
| *Of which:* | |
| C Market Frameworks | -6,747 |
| Total Programme | -1,046,951 |

# Part III: Note B - Analysis of Departmental Income

| | £'000 |
|---|---|
| | **Revised Plans** |
| **Voted Resource AME** | **-816,000** |
| *Of which:* | |
| Programme | |
| Interest and Dividends | -816,000 |
| *Of which:* | |
| Q Higher Education | -711,000 |
| T Government as Shareholder | -105,000 |
| Total Programme | -816,000 |
| **Total Voted Resource Income** | **-1,943,767** |
| **Voted Capital DEL** | **-28,198,000** |
| *Of which:* | |
| Programme | |
| Other Grants | -28,000,000 |
| *Of which:* | |
| T Government as Shareholder | -28,000,000 |
| Other Income | -198,000 |
| *Of which:* | |
| O Innovation, Enterprise and Business | -198,000 |
| Total Programme | -28,198,000 |
| **Voted Capital AME** | **-9,202,000** |
| *Of which:* | |
| Programme | |
| Repayments | -9,202,000 |
| *Of which:* | |
| Q Higher Education | -1,653,000 |
| T Government as Shareholder | -7,549,000 |
| Total Programme | -9,202,000 |
| **Total Voted Capital Income** | **-37,400,000** |

# Part III: Note C - Analysis of Consolidated Fund Extra Receipts

In addition to income retained by the Department the following income is payable to the Consolidated Fund:

£'000

| | Present | | Changes | | Revised | |
|---|---|---|---|---|---|---|
| | Income | *Receipts* | Income | *Receipts* | Income | *Receipts* |
| Income in budgets surrendered to the Consolidated Fund (resource) | - | - | - | - | - | - |
| Income in budgets surrendered to the Consolidated Fund (capital) | - | - | - | - | - | - |
| Non-budget amounts collectable on behalf of the Consolidated Fund (in the SoCNE) | - | - | -14,400,000 | *-14,400,000* | -14,400,000 | *-14,400,000* |
| **Total** | **-** | **-** | **-14,400,000** | ***-14,400,000*** | **-14,400,000** | ***-14,400,000*** |

## Detailed description of CFER sources

£'000

| | Present | | Changes | | Revised | |
|---|---|---|---|---|---|---|
| | Income | *Receipts* | Income | *Receipts* | Income | *Receipts* |
| **Non-Budget** | | | | | | |
| Proceeds from the Postal Services Act Company | - | - | -14,399,000 | *-14,399,000* | -14,399,000 | *-14,399,000* |
| BNFL Pension Liabilities | - | - | -1,000 | *-1,000* | -1,000 | *-1,000* |
| **Total** | **-** | **-** | **-14,400,000** | ***-14,400,000*** | **-14,400,000** | ***-14,400,000*** |

# Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

| | |
|---|---|
| **Accounting Officer:** | Martin Donnelly |

In accordance with Chapter 3 of Managing Public Money (issued by the Treasury), the following individuals are NDPB Accounting Officer appointments:

