

Security and Intelligence Agencies

Introduction

1. This Estimate provides for all the administration costs and other expenditure of GCHQ, the Secret Intelligence Service (SIS) and the Security Service, together with related expenditure, mainly on research and development work, on behalf of SIS and the Security Service.
2. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Protecting and promoting the national security and economic well being of the UK	1,277,974,000
Total net resource requirement	1,277,974,000
Net cash requirement	1,291,991,000

Amounts required in the year ending 31 March 2007 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 **Cabinet Office** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	1,277,974,000	511,795,000	766,179,000
Total net resource requirement	1,277,974,000	511,795,000	766,179,000
Net cash requirement	1,291,991,000	511,181,000	780,810,000

Part II: Subhead detail

										£'000	
2006-07 Provision										2005-06 Provision	2004-05 Outturn
Resources							Capital Non- operating A in A		Net Total Resources	Net Total Resources	
Admin 1	Other Current 2	Grants 3	Gross Total 4	A in A 5	Net Total 6	Capital 7	8	9	10		
RfR 1: Protecting and promoting the national security and economic well being of the UK											
763,837	587,409	-	1,351,246	73,272	1,277,974	223,669	669	1,273,662	1,232,799		
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A Security and Intelligence Agencies											
763,837	587,409	-	1,351,246	73,272	1,277,974	223,669	669	1,273,662	1,232,799		
Total for Estimate:											
763,837	587,409	-	1,351,246	73,272	1,277,974	223,669	669	1,273,662	1,232,799		

Part II: Resource to cash reconciliation

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Resource Requirement	1,277,974	1,273,662	1,232,799
Voted capital items			
Capital	223,669	246,680	150,939
Less Non-operating A-in-A	669	1,943	335
Total net voted capital	223,000	244,737	150,604
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-29,775	-21,647	-22,207
Depreciation	-156,713	-135,601	-111,078
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	71	69	-238
Prior period adjustments	-	-	-
Other non-cash items	-41,838	-27,656	-31,018
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	19,272	8,434	-37,882
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	-	-	-
Total accruals to cash adjustments	-208,983	-176,401	-202,423
Excess cash to be CFERd	-	-	-
Net Cash Requirement	1,291,991	1,341,998	1,180,980

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					
	2006-07		2005-06		2004-05	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	<i>3,000</i>	-	<i>3,200</i>	-	<i>25,158</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	-	<i>3,000</i>	-	<i>3,200</i>	-	<i>25,158</i>

Forecast Operating Cost Statement

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Administration Costs			
RfR 1	705,560	669,198	709,371
Total Net Administration costs	705,560	669,198	709,371
Net Programme Costs			
RfR 1	572,414	604,464	523,428
Total Net Programme costs	572,414	604,464	523,428
Total Net Operating Cost	1,277,974	1,273,662	1,232,799
<i>of which:</i>			
Net Resource Requirement	1,277,974	1,273,662	1,232,799
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-
Resource Budget	1,292,974	1,273,662	1,232,799

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)	1,277,974	1,273,662	1,232,799
<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)	1,277,974	1,273,662	1,232,799
<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	15,000	-	-
Other adjustments	-	-	-
Resource Budget (Budget)	1,292,974	1,273,662	1,232,799
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,292,974	1,273,662	1,232,799
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)	223,000	244,737	150,604
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	71	69	-238
<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	-	6,000	-
Other adjustments	-	-	-
Capital Budget (Budget)	223,071	250,806	150,366
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	223,071	250,806	150,366
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
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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		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
RfR 1: Protecting and promoting the national security and economic well being of the UK			
Administration	58,277	64,830	36,298
<i>of which:</i>			
Sale of goods and services	58,277	64,830	36,298
Programme	14,995	10,381	9,261
<i>of which:</i>			
Sale of goods and services	14,995	10,381	9,261
Total RfR 1	73,272†	75,211	45,559
† 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.			
Total Operating A in A	73,272	75,211	45,559

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

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
RfR 1: Protecting and promoting the national security and economic well being of the UK			
Administration	-30	45	-127
<i>of which:</i>			
Sale of assets	-30	45	-127
Programme	699	1,898	462
<i>of which:</i>			
Sale of assets	699	1,898	462
Total RfR 1	669†	1,943	335
† Amount that may be applied as non-operating appropriations in aid in addition to the net total arising from: the sale of fixed assets and from the sale of freehold interest and land.			
Total Non-Operating A in A	669	1,943	335

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2006-07		2005-06		2004-05	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Interest payments Φ	-	3,000	-	3,200	-	25,158
Miscellaneous Φ	-	-	-	-	-	-
Total	-	3,000	-	3,200	-	25,158

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	1,277,974	15,000	1,292,974
<i>of which:*</i>			
Administration budget	705,560	1,000	706,560
Near-cash in RDEL	1,049,719	15,000	1,064,719
Capital DEL**	223,071	-	223,071
Less Depreciation†	-156,713	-	-156,713
Total DEL	1,344,332	15,000	1,359,332

* 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 £1,277,974,000 is 0.3 per cent higher than the final net provision for 2005-06 of £1,273,662,000.

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.	73,941	77,154	45,894

