

DEPARTMENT FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

MAIN ESTIMATE 2018-19

SELECT COMMITTEE MEMORANDUM

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In accordance with the wishes of Treasury Ministers and the Select Committee and as originally set out in the Treasury PES paper (2004) 14 Annex D, we present the following Estimates Memorandum. This memorandum has been prepared with reference to guidance in *Supply Estimates: a guidance manual* provided by HM Treasury, and on the House of Commons Scrutiny Unit website. The information in this memorandum has been approved by Tom Taylor, Director of Finance and Portfolio and Chief Financial Officer, on behalf of Alex Chisholm, Head of Department and Accounting Officer of the Department for Business, Energy and Industrial Strategy.

The final 2018-19 Main Estimate is attached.

1. Introduction

- 1.1. The Department for Business, Energy and Industrial Strategy (BEIS) Main Estimate (ME) for 2018-19 seeks the necessary resources and cash to support the continuing functions of the Department.
- 1.2. The purpose of this memorandum is to provide the Select Committee with an explanation of how the resources and cash sought in the Main Estimate will be applied to achieve the Department's objectives. This includes information on comparisons with the resources provided in earlier years in Estimates and Departmental Expenditure Limit (DEL) Budgets.
- 1.3. For comparison purposes, the starting point for Spending Review 2015 (SR2015) Budgets in this Memorandum is taken as the sum of the former Department for Business, Innovation and Skills (BIS) and former Department of Energy and Climate Changes (DECC) Settlements. As such, many of the large changes between this SR2015 starting point and 2018-19 totals for what is now BEIS can be explained by the 2016 machinery of government transfers to the Department for Education, Department for International Trade and Ministry of Justice.
- 1.4. An explanation of key terms used in the Memorandum is provided at Annex C.
- 1.5. Figures in this Memorandum are shown in millions, rounded to one decimal place. Rounded totals shown at the bottom of some tables may therefore differ slightly from the sum of individual rounded lines.

2. Summary of provision sought

2.1. The BEIS Main Estimate (ME) for 2018-19 requests total provision for the year as detailed in Table S2.1 below.

Table S2.1 Total Provision

	£m
Resource DEL	1,937.5
<i>Of which:</i>	
<i>Administration Budget</i>	403.7
<i>Depreciation/impairments</i>	279.3
Capital DEL	10,768.8
<i>Of which: Financial Transactions</i>	202.6
Total DEL	12,706.3
Resource AME	4,193.8
Capital AME	(149.4)
Total AME	4,044.4
Total Resource Budget	6,131.3
Total Capital Budget	10,619.4
Net Cash Requirement	15,782.9

2.2. Most of the BEIS Budget is Voted with the exception of the Nuclear Decommissioning Authority (NDA)'s commercial income, and redundancy payments. NDA commercial income is treated as Consolidated Fund Extra Receipts which score as Non-Voted DEL. This is due to the provisions of the founding legislation (Energy Act 2004) requiring the NDA to surrender its commercial income to the Secretary of State, who in turn is required to surrender the income to the Consolidated Fund. The NDA's income is therefore shown as being surrendered to the Consolidated Fund, with a commensurate increase to its gross voted expenditure. This makes no difference to the net Budget of the NDA.

2.3. Most items of departmental expenditure fall within DEL Budgets. AME Budgets relate to fewer items but are much higher by value. Detailed AME Budgets are set out in Section 9, and relate to:

- movements in the fair value of liabilities incurred for Contracts for Difference (CfD) for the supply of low carbon electricity;
- nuclear decommissioning provisions;
- the Renewable Heat Incentive;
- Post Office working capital loan;
- redundancy, paternity and adoption payments;
- the NESTA Trust; and
- adjustments to other provisions and other non-cash items.

2.4. Within the BEIS DEL Budget, ring-fenced provision is shown in Table S2.2 below.

Table S2.2 Ring-fenced provision within DEL Budget

	Resource DEL £m	Capital DEL £m
Science	-	5,745.0
Official Development Assistance	72.6	698.0
Invest-to-save	54.0	-
Financial transactions	-	202.6
<i>Of which:</i>		
<i>British Business Bank</i>		(97.8)
<i>Northern Powerhouse</i>		45.7
<i>Midlands Engine</i>		42.7
<i>UK Green Investment Platform</i>		10.0
<i>Heat Networks</i>		68.5
<i>Met Office</i>		31.9
<i>UKRI</i>		21.4
<i>Other</i>		80.1
Nuclear Decommissioning Authority (See Section 8)	386.0	1,851.0
Heat Networks – fiscal	-	69.0
Coal Authority – mine-water treatment	-	8.8
Energy Research, Development and Demonstration	-	117.0
Public Sector Energy Efficiency	-	42.0

2.5. The main change within the Department structure for 2018-19 is the establishment of UK Research and Innovation, which brings together the existing Research Councils, Innovate UK, and Research England (the former functions of HEFCE relating to Science and Research) into one body.

2.6. This Estimate does not include adjustments relating to the adoption of International Financial Reporting Standards (IFRS) 15 and 9. For the Department, transition to IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments will take effect from 1 April 2018. We are working to complete our transition exercises in time for the Supplementary Estimates.

2.7. The Department has performed an initial assessment of the expected impact of these new standards, with summary observations noted below, however the review and conclusion of a comprehensive transition exercise is ongoing.

IFRS 9 - Financial instruments

2.8. The categories for classification of certain financial instruments will change under the new standard, along with the principles for their measurement. Fair value movements for some instruments which had previously been recognised in other comprehensive income, will in future be recognised as income or expense. In addition, there are new rules on impairment which will generally lead to earlier recognition of impairment losses. We have developed an expectation for all material instruments across our departmental group of the new accounting treatments. However, we need to complete a formal review for each significant instrument, based on contract terms, and agree our conclusions with the National Audit Office (NAO). We will then also need to perform an estimate of the monetary value of the expected impact to each instrument under those new policies.

IFRS 15 - Revenue

2.9. IFRS 15 requires entities to apportion revenue earned from contract(s) to individual "performance obligations", on a stand-alone selling price basis, based on a five-step model. While in many cases, for simple revenue transactions, there will be no substantial change to the policy, for more complex arrangements, such as long-term contract accounting revenues recognised by the Nuclear Decommissioning Authority, there may be adjustments to the timing of recognition of revenues between the periods covered by the contracts. Review and conclusion on those matters requires a comprehensive understanding of the contract terms, which have often been subject to a series of incremental amendments over a period of years. Work is underway across the Department and its partner organisations to identify potential changes. Technical analysis and judgments will again need to be agreed with the NAO, and then amounts quantified on the basis of those conclusions. We are working to complete our transition exercises in time for the Supplementary Estimates.

