
Assets Recovery Agency

Introduction

1. This Estimate covers the administration, programme and capital costs of the Assets Recovery Agency.
2. The Agency is a non-Ministerial department which was set up under the Proceeds of Crime Act 2002. The Agency was formally established on 13 January 2003 with the majority of its powers coming into force on 24 February 2003 and assuming full financial independence from 1 April 2003.
3. The Agency's remit is to reduce crime by:
 - a) supporting all law enforcement agencies in financial investigations and asset recovery through the development and provision of specialist training and advice;
 - b) investigating cases leading to post-conviction confiscation orders and/or applying for such orders;
 - c) enforcing certain confiscation orders;
 - d) using a new power of 'civil recovery' by suing in the High Court for the recovery of the proceeds of unlawful conduct;
 - e) using powers of taxation where the Director has reasonable grounds to suspect that there is income, gains or profits that is chargeable to the relevant tax and which results from criminal conduct. The Director then carries out the tax functions that the Inland Revenue would ordinarily carry out. This is not just limited to the proceeds of unlawful conduct but to all the defendant's property; and
 - f) seeking international assistance in obtaining restraint and confiscation.
4. The Director of the Agency is a corporation sole and is appointed by the Home Secretary who is also required to approve the Annual Plan.
5. Symbols are explained in the introduction to this booklet.

Part I

| | £ |
|---|-------------------|
| Request for Resources 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation. | 15,551,000 |
| Total net resource requirement | 15,551,000 |
| Net cash requirement | 15,142,000 |

Amounts required in the year ending 31 March 2007 for expenditure by the Assets Recovery Agency on:

RfR 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation.

Payments and expenses related to investigation, litigation and enforcement of referred cases from law enforcement agencies, expenses for the development and delivery of specialist training courses in financial investigation and other associated asset identification and recovery, expenses related to the administration and management of the service provision and associated non-cash items.

The Assets Recovery Agency will account for this Estimate.

| | Net total | Allocated in Vote on Account | Balance to complete |
|---------------------------------------|-------------------|------------------------------------|------------------------|
| RfR 1 | 15,551,000 | 6,840,000 | 8,711,000 |
| Total net resource requirement | 15,551,000 | 6,840,000 | 8,711,000 |
| Net cash requirement | 15,142,000 | 6,848,000 | 8,294,000 |

Part II: Subhead detail

| | | | | | | | | | | £'000 | |
|---|-------------------------|--------|-------------|--------|-----------|--------------------------------|------|------------------------|------------------------|-------|--|
| 2006-07 Provision | | | | | | | | 2005-06 Provision | 2004-05 Outturn | | |
| Resources | | | | | | Capital Non- operating A | | Net Total Resources | Net Total Resources | | |
| Admin | Other Current | Grants | Gross Total | A in A | Net Total | Capital | in A | 9 | 10 | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | | | |
| RfR 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation. | | | | | | | | | | | |
| 3,897 | 11,729 | - | 15,626 | 75 | 15,551 | - | - | 16,748 | 14,017 | | |
| Spending in Departmental Expenditure Limits (DEL) | | | | | | | | | | | |
| <i>Central Government spending</i> | | | | | | | | | | | |
| A | Helping to reduce crime | | | | | | | | | | |
| 3,897 | 11,729 | - | 15,626 | 75 | 15,551 | - | - | 16,748 | 14,017 | | |
| Total for Estimate: | | | | | | | | | | | |
| 3,897 | 11,729 | - | 15,626 | 75 | 15,551 | - | - | 16,748 | 14,017 | | |

Part II: Resource to cash reconciliation

| | £'000 | | |
|---|----------------------|----------------------|--------------------|
| | 2006-07 Provision | 2005-06 Provision | 2004-05 Outturn |
| Net Resource Requirement | 15,551 | 16,748 | 14,017 |
| Voted capital items | | | |
| Capital | - | 361 | 99 |
| Less Non-operating A-in-A | - | - | - |
| Total net voted capital | - | 361 | 99 |
| Accruals to cash adjustment | | | |
| Adjustments to remove non-cash items: | | | |
| Cost of Capital charges | -6 | -6 | 30 |
| Depreciation | -400 | -325 | -301 |
| New provisions and adjustments to previous provisions | - | - | - |
| Profit/loss on sale of assets | - | - | - |
| Prior period adjustments | - | - | - |
| Other non-cash items | -60 | -60 | -64 |
| Increase (+) / Decrease (-) in stock | - | - | - |
| Increase (+) / Decrease (-) in debtors | -6 | -6 | 465 |
| Increase (-) / Decrease (+) in creditors | 63 | 63 | -499 |
| Use of provisions | - | - | - |
| Total accruals to cash adjustments | -409 | -334 | -369 |
| Excess cash to be CFERd | - | - | - |
| Net Cash Requirement | 15,142 | 16,775 | 13,747 |

Part III: Extra receipts payable to the Consolidated Fund

No CFER income or receipts are expected in 2006-07 or 2005-06. None were received in 2004-05.

