
Assets Recovery Agency

Introduction

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

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

Increases:

Take up of End Year Flexibility (EYF)

1. Take up of resource EYF of £1,547,00 (of which, all is near cash)
 - (a) Resources - administration costs
£114,000 (Subhead A1)
Increased staffing levels in support functions
 - (b) Resources - other
1,433,000 (Subhead A2)
Increase in operational costs due to Agency expansion
2. Take up of capital EYF of £11,000
Capital - other
£11,000 (Subhead A7)
Increase in expenditure on IT Assets

Neutral Changes:

Increase in gross spending offset by income

1. Programme
£15,000
To give effect to an increase in Appropriations-in-Aid (Subhead A5) to support additional gross spending on training (Subhead A2)
2. As a result of these changes there is an increase in the net cash requirement of £1,558,000.
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation	1,547,000
Total additional net resource requirement	1,547,000
Additional net cash requirement	1,558,000

SUPPLEMENTARY amounts required in the year ending 31 March 2006 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.

Part II: Changes proposed

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	£'000 New Net Provision
RfR 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation					
Spending in Departmental Expenditure Limits (DEL)					
<i>Central Government spending</i>					
RfR 1 - A Helping to reduce crime	15,201	1,562	15	1,547	16,748
Total RfR 1		1,562	15	1,547	

Capital and Cash	Present Provision	Change in Provision	£000 New Provision
Total Capital Expenditure	350	11	361
Non-Operating A in A	-	-	-
Net cash requirement	15,217	1,558	16,775

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: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation								
4,011	12,827	-	16,838	90	16,748	361	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Helping to reduce crime								
4,011	12,827	-	16,838	90	16,748	361	-	
Total for Estimate:								
4,011	12,827	-	16,838	90	16,748	361	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	15,201	1,547	16,748
Voted capital items			
Capital expenditure	350	11	361
<i>Less: non-operating A in A</i>	<u>-</u>	<u>-</u>	<u>-</u>
Total net voted capital	350	11	361
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-6	-	-6
Depreciation	-325	-	-325
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-60	-	-60
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-6	-	-6
Increase(-)/decrease (+) in creditors	63	-	63
Use of provisions	<u>-</u>	<u>-</u>	<u>-</u>
Total accruals to cash adjustments	-334	-	-334
Excess cash to be CFERd	-	-	-
Net cash requirement	15,217	1,558	16,775

Part III: Extra receipts payable to the Consolidated Fund

In addition to Appropriations in aid, the following income and receipts relate to the department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	<u>Present provision</u>		<u>New provision</u>	
	<u>Income</u>	<u>Receipts</u>	<u>Income</u>	<u>Receipts</u>
Operating income not classified as A in A	-	<i>1</i>	-	-
Non-operating income not classified as A in A	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-
Excess receipts to be surrendered to the Consolidated Fund	-	-	-	-
Total	<u>-</u>	<u><i>1</i></u>	<u>-</u>	<u>-</u>

Forecast Operating Cost Statement

		£'000
		2005-06 provision
Net Administration Costs		
RfR 1	<u>4,011</u>	
Total Net Administration Costs		4,011
Net Programme Costs		
RfR 1	<u>12,737</u>	
Total Net Programme costs		12,737
Total Net Operating Cost		16,748
<i>of which:</i>		
Net Resource Outturn		16,748
CFERs		-
Non-voted expenditure		-
Resource Budget Outturn		16,748

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2005-06 Provision
Net Resource Outturn (Estimates)	16,748
<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)	16,748
<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)	16,748
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	16,748
Annually Managed Expenditure (AME)	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
Net Voted Capital Outturn (Estimates)	361
<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 to local authorities	-
capital grants financed by the Capital Modernisation Fund	-
local authority credit approvals	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-
Capital Budget Outturn (Budget)	361
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	361
Annually Managed Expenditure (AME)	-

Notes to the 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 appointments for the Requests for Resources within this Estimate.

Request for Resources 1

Jane Earl, the Director of the Assets Recovery Agency

Jane Earl, as the Principal Accounting Officer (PAO) of the Assets Recovery Agency has personal responsibility for the proper presentation of the Assets Recovery Agency's 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 RfR, 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 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 Assets Recovery Agency's policies, aims and objectives; and should regularly review the effectiveness of that system.

Notes to the Estimate (*continued*)

Analysis of appropriations in aid (A in A)

	£'000	
	2005-06 Provision	
	Operating A in A	Non operating A in A
RfR 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation		
Charges for financial investigators courses	90	-
Total RfR 1	90 *	-
*Amount that may be applied as 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 A in A	90	-
<i>of which: Administration budgets</i>	-	-

Notes to the Estimate (*continued*)

Departmental Expenditure Limits and Administration Budgets

As announced to the House of Commons, the Assets Recovery Agency Departmental Expenditure Limit will change as follows:

	Change	New DEL		£'000
		Voted	Non-voted	Total
Resource	1,547	16,748	-	16,748
<i>of which :Administration Budget</i>	<i>114</i>	<i>4,011</i>	-	<i>4,011</i>
Capital	11	361	-	361
Depreciation*	-	-325	-	-325
Total	1,558	16,784	-	16,784

**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
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