2.10. The Part II table of the Estimate includes the DEL and AME Budgets of Arm's Length Bodies (ALBs). In accordance with the Estimates Manual, those lines relating to: Deliver an ambitious industrial strategy (South Tees Site Company and The NESTA Trust), Promote competitive markets and responsible business practices (ACAS, Competition Service and Financial Reporting Council), Ensuring that our energy system is reliable and secure (Electricity Settlements Company), Taking action on climate change and decarbonisation (Committee on Climate Change, Low Carbon Contracts Company), Managing our energy legacy safely and responsibly (Civil Nuclear Police Authority, Oil and Gas Authority, Coal Authority), Science and Research (UK Research and Innovation, UKAEA), Capability (UKSBS) and Government as Shareholder (UK Green Investment Platform, British Business Bank, Northern Powerhouse and Midlands Engine Investment Funds, BIS (Postal Services Act 2011) Company Limited, Enrichment Holdings and Postal Services Holding Company) are shown net of income in the gross expenditure column. This reflects the greater level of autonomy for ALBs with respect to the income they generate. It should also be noted that non-cash items and the use of provisions in the ALBs are shown in Part II: Resource to cash reconciliation table in the line entitled "*Adjustment for ALBs: Remove voted Resource and Capital*".

3. Explanation of changes from Spending Review and 2017-18

Changes from 2015 Spending Review (SR2015)

3.1. Table S3.1 below compares the provision requested in the Main Estimate with the SR2015 totals for DECC and BIS combined.

Table S3.1 Changes to SR2015 Budgets

	2018-19 ME £m	2018-19 at SR* £m	Change since SR £m
Resource DEL	1,937.5	17,443.0	(15,505.5)
<i>Of which Administration</i>	<i>403.7</i>	<i>718.0</i>	<i>(314.3)</i>
Capital DEL	10,768.8	4,079.0	6,689.8
Resource AME	4,193.8	900.0*	*
Capital AME	(149.4)	*	*

* SR2015 Budgets are the sum of BIS and DECC (as was). For BEIS the SR only set AME Budget for the Renewable Heat Incentive (RHI).

3.2. The changes to Resource and Capital DEL are summarised in Table S3.2 below.

Table S3.2 Detailed changes to DEL Budgets

	RDEL £m	CDEL £m
Machinery of Government transfer of further and higher education to Department for Education	(9,303.2)	(420.8)
Machinery of Government transfer of offender learning to Ministry of Justice	(130.7)	-
Machinery of Government transfer of certain trade functions to Department for International Trade	(36.1)	(0.9)
Machinery of Government transfer of environmental regulations to DEFRA	(1.9)	-
Machinery of Government transfer to Scottish Government for consumer protection (devolution)	(1.4)	-
Machinery of Government transfer of Estate Agents regulation to Department for Housing, Communities and Local Government	(0.3)	-
Machinery of Government transfer from Department for Education for Research England (UKRI)*	2.4	-
Reduction to Student Loan impairments processed prior to Machinery of Government change	(539.0)	-

	RDEL £m	CDEL £m
Research and Development (R&D) RDEL to CDEL switch - to reflect the treatment of R&D under ESA2010, implemented in Budgets from 2016-17*	(5,943.7)	5,943.7
Transfer from DFID for Newton and Global Challenges Funds*	414.0	-
Re-profiling of Capital DEL spend brought forward from 2019-20	-	83.0
Re-profiling of British Business Bank Budget lines across SR period as agreed with HM Treasury in 2016-17	-	(43.0)
Heat Networks reprofiling across SR15 period	-	53.0
UKGI reprofiling from 2018-19 to 2019-20 as agreed in Autumn Budget 2017	-	(80.0)
NDA reprofiling from 2018-19 to 2019-20 as agreed in Autumn Budget 2017	-	(50.0)
British Business Bank 2016-17 business plan reprofiling	-	107.0
Northern Powerhouse Investment Fund reprofiling	-	14.8
Midlands Engine Investment Fund reprofiling		13.0
Core BEIS Budget Exchange from 2017-18	-	36.5
Budget Exchange from 2016-17 for Cavendish Institute	-	35.0
NDA Budget Exchange from 2017-18	20.0	-
Research Bodies commercial income flexibilities Budget Exchange from 2017-18	-	20.9
UKGI Budget reclassifications	24.8	9.2
Northern Powerhouse Investment Fund impairments reclassifications	(16.4)	-
Midlands Engine Investment Fund impairments reclassifications	(8.4)	-
UKGI - SULCO reduction in Operational Expenditure	(9.2)	-
Additional funding for Depreciation and impairments following SR2015 settlement	3.2	-
Additional funding for National Institute for Smart Data Innovation (Budget 2016)	-	8.0
Additional funding for Royal College of Arts (Budget 2016 – pre MoG)	-	14.0
Additional funding for Research and Development (Autumn Statement 2016)	-	814.0

	RDEL £m	CDEL £m
Additional funding for Support for Connected and Autonomous Vehicle (CAV) technology (Autumn Statement 2016)	-	25.0
Additional funding for Midlands Engine Investment Fund (Autumn Statement 2016)	-	29.0
Additional funding for University Technology Transfers (Autumn Statement 2016)	-	25.0
Reprofiling for Northern Powerhouse Investment Fund (Autumn Statement 2016)	-	(4.0)
Additional funding for British Business Bank Venture Capital (Autumn Statement 2016)	-	36.0
Additional funding for Biomedical Catalyst (Autumn Statement 2016)	-	30.0
Additional funding for Mayfield Review of Management (Autumn Statement 2016)	5.0	-
Additional funding for National Minimum Wage Enforcement (Autumn Statement 2016)	4.3	-
Additional funding for Business Support Funding (Autumn Budget 2017)	16.8	-
Additional funding for Business Support Market Review (Autumn Budget 2017)	0.3	-
Additional funding for Innovation Loans (Autumn Budget 2017)	-	21.4
Additional funding for New Investments FT Patient Capital Review (Autumn Budget 2017)	1.9	-
Additional funding for Oil and Gas: Funding for UK Continental Shelf Exploration Project (Autumn Budget 2017)	5.0	-
Additional funding for Regulators' Pioneer Fund (Autumn Budget 2017)	5.0	-
Additional funding for Research in to female access to venture capital (Autumn Budget 2017)	0.2	-
Transfers from OGDs for Business Information Modelling	3.3	-
Transfer from DFID for IAEA Technical Cooperation programme	3.1	-
Transfer from FCO for overseas platform charges	0.7	-
Transfer from DFID for IPCC working group co-chair costs	0.4	-
Transfer from Cabinet Office for Cutting Red Tape team	0.1	-

	RDEL £m	CDEL £m
Transfer to Cabinet Office for Civil Service Live	(0.0)	-
Transfer to DIT for Sector Team (R&D)	-	(0.7)
Transfer to Department of Health and Social Care for UK-French Genomics	-	(0.9)
Transfer to FCO for Global Partnership Fund	-	(1.0)
Transfer to Northern Ireland Executive for Research and Development	-	(1.6)
Transfer to Northern Ireland for Education processed prior to Machinery of Government change	(2.5)	-
Transfer to Welsh Government for Research and Development	-	(2.8)
Transfer to FCO for Science and Innovation Network	-	(3.3)
Transfer to Scottish Government for Research and Development	-	(4.8)
Transfer to Department of Health and Social Care for Accelerated Access Review - Academic Health Science Networks funding	-	(5.0)
Transfer to MHCLG for Manchester Devolution deal	(6.0)	-
Transfer to DIT for Britain is GREAT campaign	(7.3)	-
Transfer to MHCLG for LEP core funding	(10.0)	-
Transfer to MoD for e-Scan	-	(10.0)
Total DEL changes since 2015 Spending Review	(15,505.5)	6,689.8

* The transfer from DFID for Newton and Global Challenge Funds was received as RDEL and subsequently reclassified to CDEL to reflect the ESA2010 classifications

3.3. AME Budgets for 2018-19 have been updated to reflect the latest forecasts for the year. Further details are set out in Section 8.