Forecast Operating Cost Statement

| | £'000 | | |
|---------------------------------------|----------------------|----------------------|--------------------|
| | 2006-07 Provision | 2005-06 Provision | 2004-05 Outturn |
| Net Administration Costs | | | |
| RfR 1 | 3,822 | 4,011 | 3,142 |
| Total Net Administration costs | 3,822 | 4,011 | 3,142 |
| Net Programme Costs | | | |
| RfR 1 | 11,729 | 12,737 | 10,875 |
| Total Net Programme costs | 11,729 | 12,737 | 10,875 |
| Total Net Operating Cost | 15,551 | 16,748 | 14,017 |
| <i>of which:</i> | | | |
| Net Resource Requirement | 15,551 | 16,748 | 14,017 |
| Non-voted expenditure | - | - | - |
| Consolidated Fund Extra Receipts | - | - | - |
| Resource Budget | 15,551 | 16,748 | 14,017 |

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

| | £'000 | | |
|--|----------------------|----------------------|--------------------|
| | 2006-07 Provision | 2005-06 Provision | 2004-05 Outturn |
| Net Resource Requirement (Estimates) | 15,551 | 16,748 | 14,017 |
| <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) | 15,551 | 16,748 | 14,017 |
| <i>Adjustments to remove:</i> | | | |
| 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 | - | - | - |
| Other adjustments | - | - | - |
| Resource Budget (Budget) | 15,551 | 16,748 | 14,017 |
| <i>of which:</i> | | | |
| Departmental Expenditure Limits (DEL) | 15,551 | 16,748 | 14,017 |
| Annually Managed Expenditure (AME) | - | - | - |

Reconciliation of capital expenditure between Estimates and Budgets

| | £'000 | | |
|--|----------------------|----------------------|--------------------|
| | 2006-07 Provision | 2005-06 Provision | 2004-05 Outturn |
| Net Voted Capital (Estimates) | - | 361 | 99 |
| <i>Adjustments to remove:</i> | | | |
| Gains / losses from sale of capital assets | - | - | - |
| <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 | - | - | - |
| Other adjustments | - | - | - |
| Capital Budget (Budget) | - | 361 | 99 |
| <i>of which:</i> | | | |
| Departmental Expenditure Limits (DEL) | - | 361 | 99 |
| 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: Jane Earl, Director of the Assets Recovery Agency

Jane Earl as the Accounting Officer of the Assets Recovery Agency 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 Assets Recovery Agency.

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 | | |
|--|----------------------|----------------------|--------------------|
| | 2006-07 Provision | 2005-06 Provision | 2004-05 Outturn |
| RfR 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation. | | | |
| Administration | 75 | 90 | 68 |
| <i>of which:</i> | | | |
| Sale of goods and services | 75 | 90 | 68 |
| Total RfR 1 | 75† | 90 | 68 |
| † Amount that may be applied as operating appropriations in aid in addition to the net total arising from: amount recovered through the delivery of specialist training courses in financial investigation and other associated asset identification and recovery to law enforcement agencies. | | | |
| Total Operating A in A | 75 | 90 | 68 |

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

| | £'000 | | |
|-----------------------|--------|-----------|--------|
| | Voted | Non-voted | Total |
| Resource DEL | 15,551 | - | 15,551 |
| <i>of which:</i> * | | | |
| Administration budget | 3,822 | - | 3,822 |
| Near-cash in RDEL | 15,085 | - | 15,085 |
| Capital DEL** | - | - | - |
| Less Depreciation† | -400 | - | -400 |
| Total DEL | 15,151 | - | 15,151 |

* 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 for the previous year

The total net resource budget sought for 2006-07 of £15,551,000 is 7.1 per cent lower than the final net provision for 2005-06 of £16,748,000.

Cash which may be retained to offset expenditure

| | £'000 | | |
|--|----------------------|----------------------|--------------------|
| | 2006-07 Provision | 2005-06 Provision | 2004-05 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. | 75 | 90 | 68 |