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# **Department for Business, Energy and Industrial Strategy**

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## **Introduction**

1. This Estimate covers the planned budgetary expenditure of the Department for Business, Energy and Industrial Strategy (including its associated Arm's Length Bodies, notably the newly established UK Research and Innovation (bringing together the Research Councils, Innovate UK and Research England); the Nuclear Decommissioning Authority (NDA), including the Site Licence Companies who are accountable to the NDA through arms length commercial contracts; and the British Business Bank).
2. A number of international subscriptions in excess of £1 million are borne by this Estimate. These are listed in the Notes to the Estimate.

# Part I

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	Voted	Non-Voted	Total
<b>Departmental Expenditure Limit</b>			
Resource † ††	2,915,775,000	-978,275,000	1,937,500,000
Capital	10,768,777,000	-	10,768,777,000
<b>Annually Managed Expenditure</b>			
Resource	3,843,793,000	350,000,000	4,193,793,000
Capital	-149,397,000	-	-149,397,000
<b>Total Net Budget</b>			
Resource	6,759,568,000	-628,275,000	6,131,293,000
Capital	10,619,380,000	-	10,619,380,000
<b>Non-Budget Expenditure</b>		-	
<b>Net cash requirement</b>	15,782,871,000		

Amounts required in the year ending 31 March 2019 for expenditure by Department for Business, Energy and Industrial Strategy on:

## Departmental Expenditure Limit:

### Expenditure arising from:

The promotion of enterprise, innovation and increased productivity delivered through international trade and investment, regional investment and 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 provision of financial solutions to accelerate private sector investment and address market failures through the British Business Bank, and other similar intervention mechanisms.

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 for former coal 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.

The management of miscellaneous programmes including payments in respect of claims for the restitution of the property of victims of Nazi persecution.

The payment of subscriptions and contributions to international organisations and fulfilment of international treaty obligations.

Increasing science and research excellence in the United Kingdom and maximising its contribution to society.

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# Part I

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Making payments to local authorities in respect of Local Area Agreements and New Burdens responsibilities.

Activities of UK Government Investments on behalf of the Department.

Support for energy-related activities including regulation, civil emergency planning, energy resilience measures, environmental remediation and support and facilitation for new and sustainable or more efficient, or less carbon intensive energy sources, technologies, transmission and storage, security and non-proliferation.

Respond to fuel poverty needs;

Measures to improve energy efficiency, security and environmental practice; payments to energy companies to reduce the impact of BEIS policies on bills.

Work towards international agreement on climate change; Promote and support actions to reduce national and global greenhouse gas emissions; climate modelling and risk assessment.

Safety, environment and social impact programmes relating to nuclear sites in Central and Eastern Europe and the former Soviet Union and other countries where future G8 Global Partnership related initiatives may be pursued;

Inspections and compliance in accordance with EU regulatory requirements and recovery of expenditure through cost sharing arrangements;

Specialist support services, staff management and development; other departmental administration and non-cash costs; payments towards the United Kingdom Atomic Energy Authority Combined Pension Scheme deficit; exchange risk and other guarantee losses; publicity, promotion, publications, knowledge sharing initiatives and departmental research and development; surveys, monitoring, statistics, advice and consultancies; management of asset sales; contributions to fund cross government initiatives; Payments to HM Treasury towards the cost of Infrastructure UK.

Grants to local authorities.

Funding organisations supporting departmental objectives, including the department's executive agencies and arm's length bodies and their subsidiaries.

The provision of financial solutions to accelerate private sector investment and address market failures through New Innovation Finance Products.

## Income arising from:

Receipts from other Government Departments and devolved administrations;

The Advisory, Conciliation and Arbitration Service; the Insolvency Service.

Receipts from statutory regulators in respect of expenses related to levies from industry.

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 Met Office, UK Intellectual Property Office, National Physical Laboratory and Companies House. Income from investments; receipts from financial investments made by the British Business Bank; repayment of loans and investments; repayment of capital grants; repayments of grants and contributions; receipts from asset sales.

European Fast Stream receipts; 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 and profit from the sale of surplus land, buildings and equipment; rental income and repayments including from three domestic properties on the estate of the European School of Culture at Culham, Oxfordshire and from the National Physical Laboratory. Receipts associated with the closure of Partner Organisations.

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# Part I

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Receipts from MRC Technology, the Ufi Charitable Trust, and subsidiaries and shares in joint ventures of UK Research and Innovation, and other partner organisations, the public weather service and mapping services. Commercial loan recoveries in relation to UK Coal Production Limited.

General administration receipts of the Department, its executive agencies, its arm's length bodies, and other partner organisations, including: the recovery of salaries and associated costs for seconded staff; sale of goods and services; HMRC receipts arising from the Research and Development Expenditure Credit; and interest from bank accounts and exchange rate gains and losses.

Income relating to legal services, consultancy, publications, public enquiries, information, central services; occupancy charge; administrative and professional services; EU receipts; refund of input VAT not claimed in previous years on departmental expenditure; fees for services provided for energy resilience purposes; interest payments; non-cash income.

Activities of UK Government Investments on behalf of the Department.

Contributions from other organisations to cover the cost of activities they have agreed to fund in total or in part;

Government carbon offsetting scheme receipts;

Receipt and retention of financial securities relating to the decommissioning of renewable devices such as offshore wind;

Receipts relating to the oil and gas industries (including petroleum licensing and levy receipts);

Project Camelot Levy Receipts;

Proceeds of Crime income generated in criminal enforcement.

Receipts relating to the Nuclear Decommissioning Authority.

## **Annually Managed Expenditure:**

### Expenditure arising from:

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

Bad debts, impairments and provisions; other non-cash items.

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 innovation and research activity; miscellaneous programmes.

The management of asset sales.

Payment of corporation tax.

The provision of repayable credit facilities for Post Office Ltd; contributions to partner organisations' pension schemes, such as the Research Councils' Pension Scheme, and the provision of paternity pay.

Activities of UK Government Investments on behalf of the Department.

Renewable Heat Incentive including Renewable Heat Premium Payments.

The expenditure of The NESTA Trust.

Impairment of loans and investments; Exchange rate gains and losses.

Efficient discharge of liabilities relating to contracts for difference for the supply of electricity.

The Redundancy Payments Service.

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# Part I

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## Income arising from:

Receipts from Trading Funds.

Receipts from asset sales.

Income relating to repayment and recoveries of compensation and legal costs, distribution of surpluses from coal industry pension schemes and coal privatisation receipts.

Refund of input VAT not claimed in previous years on departmental expenditure; interest payments; repayments of grants and contributions; non-cash income.

Activities of UK Government Investments on behalf of the Department.

Receipt of interest on loans and loan repayments from Post Office Ltd; receipts and income from investments in respect of The NESTA Trust.

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

Dividends from shares held by Postal Services Holding Ltd in Royal Mail.

Receipts relating to the Nuclear Decommissioning Authority.