Changes from 2017-18 Supplementary Estimate

3.4. Table S3.3 below compares the provision requested in the Main Estimate with that in the 2017-18 Supplementary Estimate.

Table S3.3 Changes from Supplementary Estimate

£m	2018-19 ME	2017-18 SE	Change since 2017-18 SE
Voted resource DEL	2,913.4	3,195.8	(282.4)
Non-voted resource DEL	(978.3)	(1,194.0)	215.7
Resource DEL	1,935.1	2,001.8	(66.7)
Capital DEL			
Voted capital DEL	10,768.8	10,856.5	(87.7)
Non-voted capital DEL	-	-	-
Capital DEL	10,768.8	10,856.5	(87.7)
Resource AME			
Voted resource AME	3,843.8	85,376.5	(81,532.7)
Non-voted resource AME	350.0	369.0	(19.0)
Resource AME	4,193.8	85,745.5	(81,551.7)
Capital AME			
Voted capital AME	(149.4)	771.5	
Non-voted capital AME	-	(1,621.1)	1,621.1
Capital AME	(149.4)	(849.5)	
Net cash requirement	15,782.9	15,689.4	93.5

3.5. Explanations for changes from 2017-18 are shown in **Annex A**. Changes in the Net Cash Requirement are discussed at Section 9.

Changes to the Estimate Ambit

3.6. The Main Estimate Ambit has been amended to reflect the establishment of UK Research and Innovation.

4. Detailed breakdown of changes in DEL provision

4.1. Net changes in DEL Budgets between the 2017-18 Supplementary Estimate and this Main Estimate are shown in **Annex A** along with explanations of changes over 10 percent.

4.2. As agreed with the Committee when changing the structure of the Supply Estimate, a detailed breakdown of DEL Budgets for 2018-19 is shown in **Annex B**, together with a comparison to those Budgets in 2017-18.

Administration Budget

4.3. The Administration Budget for 2018-19 (with 2017-18 Supplementary Estimate budgets shown for comparison) is detailed in Table S4.1 below.

Table S4.1 Administration Budget 2018-19

	2018-19* £m	2017-18 £m
Wages and salaries	190.9	183.4
Purchase of goods and services	107.0	142.4
Rentals	23.7	29.7
Business Rates	15.0	12.9
Notional Audit Fee	-	0.7
Depreciation	19.3	24.3
Sales of goods & services/fees & charges income	(32.4)	(32.6)
Transfers into Committee on Climate Change	(1.3)	(1.3)
Total core department & Agency administration	322.2	359.6
UKRI (depreciation)	4.1	5.1
ACAS	7.8	7.7
Competition Service	0.6	0.6
Financial Reporting Council	0.2	0.0
UK Shared Business Services	9.8	4.4
Committee on Climate Change	3.5	3.5
Coal Authority	4.4	4.4
Oil and Gas Authority	0.0	0.0

	2018-19* £m	2017-18 £m
Postal Services Holding Company and BIS (Postal Services Act 2011) Company	0.2	0.0
Nuclear Decommissioning Authority	51.0	44.0
Total Partner Organisations administration	79.1	69.6
Total Administration Budget	401.3	429.2

* Figures remain largely as set out in the Spending Review; the final breakdown of the Admin Budget has yet to be completed and will be updated at the Supplementary Estimate.

4.4. Changes in the Administration Budget for 2018-19 from that set out in the 2015 Spending Review are shown in Table S4.2 below.

Table S4.2 Administration Budget 2018-19 changes since SR15

	£m
Machinery of Government (MoG) transfer of further and higher education to Department for Education	(185.8)
MoG transfer of offender learning to Ministry of Justice	(0.4)
MoG transfer of certain trade functions to Department for International Trade	(24.2)
MoG transfer of environmental regulations to DEFRA	(0.4)
MoG transfer from Department for Education for Research England (UKRI)*	2.4
Reduction to Student Loan impairments processed prior to MoG change	(20.1)
Research and Development (R&D) RDEL to CDEL switch - to reflect the treatment of R&D under ESA2010, implemented in Budgets from 2016-17*	(101.1)
Reclassification of NDA ringfenced RDEL from Programme to Admin	11.0
Additional funding - Depreciation & impairments following SR15 settlement	3.6
Additional funding - Business Support Market Review (Autumn Budget 2017)	0.3
Additional funding for Regulators' Pioneer Fund (Autumn Budget 2017)	0.1
Additional funding for Research in to female access to venture capital (Autumn Budget 2017)	0.2
Transfer from Cabinet Office for Cutting Red Tape team	0.1
Transfer to Cabinet Office for Civil Service Live	(0.0)
Total Admin Budget changes since 2015 Spending Review	(314.3)

5. Machinery of Government changes

5.1. The functions of the Higher Education Funding Council for England in relation to research and knowledge exchange have been transferred from the Department for Education (DfE) to the newly established Research England, part of UK Research and Innovation, with effect from 1 April 2018. Changes arising from this Machinery of Government transfer for the SR2015 period are shown in Table S5.1 below.

Table S5.1 – Research England Machinery of Government change

£m	2018-19	2019-20
Resource DEL	2.4	2.4
<i>Of which:</i> <i>Admin</i>	2.4	2.4

5.2. In addition, the Prime Minister announced on 29 March 2018 that policy responsibility for digital signatures will move from BEIS to the Department for Digital, Culture, Media and Sport with effect from 1 April 2018. This Machinery of Government transfer will be reflected in the Supplementary Estimate.

6. Budget exchange

- 6.1. The budget exchange system enables departments to give up budget at the Supplementary Estimate and carry it over to the following year(s). Agreements are reached on a case by case basis with the Treasury in light of the wider fiscal situation.
- 6.2. As agreed with the Treasury in the 2017-18 Supplementary Estimate, the Department carried forward £20.0m Resource DEL budget and £57.4m Capital DEL budget to 2018-19. This comprises the following elements:
- Ring-fenced non-fiscal Capital DEL of £8.5m for Heat Networks from 2017-18 to 2018-19;
 - Ring-fenced General Capital DEL of £28.0m for Energy Research, Development and Demonstration from 2017-18 to 2018-19;
 - £20.0m Resource DEL for the Nuclear Decommissioning Authority from 2017-18 to 2018-19; and
 - £20.9m Ring-fenced General Capital DEL for Research Bodies commercial income flexibilities from 2017-18 to 2018-19, of which £19.2m is for UKRI (£17.0m from Medical Research Council and £2.2m Science and Technology Facilities Council income in 2017-18) and £1.7m for United Kingdom Atomic Energy Authority.
- 6.3. In addition, in the 2017-18 Supplementary Estimate the Department carried forward £176.0m Resource DEL for the Nuclear Decommissioning Authority from 2017-18 to 2019-20, and £2.2m Ring-fenced General Capital DEL from 2017-18 to 2019-20 and £1.6m from 2017-18 to 2020-21 for UKRI under Research Bodies commercial income flexibilities.

