

# Assets Recovery Agency

## 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: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation</b>			
<u>Section</u>	<u>Reason for change</u>		
<b><u>Changes related to movements in budgets</u></b>			
<u>Take up of DEL End-Year Flexibility</u>			
Section A	Take up of near-cash Resource DEL EYF to meet Agency latest best estimate and further merger costs anticipated by the ARA and SOCA/NPIA pre-anticipated merger on 1 April 2008:		
	Subhead A1 (administration)	107,000	-
	Subhead A2 (programme)	1,749,000	-
<u>Transfers from resource spending to capital spending (not capital grants)</u>			
Section A	Transfer from subhead A2 to subhead A7 to cover anticipated capital spend for 2007-08.	-	-150,000
<b><u>Other changes</u></b>			
<u>Changes in operating appropriations-in-aid (fully offset by changes in spending)</u>			
Section A	Additional resources of on subhead A1 (administration) offset by an increase in appropriations in aid on subhead A5. This relates to projected bank interest.	175,000	-175,000
Section A	Additional resources on subhead A2 (programme) offset by an increase in appropriations in aid on subhead A5. This relates to projected additional incentivisation income, training income, interest and netted off additional receivers costs.	2,638,000	-2,638,000
		<u>Total</u>	<u>4,669,000</u> <u>-2,963,000</u>
<b>Total change in resources for RfR1</b>			<b>1,706,000</b>

### **Changes in Capital**

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
<b><u>Other changes</u></b>			
<u>Transfers from resources to capital</u>			
Section A	Transfer from subhead A2 to subhead A7 cover anticipated capital spend for 2007-08.	150,000	-
		<u>Total</u>	<u>150,000</u> <u>-</u>
<b>Total change in capital for Estimate</b>			<b>150,000</b>

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £1,856,000.

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

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# Assets Recovery Agency

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## Part I

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<b>RfR 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation</b>	<b>1,706,000</b>
Total additional net resource requirement	1,706,000
<b>Additional net cash requirement</b>	<b>1,856,000</b>

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SUPPLEMENTARY amounts required in the year ending 31 March 2008 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, payments and expenses relating to the merger between the Agency and the Serious Organised Crime Agency and National Police Improvement Agency, 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.

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## Part II: Changes proposed

						£'000
Resources		Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
<b>RfR 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation</b>						
<b>Spending in Departmental Expenditure Limits (DEL)</b>						
RfR 1 - A	Helping to reduce crime	16,301	4,519	2,813	1,706	18,007
	<b>Total RfR 1</b>		<b>4,519</b>	<b>2,813</b>	<b>1,706</b>	
	<b>Total Changes to RfRs</b>		<b>4,519</b>	<b>2,813</b>	<b>1,706</b>	

		£000		
		Present Provision	Change in Provision	New Provision
<b>Capital and Cash</b>				
Total Capital Expenditure		-	150	150
Non-Operating A in A		-	-	-
<b>Net cash requirement</b>		<b>18,931</b>	<b>1,856</b>	<b>20,787</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: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation</b>								
4,993	27,152	-	32,145	14,138	18,007	150	-	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Helping to reduce crime								
4,993	27,152	-	32,145	14,138	18,007	150	-	
<b>Total for Estimate:</b>								
4,993	27,152	-	32,145	14,138	18,007	150	-	

## Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+) Decrease (-)</u>	£'000 <u>Revised</u>
<b>Net Resource Requirement</b>	<b>16,301</b>	<b>1,706</b>	<b>18,007</b>
<b>Voted capital items</b>			
Capital	-	150	150
<i>Less:</i> Non-operating A in A	-	-	-
<b>Total net voted capital</b>	<b>-</b>	<b>150</b>	<b>150</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	30	-	30
Depreciation	-419	-	-419
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-81	-	-81
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	100	-	100
Increase(-)/decrease (+) in creditors	3,000	-	3,000
Use of provisions	-	-	-
<b>Total accruals to cash adjustments</b>	<b>2,630</b>	<b>-</b>	<b>2,630</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>18,931</b>	<b>1,856</b>	<b>20,787</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	4,743
<b>Total Net Administration Costs</b>	<b>4,743</b>
<b>Net Programme Costs</b>	
RfR1	13,264
<b>Total Net Programme costs</b>	<b>13,264</b>
<b>Total Net Operating Cost</b>	<b>18,007</b>
<i>of which:</i>	
<b>Net Resource Requirement</b>	<b>18,007</b>
Non-voted expenditure	-
Consolidated Fund Extra Receipts	-
<b>Resource Budget</b>	<b>18,007</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>18,007</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>18,007</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	-
<b>Resource Budget (Budget)</b>	<b>18,007</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	18,007
Annually Managed Expenditure (AME)	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2007-08 Provision
<b>Net Voted Capital (Estimates)</b>	<b>150</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>150</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	150
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**

Alan McQuillan, Interim Director of the Assets Recovery Agency

Alan McQuillan 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 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
<b>Administration</b>	<b>250</b>
<i>of which:</i>	
Sale of goods and services	250
<b>Programme</b>	<b>13,888</b>
<i>of which:</i>	
Sale of goods and services	13,888
<b>Total RfR1</b>	<b>14,138 †</b>
<b>Total Operating A in A</b>	<b>14,138</b>

† 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.

## Notes to the Estimate (*continued*)

### Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	1,706	-	18,007	-	18,007
<i>of which: †</i>					
<i>Administration budget</i>	107	-	4,743	-	4,743
<i>Near-cash in RDEL</i>	1,706	-	17,537	-	17,537
Capital ††	150	-	150	-	150
Less Depreciation †††	-	-	-419	-	-419
Total	1,856	-	17,738	-	17,738

† 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	14,138