**Department for Business, Energy and Industrial Strategy** will account for this Estimate.

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	<b>Voted Total</b>	<b>Allocated in Vote on Account</b>	<b>Balance to complete or surrender</b>
<b>Departmental Expenditure Limit</b>			
Resource	2,915,775,000	1,341,322,000	<b>1,574,453,000</b>
Capital	10,768,777,000	4,903,173,000	<b>5,865,604,000</b>
<b>Annually Managed Expenditure</b>			
Resource	3,843,793,000	1,160,223,000	<b>2,683,570,000</b>
Capital	-149,397,000	-	<b>-149,397,000</b>
<b>Non-Budget Expenditure</b>	-	-	-
<b>Net cash requirement</b>	<b>15,782,871,000</b>	<b>7,990,396,000</b>	<b>7,792,475,000</b>

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† Expenditure totalling £6,901,000 under section G is subject to the passage of the Nuclear Safeguards Bill, which has passed second reading in the House of Commons. The provision sought will not be used for the service or for any purpose until the enabling legislation has been enacted.

†† £4,626,000 has been advanced from the Contingencies Fund to provide cash in respect of £4,626,000 resource DEL spending supporting the new service provided for under section G of this Estimate. A corresponding cash amount is required to enable repayment to be made to the Fund by 31 March 2019.

## Part II: Subhead detail

£'000

2018-19 Plans						2017-18 Provisions				
Resources						Capital			Resources	Capital
Administration			Programme			Gross	Income	Net	Net	Net
Gross	Income	Net	Gross	Income	Net					
1	2	3	4	5	6	7	8	9	10	11
<b>Spending in Departmental Expenditure Limits (DEL)</b>										
<b>Voted expenditure</b>										
437,448	-33,715	403,733	2,556,537	-44,495	2,512,042	10,998,111	-229,334	10,768,777	3,195,828	10,856,477
<i>Of which:</i>										
A Deliver an ambitious industrial strategy										
-	-	-	156,108	-1,000	155,108	299,758	-171,584	128,174	363,846	206,347
B Maximise investment opportunities and bolster UK interests										
-	-	-	63,000	-	63,000	284,000	-	284,000	44,000	294,994
C Promote competitive markets and responsible business practices										
840	-	840	94,457	-1,740	92,717	-	-	-	89,140	2,770
D Delivering affordable energy for households and businesses										
-	-	-	54,304	-	54,304	42,580	-	42,580	49,415	43,651
E Ensuring that our energy system is reliable and secure										
-	-	-	19,875	-6,428	13,447	319	-	319	16,876	24
F Taking action on climate change and decarbonisation										
-	-	-	36,158	-	36,158	254,855	-	254,855	34,779	66,741
G Managing our energy legacy safely and responsibly										
-	-	-	252,879	-	252,879	-	-	-	270,275	8,160
H Science and Research										
-	-	-	-	-	-	923,850	-3,900	919,950	3,950	2,686,432
I Capability										
350,429	-33,715	316,714	165,005	-8,386	156,619	226,354	-	226,354	488,395	44,910
J Government as Shareholder										
4,644	-	4,644	150,571	-26,941	123,630	67,820	-53,850	13,970	156,965	225,756
K Promote competitive markets and responsible business practices (ALB) net										
8,580	-	8,580	45,073	-	45,073	-	-	-	53,398	1,559
L Ensuring that our energy system is reliable and secure (ALB) net										
-	-	-	1	-	1	-	-	-	1	-
M Taking action on climate change and decarbonisation (ALB) net										
3,472	-	3,472	1	-	1	260	-	260	3,476	179
N Managing our energy legacy safely and responsibly (ALB) net										
4,400	-	4,400	18,558	-	18,558	15,939	-	15,939	23,804	10,295
O Science and Research (ALB) net										
4,097	-	4,097	220,036	-	220,036	7,030,739	-	7,030,739	291,750	4,773,716
P Capability (ALB) Net										
9,800	-	9,800	-	-	-	-	-	-	4,382	-
Q Government as Shareholder (ALB) net										
186	-	186	-30,489	-	-30,489	637	-	637	-15,220	432,893
R NDA and SLC expenditure (ALB) net										
51,000	-	51,000	1,311,000	-	1,311,000	1,851,000	-	1,851,000	1,300,000	2,058,000
<i>Deliver an ambitious industrial strategy (ALB) net</i>										
-	-	-	-	-	-	-	-	-	16,596	50

## Part II: Subhead detail

£'000

2018-19 Plans									2017-18 Provisions	
Resources						Capital			Resources	Capital
Administration			Programme			Gross	Income	Net	Net	Net
Gross	Income	Net	Gross	Income	Net					
1	2	3	4	5	6	7	8	9	10	11
<b>Non-voted expenditure</b>										
-	-	-	-2,275	-976,000	-978,275	-	-	-	-1,194,000	-
<i>Of which:</i>										
S Nuclear Decommissioning Authority Income (CFER)										
-	-	-	-	-976,000	-976,000	-	-	-	-1,194,000	-
T Nuclear Safeguards Development										
-	-	-	-2,275	-	-2,275	-	-	-	-	-
<b>Total Spending in DEL</b>										
<b>437,448</b>	<b>-33,715</b>	<b>403,733</b>	<b>2,554,262</b>	<b>-1,020,495</b>	<b>1,533,767</b>	<b>10,998,111</b>	<b>-229,334</b>	<b>10,768,777</b>	<b>2,001,828</b>	<b>10,856,477</b>
<b>Spending in Annually Managed Expenditure (AME)</b>										
<b>Voted expenditure</b>										
-	-	-	3,914,190	-70,397	3,843,793	7,901,603	-8,051,000	-149,397	85,376,541	771,549
<i>Of which:</i>										
U Deliver an ambitious industrial strategy										
-	-	-	-11,305	-35,270	-46,575	-	-	-	256,556	-
V Maximise investment opportunities and bolster UK interests										
-	-	-	2,000	-	2,000	-	-	-	17,000	-
W Promote competitive markets and responsible business practices										
-	-	-	94,000	-	94,000	-	-	-	7,000	-
X Ensuring that our energy system is reliable and secure										
-	-	-	-	-4,140	-4,140	-	-	-	7,123	-
Y Managing our energy legacy safely and responsibly										
-	-	-	-182,953	-	-182,953	9,843	-51,000	-41,157	-189,849	600,311
Z Science and Research										
-	-	-	60,150	-	60,150	-	-	-	67,179	-
AA Capability										
-	-	-	-19,813	-	-19,813	-	-	-	-8,460	-
AB Government as Shareholder										
-	-	-	47,531	-30,987	16,544	8,000,000	-8,000,000	-	-43,952	349,000
AC Renewable Heat Incentive										
-	-	-	900,000	-	900,000	-	-	-	780,000	-
AD Deliver an ambitious industrial strategy (ALB) net										
-	-	-	15,700	-	15,700	1,000	-	1,000	-14,000	-
AE Promote competitive markets and responsible business practices (ALB) net										
-	-	-	785	-	785	-	-	-	1	-
AF Managing our energy legacy safely and responsibly (ALB) net										
-	-	-	8,831	-	8,831	-	-	-	2,559,156	-
AG Science and Research (ALB) net										
-	-	-	21,300	-	21,300	-	-	-	-7,199	-

