

Security and Intelligence Agencies

Introduction

1. This Supplementary Estimate is required for the following purposes:

	Amount
	£
<u>Changes in resources</u>	
RfR 1: Protecting and promoting the national security and economic well-being of the UK	
Increases:	
<u>Take up of End Year Flexibility</u>	
1 Programme	
£17,149,000 Programme	17,149,000
Section A	
For the expansion of capacity and capability of the Security and Intelligence Agencies	
<u>Transfers from Other Government Departments</u>	
1 Budget transfer from the Foreign and Commonwealth Office	
£1,309,000	1,309,000
Section A	
Planned programme and conflict prevention	
2 Budget transfer from Home Office	
£12,250,000 Programme	12,250,000
Section A	
To support expansion of the Security and Intelligence Agencies and to fund the National Infrastructure Security Co-ordination Centre	
3 Budget transfer from Her Majesty's Revenue and Customs	
£18,000 Programme	18,000
Section A	
For analytical tools	
<u>Take up of Departmental Unallocated Provision</u>	
1. Administration, Programme	
£3,000,000 Administration and £13,600,000 Programme	3,000,000
Section A	13,600,000
For the expansion of capacity and capability of the Security and Intelligence Agencies	
<u>Take up of Reserve Claim</u>	
1 Administration, Programme and Capital Reserve Claim	
£19,169,000 Administration, £831,000 Programme	19,169,000
Section A	831,000
For use in counter terrorist activities	
<u>Other increases</u>	
1 Transfer from capital to administration	
£14,961,000	14,961,000
Section A	

Introduction (*continued*)

Decreases:

Budgetary transfers to Other Government Departments

1	Budgetary transfer to Home Office Scientific Development Branch £185,000 Programme Section A For Collaborative Research	-185,000
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Neutral Changes:

Increased Spending Offset by Income

1	Additional operating Appropriations -in-Aid £19,963,000 Section A An increase of Administration which is offset by an increase in operating Appropriations-in-Aid	
2	Additional Operating Appropriations-in-Aid £4,098,000 Section A An increase of Programme which is offset by an increase in operating Appropriations-in-Aid	

Total changes in resources for RfR1 82,102,000

Changes in capital

Increases:

Take up of End Year Flexibility

1	For the expansion of capacity and capability of the Security and Intelligence Agencies Section A	13,251,000
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Take up of Reserve Claim

1	For use in counter terrorist activities Section A	2,600,000
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Transfers from Other Government Departments

1	Budgetary transfer from Home Office £530,000 Capital Section A For the purchase of equipment	530,000
2	Budgetary transfer from Cabinet Office £557,000 Capital Section A For purchase of messaging system	557,000

Introduction (*continued*)

Neutral Changes:

Increased Spending Offset by Income

Additional Non-Operating Appropriations-in-Aid

£60,000

Section A

An increase of Capital which is offset by an increase in non-operating Appropriations-in-Aid

Decreases:

1	Change of classification from Capital to Administration	
	£14,961,000	-14,961,000
	Section A	
	Change of classification of capital end year flexibility to administration as agreed in spending review 2004	

Total changes in capital for Estimate 1,977,000

2. As a result of the above and associated non-cash adjustments, there is an increase in the net cash requirement of £ 107,010,000
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Protecting and promoting the national security and economic well-being of the UK**82,102,000**

Total additional net resource requirement

82,102,000

Additional net cash requirement**107,010,000**

SUPPLEMENTARY amounts required in the year ending 31 March 2006 for expenditure by the Security and Intelligence Agencies on:

RfR 1: Protecting and promoting the national security and economic well-being of the UK

Administration and operational costs, research and development works, equipment and other payments, and associated non-cash items.

The **Cabinet Office** will account for this Estimate.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
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RfR 1: Protecting and promoting the national security and economic well-being of the UK

Spending in Departmental Expenditure Limits (DEL)

RfR 1 - A	Security and Intelligence Agencies	1,191,560	106,163	24,061	82,102	1,273,662
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Total RfR 1			106,163	24,061	82,102	
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Total Changes to RfRs			106,163	24,061	82,102	
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£000

	Present Provision	Change in Provision	New Provision
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Capital and Cash

