
STATUTORY INSTRUMENTS

1996 No. 774

GOVERNMENT TRADING FUNDS

The Meteorological Office Trading Fund Order 1996

Made - - - - *8th March 1996*

Coming into force - - *1st April 1996*

Whereas:

- (1) It appears to the Secretary of State for Defence (“the Secretary of State”) that:—
 - (a) those operations of the Ministry of Defence 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) 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;
- (3) 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:—

Citation and commencement

1. This Order may be cited as the Meteorological Office Trading Fund Order 1996 and shall come into force on 1st April 1996.

⁽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).

Establishment of the fund

2. As from 1st April 1996, for all the operations of the Ministry of Defence known as the Meteorological Office, which operations are more particularly described in Schedule 1 to this Order, there shall be established a trading fund to be known as the Meteorological Office Trading Fund (hereinafter referred to as “the fund”).

Source of loans

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

Assets, liabilities, 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) 81% of the amount by which the values of the assets of the fund exceed the amounts of its liabilities shall be treated as public dividend capital of the fund.

Maximum borrowing etc.

5. The aggregate of the following shall not exceed £200,000,000—
- (a) the total outstanding at any given time in respect of amounts issued to the fund under section 2B of the Trading Funds Act 1973 (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.

6th March 1996

Michael Portillo
Secretary of State for Defence

We concur

8th March 1996

Simon Burns
Bowen Wells
Two of the Lords Commissioners of Her
Majesty’s Treasury

SCHEDULE 1

Article 2

FUNDED OPERATIONS

The operations of the Meteorological Office to be funded by the fund are:—

- (a) the provision of meteorological, climatological and associated services to the Ministry of Defence;
- (b) the provision of such services to other customers; and
- (c) 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 1996, used or allocated for use in the funded operations.

Plant, facilities, equipment, machinery, vehicles, fixtures, fittings, computer hardware and software, as at that date, used or allocated for use in the funded operations.

Intangible assets arising from the funded operations as carried on up to that date.

Current assets as at that date used or allocated for use in, or arising from, the funded operations.

LIABILITIES

Creditors and accruals as at 1st April 1996 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 1996 of a fund with public money under the Government Trading Funds Act 1973 (“the 1973 Act”) for the operations of the Ministry of Defence known as the Meteorological Office.

The Order designates the Secretary of State for Defence as the authorised lender to the fund. The Order also specifies the assets (estimated at £100 million) and liabilities (estimated at £26 million) which are to be appropriated to the fund, and for 81% of the difference in value between the assets and liabilities 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 £200 million.