## Part II: Subhead detail

£'000

2018-19 Plans									2017-18 Provisions	
Resources						Capital			Resources	Capital
Administration			Programme			Gross	Income	Net	Net	Net
Gross	Income	Net	Gross	Income	Net					
1	2	3	4	5	6	7	8	9	10	11
AH Capability (ALB) Net										
-	-	-	2	-	2	-	-	-	-	-
AI Government as Shareholder (ALB) net										
-	-	-	-27,038	-	-27,038	-109,240	-	-109,240	45,986	-177,762
AJ Nuclear Decommissioning Authority										
-	-	-	3,005,000	-	3,005,000	-	-	-	73,000,000	-
<i>Taking action on climate change and decarbonisation (ALB) net</i>										
-	-	-	-	-	-	-	-	-	8,900,000	-
<b>Non-voted expenditure</b>										
-	-	-	350,000	-	350,000	-	-	-	369,000	-1,621,095
<i>Of which:</i>										
AK Government as Shareholder										
-	-	-	350,000	-	350,000	-	-	-	369,000	-
<i>Government as Shareholder (CFER)</i>										
-	-	-	-	-	-	-	-	-	-	-1,621,095
<b>Total Spending in AME</b>										
-	-	-	4,264,190	-70,397	4,193,793	7,901,603	-8,051,000	-149,397	85,745,541	-849,546
<b>Total for Estimate</b>										
437,448	-33,715	403,733	6,818,452	-1,090,892	5,727,560	18,899,714	-8,280,334	10,619,380	87,747,369	10,006,931
<i>Of which:</i>										
<b>Voted Expenditure</b>										
437,448	-33,715	403,733	6,470,727	-114,892	6,355,835	18,899,714	-8,280,334	10,619,380	88,572,369	11,628,026
<b>Non Voted Expenditure</b>										
-	-	-	347,725	-976,000	-628,275	-	-	-	-825,000	-1,621,095



## Part II: Resource to cash reconciliation

£'000

	2018-19 Plans	2017-18 Provisions	2016-17 Outturn
<b>Net Resource Requirement</b>	<b>6,131,293</b>	<b>87,747,369</b>	<b>5,495,550</b>
<b>Net Capital Requirement</b>	<b>10,619,380</b>	<b>10,006,931</b>	<b>10,820,129</b>
<b>Accruals to cash adjustments</b>	<b>-1,596,077</b>	<b>-84,510,981</b>	<b>-4,038,843</b>
<i>Of which:</i>			
<i>Adjustment for ALBs:</i>			
Remove voted resource and capital	-13,460,630	-93,261,061	-12,894,476
Add cash grant-in-aid	10,680,868	8,447,578	7,429,271
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-19,414	-215,611	1,085,408
New provisions and adjustments to previous provisions	-116,827	-155,081	-46,599
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	67,397	1,049	79,291
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	950,000	1,000,000	-
Increase (-) / Decrease (+) in creditors	-	-640,000	-
Use of provisions	302,529	312,145	308,262
<b>Removal of non-voted budget items</b>	<b>628,275</b>	<b>2,446,095</b>	<b>795,257</b>
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	628,275	2,446,095	795,257
<b>Net Cash Requirement</b>	<b>15,782,871</b>	<b>15,689,414</b>	<b>13,072,093</b>

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

£'000

	2018-19 Plans	2017-18 Provisions	2016-17 Outturn
Gross Administration Costs	420,754	451,507	430,437
<i>Less:</i>			
Administration DEL Income	-33,715	-33,883	-54,579
<b>Net Administration Costs</b>	<b>387,039</b>	<b>417,624</b>	<b>375,858</b>
Gross Programme Costs	15,343,289	96,576,363	13,834,325
<i>Less:</i>			
Programme DEL Income	-1,080,539	-1,269,039	-1,244,847
Programme AME Income	-70,397	-40,089	-70,347
Non-budget income	-	-	-
<b>Net Programme Costs</b>	<b>14,192,353</b>	<b>95,267,235</b>	<b>12,519,131</b>
<b>Total Net Operating Costs</b>	<b>14,579,392</b>	<b>95,684,859</b>	<b>12,894,989</b>
<i>Of which:</i>			
Resource DEL	1,666,767	1,713,635	1,654,288
Capital DEL	8,407,869	7,899,316	7,530,099
Resource AME	4,504,756	86,071,908	3,859,774
Capital AME	-	-	-64,712
Non-budget	-	-	-84,460
<i>Adjustments to include:</i>			
Departmental Unallocated Provision (resource)	-	-	-
Consolidated Fund Extra Receipts in the budget but not in the SoCNE	-	-	-
<i>Adjustments to remove:</i>			
Capital in the SoCNE	-8,407,869	-7,899,316	-7,465,387
Grants to devolved administrations	-	-	-
Non-Budget Consolidated Fund Extra Receipts in the SoCNE	-	-	-
Other adjustments	-40,230	-38,174	65,948
<b>Total Resource Budget</b>	<b>6,131,293</b>	<b>87,747,369</b>	<b>5,495,550</b>
<i>Of which:</i>			
Resource DEL	1,937,500	2,001,828	1,972,334
Resource AME	4,193,793	85,745,541	3,523,216
<i>Adjustments to include:</i>			
Grants to devolved administrations	-	-	-
Prior period adjustments	-	-	-
<i>Adjustments to remove:</i>			
Consolidated Fund Extra Receipts in the resource budget	976,000	1,194,000	1,026,768
Other adjustments	-976,000	-1,194,000	-1,026,768
<b>Total Resource (Estimate)</b>	<b>6,131,293</b>	<b>87,747,369</b>	<b>5,495,550</b>

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

£'000

	2018-19 Plans	2017-18 Provision	2016-17 Outturn
<b>Voted Resource DEL</b>	<b>-78,210</b>	<b>-78,518</b>	<b>-185,637</b>
<i>Of which:</i>			
Administration			
Sales of Goods and Services	-32,019	-31,207	-38,984
<i>Of which:</i>			
G Managing our energy legacy safely and responsibly	-	-	-589
I Capability	-32,019	-31,030	-38,395
J Government as Shareholder	-	-177	-
Other Grants	-1,272	-1,273	-
<i>Of which:</i>			
I Capability	-1,272	-1,273	-
Other Income	-424	-1,403	-4,335
<i>Of which:</i>			
I Capability	-424	-1,403	-4,335
Taxation	-	-	-11,260
<i>Of which:</i>			
G Managing our energy legacy safely and responsibly	-	-	-11,260
<b>Total Administration</b>	<b>-33,715</b>	<b>-33,883</b>	<b>-54,579</b>
Programme			
EU Grants Received	-	-	-92
<i>Of which:</i>			
A Deliver an ambitious industrial strategy	-	-	-92
Sales of Goods and Services	-12,305	-12,382	-91,870
<i>Of which:</i>			
A Deliver an ambitious industrial strategy	-	-	-575
C Promote competitive markets and responsible business practices	-1,740	-1,773	-5,146
E Ensuring that our energy system is reliable and secure	-228	-228	-54
G Managing our energy legacy safely and responsibly	-	-	-410
I Capability	-8,386	-8,430	-7,454
J Government as Shareholder	-1,951	-1,951	-78,231
Interest and Dividends	-25,990	-24,945	-9,411
<i>Of which:</i>			
A Deliver an ambitious industrial strategy	-1,000	-1,000	-8,809
J Government as Shareholder	-24,990	-23,945	-602
Other Grants	-	-	-672
<i>Of which:</i>			
H Science and Research	-	-	-672
Other Income	-6,200	-7,308	-19,898
<i>Of which:</i>			
A Deliver an ambitious industrial strategy	-	-	-4,753
B Maximise investment opportunities and bolster UK interests	-	-	-1,000
C Promote competitive markets and responsible business practices	-	-	-1,062