**NDPB Accounting Officers:**

| | |
|---|---|
| Martin Donnelly | Advantage West Midlands (RDA) |
| John Taylor | Advisory Conciliation & Arbitration Service (ACAS) |
| Mary-Anne Geary | Arts and Humanities Research Council (AHRC) |
| Prof Douglas Kell | Biotechnology & Biological Sciences Research Council |
| Geraldine Swanton | British Hallmarking Council |
| Rory Earley | Capital for Enterprise Ltd |
| Charles Dhanowa OBE | Competition Service |
| David Saunders | Competition Commission |
| Mark Farrar | Construction Industry Training Board |
| Mike O'Connor | Consumer Focus |
| Martin Donnelly | East Midlands Development Agency |
| Martin Donnelly | East of England Development Agency |
| Professor Paul Boyle | Economic & Social Research Council |
| Prof David Delpy | Engineering & Physical Sciences Research Council |
| David Edwards | Engineering Construction Industry Training Board (ECITB) |
| Iain Smith | Film Industry Training Board |
| Sir Alan Langlands | Higher Education Funding Council for England (HEFCE) |
| Graham Russell | Local Better Regulation Office |
| Sir John Savill | Medical Research Council |
| Geoff Mulgan | NESTA Trust |
| Professor Duncan Wingham | Natural Environment Research Council |
| Martin Donnelly | North West Development Agency |
| Sir Martin Harris | Office for Fair Access (OFFA) |
| Martin Donnelly | One North East (RDA) |
| Prof John Womersley | Science and Technology Facilities Council |
| Martin Donnelly | South East England Development Agency |
| Martin Donnelly | South West of England Regional Development Agency |
| Ed Lester | Student Loans Company |
| Iain Gray | Technology Strategy Board (TSB) |
| Steve Cowley | UK Atomic Energy Authority |
| Michael Davis | UK Commission for Employment and Skills (plus 23 SSCs) |
| Martin Donnelly | Yorkshire Forward (RDA) |
| Stephen Haddrill | Financial Reporting Council Limited |
| Martin Donnelly | BIS (Postal Services Act 2011) Company Limited |
| Shaun Kingsbury | UK Green Investment Bank plc |
| Kim Thorneywork (interim) | Skills Funding Agency |
| Kim Thorneywork | Learning and Skills Improvement Service |

Martin Donnelly has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities, particular regard is given to:

- observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;

- making judgements and estimates on a reasonable basis;

- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FReM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and

- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of Managing Public Money.

In accordance with Managing Public Money requirements, the relationship between the Principal Accounting Officer and Additional Accounting Officer(s), and with their Ministers, together with their respective responsibilities, is set out in writing. Similarly, the relationship between the Principal/Additional Accounting Officer and the NDPB Accounting Officer(s) is set out in writing.

# Part III: Note E - Non-Departmental Public Bodies

£'000

| Section in Part II: Subhead Detail | Body | Resources | Capital | Grant-in-aid |
|---|---|---|---|---|
| I | Technology Strategy Board | 349,045 | 29,475 | 449,818 |
| I | Capital for Enterprise | 3,880 | - | 3,631 |
| J | ACAS (Advisory, Conciliation and Arbitration Service) | 49,471 | 1,100 | 48,971 |
| J | Consumer Focus | 9,362 | - | 11,224 |
| J | Competition Service | 4,001 | - | 3,985 |
| J | Competition Commission | 19,287 | 300 | 18,755 |
| H | United Kingdom Atomic Energy Authority | 5,981 | 1,700 | 6,410 |
| I | Regional Development Agencies | 5,701 | - | 10,700 |
| H | Arts and Humanities Research Council | 98,535 | - | 103,916 |
| H | Biotechnology and Biological Sciences Research Council | 367,371 | 103,300 | 524,000 |
| H | Economic and Social Research Council | 152,550 | 23,400 | 176,877 |
| H | Engineering and Physical Sciences Research Council | 769,150 | 65,000 | 847,550 |
| H | Medical Research Council | 594,349 | 30,600 | 660,400 |
| H | Natural Environment Research Council | 332,473 | 36,600 | 353,796 |
| H | Research Councils projects | 130,678 | 807 | |
| H | Science and Technology Facilities Council | 441,880 | 106,393 | 496,088 |
| H | Higher Education Funding Council for England (HEFCE) - Science | 1,690,078 | 210,347 | 2,050,425 |
| K | Higher Education Funding Council for England (HEFCE) - Education | 3,794,494 | 90,300 | 3,921,930 |
| K | Office for Fair Access to Higher Education | 1,000 | - | 1,118 |
| K | Student Loans Company | 106,219 | 4,607 | 146,130 |
| L | Skills Funding Agency | 4,226,013 | 330,232 | 4,497,936 |
| L | UK Commission for Employment and Skills | 70,597 | 5,652 | 71,295 |
| M | Green Investment Bank | 12,839 | 272,000 | 280,500 |
| U | Biotechnology and Biological Sciences Research Council | 900 | - | - |
| U | Economic and Social Research Council | -1,000 | - | - |
| U | Engineering and Physical Sciences Research Council | -1,090 | - | - |
| U | Medical Research Council | 7,000 | - | - |
| U | Natural Environment Research Council | -3,350 | - | - |
| U | Arts and Humanities Research Council | -1,475 | - | - |
| U | Science and Technology Facilities Council | 7,630 | - | - |