7. Provisions and Contingent Liabilities

Provisions

7.1 The Main Estimate includes resource AME budget of £2,868.0m in relation to provisions, including £3,192.1m for new provisions and increases to provisions, notably £2,972.0m relating to the NDA. Other charges relate to £22.4m payments against the provision for coal health liabilities which, unlike other payments against provisions, are charged to AME not DEL.

Table S7.1 AME budget for Provisions

	Core Department £m	ALBs £m	TOTAL £m
New provisions/change to the value of existing provisions	114.5	3,077.6	3,192.1
AME payments for coal health and coal privatisation	22.4	-	22.4
Unwinding of discount	2.1	(15.3)	(13.2)
Utilisation of provisions	(302.5)	(30.8)	(333.3)
AME Budget for provisions	(163.5)	3,031.5	2,868.0

Contingent Liabilities

7.2 There are no changes to the list of contingent liabilities since the 2017-18 Supplementary Estimate.

8. Nuclear Decommissioning Authority (NDA)

8.1. Following updates in this Main Estimate, NDA Budgets for the remainder of the SR2015 period (plus 2017-18 for comparison) are shown in Table S8.1 below.

Table S8.1 Nuclear Decommissioning Authority DEL Budgets 2017-18 to 2020-21

	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m
Resource DEL expenditure	1,300.0	1,362.0	1,437.0	-*
Resource DEL income	(1,194.0)	(976.0)	(978.0)	(833.0)
Net Resource DEL	106.0	386.0	459.0	-*
<i>of which Admin</i>	<i>44.0</i>	<i>51.0</i>	<i>55.0</i>	<i>-*</i>
Capital DEL expenditure	2,058.0	1,851.0	1,927.0	2,086.0
Capital DEL income	-	-	(176.0)	-
Net Capital DEL	2,058.0	1,851.0	1,751.0	2,086.0
Total Net DEL	2,164.0	2,237.0	2,210.0	-*

*NDA RDEL expenditure has yet to be set for 2020-21

8.2. In line with the decision by the Office for National Statistics to classify the Site Licence Companies (SLCs) that are responsible for the majority of the work on the NDA sites to the Central Government sector, a breakdown of the spend between the NDA and the SLCs is given in Part III: Note E of the Main Estimate.

8.3. The latest NDA forecasts for AME for the remainder of the SR2015 period (and 2017-18 for comparison) are shown in Table S8.2 below:

Table S8.2 Nuclear Decommissioning Authority AME forecasts 2017-18 to 2020-21

	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m
Depreciation	76.0	33.0	28.0	28.0
Movement in Provisions	72,924.0	2,972.0	1,041.0	929.0
Total AME	73,000.0	3,005.0	1,069.0	957.0

8.4. For comparison purposes, the NDA DEL and AME Budget outturn for 2014-15 to 2016-17 is shown in Table S8.3.

Table S8.3 Nuclear Decommissioning Authority outturn 2014-15 to 2016-17

	2014-15 £m	2015-16 £m	2016-17 £m
Resource DEL expenditure	1,433.8	1,417.7	1,290.3
Resource DEL income	(1,011.3)	(977.8)	(1,029.6)
Net Resource DEL	422.6	440.0	260.7
<i>of which Admin DEL</i>	<i>37.1</i>	<i>35.0</i>	<i>38.2</i>
Capital DEL expenditure	1,845.9	1,827.7	1,970.7
Capital DEL income	(2.9)	(51.6)	-
Net Capital DEL	1,843.0	1,776.1	1,970.7
Total Net DEL	2,265.6	2,216.0	2,231.4
AME depreciation	64.9	54.4	29.0
AME impairment	(3.0)	-	0.0
AME movement in provisions	5,573.8	89,751.2	2,821.5
AME movement in fair value of financial instruments	(0.1)	-	-
AME surplus/deficit on pension valuation	8.8	(7.6)	14.3
Total AME	5,644.4	89,797.9	2,864.8

9. Annually Managed Expenditure (AME)

9.1. AME budgets comprise movements in provisions and other liabilities (including cash utilisation of coal health and privatisation provisions), movements in coal pension scheme investments, cash expenditure through the Renewable Heat Incentive, paternity and adoption pay, redundancy payments, and the expenditure of the NESTA Trust.

9.2. Resource AME also includes the movement in fair value of liabilities incurred for Contracts for Difference (CfD) signed under the Electricity Market Reform programme. Although there will in practice be no net liability to government, accounting rules mean that the movement within the year in the estimated net present value of future payments to generators has to be recognised as a liability by the Low Carbon Contracts Company. As the matching receipts from electricity suppliers are classified as future taxation they cannot be recognised as an offsetting asset in the accounts.

9.3. Detailed AME Budgets in this Main Estimate (ME) and a comparison to the 2017-18 Supplementary Estimate (SE) are shown in Table S9.1 below.

Table S9.1 AME forecasts by Estimate Line

Estimate Subhead	Resource/ Capital	Item	ME 18-19 £m	SE 17-18 £m
Near cash payments				
W	Resource	Paternity pay	94.0	7.0
AC	Resource	Renewable Heat Incentive	900.0	780.0
AK	Resource	Redundancy payments	350.0	369.0
UKAEA provisions				
Z	Resource	Release of provision	(3.5)	(3.5)
		Movements in provision	6.2	6.2
		Unwinding of discount	7.6	7.6
British Shipbuilders liabilities				
U	Resource	Release of provision	(10.2)	(10.2)
		Movement of provisions	0.6	49.0
		Unwinding of discount	(1.7)	(1.6)
Enterprise Finance Guarantees/Small Firms Loan Guarantee				
AB	Resource	Impairments	-	(0.4)
		Release of provision	(27.8)	(25.8)
		Movements in provision	67.7	38.7
		Other notional costs	-	12.8
		Other notional income	(19.9)	-
Post Office working capital loan				
AB	Resource	Interest Receivable	(1.0)	-
	Capital	Loans – additions	8,000.0	8,349.0
		Loans – repayments	(8,000.0)	(8,000.0)

Estimate Subhead	Resource/ Capital	Item	ME 18-19 £m	SE 17-18 £m
Energy efficiency loans				
X	Resource	Unwinding of discount	(4.1)	(1.5)
		Impairments	-	8.6
British Energy liabilities				
Y	Resource	Release of provision	(179.5)	(192.5)
		Movements in provision	21.0	43.6
		Unwinding of discount	3.0	(20.6)
Coal Health liabilities				
Y	Resource	Release of provision	(22.4)	(18.5)
		Movements in provision	-	7.0
		Unwinding of discount	(2.1)	(2.1)
		Payment of provisions	22.4	18.5
Coal Privatisation liabilities				
Y	Resource	Release of provision	-	(1.7)
		Payment of provisions	-	1.7
Concessionary Fuel liabilities				
Y	Resource	Release of provision	(38.7)	(40.4)
		Movements in provision	18.0	20.0
		Unwinding of discount	(4.6)	(4.9)
Coal Pension				
Y	Capital	Refund of pension scheme surpluses	(51.0)	(51.0)
		Revaluation/unwinding of discount	9.8	651.3
Other core department non-cash				
AA/U	Resource	Release of provision	(20.4)	(19.5)
		Unwinding of discount	-	(1.7)
		Movements in provision	0.6	12.7
		Other non-cash	(35.3)	219.4
Other non-cash lines				
V	Resource	International climate fund – movements in value of investments	2.0	17.0
Z	Resource	ESA/EPO Refunds	(24.1)	(12.6)
Z	Resource	Research Council Pensions	74.0	69.5
AB	Resource	UK Innovation Fund - movements in fair value	-	0.0
AB	Resource	Insolvency Service – movement in provisions	0.5	0.8
AB	Resource	British Business Bank – movements in fair value	(2.9)	(70.0)
-	Capital	Green Investment Bank – disposal proceeds	-	(1,621.1)
Total core Department and Agencies			1,128.1	589.8

