

# Security and Intelligence Agencies

## Introduction

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

### **RfR 1: Protecting and promoting the national security and economic well-being of the UK**

#### **Increases:**

##### Take up of End Year Flexibility

1. Administration, Programme and Capital  
£15,545,000 Administration, £31,074,000 Programme Costs and £43,883,000 capital  
Section A  
For the expansion of capacity and capability of the Security and Intelligence Agencies

##### Transfers from Other Government Departments

1. PES Transfer from the Foreign and Commonwealth Office  
£1,400,000 Administration  
Section A  
Funding for language courses
2. PES Transfer from Foreign and Commonwealth Office  
£3,688,000 Programme  
Section A  
Planned programme and conflict prevention
3. PES Transfer from Northern Ireland Office  
£131,000 Administration  
Section A  
To contribute towards administrative funding

##### Take up of Departmental Unallocated Provision

1. Administration and Capital  
£2,400,000 Administration and £1,000,000 Capital  
Section A  
For the expansion of capacity and capability of the Security and Intelligence Agencies

#### **Neutral Changes:**

##### Increased Spending Offset by Income

1. Additional operating Appropriations-in-Aid.  
£1,608,000  
Section A  
An increase of Administration which is offset by an increase in operating Appropriations-in-Aid
2. Additional non-operating Appropriations-in-Aid  
£200,000  
Section A  
An increase in Capital, which is offset by an increase in non-operating Appropriations-in-Aid
2. As a result of these changes there is an increase in the net cash requirement of £ 99,030,000
3. Symbols are explained in the Introduction to this booklet.

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**Part I**

£

**RfR 1: Protecting and promoting the national security and economic well-being of the UK**

54,238,000

Total additional net resource requirement

54,238,000

**Additional net cash requirement****99,030,000**

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SUPPLEMENTARY amounts required in the year ending 31 March 2006 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.

## 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
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### RfR 1: Protecting and promoting the national security and economic well-being of the UK

#### Spending in Departmental Expenditure Limits (DEL)

RfR 1 - A	Security and Intelligence Agencies	1,137,322	55,846	1,608	54,238	1,191,560
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<b>Total RfR 1</b>			<b>55,846</b>	<b>1,608</b>	<b>54,238</b>	
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<b>Total Changes to RfRs</b>			<b>55,846</b>	<b>1,608</b>	<b>54,238</b>	
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£000

	Present Provision	Change in Provision	New Provision
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#### Capital and Cash

Total Capital Expenditure	199,560	45,083	244,643
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Non-Operating A in A	1,683	200	1,883
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<b>Net cash requirement</b>	<b>1,135,958</b>	<b>99,030</b>	<b>1,234,988</b>
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**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>								
680,151	562,559	-	1,242,710	51,150	1,191,560	244,643	1,883	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Security and Intelligence Agencies								
680,151	562,559	-	1,242,710	51,150	1,191,560	244,643	1,883	
<b>Total for Estimate:</b>								
680,151	562,559	-	1,242,710	51,150	1,191,560	244,643	1,883	

## Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
<b>Net total Resources</b>	<b>1,137,322</b>	<b>54,238</b>	<b>1,191,560</b>
<b>Voted capital items</b>			
Capital expenditure	199,560	45,083	244,643
<i>Less:</i> non-operating A in A	<u>1,683</u>	<u>200</u>	<u>1,883</u>
<b>Total net voted capital</b>	<b>197,877</b>	<b>44,883</b>	<b>242,760</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-33,046	-	-33,046
Depreciation	-150,690	-21	-150,711
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	123	21	144
Prior period adjustments	-	-	-
Other non-cash items	-17,786	-91	-17,877
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	2,158	-	2,158
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total accruals to cash adjustments</b>	<b>-199,241</b>	<b>-91</b>	<b>-199,332</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash requirement</b>	<b>1,135,958</b>	<b>99,030</b>	<b>1,234,988</b>

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

As in existing provision

## Forecast Operating Cost Statement

		£'000
		2005-06 provision
<b>Net Administration Costs</b>		
RfR 1	<u>635,284</u>	
<b>Total Net Administration Costs</b>		<b>635,284</b>
<b>Net Programme Costs</b>		
RfR 1	<u>556,276</u>	
<b>Total Net Programme costs</b>		<b>556,276</b>
<b>Total Net Operating Cost</b>		<b>1,191,560</b>
<i>of which:</i>		
<b>Net Resource Outturn</b>		<b>1,191,560</b>
CFERs		-
Non-voted expenditure		-
<b>Resource Budget Outturn</b>		<b>1,208,160</b>

## Notes to the Estimate

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

	£'000
	2005-06 Provision
<b>Net Resource Outturn (Estimates)</b>	<b>1,191,560</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 (CFERS) in the OCS	-
Other adjustments	-
<b>Net Operating Costs (Accounts)</b>	<b>1,191,560</b>
<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	16,600
Other adjustments	-
<b>Resource Budget Outturn (Budget)</b>	<b>1,208,160</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	1,208,160
Annually Managed Expenditure (AME)	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
<b>Net Voted Capital Outturn (Estimates)</b>	<b>242,760</b>
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	144
<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	6,000
Other adjustments	-
<b>Capital Budget Outturn (Budget)</b>	<b>248,904</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	248,904
Annually Managed Expenditure (AME)	-

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## Notes to the Estimate

### 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 Richard Mottram, permanent head of department

Sir Richard Mottram, as the Principal Accounting Officer (PAO) of the Security and Intelligence Agencies has personal responsibility for the proper presentation of the Security and Intelligence Agencies' 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 RfRs, 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 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 Security and Intelligence Agencies' policies, aims and objectives; and should regularly review the effectiveness of that system.

## Notes to the Estimate

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

	£'000	
	2005-06 Provision	
	Operating A in A	Non operating A in A
<b>RfR 1: Protecting and promoting the national security and economic well-being of the UK</b>		
Sales of services, etc.	51,150	-
Sale of surplus properties	-	1,883
<b>Total RfR 1</b>	<b>51,150 *</b>	<b>1,883 **</b>
* Amount that may be applied as operating appropriations in aid in addition to the net total, arising from: the sale of services to other government departments, the recovery of costs of staff on loan, recovery from staff for miscellaneous items and certain other services.		
** Amount that may be applied as non-operating appropriation in aid including receipts from: the sale of fixed assets and from the sale of freehold interest and land.		
<b>Total A in A</b>	<b>51,150</b>	<b>1,883</b>
<i>of which: Administration budgets</i>	-	-

## Notes to the Estimate

### Departmental Expenditure Limits and Administration Budgets

As announced to the House of Commons, the Security and Intelligence Agencies' Departmental Expenditure Limit will change as follows:

	Change	New DEL		£'000
		Voted	Non-voted	Total
Resource	51,838	1,191,560	16,600	1,208,160
<i>of which :Administration Budget</i>	<i>17,076</i>	<i>635,284</i>	<i>3,000</i>	<i>638,284</i>
Capital	43,883	242,883	6,000	248,883
Depreciation *	21	-150,711	-	-150,711
Total	95,742	1,283,732	22,600	1,306,332

\* 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

53,033

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