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

£'000

	2018-19 Plans	2017-18 Provision	2016-17 Outturn
D Delivering affordable energy for households and businesses	-	-	-1,154
E Ensuring that our energy system is reliable and secure	-6,200	-7,308	-5,830
F Taking action on climate change and decarbonisation	-	-	-3,781
G Managing our energy legacy safely and responsibly	-	-	-2,074
H Science and Research	-	-	-8
J Government as Shareholder	-	-	-236
Taxation	-	-	-9,115
<i>Of which:</i>			
C Promote competitive markets and responsible business practices	-	-	-9,115
<b>Total Programme</b>	<b>-44,495</b>	<b>-44,635</b>	<b>-131,058</b>
<b>Voted Resource AME</b>	<b>-70,397</b>	<b>-40,089</b>	<b>-65,528</b>
<i>Of which:</i>			
Programme			
Interest and Dividends	-1,000	-	-6,653
<i>Of which:</i>			
U Deliver an ambitious industrial strategy	-	-	-2,001
AB Government as Shareholder	-1,000	-	-4,652
Other Income	-69,397	-40,089	-58,875
<i>Of which:</i>			
U Deliver an ambitious industrial strategy	-35,270	-38,600	-42,944
X Ensuring that our energy system is reliable and secure	-4,140	-1,489	-3,204
Y Managing our energy legacy safely and responsibly	-	-	-12,727
AB Government as Shareholder	-29,987	-	-
<b>Total Programme</b>	<b>-70,397</b>	<b>-40,089</b>	<b>-65,528</b>
<b>Total Voted Resource Income</b>	<b>-148,607</b>	<b>-118,607</b>	<b>-251,165</b>
<b>Voted Capital DEL</b>	<b>-229,334</b>	<b>-150,198</b>	<b>-271,075</b>
<i>Of which:</i>			
Programme			
Sales of Assets	-	-11,464	-10
<i>Of which:</i>			
I Capability	-	-11,464	-10
EU Grants Received	-35,090	-	-3,073
<i>Of which:</i>			
A Deliver an ambitious industrial strategy	-	-	-642
H Science and Research	-	-	-1,091
J Government as Shareholder	-35,090	-	-1,340
Sales of Goods and Services	-24,954	-26,404	-18,521
<i>Of which:</i>			
A Deliver an ambitious industrial strategy	-14,284	-14,004	-13,860
F Taking action on climate change and decarbonisation	-	-3,900	-

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

£'000

	2018-19 Plans	2017-18 Provision	2016-17 Outturn
H Science and Research	-	-	-661
J Government as Shareholder	-10,670	-8,500	-4,000
Other Grants	-	-4,000	-65,427
<i>Of which:</i>			
A Deliver an ambitious industrial strategy	-	-	-1,932
D Delivering affordable energy for households and businesses	-	-	-1,219
F Taking action on climate change and decarbonisation	-	-	-137
H Science and Research	-	-	-7,391
I Capability	-	-4,000	-
J Government as Shareholder	-	-	-54,748
Other Income	-157,300	-101,400	-159,361
<i>Of which:</i>			
A Deliver an ambitious industrial strategy	-157,300	-101,400	-143,937
J Government as Shareholder	-	-	-15,424
Repayments	-11,990	-6,930	-24,683
<i>Of which:</i>			
A Deliver an ambitious industrial strategy	-	-	-1,805
D Delivering affordable energy for households and businesses	-	-	-20
H Science and Research	-3,900	-2,600	-2,858
J Government as Shareholder	-8,090	-4,330	-20,000
Total Programme	-229,334	-150,198	-271,075
<b>Voted Capital AME</b>	<b>-8,051,000</b>	<b>-8,051,000</b>	<b>-7,582,819</b>
<i>Of which:</i>			
Programme			
Other Grants	-	-	-4,819
<i>Of which:</i>			
AB Government as Shareholder	-	-	-4,819
Repayments	-8,051,000	-8,051,000	-7,578,000
<i>Of which:</i>			
Y Managing our energy legacy safely and responsibly	-51,000	-51,000	-51,000
AB Government as Shareholder	-8,000,000	-8,000,000	-7,527,000
Total Programme	-8,051,000	-8,051,000	-7,582,819
<b>Total Voted Capital Income</b>	<b>-8,280,334</b>	<b>-8,201,198</b>	<b>-7,853,894</b>

## 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

	2018-19 Plans		2017-18 Provisions		2016-17 Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Income in budgets surrendered to the Consolidated Fund (resource)	-976,000	-976,000	-1,194,000	-1,194,000	-1,026,768	-762,000
Income in budgets surrendered to the Consolidated Fund (capital)	-	-	-1,621,095	-1,621,095	-	-
Non-budget amounts collectable on behalf of the Consolidated Fund (in the SoCNE)	-	-	-	-	-	-
<b>Total</b>	<b>-976,000</b>	<b>-976,000</b>	<b>-2,815,095</b>	<b>-2,815,095</b>	<b>-1,026,768</b>	<b>-762,000</b>

### Detailed description of CFER sources

£'000

	2018-19 Plans		2017-18 Provisions		2016-17 Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
<b>Departmental Expenditure Limit</b>						
Nuclear Decommissioning Authority Resource DEL	-976,000	-976,000	-1,194,000	-1,194,000	-1,026,768	-762,000
<b>Annually Managed Expenditure</b>						
Green Investment Bank disposal proceeds Capital AME	-	-	-1,621,095	-1,621,095	-	-
<b>Total</b>	<b>-976,000</b>	<b>-976,000</b>	<b>-2,815,095</b>	<b>-2,815,095</b>	<b>-1,026,768</b>	<b>-762,000</b>

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## 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:** Alex Chisholm

**Executive Agency Accounting Officers:**

Sarah Albon	Insolvency Service
Graham Turnock	UK Space Agency

In accordance with Chapter 3 of Managing Public Money (issued by the Treasury), the following individuals have been appointed as Accounting Officers of the department's ALBs.