Estimate Subhead	Resource/ Capital	Item	ME 18-19 £m	SE 17-18 £m
UK Research and Innovation				
AG	Resource	Innovate UK impairments	6.7	-
		BBSRC movements in provision	1.5	1.5
		MRC movements in provision	(0.4)	(0.7)
		STFC movements in provision	5.0	-
		STFC unwinding of discount	-	(3.0)
United Kingdom Atomic Energy Authority				
AG	Resource	Release of provision	(0.1)	(5.3)
		Movements in provision	8.3	0.5
		Unwinding of discount	-	0.1
		Revaluations	0.3	(0.3)
		Corporation Tax	-	0.1
The NESTA Trust				
AD	Resource	Income	(1.0)	(10.0)
		Purchase of goods and services	1.0	1.3
		Current grants	15.5	9.5
		Foreign exchange losses	0.2	0.2
		Movement in fair value	-	(15.0)
		Impairments	-	-
	Capital	Capital expenditure	-	-
		Investments – additions	3.0	5.0
		Investments – disposals	(2.0)	(5.0)
Advisory, Conciliation and Arbitration Service (ACAS)				
AE	Resource	Release of provision	(0.1)	(0.0)
		Movements in provision	0.9	-
Competition Service				
AE	Resource	Movements in provision	-	0.0
Financial Reporting Council				
AE	Resource	Movements in provision	-	0.0
		Corporation Tax	-	0.0
UK Green Investment Platform				
AI	Resource	Expenses	0.9	-
		Corporation Tax (GIB in 2017-18)	0.1	1.0
BIS (Postal Services Act 2011) Company				
AI	Capital	Investments – disposals	(109.2)	(177.8)
British Business Bank				
AI	Resource	Movements in provision	44.4	19.7
		Corporation Tax	-	9.6
		Impairments	-	99.0

Estimate Subhead	Resource/ Capital	Item	ME 18-19 £m	SE 17-18 £m
NDA				
AJ	Resource	Movements in provision	2,972.0	72,924.0
		Depreciation	33.0	76.0
Coal Authority				
AG	Resource	Release of provision	(30.5)	(28.7)
		Movements in provision	45.8	2,593.0
		Unwinding of discount	(15.3)	(15.3)
		Impairments	8.8	10.4
CNPA				
AG	Resource	Release of provision	(0.1)	(0.3)
		Movements in provision	0.1	0.1
Other ALB AME				
AF	Resource	Oil and Gas Authority – release of provision	-	(0.0)
AF	Resource	Oil and Gas Authority – movement in provisions	0.0	0.0
AH	Resource	UKSBS – Corporation Tax	0.0	-
AI	Resource	Northern Powerhouse – Impairments	16.4	-
AI	Resource	Midlands Engine – Impairments	8.4	-
AI	Resource	Enrichment Holdings – Dividend income	(97.2)	(83.3)
-	Resource	Low Carbon Contracts Company - movements in fair value – CfDs	-	8,900.0
TOTAL AME			4,044.4	84,896.0

10. Net Cash Requirement

- 10.1 The Net Cash Requirement (NCR) in the Main Estimate is £15,782.9m.
- 10.2 The breakdown of the NCR is shown in Table S10.1, with final 2017-18 Supplementary Estimate Budget numbers for comparison:

Table S10.1 Net Cash Requirement

	2018-19 £m	2017-18 £m
Non-ALB Resource DEL excl. non-cash items	1,230.4	1,475.4
Non-ALB Capital DEL	1,870.2	3,579.8
AME Cash use of provisions	22.4	20.2
AME Renewable Heat Incentive	900.0	780.0
AME Paternity payments	94.0	7.0
AME Post Office working capital loan	0.0	349.0
Other non-ALB AME excl. non-cash items	32.7	670.4
TOTAL DEL and AME	4,149.7	6,881.8
Grant-in-aid to ALBs	10,680.9	8,447.6
Movement in receivables/payables	950.0	360.0
Repayment of contingencies fund advance	2.3	-
TOTAL NCR	15,782.9	15,689.4

- 10.3 Of the £10,680.9m grant-in-aid, £976.0m reflects NDA income which is paid over to the Consolidated Fund, necessitating an offsetting increase in grant-in-aid.
- 10.4 The main change to the breakdown of the NCR from 2017-18 is the movement of the former HEFCE funding from Non-ALB Resource DEL (reflecting the payment to Department for Education) to Grant-in-aid for UKRI (Research England).

11. DEL and AME Budget comparison to prior and future years

11.1. Table S11.1 shows DEL and AME Budgets for the remainder of the 2015 Spending Review period split by Resource and Capital (and showing Administration within Resource) together with outturn for 2013-14 to 2016-17.

Table S11.1 DEL and AME outturn and plans 2013-14 to 2020-21

	2013-14	2014-15	2015-16	2016-17	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21
	Outturn £m	Outturn £m	Outturn £m	Plans £m	Outturn £m	Variance %	Plans £m	Plans £m	Plans £m	Plans £m
Resource DEL	2,417.1	2,450.2	2,499.2	2,337.1	1,972.3	15.6	2,001.8	1,937.5	2,011.1	-
<i>Of which Administration</i>	475.3	475.5	435.0	425.6	392.0	7.9	429.2	403.7	494.8	-
Capital DEL	9,510.3	9,360.1	10,198.8	11,274.1	10,834.6	3.9	10,856.5	10,768.8	11,220.7	6,027.6
<i>Of which Financial Transactions</i>	313.2	531.6	690.2	1,428.4	1,109.5	22.3	532.7	202.6	246.0	(88.4)
Total DEL	11,927.3	11,810.3	12,698.1	13,611.2	12,807.0	5.9	12,858.3	12,706.3	13,231.9	6,027.6
Resource AME	5,107.3	8,672.4	101,956.2	17,412.3	3,523.2	79.8	85,745.5	4,193.8	2,279.3	2,512.2
Capital AME	(4,304.5)	(1,615.6)	(1,630.0)	310.8	(14.5)	104.7	(849.5)	(149.4)	(82.8)	(54.0)
Total AME	802.8	7,056.8	100,326.3	17,723.1	3,508.7	80.2	84,896.0	4,044.4	2,196.4	2,458.2

Comparison between Plan and Outturn is not possible for the years prior to 2016-17 as only Outturn figures are transferred as part of machinery of government changes.

