

Security and Intelligence Agencies

Introduction

This Estimate provides for all the administration costs and other expenditure of GCHQ, the Secret Intelligence Service and the Security Services.

2. The Estimate is net of a transfer to MOD of £42.5M for support services. It also reflects adjustments to the SIA CSR07 baseline of £0.32M as a result of changes to the rules for budgeting for prepayments over £20M.

3. 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	1,714,400,000
Total net resource requirement	1,714,400,000
Net cash requirement	1,729,786,000

Amounts required in the year ending 31 March 2009 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	1,714,400,000	660,016,000	1,054,384,000
Total net resource requirement	1,714,400,000	660,016,000	1,054,384,000
Net cash requirement	1,729,786,000	684,321,000	1,045,465,000

Part II: Subhead detail

£'000

2008-09 Provision						2007-08 Provision	2006-07 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									
91,657	1,708,045	-	1,799,702	85,302	1,714,400	302,933	648	1,551,473	1,403,488
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Security and Intelligence Agencies								
91,657	1,701,545	-	1,793,202	85,302	1,707,900	302,933	648	1,519,792	1,403,488
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
B	Impairments								
-	6,500	-	6,500	-	6,500	-	-	31,681	-
Total for Estimate:									
91,657	1,708,045	-	1,799,702	85,302	1,714,400	302,933	648	1,551,473	1,403,488

Part II: Resource to cash reconciliation

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Resource Requirement	1,714,400	1,551,473	1,403,488
Voted capital items			
Capital	302,933	331,785	247,239
Less Non-operating A-in-A	648	11,241	906
Total net voted capital	302,285	320,544	246,333
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-6,900	-35,662	-69,169
Depreciation	-266,057	-223,623	-129,817
New provisions and adjustments to previous provisions	-4,770	-	-
Profit/loss on sale of assets	-	-	-1,541
Prior period adjustments	-	-	-
Other non-cash items	-50,733	-43,788	-2,088
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	41,561	83,925	-31,502
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	-	-	-
Total accruals to cash adjustments	-286,899	-219,148	-234,117
Excess cash to be CFERd	-	-	-
Net Cash Requirement	1,729,786	1,652,869	1,415,704

Part III: Extra receipts payable to the Consolidated Fund

No CFER income or receipts are expected in 2008-09 or 2007-08. None were received in 2006-07.

Forecast Operating Cost Statement

£'000

	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Administration Costs			
RfR 1	86,500	89,199	89,359
Total Net Administration costs	86,500	89,199	89,359
Net Programme Costs			
RfR 1	1,627,900	1,462,274	1,314,129
Total Net Programme costs	1,627,900	1,462,274	1,314,129
Total Net Operating Cost	1,714,400	1,551,473	1,403,488
<i>of which:</i>			
Net Resource Requirement	1,714,400	1,551,473	1,403,488
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-
Resource Budget	1,729,000	1,551,473	1,401,947

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

£'000

	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Resource Requirement (Estimates)	1,714,400	1,551,473	1,403,488
<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)	1,714,400	1,551,473	1,403,488
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-1,541
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	14,600	-	-
Other adjustments	-	-	-
Resource Budget (Budget)	1,729,000	1,551,473	1,401,947
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,722,500	1,519,792	1,401,947
Annually Managed Expenditure (AME)	6,500	31,681	-

Reconciliation of capital expenditure between Estimates and Budgets

£'000

	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Voted Capital (Estimates)	302,285	320,544	246,333
<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	7,400	-	-
Other adjustments	-	-	-
Capital Budget (Budget)	309,685	320,544	246,333
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	309,685	320,544	246,333
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 Resource within this Estimate.

Request for Resources 1: Sir Gus O'Donnell, permanent head of the Cabinet Office

Sir Gus O'Donnell 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 Chapter 3 of Managing Public Money. 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		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
RfR 1: Protecting and promoting the national security and economic well being of the UK			
Administration	5,157	6,681	5,768
<i>of which:</i>			
Sale of goods and services	5,157	6,681	5,768
Programme	80,145	79,981	73,422
<i>of which:</i>			
Sale of goods and services	80,145	79,981	73,422
Total RfR 1	85,302†	86,662	79,190
<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	85,302	86,662	79,190

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

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
RfR 1: Protecting and promoting the national security and economic well being of the UK			
Administration	-	-	-1,458
<i>of which:</i>			
Sale of assets	-	-	-1,458
Programme	648	11,241	2,364
<i>of which:</i>			
Sale of assets	648	11,241	2,364
Total RfR 1	648†	11,241	906
<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	648	11,241	906

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	1,707,900	14,600	1,722,500
<i>of which:</i> †			
Administration budget	86,500	500	87,000
Near-cash in RDEL	1,385,940	14,600	1,400,540
Capital DEL††	302,285	7,400	309,685
Less Depreciation†††	-259,557	-	-259,557
Total DEL	1,750,628	22,000	1,772,628

† 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 2008-09 of £1,714,400,000 is 10.5 per cent higher than the final net provision for 2007-08 of £1,551,473,000 and 14.9 per cent higher than the forecast outturn for 2007-08 of £1,492,274,000.

Cash which may be retained to offset expenditure

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 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.	85,950	97,903	80,096