

2004 No. 1037

GOVERNMENT TRADING FUNDS

**The Driver and Vehicle Licensing Agency Trading
Fund Order 2004**

Made - - - - - *29th March 2004*

Coming into force - - - *1st April 2004*

Whereas:

- (1) it appears to the Secretary of State for Transport (“Secretary of State”) that—
 - (a) the operations of the Department for Transport that are referred to in article 3 of, and Schedule 1 to, this Order, being operations of a department of the government for which he is responsible, are suitable to be financed by means of a fund established under the Government Trading Funds Act 1973(a) (“the 1973 Act”) and, in particular, to be so managed that the revenue would consist principally of receipts in respect of goods or services provided in the course of the operation; and
 - (b) the financing of these operations by means of a trading fund would be in the interests of the improved efficiency and effectiveness of the management of the operations;
 - (2) in accordance with section 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 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 by section 1, 2, 2A(1), 2AA(1) and (2), and 2C(1) of the 1973 Act, and of all the other powers enabling him in that behalf, with the concurrence of the Treasury, hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Driver and Vehicle Licensing Agency Trading Fund Order 2004 and shall come into force on 1st April 2004.

Interpretation

2. In this Order—

“the Act” means the Government Trading Funds Act 1973;

“Driver and Vehicle Licensing Agency” means that part of the Department for Transport known as the Driver and Vehicle Licensing Agency;

(a) 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).

“the fund” means the trading fund established by this Order;
“registration mark” has the meaning given by section 23(1) of the Vehicle Excise and Registration Act 1994(a);
“vehicle” means a mechanically propelled vehicle; and
“vehicle excise duty” has the meaning given by section 1(1) of the Vehicle Excise and Registration Act 1994.

Establishment of the Fund

3.—(1) From 1st April 2004, there shall be established a trading fund to be known as the Driver and Vehicle Licensing Agency Trading Fund.

(2) The operations of the Driver and Vehicle Licensing Agency described in Schedule 1 shall be financed by means of the fund.

Source of loans

4. The Secretary of State for Transport is designated as the source of issues to the fund by way of loan.

Assets, liabilities, reserves and public dividend capital

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

(2) The sum of £4,775,000, being part of the amount by which the values of those assets exceeds the amount of those liabilities, shall be treated as a revaluation reserve in the accounts of the fund, and the reserve so created shall be maintained as a revaluation reserve.

(3) The sum of £20,748,000, being part of the amount by which the values of those assets exceeds the amount of those liabilities, shall be treated as government grant reserve in the accounts of the fund, and the reserve so treated shall be maintained as a government grant reserve.

(4) The sum of £18,002,000, being part of the amount by which the value of those assets exceeds the amount of those liabilities shall be treated as public dividend capital.

Maximum borrowing etc.

6. The aggregate of the following shall not exceed £50,000,000—

- (a) the total outstanding at any given time in respect of amounts issued to the fund under section 2B of the 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 the Act.

Signed by authority of the Secretary of State

25th March 2004

David Jamieson
Parliamentary Under Secretary of State
Department for Transport

We concur

29th March 2004

John Heppell
Jim Murphy
Two of the Lords' Commissioners of Her Majesty's Treasury

(a) 1994 c. 22.

SCHEDULE 1

Article 3

The Funded Operations

1. The provision of registration services, namely—
 - (a) the issue of driving licences;
 - (b) the issue of vehicle registration documents;
 - (c) the allocation, transfer and assignment of vehicle registrations;
 - (d) the maintenance of—
 - (i) drivers' registers;
 - (ii) vehicle registers;
 - (iii) registers of number plate suppliers; and
 - (iv) other registers maintained in collaboration with, or on behalf of, other parts of the Department for Transport and other Government bodies.
2. The provision of information services from such registers.
3. The collection of vehicle excise duty.
4. The enforcement of laws relating to, or connected with, the licensing and registration of drivers, vehicles and vehicle operators.
5. The sale of registration marks.
6. Undertaking administrative support for other parts of the Department for Transport and other Government bodies.
7. Contributing to any government policy, including the development of partnerships with other public and private bodies.
8. The carrying out of operations incidental, conducive or otherwise ancillary to the conduct of the operations described above.

SCHEDULE 2

Article 5

Assets and Liabilities Appropriated to the Fund

Assets

Freehold land and buildings, as at 1st April 2004, used or allocated for use in the funded operations.

Information technology equipment, purchased software, office equipment and vehicles, as at 1st April 2004, used or allocated for use in the funded operations.

Intangible assests, including software licences, as at 1st April 2004, used or allocated for use in, or arising from, the funded operations.

Current Assets, as at 1st April 2004, used or allocated for use in, or arising from, the funded operations.

Liabilities

Creditors, provisions and accruals as at 1st April 2004 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 2004 of a fund with public money under the Government Trading Funds Act 1973 (“the 1973 Act”) for the operation of the Driver and Vehicle Licensing Agency (article 3). It designates the Secretary of State for Transport as the authorised lender under the fund (article 4).

The Order specifies the assets and liabilities that are to be appropriated to the fund. It requires £4,775,000 to be treated and maintained as a revaluation reserve and £20,748,000 to be treated and maintained as government grant reserve. It also provides for £18,002,000 (part of the difference between the value of the assets and the amount of liabilities of the fund) to be treated as public dividend capital of the fund (article 5).

The maximum borrowing of the fund, being the total outstanding of the amounts issued to the fund under section 2B of the 1973 Act plus the total of the fund’s public dividend capital, is not to exceed £50,000,000 (article 6).

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the costs of business.

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