

# Security and Intelligence Agencies

## Introduction

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

		Amount (£)	
		<u>Increases</u>	<u>Reductions</u>
<b><u>Changes in resources</u></b>			
<b>RfR 1: Protecting and promoting the national security and economic well being of the UK</b>			
<u>Section</u>	<u>Reason for change</u>		
<b>Changes related to movements in Budgets</b>			
	<u>Take up of Programme non cash EYF</u>	7,096,000	
A	For the expansion and capabilities of the Security and Intelligence Agencies		
<u>Budget Cover Transfer from/to other Government departments</u>			
A	Transfer from FCO for the expansion and capabilities of the Security and Intelligence Agencies	2,200,000	
A	Transfer from FCO for the expansion and capabilities of the Security and Intelligence Agencies	5,000,000	
A	Transfer from FCO for the expansion and capabilities of the Security and Intelligence Agencies	100,000	
A	Transfer from FCO for the expansion and capabilities of the Security and Intelligence Agencies	50,000	
A	Transfer from HO for the expansion and capabilities of the Security and Intelligence Agencies	150,000	
A	Transfer to HO for joint projects		-3,019,000
<u>Changes in operating appropriations-in-aid (not offset by changes in spending)</u>			
A	Increase in Administration income not being offset by an increase in expenditure		-10,236,000
A	Decrease in programme income of £748,000 being offset by a decrease in programme expenditure of £1,250,000. The remaining £502,000 decrease in expenditure is not being offset by a decrease in programme income	748,000	-1,250,000
A	Increase in Administration income of £1,533,000 being offset by an increase in Administration expenditure of £1,414,000. The remaining £119,000 decrease in expenditure is not being offset by a decrease in income	1,414,000	-1,533,000

**Other changes**

A	<u>Other changes in DEL spending</u> Reclassification of 25,000,000 non-cash from DEL to AME for impairments		-25,000,000
B	<u>Changes in Annually Managed Expenditure (AME)</u> Reclassification of 25,000,000 non-cash from DEL to AME for impairments	25,000,000	
		<u>Total</u>	<u>41,758,000</u>
<b>Total change in resources for RfR1</b>			<b>-41,038,000</b>
			<b>720,000</b>
<b>Total change in resources for Estimate</b>			<b>720,000</b>

**Changes in Capital**

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
<b><u>Changes related to movements in budgets</u></b>			
A	<u>Drawdown of Capital DUP</u> For the expansion and capability of the Security and Intelligence Agencies	27,274,000	
A	<u>Other changes in DEL spending</u> Change arising from change in rules for budgeting of prepayments over £20,000,000	3,601,000	
<b><u>Other changes</u></b>			
A	<u>Changes in non-operating appropriations-in-aid (fully offset by a change in expenditure)</u> For the expansion and capabilities of the Security and Intelligence Agencies	4,361,000	-4,361,000
		<u>Total</u>	<u>35,236,000</u>
<b>Total change in capital for Estimate</b>			<b>-4,361,000</b>
			<b>30,875,000</b>

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £34,504,000

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

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**Part I**

	£
<b>RfR 1: Protecting and promoting the national security and economic well being of the UK</b>	<b>720,000</b>
Total additional net resource requirement	720,000
<b>Additional net cash requirement</b>	<b>34,504,000</b>

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SUPPLEMENTARY 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.

## 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
<b>RfR 1: Protecting and promoting the national security and economic well being of the UK</b>					
<b>Spending in Departmental Expenditure Limits (DEL)</b>					
<i>Central Government spending</i>					
RfR 1 - A Security and Intelligence Agencies	1,544,072	-13,259	11,021	-24,280	1,519,792
<b>Spending in Annually Managed Expenditure (AME)</b>					
RfR1 - B Impairments	6,681	25,000	-	25,000	31,681
<b>Total RfR 1</b>		<b>11,741</b>	<b>11,021</b>	<b>720</b>	
<b>Total Changes to RfRs</b>		<b>11,741</b>	<b>11,021</b>	<b>720</b>	

Capital and Cash	Present Provision	Change in Provision	£000
			New Provision
Total Capital Expenditure	296,549	35,236	331,785
Non-Operating A in A	6,880	4,361	11,241
<b>Net cash requirement</b>	<b>1,618,365</b>	<b>34,504</b>	<b>1,652,869</b>

