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# Department for Business, Innovation and Skills

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## Introduction

1. The Department for Business, Innovation and Skills (BIS) undertakes expenditure related to promotion of business, science and innovation, and further and higher education.
2. Non Departmental Public Bodies (NDPBs), international subscriptions and an analysis of Departmental income are listed in the Notes to the Estimate.
3. BIS issues overall resource-based budgets and makes payments of grants and grants in aid to its partner organisations including the Regional Development Agencies. The Department for Communities and Local Government, the Department for Education, the Department of Energy and Climate Change, the Department for Environment Food and Rural Affairs contribute by supplying resources which BIS will use to offset spending. BIS will manage the resources centrally. The eight Regional Development Agencies (and the London Development Agency) are currently expected to receive £320,000,000 of receipts from the private sector and local authorities. They are entitled to use receipts up to a total of £416,000,000.
4. Symbols are explained in the Introduction to this booklet.

## Part I

	Voted	Non-Voted	Total
<b>Departmental Expenditure Limit</b>			
Resource	<b>18,503,679,000</b>	-	18,503,679,000
Capital	<b>1,177,940,000</b>	-	1,177,940,000
<b>Annually Managed Expenditure</b>			
Resource	<b>-1,242,645,000</b>	-	-1,242,645,000
Capital	<b>6,468,121,000</b>	-	6,468,121,000
<b>Total Net Budget</b>			
Resource	17,261,034,000	-	17,261,034,000
Capital	7,646,061,000	-	7,646,061,000
<b>Non-Budget Expenditure</b>		-	
<b>Net cash requirement</b>	<b>22,784,921,000</b>		

Amounts required in the year ending 31 March 2012 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; management of the Government's property portfolio; providing financial assistance to public corporations and trading funds including Ofcom.

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.

## **Part I**

The payment of subscriptions to international organisations, including payments to the Department for Work and Pensions for the UK subscription to the International Labour Organisation, and 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 Design Council; the Technology Strategy Board; Capital for Enterprise; the Local Better Regulation Office; 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 and Investment and the expenses of the Office of Manpower Economics.

Other non cash items.

## **Part I**

### Income arising from:

Contributions from other Government Departments supplying resources which BIS will use to fund Partner Organisations; receipts from the Department for Communities and Local Government, the Department for Environment, Food and Rural Affairs, the Department of Energy and Climate Change in relation to the Regional Development Agencies and the London Development Agency; 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 the Postal Services Commission and the Office of Gas and Electricity Markets to cover the costs of the relevant consumer bodies.

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 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.

### **Annually Managed Expenditure:**

#### Expenditure arising from:

Corporation Tax levied on the RDAs; 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.

## Part I

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.

### Income arising from:

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.

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

	<b>Voted Total</b>	<b>Allocated in Vote on Account</b>	<b>Balance to complete or surrender</b>
<b>£</b>			
<b>Departmental Expenditure Limit</b>			
Resource	18,503,679,000	8,568,636,000	<b>9,935,043,000</b>
Capital	1,177,940,000	984,075,000	<b>193,865,000</b>
<b>Annually Managed Expenditure</b>			
Resource	-1,242,645,000	-	<b>-1,242,645,000</b>
Capital	6,468,121,000	2,582,314,000	<b>3,885,807,000</b>
<b>Non-Budget Expenditure</b>	-	-	-
<b>Net cash requirement</b>	<b>22,784,921,000</b>	<b>10,975,410,000</b>	<b>11,809,511,000</b>

