

Security and Intelligence Agencies

Introduction

1. This Estimate provides for all the administration costs and other expenditure of GCHQ, The Secret Intelligence Services (SIS) and the Security Service (SS), together with related expenditure, mainly on research and development work, on behalf of SIS and the SS.

2. Symbols are explained in the Introduction to this booklet.

Security and Intelligence Agencies

Part I

	£
Request for Resources 1: Protecting and promoting the national security and economic well being of the UK	1,466,703,000
Total net resource requirement	1,466,703,000
Net cash requirement	1,520,714,000

Amounts required in the year ending 31 March 2008 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 Security and Intelligence Agencies will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	1,466,703,000	575,088,000	891,615,000
Total net resource requirement	1,466,703,000	575,088,000	891,615,000
Net cash requirement	1,520,714,000	581,396,000	939,318,000

Part II: Subhead detail

										£'000	
2007-08 Provision										2006-07 Provision	2005-06 Outturn
Resources						Capital Non- operating		Net Total	Net Total		
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	Resources	Resources		
1	2	3	4	5	6	7	8	9	10		
RfR 1: Protecting and promoting the national security and economic well being of the UK											
894,148	662,323	-	1,556,471	89,768	1,466,703	266,590	296	1,443,756	1,259,333		
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A	Security and Intelligence Agencies										
894,148	662,323	-	1,556,471	89,768	1,466,703	266,590	296	1,443,756	1,259,333		
Total for Estimate:											
894,148	662,323	-	1,556,471	89,768	1,466,703	266,590	296	1,443,756	1,259,333		

Part II: Resource to cash reconciliation

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Resource Requirement	1,466,703	1,443,756	1,259,333
Voted capital items			
Capital	266,590	268,192	204,615
Less Non-operating A-in-A	296	1,862	216
Total net voted capital	266,294	266,330	204,399
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-32,105	-26,189	-24,214
Depreciation	-160,313	-149,812	-135,526
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-209	-181
Prior period adjustments	-	-	-
Other non-cash items	-45,897	-41,838	-253
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	26,032	19,828	6,386
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	-	-	-
Total accruals to cash adjustments	-212,283	-198,220	-153,788
Excess cash to be CFERd	-	-	-
Net Cash Requirement	1,520,714	1,511,866	1,309,944

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	£'000					
	2007-08		2006-07		2005-06	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	<i>12,500</i>	-	<i>3,000</i>	-	-
Non-operating income not classified as A in A	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	-	12,500	-	3,000	-	-

Forecast Operating Cost Statement

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Administration Costs			
RfR 1	819,494	804,636	658,656
Total Net Administration costs	819,494	804,636	658,656
Net Programme Costs			
RfR 1	647,209	639,120	600,677
Total Net Programme costs	647,209	639,120	600,677
Total Net Operating Cost	1,466,703	1,443,756	1,259,333
<i>of which:</i>			
Net Resource Requirement	1,466,703	1,443,756	1,259,333
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-
Resource Budget	1,482,203	1,458,047	1,259,152

Notes to the Main Estimate (*continued*)

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Resource Requirement (Estimates)	1,466,703	1,443,756	1,259,333
<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 in the OCS	-	-	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	1,466,703	1,443,756	1,259,333
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-209	-181
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
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	15,500	14,500	-
Other adjustments	-	-	-
Resource Budget (Budget)	1,482,203	1,458,047	1,259,152
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,482,203	1,458,047	1,259,152
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Voted Capital (Estimates)	266,294	266,330	204,399
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	8,000	-	-
Other adjustments	-	8,000	-
Capital Budget (Budget)	274,294	274,330	204,399
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	274,294	274,330	204,399
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

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

Request for Resources 1: Sir Richard Mottram, Co-ordinator of the Security and Intelligence Committee

Sir Richard Mottram as the Accounting Officer of the Security and Intelligence Agencies has personal responsibility for the proper presentation of the department's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The AO as the permanent head, 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 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 the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims and objectives and should regularly review the effectiveness of that system.

Notes to the Main Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
RfR 1: Protecting and promoting the national security and economic well being of the UK			
Administration	74,654	59,217	61,459
<i>of which:</i>			
Sale of goods and services	74,654	59,217	61,459
Programme	15,114	29,783	8,512
<i>of which:</i>			
Sale of goods and services	15,114	29,783	8,512
Total RfR 1	89,768†	89,000	69,971
<i>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: the sales of services to other government departments, the recovery of costs of staff on loan, recovery from staff for miscellaneous items and certain other services.</i>			
Total Operating A in A	89,768	89,000	69,971

Analysis of non-operating appropriations in aid (A in A)

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
RfR 1: Protecting and promoting the national security and economic well being of the UK			
Administration	-	-310	-169
<i>of which:</i>			
Sale of assets	-	-310	-169
Programme	296	2,172	385
<i>of which:</i>			
Sale of assets	296	2,172	385
Total RfR 1	296†	1,862	216
<i>† Amount that may be applied as non-operating appropriations in aid, arising from: the sale of fixed assets and from the sale of freehold interest and land.</i>			
Total Non-Operating A in A	296	1,862	216

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2007-08		2006-07		2005-06	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Interest payments Φ	-	12,500	-	3,000	-	-
Total	-	12,500	-	3,000	-	-

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	1,466,703	15,500	1,482,203
<i>of which:†</i>			
Administration budget	819,494	5,000	824,494
Near-cash in RDEL	1,228,388	15,500	1,243,888
Capital DEL††	266,294	8,000	274,294
Less Depreciation†††	-160,313	-	-160,313
Total DEL	1,572,684	23,500	1,596,184

† The total of the 'Administration Budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

†† Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

††† 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.

Comparison of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2007-08 of £1,466,703,000 is 1.6 per cent higher than the final net provision for 2006-07 of £1,443,756,000 and 1.0 per cent higher than the forecast outturn for 2006-07 of £1,452,621,000.

Cash which may be retained to offset expenditure

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
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.	90,064	90,862	70,187