Total Capital Expenditure	244,643	2,037	246,680
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Non-Operating A in A	1,883	60	1,943
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Net cash requirement	1,234,988	107,010	1,341,998
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Part II: revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
RfR 1: Protecting and promoting the national security and economic well-being of the UK								
734,028	614,845	-	1,348,873	75,211	1,273,662	246,680	1,943	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Security and Intelligence Agencies								
734,028	614,845	-	1,348,873	75,211	1,273,662	246,680	1,943	
Total for Estimate:								
734,028	614,845	-	1,348,873	75,211	1,273,662	246,680	1,943	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	1,191,560	82,102	1,273,662
Voted capital items			
Capital expenditure	244,643	2,037	246,680
<i>Less:</i> non-operating A in A	<u>1,883</u>	<u>60</u>	<u>1,943</u>
Total net voted capital	242,760	1,977	244,737
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-33,046	11,399	-21,647
Depreciation	-150,711	15,110	-135,601
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	144	-75	69
Prior period adjustments	-	-	-
Other non-cash items	-17,877	-9,779	-27,656
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	2,158	6,276	8,434
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>-</u>	<u>-</u>	<u>-</u>
Total accruals to cash adjustments	-199,332	22,931	-176,401
Excess cash to be CFERd	-	-	-
Net cash requirement	1,234,988	107,010	1,341,998

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2005-06 provision
Net Administration Costs		
RfR 1	669,198	
Total Net Administration Costs		669,198
Net Programme Costs		
RfR 1	604,464	
Total Net Programme costs		604,464
Total Net Operating Cost		1,273,662
<i>of which:</i>		
Net Resource Outturn		1,273,662
CFERs		-
Non-voted expenditure		-
Resource Budget Outturn		1,273,662

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2005-06 Provision
Net Resource Outturn (Estimates)	1,273,662
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	-
Consolidated Fund extra receipts (CFERS) in the OCS	-
Other adjustments	-
Net Operating Costs (Accounts)	1,273,662
<i>Adjustments to remove:</i>	
capital grants to local authorities	-
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	-
voted expenditure outside the budget	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
resource consumption of non departmental public bodies	-
unallocated resource provision	-
Other adjustments	-
Resource Budget Outturn (Budget)	1,273,662
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	1,273,662
Annually Managed Expenditure (AME)	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
Net Voted Capital Outturn (Estimates)	244,737
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	69
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	-
capital grants to local authorities	-
capital grants financed by the Capital Modernisation Fund	-
local authority credit approvals	-
capital spending by levy funded bodies	-
unallocated capital provision	6,000
Other adjustments	-
Capital Budget Outturn (Budget)	250,806
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	250,806
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

In accordance with the Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointments for the Requests for Resources within this Estimate.

Request for Resources 1 Sir Richard Mottram, Security and Intelligence co-ordinator

Sir Richard Mottram, as the Principal Accounting Officer (PAO) by being Security and Intelligence co-ordinator has personal responsibility for the proper presentation of the Security and Intelligence Agencies' resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The PAO, as the permanent head, in addition to the responsibilities for the assigned RFRs, remains in general overall charge of the Security and Intelligence Agencies.

The responsibilities of an Accounting Officer are set out in Annex 4.1 of Government Accounting. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the Security and Intelligence Agencies' policies, aims and objectives; and should regularly review the effectiveness of that system.

Notes to the Estimate

Analysis of appropriations in aid (A in A)

	£'000	
	2005-06 Provision	
	Operating A in A	Non operating A in A
RfR 1: Protecting and promoting the national security and economic well-being of the UK		
Sales of services, etc.	75,211	-
Sale of surplus properties	-	1,943
Total RfR 1	75,211 *	1,943 **
* Amount that may be applied as operating appropriations in aid in addition to the net total, arising from: the sale of services to other government departments, the recovery of costs of staff on loan, recovery from staff for miscellaneous items and certain other staff.		
** Amount that may be applied as non-operating appropriation in aid including receipts from: the sale of fixed assets and from the sale of freehold interest and land.		
Total A in A	75,211	1,943
<i>of which: Administration budgets</i>	-	-

Notes to the Estimate

Departmental Expenditure Limits and Administration Budgets

As announced to the House of Commons, the Security and Intelligence Agencies' Departmental Expenditure Limit will change as follows:

	Change	New DEL		£'000
		Voted	Non-voted	Total
Resource	65,502	1,273,662	-	1,273,662
<i>of which : Administration Budget</i>	<i>30,914</i>	<i>669,198</i>	<i>-</i>	<i>669,198</i>
Capital	1,977	244,806	6,000	250,806
Depreciation*	15,110	-135,601	-	-135,601
Total	82,589	1,382,867	6,000	1,388,867

*Depreciation, which forms part of resource DEL, is excluded from total DEL since capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

Cash which may be retained to offset expenditure

£'000
77,149

Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been or will be appropriated in aid