Annex A

Detailed changes to Budgets

Detail Line as shown in Part II of the Estimate	Increase / (decrease) in Resource compared to 2017-18 (£m)	Increase / (decrease) in Capital compared to 2017-18 (£m)
A – Deliver an ambitious industrial strategy (DEL)	(208.8)	(78.2)
	£204m reduction in budget for support for Energy Intensive Industries; £4.8m net other small changes.	£55.8m increase in budget for launch investments repayments (income) plus decrease in Regional Growth Fund expenditure of £41.9m, partially offset by £19.6m net increase to other smaller lines.
B – Maximise investment opportunities and bolster UK interests (DEL)	19.0	(11.0)
	Change in profile of International Climate Funds set out in SR2015.	Change in profile of International Climate Funds set out in SR2015.
C – Promote competitive markets and responsible business practices (DEL)	4.4	(2.8)
	n/a – less than 10%.	Decrease in budget for Office for Product Safety & Standards (£1.7m) and Small Business Commissioner (£1.0m)

D – Delivering affordable energy for households and businesses (DEL)	4.9	(1.1)
	Increase in budgets for Public Sector Energy Efficiency (£0.5m), Fuel Poverty (£0.9m), Green Deal (£1.7m), National Energy Efficiency (£3.1m), and Smart Meters (£0.9m), partially offset by decrease in Ofgem costs (£(2.0)m).	n/a – less than 10%.
E – Ensuring that our energy system is reliable and secure (DEL)	(3.4)	0.3
	Decreases of £7.7m in New Nuclear and £0.4m Electricity Market Reform, partially offset by £4.7m increase in Oil and Gas.	£0.3m increase in Oil and Gas.
F – Taking action on climate change and decarbonisation (DEL)	1.4	188.1
	n/a – less than 10%.	£124.0m increase in Heat and £65.0m increase in energy research, development and demonstration, partially offset by £0.8m decrease in renewable energy R&D and £0.1m decrease in Carbon Capture and Storage.
G – Managing our energy legacy safely and responsibly (DEL)	(17.4)	(8.2)
	n/a – less than 10%.	£8.1m reduction in Global Threat Reduction Programme (funding for 2018-19 will be transferred in the Supplementary Estimate) plus £0.1m reduction in Nuclear non proliferation.

H – Science and Research (DEL)	(4.0)	(1,766.5)
	Decrease reflecting reduction in centrally held Invest to Save Budget (£3.7m) and funding from Security and Intelligence agencies for Cyber Security in 17-18 only (£0.3m).	Transfer of HEFCE costs to UKRI (£1,973.4m reduction compared to 17-18) plus £54.1m decrease in UK Space Agency and £28.9m decrease in National Measurement Service, partially offset by £289.8m increase in smaller schemes and centrally held or yet to be allocated funding
I – Capability (DEL)	(15.1)	22.7
	n/a – less than 10%.	Increase in centrally held Capital Budgets compared to 2017-18 Supplementary Estimate.
J – Government as Shareholder (DEL)	(28.7)	(211.8)
	£35.0m decrease in Post Office network subsidy, plus £6.4m net other small reductions, partially offset by £12.7m increase in Business and Enterprise access to finance.	£130.6m decrease in Financial Transactions, reduction of £45.0m funding for Post Office network transformation programme as set out in SR15, plus £1.1m net reduction in smaller programmes, together with £35.1m forecast increase in receipts for Enterprise Capital Fund.
K – Promote competitive markets and responsible business practices (ALB) (DEL)	(0.3)	(1.6)
	n/a – less than 10%.	Reduction in Capital budgets for ACAS (£1.5m) and Competition Service (£0.1m).

L – Ensuring that our energy system is reliable and secure (ALB) (DEL)	0.0	-
	n/a – no change.	-
M – Taking action on climate change and decarbonisation (ALB) (DEL)	(0.0)	0.1
	n/a – less than 10%.	Increase in Low Carbon Contracts Company Capital expenditure.
N – Managing our energy legacy safely and responsibly (DEL)	(0.8)	5.6
	n/a – less than 10%.	Increase in Civil Nuclear Police Authority (£5.4m) and Coal Authority (£0.4m), partially offset by reduction in Oil and Gas Authority (£0.2m).
O – Science and Research (ALB) (DEL)	(67.6)	2,257.0
	Reductions in ringfenced Budget for depreciations and impairments, largely reflecting £64.0m Reserve claims made in 2017-18.	Movement of former HEFCE funding to Research England (£2,114.9m), £21.5m increase for UK Atomic Energy Authority, £21.4m increase in Financial Transactions for Innovate UK Loans, plus £99.3m other increases across UKRI.
P – Capability (ALB) (DEL)	5.4	-
	Increase in UKSBS.	-

Q – Government as Shareholder (ALB) (DEL)	(15.1)	(432.3)
	decrease of £18.6m for Green Investment Bank, Northern Powerhouse (£2.0m), £0.5m BIS (Postal Services Act 2011) Company, partially offset by increases for of £6.5m British business Bank and Midlands Engine (£0.4m).	£421.0m decrease in British Business Bank financial transactions, and £35.0m decrease in UK Green Investment Platform financial transactions, and £2.3m decrease for Green Investment Bank, partially offset by £2.2m increase for Northern Powerhouse and £23.9m for Midlands Engine.
R – NDA and SLC expenditure (DEL)	62.0	(207.0)
	n/a – less than 10%.	Reduction in NDA Capital DEL set in SR15 compared to 2017-18 final allocations.
S - Nuclear Decommissioning Authority Income (CFER) (DEL)	218.0	-
	Reduction in NDA Resource DEL income set in SR15 compared to 2017-18 final allocations.	-
T - Nuclear Safeguards Development (DEL)	(2.3)	-
	Repayment of Contingencies Fund Advance received in 2017-18.	-
Total DEL changes	(66.7)	(87.7)

U – Deliver an ambitious industrial strategy (AME)	(303.1)	-
	Decrease in provision reflecting latest forecasts for non-cash movement in provisions and impairments in the Core Department.	n/a.
V – Maximise investment opportunities and bolster UK interests (AME)	(15.0)	-
	Decrease in International Climate Fund non-cash movements.	n/a.
W – Promote competitive markets and responsible business practices (AME)	87.0	-
	Increase in paternity pay forecasts.	n/a.
X – Ensuring that our energy system is reliable and secure (AME)	(11.3)	-
	Increase in energy efficiency loans non-cash credits.	n/a.
Y – Managing our energy legacy safely and responsibly (AME)	6.9	(641.5)
	n/a – less than 10%.	Reduction in movement in Coal Pension receivable.

Z – Science and Research (AME)	(7.0)	-
	Increase in Research Council Pensions (£4.5m), offset by non-cash movements in ESA pensions (£(11.5)m).	n/a.
AA - Capability (AME)	(11.4)	-
	Decrease in core Department provisions movements.	n/a.
AB – Government as Shareholder (AME)	60.5	(349.0)
	Increase in provision reflecting latest forecasts in valuation of financial assets and non-cash movement in provisions.	Reduction in Post Office working capital loan.
AC – Renewable Heat Incentive (AME)	120.0	-
	Increase in Renewable Heat Incentive budget as set out in SR2015.	n/a.
AD – Deliver an ambitious industrial strategy (ALB) (AME)	29.7	1.0
	Increase in Budget for the NESTA trust.	Increase in Budget for the NESTA trust.
AE – Promote competitive markets and responsible business practices (ALB) (AME)	0.8	-
	Small movements in provisions in ACAS (£0.8m)	n/a.