**ALB Accounting Officers:**

Anne Sharp	Advisory, Conciliation and Arbitration Service
Niall Mackenzie	BIS (Postal Services Act 2011) Company Limited
Keith Morgan	British Business Bank
Mike Griffiths	Civil Nuclear Police Authority
Philip Lawrence	Coal Authority
Adrian Gault	Committee on Climate Change
Charles Dhanowa	Competition Service
Keith Morgan	Cornwall and Isles of Scilly Investment Ltd
Brian Bowsher	Diamond Light Source Ltd
Neil McDermott	Electricity Settlements Company
Stephen Haddrill	Financial Reporting Council
Neil McDermott	Low Carbon Contracts Company
Keith Morgan	Midlands Engine Investments Limited
Alex Chisholm	The NESTA Trust
Keith Morgan	Northern Powerhouse Investments Limited
David Peattie	Nuclear Decommissioning Authority
Andy Samuel	Oil and Gas Authority
Alex Chisholm	Postal Services Holding Company Limited
Jonathan Bretherton	South Tees Site Company
Prof. Ian Chapman	UK Atomic Energy Authority
Niall Mackenzie	UK Green Infrastructure Platform Limited
Mark Walport	UK Research and Innovation
Joanna Brigham	UK Shared Business Service Ltd

**Site Licence Company Accountability:**

The Site Licence Companies are accountable to the Nuclear Decommissioning Authority.

Alex Chisholm 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) together with their respective responsibilities, is set out in writing. Similarly, the relationship between the Principal Accounting Officer and the ALB Accounting Officer(s) is set out in writing.



## Part III: Note E - Arm's Length Bodies (ALBs)

£'000

Section in Part II: Subhead Detail	Body	Resources	Capital	Grant-in-aid
K	ACAS (Advisory, Conciliation and Arbitration Service)	48,851	-	46,809
K	Competition Service	4,602	-	4,496
K	Financial Reporting Council	200	-	-
L	Electricity Settlements Company	1	-	-
M	Committee on Climate Change	3,472	-	3,454
M	Low Carbon Contracts Company	1	260	260
N	Civil Nuclear Police Authority	650	5,640	3,956
N	Coal Authority	20,607	10,000	27,800
N	Oil & Gas Authority	1,701	299	2,000
O	Diamond Light Source Ltd	-19,026	-	-
O	UK Research and Innovation	237,974	6,985,780	7,275,783
O	United Kingdom Atomic Energy Authority	5,185	44,959	48,700
P	UK Shared Business Services Ltd	9,800	-	-
Q	BIS (Postal Services Act 2011) Company Limited	3,200	-	-
Q	British Business Bank	-38,319	-97,778	17,800
Q	Cornwall and Isles of Scilly Investments Limited	-	-	380
Q	Enrichment Holdings Limited	31	-	-
Q	Midlands Engine Investment Limited	1,790	42,695	1,790
Q	Northern Powerhouse Investment Limited	2,840	45,720	2,840
Q	Postal Services Holding Company plc	155	-	-
Q	UK Green Infrastructure Platform Limited	-	10,000	-
R	Nuclear Decommissioning Authority †	385,000	7,000	3,213,000
R	Site Licence Companies	977,000	1,844,000	-
AD	The NESTA Trust	15,700	1,000	-
AE	ACAS (Advisory, Conciliation and Arbitration Service)	785	-	-
AF	Civil Nuclear Police Authority	-2	-	-
AF	Coal Authority	8,800	-	-
AF	Oil & Gas Authority	33	-	-
AG	UK Research and Innovation	12,800	-	-
AG	United Kingdom Atomic Energy Authority	8,500	-	-
AH	UK Shared Business Services Ltd	2	-	-

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## Part III: Note E - Arm's Length Bodies (ALBs)

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£'000

Section in Part II: Subhead Detail	Body	Resources	Capital	Grant-in-aid
AI	BIS (Postal Services Act 2011) Company Limited	-	-109,240	-
AI	British Business Bank	44,362	-	-
AI	Enrichment Holdings Limited	-97,222	-	-
AI	Midlands Engine Investment Limited	8,427	-	-
AI	Northern Powerhouse Investment Limited	16,360	-	-
AI	UK Green Infrastructure Platform Limited	1,035	-	-
AJ	Nuclear Decommissioning Authority South Tees Site Company	3,005,000 -	- -	 31,800
<b>Total</b>		<b>4,670,295</b>	<b>8,790,335</b>	<b>10,680,868</b>

† Grant-in-aid is paid to the Nuclear Decommissioning Authority which finances both the Nuclear Decommissioning Authority and the Site Licence Companies.

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## 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

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<b>Section in Part II: Subhead Detail</b>	<b>Service</b>	<b>£'000</b>
C4-DEL	Market Surveillance (product safety)	2,400
D4-DEL	Energy Company Obligation Brokerage	357
F4-DEL	International Energy, and Climate Change: international subscriptions and contributions	4,473
G4-DEL	Non-proliferation, and Nuclear Energy: international subscriptions and contributions	20,155
G4-DEL	UK Coal Cohort Concessionary Fuel costs	1,665

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## Part III: Note K - Contingent Liabilities

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Nature of liability	£'000
HMG guarantee for EU funding streams as announced in August and October 2016. BEIS's responsibility covers:- H2020; COSME; CEF Energy; EU Consumer Programme; Research Fund for Coal and Steel; Space; Access to Finance; Euratom.	Unquantifiable
As at 31 March 2017 the following liabilities fell to be met from the Department's Estimate:-	
Statutory Guarantees	
– In the event of BAE Systems plc (BAES) being wound up, other than for the purpose of reconstruction or amalgamation, the Government is contingently liable to discharge any outstanding liability of BAES which vested in them on 01 January 1981 under section 9, British Aerospace Act 1980.	Unquantifiable
Statutory Indemnities	
– Indemnity given for National Grid's liabilities with regards to the interconnector linking the UK and France.	Unquantifiable
– Indemnities given to the UK Atomic Energy Authority by the Secretary of State to cover indemnities given to carriers against certain claims for damage caused by nuclear matter in the course of carriage.	Unquantifiable
– Indemnities given to bankers of the Insolvency Service 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 the Criminal Enforcement Team (formerly part of BEIS) with access to data from the Police National Computer (PNC). The Insolvency Service (and BEIS) has indemnified the police against any liabilities which they may incur as a result of providing that access.	Unquantifiable
Indemnities to Directors	
– Indemnities have been given to the Directors appointed by the Department to wholly owned subsidiaries. These indemnities are against personal liability following any legal action against the relevant company.	Unquantifiable
– Nuclear Liabilities Fund – Indemnities have been given to the Trustees of the Fund appointed by the Secretary of State. These indemnities are for personal liability due to potential legal action against the Fund.	Unquantifiable
– Nuclear Liabilities Fund – Indemnities have been given to the British Energy (now EDF Energy) appointed Trustees of the Fund. These indemnities are for personal liability due to potential legal action against the Fund. These indemnities can only be invoked following a failed recourse to an indemnity from EDF Energy.	Unquantifiable
– Indemnities have been given to the Directors appointed to the Low Carbon Contracts Company Ltd and to Electricity Settlements Company Ltd. The indemnities are against personal liability following any legal action against the companies. The indemnities make clear that they are the last resort for the companies after all other means have been exhausted i.e. Company and Directors insurance (cover limit of £100m); and the recovery of costs through the levy. This reduces the Department's potential exposure.	Unquantifiable
– Indemnity provided to Low Carbon Contracts Company Ltd and Electricity Settlements Company Ltd in respect of their Officers. The indemnities make clear that they are the last resort for the companies after all other means have been exhausted i.e. Company and Directors insurance (cover limit of £100m); and the recovery of costs through the levy.	Unquantifiable