## 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	
<b>RfR 1: Protecting and promoting the national security and economic well being of the UK</b>								
939,180	698,955	-	1,638,135	86,662	1,551,473	331,785	11,241	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Security and Intelligence Agencies								
939,180	667,274	-	1,606,454	86,662	1,519,792	331,785	11,241	
<b>Spending in Annually Managed Expenditure (AME)</b>								
<i>Central Government spending</i>								
B Impairments								
-	31,681	-	31,681	-	31,681	-	-	
<b>Total for Estimate:</b>								
939,180	698,955	-	1,638,135	86,662	1,551,473	331,785	11,241	

## Part II: Resource to cash reconciliation

	Present	Increase (+)/ Decrease (-)	£'000 Revised
<b>Net Resource Requirement</b>	<b>1,550,753</b>	<b>720</b>	<b>1,551,473</b>
<b>Voted capital items</b>			
Capital	296,549	35,236	331,785
<i>Less:</i> Non-operating A in A	6,880	4,361	11,241
<b>Total net voted capital</b>	<b>289,669</b>	<b>30,875</b>	<b>320,544</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-29,183	-6,479	-35,662
Depreciation	-168,887	-48,055	-216,942
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-50,019	6,231	-43,788
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	26,032	51,212	77,244
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	-	-	-
<b>Total accruals to cash adjustments</b>	<b>-222,057</b>	<b>2,909</b>	<b>-219,148</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>1,618,365</b>	<b>34,504</b>	<b>1,652,869</b>

## Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

## Forecast Operating Cost Statement

	£'000
	2007-08 provision
<b>Net Administration Costs</b>	
RfR1	879,278
<b>Total Net Administration Costs</b>	<b>879,278</b>
<b>Net Programme Costs</b>	
RfR1	672,195
<b>Total Net Programme costs</b>	<b>672,195</b>
<b>Total Net Operating Cost</b>	<b>1,551,473</b>
<i>of which:</i>	
<b>Net Resource Requirement</b>	<b>1,551,473</b>
Non-voted expenditure	-
Consolidated Fund Extra Receipts	-
<b>Resource Budget</b>	<b>1,551,473</b>

## Notes to the Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2007-08 Provision
<b>Net Resource Requirement (Estimates)</b>	<b>1,551,473</b>
<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	-
<b>Net Operating Costs (Accounts)</b>	<b>1,551,473</b>
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
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	-
Other adjustments	-
<b>Resource Budget (Budget)</b>	<b>1,551,473</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	1,519,792
Annually Managed Expenditure (AME)	31,681

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2007-08 Provision
<b>Net Voted Capital (Estimates)</b>	<b>320,544</b>
<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	-
<b>Capital Budget (Budget)</b>	<b>320,544</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	320,544
Annually Managed Expenditure (AME)	-

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## 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**

Sir Gus O'Donnell

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 Estimate (*continued*)

### Analysis of operating appropriations in aid (A in A)

	£'000
	2007-08 Provision
<b>RfR 1: Protecting and promoting the national security and economic well being of the UK</b>	
<b>Administration</b>	<b>59,902</b>
<i>of which:</i>	
Sale of goods and services	59,902
<b>Programme</b>	<b>26,760</b>
<i>of which:</i>	
Sale of goods and services	26,760
<b>Total RfR1</b>	<b>86,662 †</b>
<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>	
<b>Total Operating A in A</b>	<b>86,662</b>

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

<b>RfR 1: Protecting and promoting the national security and economic well being of the UK</b>	
<b>Programme</b>	<b>11,241</b>
<i>of which:</i>	
Sale of assets	11,241
<b>Total RfR1</b>	<b>11,241 †</b>
<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>	
<b>Total Non - operating A in A</b>	<b>11,241</b>

## Notes to the Estimate (*continued*)

### Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	-24,280	-	1,519,792	-	1,519,792
<i>of which:</i>					
Administration budget †	-10,355	-	879,278	-	879,278
Near-cash in RDEL	-47,583	-	1,248,400	-	1,248,400
Capital DEL ††	30,875	-	320,544	-	320,544
Less Depreciation †††	-23,055	-	-191,942	-	-191,942
Total	-16,460	-	1,648,394	-	1,648,394

† The total of '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.

### 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	86,662

