Draft Order laid before the House of Commons under section 6(2) of the Government Trading Funds Act 1973, for approval by resolution of that House.

DRAFT STATUTORY INSTRUMENTS

2004 No.

GOVERNMENT TRADING FUNDS

The Driver and Vehicle Licensing Agency Trading Fund Order 2004

Made - - - -	*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(**1**) ("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:

(**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 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;

"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(**2**);

"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

(**2**) 1994 c. 22.