AF – Managing our energy legacy safely and responsibly (ALB) (AME)	(2,550.3)	-
	£2,549.0m decrease in Coal Authority provisions and decrease in impairments (£1.6m), plus £0.2m increase in Civil Nuclear Police Authority.	n/a.
AG – Science and Research (ALB) (AME)	28.5	
	£15.0m increase in UKRI plus £13.5m increase in UKAEA provisions.	n/a.
AH – Capability (ALB) (AME)	0.0	-
	n/a.	n/a
AI – Government as Shareholder (ALB) (AME)	(36.7)	68.5
	Decreases in Corporation Tax and Impairments – forecasts will be reviewed for the 2018-19 Supplementary Estimate.	Decrease in BIS (Postal Services Act 2011) Company income from disposals.
AJ - Nuclear Decommissioning Authority (AME)	(69,995.0)	
	Decrease in provisions movements (£69,952.0m) and depreciation (£43.0m).	n/a.

Taking action on climate change and decarbonisation (ALB) (AME)	(8,900.0)	-
	Decrease in movement in fair value for Contracts for Difference – forecasts will be reviewed for the 2018-19 Supplementary Estimate.	n/a.
AK – Government as Shareholder (AME)	(19.0)	-
	n/a – less than 10%.	n/a.
Government as Shareholder (AME) (CFER)	-	1,621.1
	n/a.	2017-18 reflects receipt from the sale of Green Investment Bank, payable to the Consolidated Fund.
Total AME changes	(81,551.7)	700.1

Annex B

Breakdown of DEL Budgets

Resource DEL	ME 18-19 £m	SE 17-18 £m
Deliver an ambitious industrial strategy	155.1	363.8
Business and Enterprise	101.6	319.3
Other Programmes	29.4	21.9
British Shipbuilders	11.2	11.4
Depreciation	12.9	11.2
Maximise investment opportunities and bolster UK interests	63.0	44.0
International Climate Finance	63.0	44.0
Promote competitive markets and responsible business practices	93.6	89.1
Better Regulation	8.4	6.1
Market Frameworks	84.3	82.2
Low Pay Commission	0.8	0.8
Delivering affordable energy for households and businesses	54.3	49.4
Energy Efficiency Loans	3.8	3.4
Fuel Poverty	2.9	2.1
Green Deal	10.7	9.0
Energy Efficiency	9.9	6.8
Ofgem costs	17.5	19.5
Smart Meters	9.5	8.6
Ensuring that our energy system is reliable and secure	13.4	16.9
Electricity Market Reform	0.3	0.7
New Nuclear	2.7	10.4
Oil and Gas	10.5	5.8

Resource DEL	ME 18-19 £m	SE 17-18 £m
Taking action on climate change and decarbonisation	36.2	34.8
Carbon Capture and Storage	1.3	0.8
Energy Innovation	6.1	6.8
Renewable Energy	3.0	3.8
Drive Ambitious action on climate change at home and abroad	0.3	0.3
EU ETS & Tax	0.1	0.2
International & EU energy & security	3.7	5.0
International Climate Change	2.3	2.4
Heat	18.1	14.0
National Carbon Markets	1.4	1.5
Managing our energy legacy safely and responsibly	252.9	270.3
British Energy Liabilities	179.6	192.4
Civil Nuclear Liabilities	0.3	0.4
Coal Pensions	0.2	0.2
Concessionary Fuel	38.7	40.4
Global Threat Reduction Programme	1.3	7.7
Non-proliferation	20.3	21.5
Nuclear Security	12.5	7.7
Science and Research	-	4.0
Invest to Save	-	3.7
UKAEA	-	0.0
UK Space Agency (to be swapped internally for CDEL)	-	0.3
Capability	473.3	488.4
Core and Agency Admin	316.7	353.9
Centrally held/unallocated	151.4	82.7
Other Programmes	5.2	51.8

Resource DEL	ME 18-19 £m	SE 17-18 £m
Government as Shareholder	128.3	157.0
Insolvency Service	40.8	45.7
Ordnance Survey dividend	(18.8)	(18.0)
British Business Bank	13.2	15.1
Business and Enterprise access to finance	30.1	17.3
Post Office Network Subsidy	60.0	95.0
Other Programmes	(1.2)	1.9
Deliver an ambitious industrial strategy (ALB)	-	4.0
South Tees Site Company (Budget to be allocated at SE)	-	4.0
Promote competitive markets and responsible business practices (ALB)	53.7	53.4
ACAS Admin	7.8	7.7
ACAS Programme	41.1	41.1
Competition Service Admin	0.6	0.6
Competition Service Programme	4.0	4.0
Financial Reporting Council Admin	0.2	0.0
Ensuring that our energy system is reliable and secure (ALB)	0.0	0.0
Electricity Settlements Company	0.0	0.0
Taking action on climate change and decarbonisation (ALB)	3.5	3.5
Committee on Climate Change BEIS funding	2.2	2.2
Committee on Climate Change OGD funding	1.3	1.3
Low Carbon Contracts Company	0.0	0.0
Managing our energy legacy safely and responsibly (ALB)	23.0	23.8
Coal Authority Administration costs	4.4	4.4
Coal Authority Programme costs	16.2	16.2
OGA Administration costs	0.0	0.0

Resource DEL	ME 18-19 £m	SE 17-18 £m
OGA Programme costs	1.7	2.5
Civil Nuclear Police Authority costs met by BEIS	0.7	0.8
Science and Research (ALB)	221.7	291.8
UKRI & UKAEA Admin depreciation	4.1	5.1
UKRI Programme depreciation	233.9	244.1
Diamond Light Source Programme depreciation	(19.0)	37.3
UKAEA Programme depreciation	5.2	5.2
Capability (ALB)	9.8	4.4
UKSBS Admin	9.8	4.4
Government as Shareholder (ALB)	(30.3)	(15.2)
Postal Services Holding Company	0.2	0.0
Enrichment Holdings	0.0	0.0
Financial Reporting Council	0.0	0.0
British Business Bank	(38.3)	(44.8)
Northern Powerhouse	2.8	4.9
Midlands Engine	1.8	1.4
Green Investment Bank	-	18.6
UK Green Infrastructure Platform	-	1.0
BIS (Postal Services Act 2011) Company	3.2	3.7
NDA and SLC expenditure	1,362.0	1,300.0
NDA Administration costs	55.0	44.0
NDA gross Programme	334.0	223.0
NDA SLC Programme	977.0	1,033.0
Nuclear Decommissioning Authority Income	(976.0)	(1,194.0)
Nuclear Decommissioning Authority Prog Income	(976.0)	(1,194.0)
Nuclear Safeguards Development	(2.3)	-
Repayment of Contingencies Fund advance	(2.3)	-
Total Resource DEL	1,935.1	2,001.8