## Part II: Subhead detail

£'000

2011-12 Plans									2010-11 Provisions		
Resources						Capital			Resources	Capital	
Gross 1	Administration Income 2	Net 3	Gross 4	Programme Income 5	Net 6	Gross 7	Income 8	Net 9	Net 10	Net 11	
<b>Spending in Departmental Expenditure Limits (DEL)</b>											
<b>Voted expenditure</b>											
921,368	-17,617	903,751	19,313,655	-1,713,727	17,599,928	1,608,240	-430,300	1,177,940	21,798,854	2,084,943	
<i>Of which:</i>											
A	Innovation, Enterprise and Business		-	640,390	-421,270	219,120	398,646	-430,300	-31,654	-113,301	-254,312
B	Free and Fair Markets		-	-2,151	-2,151	267,640	-160,749	106,891	8,700	-	8,700
C	Professional Support		921,368	-15,466	905,902	35,033	-446	34,587	8,500	-	8,500
D	Government as Shareholder		-	-	-	194,925	-	194,925	-	-	-
E	Science and Research		-	-	-	136,144	-	136,144	11,531	-	11,531
F	Higher Education		-	-	-	3,376,552	-62	3,376,490	-	-	-
G	Further Education		-	-	-	4,786,334	-1,131,200	3,655,134	305,200	-	305,200
H	Innovation, Enterprise and Business (NDPB) (net)		-	-	-	633,038	-	633,038	195,894	-	195,894
I	Free and Fair Markets (NDPB) net		-	-	-	33,527	-	33,527	500	-	500
J	Science and Research (NDPB) net		-	-	-	4,431,792	-	4,431,792	583,869	-	583,869
K	Higher Education (NDPB) net		-	-	-	4,713,111	-	4,713,111	95,400	-	95,400
L	Further Education (NDPB) net		-	-	-	54,102	-	54,102	-	-	-
M	Government as Shareholder (NDPB) net		-	-	-	11,067	-	11,067	-	-	-
<b>Total Spending in DEL</b>									<b>21,798,854</b>	<b>2,084,943</b>	
<b>921,368</b>	<b>-17,617</b>	<b>903,751</b>	<b>19,313,655</b>	<b>-1,713,727</b>	<b>17,599,928</b>	<b>1,608,240</b>	<b>-430,300</b>	<b>1,177,940</b>	<b>21,798,854</b>	<b>2,084,943</b>	
<b>Spending in Annually Managed Expenditure (AME)</b>											
<b>Voted expenditure</b>											
-	-	-	591,223	-1,833,868	-1,242,645	15,186,494	-8,718,373	6,468,121	14,607	4,984,522	
<i>Of which:</i>											
N	Innovation, Enterprise and Business		-	-79,821	-	-79,821	-	-	-	153,796	-
O	Free and Fair Markets		-	-	-	458,842	-	458,842	-	-	-
P	Science Research Councils		-	-	-	43,835	-	43,835	-	-	-
Q	Higher Education		-	-	-	45,500	-1,830,868	-1,785,368	7,430,658	-1,718,373	5,712,285
									-957,208	4,363,514	



## Part II: Resource to cash reconciliation

£'000

	2011-12 Plans	2010-11 Provisions	2009-10 Outturn
<b>Net Resource Requirement</b>	<b>17,261,034</b>	<b>21,813,461</b>	<b>19,473,383</b>
<b>Net Capital Requirement</b>	<b>7,646,061</b>	<b>7,069,465</b>	<b>7,329,396</b>
<b>Accruals to cash adjustments</b>	<b>-2,122,174</b>	<b>-4,104,888</b>	<b>-1,713,763</b>
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-155,725	-68,191	-98,379
New provisions and adjustments to previous provisions	-1,651,110	-4,485,261	-1,372,219
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-	-702	322
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-10,967,510	-12,898,687	-26,605,878
Add cash grant-in-aid	10,500,183	13,064,066	26,284,633
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-35,531	-84,838	-31,031
Increase (-) / Decrease (+) in creditors	-	316,220	-
Use of provisions	187,519	52,505	108,789
<b>Removal of non-voted budget items</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
<b>Net Cash Requirement</b>	<b>22,784,921</b>	<b>24,778,038</b>	<b>25,089,016</b>



## Part III: Note A - Forecast Operating Cost Statement & Reconciliation Table

	£'000		
	2011-12 Plans	2010-11 Provisions	2009-10 Outturn
Gross Administration Costs	862,479	712,591	861,887
<i>Less:</i>			
Administration DEL Income	-17,617	-56,331	-43,795
<b>Net Administration Costs</b>	<b>844,862</b>	<b>656,260</b>	<b>818,092</b>
Gross Programme Costs	21,112,218	26,531,577	31,418,726
<i>Less:</i>			
Programme DEL Income	-2,008,927	-2,507,724	-10,096,121
Programme AME Income	-1,833,868	-1,025,514	-212,936
Non-budget income	-	-	-
<b>Net Programme Costs</b>	<b>17,269,423</b>	<b>22,998,339</b>	<b>21,109,669</b>
<b>Total Net Operating Costs</b>	<b>18,114,285</b>	<b>23,654,599</b>	<b>21,927,761</b>
<i>Of which:</i>			
Resource DEL	18,276,260	21,698,098	18,947,579
Capital DEL	785,561	1,873,138	2,394,514
Resource AME	-947,536	115,363	617,668
Capital AME	-	-32,000	-32,000
Non-budget	-	-	-
<i>Adjustments to include:</i>			
Departmental Unallocated Provision (resource)	-	-	-
Consolidated Fund Extra Receipts in the budget but not in the OCS	-	-	-
<i>Adjustments to remove:</i>			
Capital in the OCS	-785,561	-1,841,138	-2,362,514
Non-Budget Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-67,690	-	-91,864
<b>Total Resource Budget</b>	<b>17,261,034</b>	<b>21,813,461</b>	<b>19,473,383</b>
<i>Of which:</i>			
Resource DEL	18,503,679	21,798,854	19,008,987
Resource AME	-1,242,645	14,607	464,396
<i>Adjustments to remove:</i>			
Consolidated Fund Extra Receipts in the resource budget	-	-	-
Other adjustments	-	-	-
<b>Total Resource (Estimate)</b>	<b>17,261,034</b>	<b>21,813,461</b>	<b>19,473,383</b>