## Part III: Note K - Contingent Liabilities

Nature of liability	£'000
Other	
– Green Investment Bank has provided indemnities relating to costs of decommissioning and restoring sites once they are no longer in use.	33,000
– BEIS has indemnified Cornwall Council for European Regional Development Fund (ERDF)-related liability, arising from the transfer of Wave Hub.	18,000
– On 29 March 2017, the UK Government submitted its notification to leave the EU and Euratom in accordance with Article 50 of the Treaty on the European Union and the corresponding provision of the Euratom Treaty. This started a two-year negotiation process. Any subsequent changes in legislation, regulation and funding arrangements are subject to the outcome of the negotiations. As a result, an unquantifiable remote contingent liability is disclosed. In accordance with accounting standards, no contingent assets can be recognised. During this two-year period, which includes the full duration of the next accounting period, the UK remains a full member of the EU and Euratom with all the rights and obligations arising from membership.	Unquantifiable
– Incidents/accidents Insurance claims for exposure to ionising radiation pursued outside the existing UK Atomic Energy Authority insurance scheme.	Unquantifiable
– STFC collaborates with a number of international partners in the funding, management and operation of technical facilities which it does not own. For each of these facilities STFC may be obliged to contribute to decommissioning costs arising from a decision to discontinue operations. The most significant of these potential liabilities is in respect of CERN and the European Southern Observatory (ESO).	Unquantifiable
– A contingent liability in respect of risk associated with the Core Department assuming responsibility for uplifts in pension contributions for the UK Atomic Energy Authority's non-active pension scheme members.	Unquantifiable
– European Patent Office (EPO): 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
– The Cabinet Secretary has provided a Government wide indemnity to Public Appointments Assessors (PAAs). This will ensure that PAAs will not have to meet any personal civil liability incurred in the execution of their PAA functions.	Unquantifiable
– An indemnity has been provided to Pöyry PLC relating to the use of their yield curve data for the sale of GIB. The data was an important component of a bidder's due diligence, risk assessment and ultimately the price they were willing to pay. BEIS has indemnified Pöyry PLC for any liability that occurs as a result of using their information in the sale process that may be brought by bidders in relation to the transaction.	Unquantifiable
– An indemnity has been provided to the Official Receiver relating to their actions as administrator of SSI Redcar with respect to the administration of the site.	Unquantifiable
– The Department has a contingent liability relating to ongoing legal cases. The cost is dependent on the outcome of cases which currently cannot be reliably estimated.	Unquantifiable
– In the event Financial Reporting Council's legal costs fund fall below £1 million in any year, BEIS will make a grant payment to cover legal costs subsequently incurred in that year.	Unquantifiable
– An indemnity has been given by Biotechnology and Biological Sciences Research Council (BBSRC) to the Roslin Institute for any costs that arise as a result of past actions of the Institute prior to its transfer to the University of Edinburgh in 2008. A further indemnity has been given to any fall in grant income of the Institute as a result of the transfer. The maximum settlement BBSRC will fund reduces each year and is limited to claims made up to May 2023.	Unquantifiable
– Statutory liability in the event of a nuclear accident in the UK for third-party claims in excess of the operator's liability.	Unquantifiable

## Part III: Note K - Contingent Liabilities

Nature of liability	£'000
– Liability for non-compliance with the Cogeneration Directive (2004/8/EC), in the event contractors for the Department incorrectly certify combined heat and power plants.	Unquantifiable
– Liability for costs of retrieving and disposing of sealed radioactive sources in the event that a company keeping such sources becomes insolvent under the High Activity Sealed Sources (HASS) Directive: Council Directive 2003/122/EURATOM.	Unquantifiable
– Under section 9 of The Radioactive Contaminated Land (Modification of Enactments) (England) (Amendment) Regulations 2007 SI 2007/3245 the Secretary of State is deemed to be the appropriate person to bear responsibility for remediation of land contaminated by a nuclear occurrence.	Unquantifiable
– An indemnity for loss or damage caused to other parties to the Energy Research Partnership consortium agreement.	Unquantifiable
– Under the EU Emissions Trading Scheme, Member States are required to appoint a Single Auction Monitor to oversee the auctioning of allowances in Phase III. The Joint Procurement Agreement for the Single Auction Monitor (JPA) provides for Member States to indemnify the Commission should the Commission be required to compensate a third party or another Member State for damages which arise in connection with the JPA. The contingent liability shall remain in place until such time as the JPA no longer exists in its current form. The JPA will remain in place for as long as the obligation to jointly appoint an auction monitor remains under the EU Auctioning Regulation. This period is not specified.	Unquantifiable
– BEIS, the Scottish Government and the Northern Ireland Executive have previously undertaken to support Ofgem's costs for administering the Renewables Obligation scheme (around £3.6 – £3.8 million) if there is insufficient money in both the buy-out fund and late payment fund to cover these costs. The size of the 2016/17 buy-out fund will not be known until October 2017. It is dependent in part by the availability and price of Renewable Obligation Certificates (ROCs) – if there is a surplus of ROCs, suppliers may be more inclined to meet their obligations by submitting ROCs but ultimately much depends on supplier behaviour which is difficult to predict. BEIS will have an indication of how many ROCs are available and whether there is likely to be a surplus after the end of the obligation year (31 March 2017) but will not know the size of the buy-out fund until October 2017.	3,800
– The Department has indemnified Elexon Ltd against third party claims relating to the design and or implementation of Contracts for Difference (CfD) and Capacity Markets (CM) settlement systems which are not covered by insurance and/or guarantees by their sub-contractors.	Unquantifiable
– Organisation for Economic Co-operation and Development (OECD) and International Energy Agency (IEA): an indemnity for any loss to the IEA arising from use of its data in the Department's Global Climate Change 2050 Pathways Calculator, limited to a maximum of £100,000.	100
– Nuclear Liabilities Fund (NLF) - A constructive obligation was created in 2002 when the Government undertook to underwrite the Nuclear Liabilities Fund in respect of uncontracted and decommissioning liabilities of British Energy (now EDF Energy Nuclear Generation Limited (EDFE)) to the extent that the assets of the Fund fall short. The undiscounted estimated liabilities of £19.9 billion (2015-16 £19.7 billion) have a present value of £32.8 billion (2015-16 £33 billion) using the prescribed discount rate from HM Treasury of negative 0.8% (2015-16 negative 0.8%). The value of the Fund is £9.4 billion (2015-16 £9.2 billion) and is likely to increase in the future from investment returns. It is hard to quantify the extent to which the net position of the Fund might represent a contingent liability or asset given the high level of uncertainty relating to estimation of cash outflows and investment returns over a future period exceeding 100 years. In view of changes to actual and expected interest rates and expected rates of inflation experienced during the course of the year, the Trustees are currently reviewing the Fund's asset allocation to help ensure sufficient funding to meet expected liabilities. On this basis, the Department believes it would not be appropriate to consider this as either a contingent liability or asset.	Unquantifiable

