

Draft Order laid before the House of Commons under section 6 of the Government Trading Funds Act 1973, for approval by resolution of that House.

DRAFT STATUTORY INSTRUMENTS

1998 No.

GOVERNMENT TRADING FUNDS

Forensic Science Service Trading Fund Order 1998

Made - - - - *1998*
Coming into force - - *1st April 1999*

Whereas:

- (1) it appears to the Secretary of State for the Home Department (“the Secretary of State”) that—
 - (a) those operations of the Home Department which are referred to in article 2 of, and Schedule 1 to, this Order are suitable to be financed by means of a fund established under the Government Trading Funds Act 1973⁽¹⁾ (“the 1973 Act”) and, in particular, to be so managed that the revenue of the fund would consist principally of receipts in respect of goods or services provided in the course of the operations in question, and
 - (b) the financing of the operations in question by means of a trading fund would be in the interests of the improved efficiency and effectiveness of the management of those operations;
- (2) in accordance with sections 1(3) and 6(4) of the 1973 Act, the Secretary of State has taken such steps as appear to him to be appropriate to give an opportunity to such persons as appear to him to be appropriate to make representations to him and has laid before Parliament a report about the representations received and his conclusions;
- (3) the Secretary of State has, in accordance with section 2 of the 1973 Act and with the concurrence of the Treasury, determined what Crown assets and liabilities are properly attributable to the operations in question and are suitable to be appropriated to the fund;
- (4) in accordance with section 6(2) of the 1973 Act, a draft of this Order has been laid before the House of Commons and has been approved by a resolution of that House;

Now, therefore, the Secretary of State in exercise of the powers conferred on him by sections 1, 2, 2AA(1), 2A(1), 2C(1) and 6(1) of the 1973 Act, and of all other powers enabling him in that behalf, with the concurrence of the Treasury, hereby makes the following Order:

⁽¹⁾ 1973 c. 63, as amended by the Government Trading Act 1990 (c. 30). The 1973 Act, as so amended, is set out in Schedule 1 to the 1990 Act. The 1973 Act was further amended by section 119 of the Finance Act 1991 (c. 31) and Schedule 22 to the Finance Act 1993 (c. 34).

Citation and commencement

1. This Order may be cited as the Forensic Science Service Trading Fund Order 1998 and shall come into force on 1st April 1999.

Establishment of the fund

2.—(1) As from 1st April 1999, there shall be established a trading fund to be known as the Forensic Science Service Trading Fund (hereinafter referred to as “the fund”).

(2) All operations of the Home Department known as the Forensic Science Service, which operations are more particularly described in Schedule 1 to this Order, shall be financed by means of the fund.

Source of loans

3. The Secretary of State for the Home Department is hereby designated as the source of issues to the fund by way of loan.

Assets, liabilities, reserves and public dividend capital

4.—(1) The Crown assets and liabilities set out in Schedule 2 to this Order shall be appropriated as assets and liabilities of the fund.

(2) 2 per cent of the amount by which the values of the assets exceed the amounts of the liabilities shall be treated as a revaluation reserve in the accounts of the fund, and the reserve so treated shall be maintained as a revaluation reserve.

(3) 50 per cent of the balance of—

(a) the amount by which the values of the assets exceed the amounts of the liabilities, less

(b) the amount to be treated as a revaluation reserve in accordance with paragraph (2) above, shall be treated as public dividend capital of the fund.

Maximum borrowing etc.

5. The aggregate of the following shall not exceed £40,000,000

(a) the total outstanding at any given time in respect of amounts issued to the fund under section 2B of the 1973 Act (other than as originating debt), and

(b) the total at that time constituting public dividend capital issued to the fund under section 2A(2A) of that Act.

Home Office
1998

One of Her Majesty's Principal Secretaries of
State

We concur,

Home Office
1998

Two of the Lords Commissioners of Her
Majesty's Treasury

SCHEDULE 1

Article 2

FUNDED OPERATIONS

The operations of the Home Department known as the Forensic Science Service are:

- (a) the provision of scientific support to the investigation of crime and expert evidence to the courts;
- (b) the exploitation of technical advances through research and development, and other means as appropriate, in the field of forensic science;
- (c) the provision of services in wider markets, including outside the United Kingdom, relating to scientific support to the administration of justice;
- (d) operations incidental, conducive or otherwise ancillary to the foregoing.

SCHEDULE 2

Article 4

ASSETS AND LIABILITIES APPROPRIATED TO THE FUND

Assets

Land and buildings, as at 1st April 1999, used or allocated for use in the funded operations.

Plant, equipment, facilities, vehicles, fixtures, furniture, fittings and computer hardware and software, as at 1st April 1999 used or allocated for use in the funded operations.

Intangible assets, including intellectual property and information databases, arising from the funded operations as carried on up to 1st April 1999.

Current assets as at 1st April 1999 used or allocated for use in, or arising from, the funded operations.

Liabilities

Creditors and accruals, as at 1st April 1999, in relation to the funded operations.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order provides for the setting up as from 1st April 1999 of a fund with public money under the Government Trading Funds Act 1973 (“the 1973 Act”) for the operations of the Home Department known as the Forensic Science Service. It designates the Secretary of State for the Home Department as the authorised lender to the fund.

The Order also specifies the assets (estimated at £44,000,000) and liabilities (estimated at £10,000,000) which are to be appropriated to the fund and provides for a proportion of the difference in value between those assets and liabilities to be treated as a revaluation reserve and for a further proportion of that difference to be treated as public dividend capital of the fund. The Order provides that the aggregate of the total amount paid to the fund by way of loan (other than as originating debt),

and the total amount issued to the fund as public dividend capital under section 2A(2A) of the 1973 Act, is not to exceed £40 million.