## Part III: Note B - Analysis of Departmental Income

£'000

	2011-12 Plans	2010-11 Provisions	2009-10 Outturn
<b>Voted Resource DEL</b>	<b>-1,731,344</b>	<b>-1,988,810</b>	<b>-8,870,644</b>
<i>Of which:</i>			
Administration			
Sale of goods and services	-15,466	-56,331	-43,795
<i>Of which:</i>			
Section C: Professional Support	-15,466	-56,331	-43,795
Regulatory licences, fines, penalties And taxes	-2,151	-	-
<i>Of which:</i>			
Section B: Free and Fair Markets	-2,151	-	-
Total Administration	-17,617	-56,331	-43,795
Programme			
Sale of goods and services	-162,346	-232,783	-261,807
<i>Of which:</i>			
Section A: Innovation, Enterprise and Business	-15,000	-74,779	-12,061
Section B: Free and Fair Markets	-146,900	-135,190	-180,696
Section C: Professional Support	-446	-448	-187
Section E: Science and Research	-	-	-8
Section F: Higher Education	-	-19,550	-14,636
Section G: Further Education	-	-2,816	-54,219
Regulatory licences, fines, penalties And taxes	-35,204	-19,380	-74,826
<i>Of which:</i>			
Section A: Innovation, Enterprise and Business	-23,255	-	-74,001
Section B: Free and Fair Markets	-11,949	-19,380	-
Section C: Professional Support	-	-	-825
EU income	-350,062	-375,359	-108
<i>Of which:</i>			
Section F: Higher Education	-62	-62	-82
Section G: Further Education	-350,000	-375,297	-26
Other grant income (including repayments of grants/subsidies)	-385,215	-495,467	-6,278,603
<i>Of which:</i>			
Section A: Innovation, Enterprise and Business	-383,015	-487,940	-673,040
Section F: Higher Education	-	-823	-87,373
Section G: Further Education	-2,200	-6,704	-5,518,190
Interest and dividends	-1,900	-4,790	-4,669
<i>Of which:</i>			
Section A: Innovation, Enterprise and Business	-	-3,159	-2,725
Section B: Free and Fair Markets	-1,900	-1,631	-1,944
Other income (including receipts)	-779,000	-804,700	-2,206,836
<i>Of which:</i>			
Section A: Innovation, Enterprise and Business	-	-27,800	-
Section G: Further Education	-779,000	-776,900	-2,206,836
Total Programme	-1,713,727	-1,932,479	-8,826,849

## Part III: Note B - Analysis of Departmental Income

£'000

	2011-12 Plans	2010-11 Provisions	2009-10 Outturn
<b>Voted Resource AME</b>	<b>-1,833,868</b>	<b>-993,514</b>	<b>-180,936</b>
<i>Of which:</i>			
Programme			
Sale of goods and services	-158,011	-803,000	-
<i>Of which:</i>			
Section Q: Higher Education	-158,011	-803,000	-
Interest and dividends	-1,675,857	-190,514	-180,936
<i>Of which:</i>			
Section Q: Higher Education	-1,672,857	-188,514	-178,778
Section T: Government as Shareholder	-3,000	-2,000	-2,158
<b>Total Voted Resource Income</b>	<b>-3,565,212</b>	<b>-2,982,324</b>	<b>-9,051,580</b>
<b>Voted Capital DEL</b>	<b>-430,300</b>	<b>-754,771</b>	<b>-1,409,434</b>
<i>Of which:</i>			
Administration			
Total Administration	-	-	-
Programme			
Other grant income (including repayments of grants/subsidies)	-279,000	-567,026	-1,260,777
<i>Of which:</i>			
Section A: Innovation, Enterprise and Business	-279,000	-531,751	-1,045,640
Section E: Science and Research	-	-	-2,237
Section G: Further Education	-	-35,275	-212,900
Sale of assets	-	-	336
<i>Of which:</i>			
Section C: Professional Support	-	-	336
loan , etc, repayments	-135,100	-179,526	-140,498
<i>Of which:</i>			
Section A: Innovation, Enterprise and Business	-135,100	-179,526	-138,498
Section B: Free and Fair Markets	-	-	-2,000
Other income (including receipts)	-16,200	-8,219	-8,495
<i>Of which:</i>			
Section A: Innovation, Enterprise and Business	-16,200	-7,500	-8,495
Section F: Higher Education	-	-719	-
Total Programme	-430,300	-754,771	-1,409,434
<b>Voted Capital AME</b>	<b>-8,718,373</b>	<b>-8,506,000</b>	<b>-7,252,919</b>
<i>Of which:</i>			
Programme			
Interest and dividends	-	-32,000	-32,000
<i>Of which:</i>			
Section T: Government as Shareholder	-	-32,000	-32,000
loan , etc, repayments	-8,718,373	-8,474,000	-7,220,919
<i>Of which:</i>			
Section Q: Higher Education	-1,718,373	-1,474,000	-1,185,919
Section T: Government as Shareholder	-7,000,000	-7,000,000	-6,035,000
<b>Total Voted Capital Income</b>	<b>-9,148,673</b>	<b>-9,260,771</b>	<b>-8,662,353</b>