## Part III: Note K - Contingent Liabilities

Nature of liability	£'000
<p>– The Department is responsible under the United Nations Convention on the Law of the Sea (UNCLOS) 1982, OSPAR decision 98/3, the Energy Act 2004 and the Petroleum act 1998 for decommissioning most oil, gas and renewable energy installations in the event that operators are unable to fulfil their decommissioning commitments. The potential cost of these liabilities will vary by site and cannot be reliably forecast.</p>	Unquantifiable
<p>– The NDA has non-quantifiable contingent liabilities arising from indemnities given as part of the contracts for the management of the nuclear site license companies. These indemnities are in respect of the uninsurable residual risk that courts in a country which is not party to the Paris and Brussels Conventions on third-party liability in the field of nuclear energy may accept jurisdiction to determine liability in the event of a nuclear incident. Indemnities are in place in respect of Magnox, LLWR and Dounreay as set out in the relevant Parent Body Agreements. In addition, indemnities are provided to the previous PBO's of Magnox and Sellafield covering the periods of their ownership. These are not treated as contingent liabilities within the meaning of IAS 37 since the possibility of a transfer of economic benefit in settlement is considered too remote.</p>	Unquantifiable
<p>– The Secretary of State Investor Agreement (SOSIA) provides protections in certain scenarios where the Hinkley Point C Nuclear plant is shut shown for reasons that are political, or due to certain changes in insurance arrangements or certain changes in law. Payments under the SOSIA would be expected in the first instance to be made using funds from the Supplier Obligation but in certain circumstances they could also come direct from the Secretary of State relying on spending powers granted under the relevant Appropriation Act or, if payments were to be made over a period longer than 2 years, seeking a new spending power at the time. The payments could be up to around £22bn excluding non-decommissioning operational costs that may be incurred after any shutdown. However, the liability to make payments under the SOSIA is almost entirely within the control of HM Government.</p>	Unquantifiable
<p>– Hinkley Point C Funded Decommissioning Programme (FDP) and Waste Transfer Contracts (WTCs):- The contract with NNB Generation Company Limited (NNB) to build Hinkley Point C (HPC) nuclear power plant includes a Contract for Difference between NNB and the Low Carbon Contracts Company, an FDP and associated FDP documents including WTCs between NNB and the core Department. The FDP and related documents including WTCs require NNB to make prudent provision for their waste and decommissioning liabilities. To meet their liabilities, the operator must set up a fund with an independent governance framework and will pay into it so that it is on track to fund the liabilities that arise from decommissioning and waste management. The fund will report annually to the Secretary of State and a full review will be conducted every 5 years to ensure that the fund is on track to meet all its liabilities. If it is off track, the operator will be required to take corrective action. These liabilities are strictly the operator's responsibility and the probability of taxpayers picking up these liabilities is remote. Alongside the FDP, the Government has entered into 2 WTCs. These set out terms on which the Government will take title to and liability for the spent fuel and intermediate level waste (ILW) from the site after decommissioning in order to dispose of the waste safely. The WTCs have generally been prepared in line with the Government's published waste transfer pricing methodology. Although the WTCs provide a default price based on today's best estimate, they allow the waste transfer price to be set after a specified later date. The final price agreed is subject to a cap, but the likelihood of the future costs exceeding the agreed cap is considered remote.</p>	Unquantifiable

## Part III: Note K - Contingent Liabilities

Nature of liability	£'000
<p>– Capacity agreements: These are statutory arrangements between National Grid, as System Operator, and capacity providers. They require the capacity provider to be able to provide a given level of capacity in relevant delivery years when called upon to do so by National Grid. To date three auctions have been held for capacity to be delivered in 2018-19, 2019-20 and 2020-21. These awarded 49.26 GW of capacity agreements at a cost of £1.790 billion, 45.37 GW capacity agreements at a cost of £1.089 billion, and 52.43 GW of capacity agreements at a cost of £2.024 billion respectively. The payments to the capacity providers will be funded by a levy on licensed electricity suppliers.</p> <p>The Department has responsibility for administrating the settlement process. This role is carried out by the Electricity Settlements Company (ESC), a company set up and owned by the Department. The obligation for the ESC to make capacity payments only arises when the respective levy is received from licensed suppliers and the generator provides the agreed level of capacity.</p>	4,903,000
<p>– Nuclear: the Core 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. The amount and timing of this overarching liability is not quantifiable.</p>	Unquantifiable
<p>– Outer Space Act 1986:- The UKSA has an obligation, governed by international (UN) convention, to third parties if they are accidentally damaged by UK space activities. Due to its unprecedented nature, a cost cannot be reliably estimated. In March 2015 the Outer Space Act 1986 was amended to cap licensees' previously unlimited liability for third party costs at 60 million euros for the majority of missions, for the duration of the licensed activity. This amendment was designed to adequately balance the risk to the UK Government whilst ensuring UK space operators remain competitive internationally.</p>	Unquantifiable
<p>– Reprocessing and staff commitments: STFC is responsible for Institut Laue-Langevin (ILL) staff-related commitments and costs associated with reprocessing fuel elements.</p>	16,000
<p>– Coal Industry Act 1994: Responsibility for compensation claims relating to personal injuries suffered by former British Coal mineworkers between 1947 and 31 December 1994 transferred to the Department on 1 January 1998 by a restructuring scheme under the Coal Industry Act 1994. The timing and amounts of any future liabilities are uncertain except where provision has been made in the accounts. The future liabilities will depend on the nature of any injury and whether the courts decide that compensation is due.</p>	Unquantifiable
<p>– Deed Relating to the British Coal Staff Superannuation Scheme (BCSSS) under Paragraph 2(9) of Schedule 5 to the Coal Industry Act 1994 and Deed Relating to the Mineworkers' Pension Scheme (MPS) under Paragraph 2(9) of Schedule 5 to the Coal Industry Act 1994: Government Guarantees were put in place on 31 October 1994, the day the Schemes were changed to reflect the impact of the privatisation of the coal industry. They are legally binding contracts between the Trustees and the Secretary of State for Business, Energy and Industrial Strategy. The Guarantees ensure that the benefits earned by Scheme members during their employment with British Coal, and any benefit improvements from surpluses which were awarded prior to 31 October 1994, will always be paid and will be increased each year in line with the Retail Prices Index. If at any periodic valuation the assets of the Guaranteed Fund were to be insufficient to meet its liabilities, the assets must be increased to bring the Fund back into balance. This is a long term contingent liability dependent on the performance of the schemes' investments and their mortality experience.</p>	Unquantifiable