# Part III: Note E - Non-Departmental Public Bodies

£'000

| Section in Part II: Subhead Detail | Body | Resources | Capital | Grant-in-aid |
|---|---|---|---|---|
| U | United Kingdom Atomic Energy Authority | -4,400 | - | - |
| V | ACAS (Advisory, Conciliation and Arbitration Service) | -1,067 | - | - |
| V | Competition Commission | 100 | - | - |
| V | Competition Service | 5 | - | - |
| V | Consumer Focus | -8 | - | - |
| W | Higher Education Funding Council for England (HEFCE) - Education | -10,000 | - | - |
| W | Student Loans Company | 2,030 | - | - |
| X | Skills Funding Agency | 8,500 | - | - |
| X | UK Commission for Employment and Skills | | - | - |
| X | Construction Industry Training Board | -1,196 | 7,567 | - |
| X | Engineering Construction Industry Training Board | 277 | 250 | - |
| **Total** | | **13,237,810** | **1,319,630** | **14,685,455** |

# Part III: Note F - Accounting Policy changes

**Prior Period Adjustments**
This note provides details of Prior Period Adjustments (PPAs) impacting on this Estimate.

Voted

The Supplementary Estimate includes a voted PPA to reflect an omission in the outturn figures for 2011-12 that will be corrected as part of the preparation of the 2012-13 Annual Report and Accounts. No adjustments are required for 2012-13 or 2010-11.

**£'000**

| | 2010-11 | 2011-12 | 2012-13 |
|---|---|---|---|
| In 2011-12 the Higher Education Funding Council for England (HEFCE) treated recoverable grants as prepayments in their accounts, this treatment was mirrored in the accounts of the BIS Group; having reviewed this policy, these are now classified as loans. | - | 4,000 | - |

# Part III: Note G - Expenditure resting on the sole authority of the Supply and Appropriation Act

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

| Section in Part II: Subhead Detail | Service | £'000 |
|---|---|---|
| As in existing provision | | |

# Part III: Note K - Contingent Liabilities

| Nature of liability | £'000 |
|---|---|
| **The following liabilities fell to be met from the Department's Estimate:** | |
| **Statutory Liabilities Charged to Resource Estimates:** | |
| Liabilities that arise from the transfer of Training and Enterprise Councils (TEC)/Chambers of Commerce Training and Enterprise Councils (CCTE) functions to successors, including from staff who have transferred or been made redundant, and who as a result of the transfer seek redress through the Employment Tribunal. | 1,000 |
| The Department is responsible for liabilities arising from deeds of indemnity given to liquidators of TECs, covering the funds that they have returned to the Department as part of the dissolution process. | 1,000 |
| European Patent Office: the UK, as one of the contracting states, has a potential liability under Article 40 of the European Patent Convention of 1973. | Unquantifiable |
| World Intellectual Property Organisation: the UK, as a contracting state to the Patent Co-operation Treaty of 1970, has a potential liability under Article 57 of the Treaty. | Unquantifiable |
| Home Shipbuilding Credit Guarantee Scheme. | 3,039 |
| A guarantee has been given to the Financial Reporting Council that if the amount held in the Legal Costs Fund falls below £1 million in any year, an additional grant will be made to cover legal costs subsequently incurred in that year. | Unquantifiable |
| Any liabilities imposed by section 9, British Aerospace Act 1980. | Unquantifiable |
| Local Network Indemnities. | 3,484 |
| Callable capital subscription for the Common Fund for Commodities. | 1,960 |
| Paid in capital subscription for the Common Fund for Commodities. | 2,240 |
| The Department has a range of civil nuclear liabilities arising through its association with the United Kingdom Atomic Energy Authority and British Nuclear Fuels Limited as well as ensuring that the Government complies with its obligations under the various international nuclear agreements and treaties. | Unquantifiable |
| Indemnities given to the UK Atomic Energy Authority by the Secretary of State to cover certain indemnities given by the Authority to carriers and British Nuclear Fuels Limited against certain claims for damage caused by nuclear matter in the course of carriage. | Unquantifiable |
| Indemnities equivalent to those given to civil servants under the Civil Service Management Code have been given to persons appointed to the Board of the Office of Fair Trading, including the Chairman. | Unquantifiable |