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

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No CFER income or receipts are expected in 2011-12, 2010-11 or 2009-10.

## 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

Michael Laverty	Advantage West Midlands (RDA)
Prof Rick Rylance	Arts and Humanities Research Council (AHRC)
Prof Douglas Kell	Biotechnology & Biological Sciences Research Council
Tom Murray	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
David Kester	Design Council
Jeff Moore	East Midlands Development Agency
Deborah Cadman	East of England Development Agency
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
Daniel Oppenheimer	National Endowment for Science, Technology and the Arts (NESTA)
Prof Alan Thorpe	Natural Environment Research Council
Mark Hughes	North West Development Agency
Sir Martin Harris	Office for Fair Access (OFFA)
Alan Clarke	One North East (RDA)
Prof Keith Mason	Science and Technology Facilities Council
Pam Alexander	South East England Development Agency
Jane Henderson	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)
Tom Riordan	Yorkshire Forward (RDA)

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.

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

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 (FRoM), 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
H	Technology Strategy Board ♥	212,800		212,800
H	Capital for Enterprise ♥	3,400		3,400
H	Local Better Regulation Office ♥	2,820		2,800
H	Regional Development Agencies ♥	414,018	195,894	603,257
I	Consumer Focus ♥	17,045		16,800
I	Competition Service ♥	3,282		3,200
I	Competition Commission ♥	13,200	500	13,700
J	Arts and Humanities Research Council ♥	100,051		100,000
J	Biotechnology and Biological Sciences Research Council ♥	377,806	68,000	439,000
J	Economic and Social Research Council♥	155,937	18,700	175,000
J	Engineering and Physical Sciences Research Council ♥	770,720	46,000	806,000
J	Medical Research Council ♥	582,467	64,100	644,000
J	Natural Environment Research Council ♥	336,600	52,200	351,000
J	Research Councils projects		114,979	
J	Science and Technology Facilities Council ♥	446,099	91,521	468,000
J	Higher Education Funding Council for England (HEFCE) - Science ♥	1,662,112	128,369	1,790,481
K	Higher Education Funding Council for England (HEFCE) - Education ♥	4,645,320	95,400	4,740,620
K	Office for Fair Access to Higher Education ♥	464		464
K	Student Loans Company ♦	67,327		64,818
L	UK Commission for Employment and Skills ♥	54,102		54,000
M	United Kingdom Atomic Energy Authority ♥	11,067		10,843
U	Regional Development Agencies ♥	129,247		
V	United Kingdom Atomic Energy Authority ♥	-4,400		
W	Competition Commission ♥	130		
W	Competition Service ♥	5		
W	Consumer Focus ♥	723		
X	Biotechnology and Biological Sciences Research Council ♥	15,220		
X	Economic and Social Research Council♥	13,860		
X	Engineering and Physical Sciences Research Council ♥	13,350		
X	Medical Research Council ♥	26,000		
X	Natural Environment Research Council ♥	17,130		
X	Arts and Humanities Research Council ♥	14,170		
X	Science and Technology Facilities Council ♥	2,301		

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

£'000

### Section in Part II:

Subhead Detail	Body	Resources	Capital	Grant-in-aid
Y	Higher Education Funding Council for England (HEFCE) - Education ♥	-22,000		
Y	Student Loans Company ♦	2,030		
Z	UK Commission for Employment and Skills ♥			
Z	Construction Industry Training Board ♥	-369	5,565	
Z	Engineering Construction Industry Training Board ♥	1,977	271	
<b>Total</b>		<b>10,086,011</b>	<b>881,499</b>	<b>10,500,183</b>