## Part III: Note K - Contingent Liabilities

Nature of liability	£'000
<p>– Site restoration liabilities inherited from British Coal: The Department has inherited liabilities from British Coal to reimburse certain third parties with the costs necessary to meet statutory environmental standards in the restoration of particular coal-related sites. In addition to specific claims provided for it remains possible that the Department will be held responsible for further environmental liabilities. The timing and amounts of any liability are uncertain.</p>	Unquantifiable
<p>– Feed in Tariffs: The Department faces claims for damages from solar energy and construction companies affected by changes to Feed-in-Tariffs in 2011. A number of companies from the solar industry initiated legal proceedings in 2012, claiming damages for interference with property rights. Following determination of the legal principles by the Court of Appeal, the Department is preparing for a full trial on the facts of the case, which is set for the first available date after 21 January 2018. Based on updated claims, claimants are seeking damages of up to £293 million. The Department has been ordered to pay 80% and 50% of the claimants' legal costs relating to preliminary hearings in the High Court and Court of Appeal respectively; the Department bears its own legal costs. The claimants and the Department are likely to incur substantial further legal costs (the Department's costs being estimated at £3.1 million) and the losing party is likely to be ordered to pay the costs of the winning party.</p>	293,000
<p>– British Business Bank: The core Department guarantees British Business Bank under the Enterprise Financial Guarantee (EFG) and legacy Small Firms Loan Guarantee Scheme (SFLGs) to facilitate lending to viable businesses, with a maximum obligation being subject to a cap, which at 31 March 2017 is £201 million.</p> <p>Under the BBB's Help to Grow financial guarantee programme, which was new in the year, the Bank has entered in to financial guarantee agreements of £60 million. The Bank has guaranteed 75% of eligible lending to SMEs under these agreements and a counter guarantee is in place that guarantees 50% of the Bank's 75% of eligible lending. As at 31 March 2017 the amount lent under these financial guarantee agreements was £0.6 million (2016: £nil).</p>	201,000
<p>– Other: There are a number of potential liabilities for the Department in respect of claims from suppliers, employees and third parties which depend on actual or potential proceedings. The timing and amounts of any liabilities are uncertain.</p>	Unquantifiable
<p>– Inventories: In March 2017 the NDA held inventories of reprocessed uranic material. These materials are currently held at nil value, due to uncertainty over their future use which may result in as-yet unquantified liabilities relating to potential treatment or disposal costs.</p>	Unquantifiable
<p>– Subsidence damage and public safety liabilities: Licensees of mining operations are required to provide security to the Coal Authority to cover anticipated future costs of settling subsidence damage liabilities within their Areas of Responsibility. Outside the Areas of Responsibility of the holders of licences under Part II of the 1994 Act, the Authority is responsible for making good subsidence damage. Where an Area of Responsibility is extinguished, this would transfer to the Authority who would become responsible for the discharge of outstanding subsidence liabilities. The Authority also has an ongoing liability to secure and keep secured most abandoned coal mines. (In all cases the liability for operating collieries is the responsibility of the licensees/lessees and security is held to address those liabilities.)</p> <p>Both of the above liabilities have been provided for within the Coal Authority provision based on analysis of trends and claims experience. However it is possible that significant, unexpected events outside of this provision may materialise.</p> <p>In addition to the general contingent liabilities outlined above, damage notices have been submitted to the Coal Authority in respect of subsidence damage to Wentworth Woodhouse, a Grade I listed country house. The Coal Authority has rejected these notices. The Upper Tribunal (Lands Chamber) has ruled on 4 locations of damage and concluded that the Coal Authority has no liability in respect to these; one further area of damage has yet to be considered and the Coal Authority will continue to strongly defend its case.</p>	Unquantifiable

## Part III: Note K - Contingent Liabilities

Nature of liability	£'000
<p>– Restructuring Scheme: Where liabilities transferred under the various Coal Authority Restructuring Schemes (CARS) have crystallised due to planning conditions, agreements, claims etc, provision has been made. It has not however been possible to quantify those contingent liabilities that may arise in the future.</p>	Unquantifiable
<p>– UK Space Agency: In 2013/14 the UK Space Agency (UKSA) entered into an operating lease with NATS (En Route) Plc for office accommodation. At the end of the lease term in December 2030, the landlord has the contractual right to enforce the Agency to pay for costs of dilapidation. However, due to the specialized nature of the asset, the expectation is that the landlord will continue using the asset in its current state and therefore will not choose to exercise this option. In the event of the lease contract being terminated by the landlord before the end of the lease term, UK Space Agency will be compensated. The likelihood of outflow of economic benefit is therefore assessed as not probable.</p>	Unquantifiable
<p>– Financial Reporting Council: The core Department has provided assurance to FRC in respect of providing grant where FRC’s general voluntary funding falls or current statutory exemption from liability nears expiry. In the course of the financial year, new legislative measures were effected to prevent the statutory exemption from liability from expiring.</p>	Unquantifiable
<p>– Legal claims: The Coal Authority is subject to various claims and legal actions in the ordinary course of its activities for which provision is made in the accounts where appropriate on the basis of information available. The Authority does not expect that the outcome of the above issues will materially affect its financial position.</p>	Unquantifiable
<p>– Legal claims: The CNPA has a number of potential liabilities in respect of claims from employees which depend on actual or potential proceedings. The timing and amounts of any payments are uncertain. These liabilities have not been provided for as CNPA believes that the claims are unlikely to be successful or to lead to a transfer of economic benefit.</p>	Unquantifiable
<p>– Wave Hub: The core Department has indemnified Cornwall Council in respect of the transfer of Wave Hub up to a maximum amount of £5 million. This obligation expires in 2028 due to the limitation period under the signed contract.</p>	5,000
<p>– Innovate UK: Innovate UK is responsible for decommissioning of Narec Monitoring Platform at an estimated cost of £2.5 million. This could take place anytime between 3 and 25 years.</p>	2,500
<p>– Medical Research Council: MRC has identified a contingent liability of £1.8 million (31 March 2016: £1.8 million) for dilapidation work. This may be required at the end of property leases which are due to expire within the next five years.</p>	1,800

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## Part III: Note L - International Subscriptions

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Section in Part II: Subhead Detail	Body	£'000
F4-DEL	UN Framework Convention on Climate Change	2,100
F4-DEL	International Energy Agency	1,495
G4-DEL	International Atomic Energy Agency	17,433
G4-DEL	Organisation for the Prohibition of Chemical Weapons	2,612
H7-DEL	European Space Agency	252,360
O7-DEL	European Molecular Biology Conference	2,686
O7-DEL	European Molecular Biology Laboratory	14,626
O7-DEL	Human Frontier Science Program	1,218
O7-DEL	International Agency for Research on Cancer	1,016
O7-DEL	The International Institute for Applied Systems Analysis	1,216
O7-DEL	The International Ocean Drilling Programme	2,600
O7-DEL	European Organisation for Nuclear Research (CERN)	145,318
O7-DEL	European Southern Observatory (ESO)	25,956
O7-DEL	Institut Laue-Langevin (ILL)	18,846
O7-DEL	European Synchrotron Radiation Facility (ESRF)	8,795
O7-DEL	European X-ray Free-Electron Laser (XFEL)	4,200