# Part III: Note K - Contingent Liabilities

| Nature of liability | £'000 |
|---|---|
| Indemnities given to Bankers of the Insolvency Services against certain liabilities arising in respect of non-transferable "account payee" cheques due to insolvent estates and paid into the Insolvency Service's account. | Unquantifiable |
| The Police Information Technology Organisation (Home Office) provides BIS with access to data from the Police National Computer (PNC). BIS has indemnified the police against any liabilities which they might incur as a result of providing that access. | Unquantifiable |
| **Non-Statutory Liabilities Charged to Resource Estimates:** | |
| The Cabinet Secretary has provided a Government wide indemnity to Independent Public Appointment Assessors (IPAAs). This will ensure that IPAAs will not have to meet any personal civil liability incurred in the execution of their IPAA functions. BIS carries out around 200 appointments per annum which are scrutinised by IPAAs. | Unquantifiable |
| Post Office Limited: the department has since October 2003 made available to Post Office Limited a revolving loan facility of up to £1.15 billion. This is to help the company fund its working capital cash requirements in branch to the extent that they are connected with the provision of services of general economic interest. The package was agreed against the background of the migration of State benefits payments to a system of direct payment, alongside a Government commitment that benefit recipients will still be able to collect their benefit, in cash and in full, from Post Office branches. Post Office Ltd began utilising this facility on 1 December 2003. The facility matures on 31 March 2016 subject to state aid clearance. | 1,150,000 |
| A contingent liability in respect of risk associated with the Department assuming responsibility for uplifts in pension contributions for the UK Atomic Energy Authority's non-actives. | Unquantifiable |
| The Department is responsible for a liability to pay rent in respect of a lease (originally leased for the Quality Improvement Service) in the event that the current tenant defaults. | 2,000 |
| Science and Technology Funding Council is responsible for Institute Laue Langevin staff related commitments and costs associated with reprocessing fuel elements | 12,000 |
| Science and Technology Funding Council is liable for the decommissioning costs associated with the dismantling of the European Synchrotron Radiation Facility (ESRF). | 2,000 |
| Incidents/Accidents Insurance claims for exposure to ionising radiation pursued outside the existing UKAEA insurance scheme. | Unquantifiable |
| Outstanding claims under the Enemy Property Claim Scheme are still being considered. | Unquantifiable |
| There is a possibility that other liabilities exist in relation to nationalised, and former nationalised, industries that, if they crystallised, may fall to the Department. | Unquantifiable |
| Indemnities have been given to the Directors appointed by the Department to Enrichment Holdings Limited, Enrichment Investments Limited and Urenco Limited against personal liability following any legal action against the Company. | Unquantifiable |

# Part III: Note L - International Subscriptions

| Section in Part II: Subhead Detail | Body | £'000 |
|---|---|---|
| A4-DEL | UK Space Agency | 177,498 |
| C4-DEL | World Trade Organisation | 6,063 |
| F4-DEL | External Legal Fees | 120 |
| D4-DEL | EUI Bursaries | 274 |
| D4-DEL | EUI Subscriptions | 32,323 |
| H4-DEL | Science and Technology Facilities Council | 225,693 |