Capital DEL	ME 18-19 £m	SE 17-18 £m
Deliver an ambitious industrial strategy	128.2	206.3
Business and Enterprise	13.1	48.2
Regional Growth Fund (including RSA/GSI)	33.8	41.9
Met Office	100.7	98.8
Ordnance Survey	80.7	79.2
Research & innovation R&D held centrally	(2.2)	1.5
National Measurement Service	59.4	71.2
Launch Investments	(157.3)	(101.4)
Other programmes	-	(33.2)
Maximise investment opportunities and bolster UK interests	284.0	295.0
International Climate Finance	284.0	295.0
Promote competitive markets and responsible business practices	-	2.8
Better Regulation	-	1.7
Market Frameworks	-	1.0
Delivering affordable energy for households and businesses	42.6	43.7
Energy Efficiency Loans	42.0	42.4
Green Deal	0.1	1.3
Energy Efficiency	0.5	-
Ensuring that our energy system is reliable and secure	0.3	0.0
Oil and Gas	0.3	0.0
New Nuclear	-	0.0
Taking action on climate change and decarbonisation	254.9	66.7
Energy Innovation	117.1	52.1
Heat	137.5	13.5

Renewable Energy	0.3	1.1
Carbon Capture and Storage	-	0.1
Managing our energy legacy safely and responsibly	-	8.2
Global Threat Reduction Programme (funded in Supplementary Estimate)	-	8.1
Non-proliferation	-	0.1
Science and Research	920.0	2,686.4
HEFCE (including Global Challenges Research fund) – now under UKRI	-	1,973.4
UK Space Agency	353.4	407.5
Research Capital Investment fund	21.6	21.6
British Academy	38.5	35.6
Royal Academy of Engineering	19.6	17.1
Science and Society	91.5	74.0
National Measurement Service	11.7	46.7
Research Base and Science contingency	377.2	110.2
Animal Licence Fees	0.4	0.4
Capability	67.6	44.9
Core and Agency Capital	4.4	35.2
Centrally held/unallocated	63.3	9.7
Government as Shareholder	14.0	225.8
British Business Bank	-	(0.2)
Post Office Network Subsidy	-	45.0
Met Office	21.2	15.0
Enterprise Finance Guarantee	27.8	25.8
Business and Enterprise access to finance	-	0.5
Enterprise Capital Fund	(35.1)	176.7
Other programmes	-	(37.1)

Deliver an ambitious industrial strategy (ALB)	-	0.1
South Tees Site Company	-	0.1
Promote competitive markets and responsible business practices (ALB)	-	1.6
ACAS	-	1.5
Competition Service	-	0.1
Taking action on climate change and decarbonisation (ALB)	0.3	0.2
Low Carbon Contracts Company	0.3	0.2
Committee on Climate Change	-	0.0
Managing our energy legacy safely and responsibly (ALB)	15.9	10.3
Coal Authority	10.0	9.6
Oil and Gas Authority	0.3	0.5
Civil Nuclear Police Authority	5.6	0.2
Science and Research (ALB)	7,030.7	4,773.7
UKRI	6,985.8	4,750.2
UKAEA	45.0	23.5
Government as Shareholder (ALB)	0.6	432.9
British Business Bank	(97.8)	323.3
Green Investment Bank	-	2.3
UK Green Infrastructure Platform	10.0	45.0
Northern Powerhouse	45.7	43.5
Midlands Engine	42.7	18.8
NDA and SLC expenditure	1,851.0	2,058.0
NDA gross Capital	7.0	111.0
NDA SLC Capital	1,844.0	1,947.0
Total Capital DEL	10,768.8	10,856.5

Annex C

Explanation of Key Terms and Glossary of Abbreviations

Departmental Expenditure Limit (DEL)

This is spending that is within the Department's control and can therefore be planned over an extended period. It is a Treasury budgetary control that is set for three or four-year periods. Examples include administration costs, payments for goods and services, grant scheme payments and non-cash costs such as depreciation.

Annually Managed Expenditure (AME)

This is spending that is generally less predictable and controllable than expenditure in DEL. It is a Treasury budgetary control that is reviewed twice a year with departments via the Supplementary Estimates.

Virement

The use of savings on one or more sections or subheads to meet excesses on another section or subhead within the same category of an Estimate.

Administration Budget

A Treasury control on the resources consumed directly by departments and agencies in providing those services which are not directly associated with frontline service delivery. Includes such things as: pay, resource expenditure on accommodation, utilities and services.

Non-cash

Costs where there is no cash transaction but which are included in a body's accounts to establish the true cost of all the resources consumed e.g. depreciation.

OSCAR

OSCAR (Online System for Central Accounting and Reporting) is a Treasury database holding departmental public expenditure data (outturn and plans) for a run of years and is the replacement for COINS (Combined Online Information System).

Arms' Length Body (ALB)

Public bodies which are outside of departments but usually funded by a department through the mechanism of grant-in-aid e.g. the Nuclear Decommissioning Authority and the Committee on Climate Change.

Contracts for Difference (CfDs)

Contracts for Difference support investment in low carbon generation by providing a guaranteed price to generators ("the strike price"). This will usually be a top-up to the market price but at times of high market prices, generators will be required to pay back the difference between the market price and the strike price. Differences between the market price and strike price are met by suppliers via electricity consumers.

Other Abbreviations

ACAS	Advisory, Conciliation and Arbitration Service
AHRC	Arts and Humanities Research Council
BBB	British Business Bank
BBSRC	Biotechnology and Biological Sciences Research Council
CA	Coal Authority
CCC	Committee on Climate Change
CFER	Consolidated Fund Extra Receipts
CNPA	Civil Nuclear Police Authority
DCMS	Department for Digital, Culture, Media and Sport
Defra	Department for Environment, Food and Rural Affairs
DfE	Department for Education
DFID	Department for International Development
DIT	Department for International Trade
eIDAS	electronic IDentification, Authentication and trust Services
EIIs	Energy Intensive Industries
EMR	Electricity Market Reform
EPSRC	Engineering and Physical Sciences Research Council
ESC	Electricity Settlements Company
ESRC	Economic and Social Research Council
FCO	Foreign and Commonwealth Office
GIB	Green Investment Bank
HEFCE	Higher Education Funding Council for England
ICF	International Climate Fund
ICO	Information Commissioners Office
LCCC	Low Carbon Contracts Company
ME	Main Estimate
MEIL	Midlands Engine Investments Limited

MHCLG	Ministry of Housing, Communities and Local Government
MoD	Ministry of Defence
MoJ	Ministry of Justice
MRC	Medical Research Council
NDA	Nuclear Decommissioning Authority
NERC	Natural Environment Research Council
NPIF	Northern Powerhouse Investment Fund
OBR	Office for Budget Responsibility
ODA	Official Development Assistance
OGA	Oil and Gas Authority
RHI	Renewable Heat Incentive
SE	Supplementary Estimate
SIA	Security and Intelligence Agencies
STFC	Science and Technology Facilities Council
SULCO	Start Up Loans Company
UKAEA	United Kingdom Atomic Energy Authority
UKRI	UK Research and Innovation
UNFCCC	United Nations Framework Convention on Climate Change