## **Part III: Note G - 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:

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<b>Section in Part II: Subhead detail and budgetary treatment</b>	<b>Service</b>	<b>£'000</b>
B4 - DEL	Trade Policy: other resource expenditure	1,297
B4 - DEL	Trade Policy: international subscriptions	6,345

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## Part III: Note K - Contingent Liabilities

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Nature of liability	£'000
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As at 31 December 2010 the following liabilities fell to be met from the Department's Estimate:	
<b>Statutory Liabilities Charged to Resource Estimates:</b>	
Liabilities that arise from the audit work carried out in respect of the delivery of activities funded through European Union initiatives or through single Regeneration Budget and other schemes sponsored by Government Departments other than the former Department for Education and Skills and Department for Trade and Industry.	1,500
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.	1,500
Liabilities arising from properties leased by TECs/CCTEs that they have been unable to dispose of by the time they wind up. The Department may take over these leases and dispose of them on behalf of the TECs/CCTEs.	3,473
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.	1,400
Potential liability relating to European Schools Programme for teachers claiming permanency under the fixed term employee regulations.	2,190
The Government agreed to fund the cost of hosting the World Skills London 2011 event. This contingent liability represents the possibility that insufficient sponsorship revenue is obtained.	21,900
The Department is responsible for a liability to pay rent in respect of a lease in the event that the current tenant defaults. The building was originally leased for the Quality improvement Service. If the current tenant defaults there would be a cost to the Department.	2,000
The National Measurement Office is responsible for the pension liabilities of the National Physical Laboratory employees if the science contract reverts to the National Measurement Office in 2014. The current estimate is that the liability is between £8.2 million and £22.8 million.	up to £22,800
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
Liabilities relating to the issue of licences to operators of satellites and other space objects.	Unquantifiable
Home Shipbuilding Credit Guarantee Scheme.	11,500

### **Part III: Note K - Contingent Liabilities**

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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 68, Telecommunications Act 1984.	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
Further 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 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
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
<b>Non-Statutory Liabilities Charged to Resource Estimates:</b>	
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

### **Part III: Note K - Contingent Liabilities**

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Post Office Limited: The department made available to Post Office Ltd, through an agreement reached on 17 October 2003, a revolving loan facility based on commercial terms 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.	Unquantifiable
British Shipbuilders: Following a legal ruling in respect of pleural plaques claims, the House of Lords announced that compensation cannot be made on pleural plaques claims. This is the current position in England and Wales as the House of Lords judgement still stands. In Scotland, the decision of the Judicial Review of the Damages (Asbestos Related Conditions) (Scotland) Act 2009, which found against the insurers, was appealed, and the appeal heard in Summer 2010. The Scottish Parliament has indicated that they will introduce legislation to reverse the House of Lords decision on pleural plaques. The Government is also reconsidering its decision on the issue. The estimated effect of reintroducing pleural plaques cases as compensatable would be c£3.5 million each year. Pleural plaques claims in Scotland are valued at £5.8 million.	Unquantifiable
Enterprise Finance Guarantee commenced in 2009 and will continue in 2011/12. The exposure exists for the life of the loan, which can be up to 10 years.	Up to 100,000
On 27 January 2009, the Secretary of State announced support for the automotive sector, including the loan guarantees which could enable up to £2.3bn in lending to Britain's automotive manufacturers and suppliers. Under State Aid rules, guarantees must be granted before 31 December 2010 and cannot exceed 90% of the loan.	Up to 2,300,000

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## Part III: Note L - International Subscriptions

<b>Section in Part II: Subhead detail and budgetary treatment</b>	<b>Body</b>	<b>£'000</b>
B4 - DEL	World Trade Organisation	6,345
C4 - DEL	External Legal Fees	120
H4 - DEL	EUI Bursaries	274
H4 - DEL	EUI Subscriptions	4,089
G4 - DEL	The Estimate includes provision to reimburse the Department for Work and Pensions for payments made by the Joint International Unit for International Education Programmes and the annual subscription of the International Labour Organisation	17,822
J4 - DEL	Biotechnology and Biological Sciences Research Council	2,800
J4 - DEL	Economic and Social Research Council	3,200
J4 - DEL	Engineering and Physical Sciences Research Council	500
J4 - DEL	Medical Research Council	16,000
J4 - DEL	Natural Environment Research Council	36,200
J4 - DEL	Science and Technology Facilities Council	12,000

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