

Northern Ireland Office

Introduction

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

RfR 1: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland in the UK Government; supporting and developing an efficient, effective and responsive Criminal Justice System; upholding and sustaining the rule of law and preventing crime; maintaining a secure and humane prison service and reducing the risks of re-offending

The main purpose of the Supplementary Estimate is to drawdown Departmental Unallocated Provision of £3,689,000, to request Non-budget funding outside the Department's budgetary framework to enable a transfer to Northern Ireland Executive for PSNI civilian pensions of £83,063,549, to transfer DEL from non-voted to voted of £31,000,000 and to action a technical transfers to another department of £131,000.

Increases

Funding request outside the Department's budgetary framework

- 1 an increase of £83,063,549 grants (RfR 1: Subhead L3, Police) to enable a transfer to the Northern Ireland Executive for PSNI civilian pensions.

Transfer of DEL from non-voted to voted

- 1 an increase of £31,000,000 other current (RfR 1: Subhead A2, Central Administration) due a reduction in the PSNI pension current service cost.

Decreases

Transfers to other government bodies

- 1 a decrease of £131,217 administration (RfR 1: Subhead A1, Central Administration) to action a PES transfer to Security and Intelligence Agencies

Neutral changes

Transfers within the RfR

Sections receiving transfers

- 1 an increase of £1,393,000 administration (RfR 1: Subhead A1, Central Administration) due to increased non-cash costs for IT and Buildings
- 2 an increase of £5,498,000 capital (RfR 1: Subhead A7, Central Administration), due to the centralisation of easements identified within the Department and as a result of the sale of NIO owned properties
- 3 an increase of £4,000,000 non operating A in A (RfR 1: Subhead A8, Central Administration), due to the sale of NIO properties
- 4 an increase of £2,124,000 administration (RfR 1: Subhead C1, Political), due to increased running costs including administration costs relating to the establishment of three new political inquiries
- 5 an increase of £3,892,000 other current (RfR 1: Subhead C2, Political) due to the establishment of three new political inquiries
- 6 an increase of £300,000 grants (RfR 1: Subhead C3, Political) due to increased funding for the Northern Ireland Human Rights Commission
- 7 an increase of £492,000 capital (RfR 1: Subhead C7, Political) due to an increased capital requirement for the Chief Electoral Office as a result of the rephasing of capital projects
- 8 an increase of £1,647,000 programme (RfR 1: Subhead D2, Public Prosecution Service) mainly due to a reclassification of fit out costs from capital to programme and a transfer of front line costs from administrator

Introduction (continued)

- 9 an increase of £3,087,000 administration (RfR 1: Subhead E1, Forensic Science Northern Ireland) and an increase of £2,920,000 AinA (RfR 1: Subhead E5, Forensic Science Northern Ireland) for increased running costs (which are offset by receipts).
- 10 an increase of £15,000 AinA (RfR 1: Subhead F5, Criminal Justice) due to increased resource receipts
- 11 an increase in capital of £1,245,000 (RfR 1: Subhead F7, Criminal Justice) as a result of increased capital costs for a new mortuary and Juvenile Justice Centre
- 12 an increase of £403,000 administration (RfR 1: Subhead G1, Compensation Agency) as a result of increase in overheads and non-cash costs from disposal of IT equipment
- 13 an increase of £211,000 other current (RfR 1: Subhead G2, Compensation Agency) as a result of increased programme costs for various projects
- 14 an increase of £4,854,000 grants (RfR 1: Subhead G3, Compensation Agency) due to increased provision for compensation claims
- 15 an increase of £240,000 AinA (RfR 1: Subhead G5, Compensation Agency) due to increased resource receipts
- 16 an increase of £356,000 capital (RfR 1: Subhead G7, Compensation Agency) due to accommodation improvements and IT costs
- 17 an increase of £1,656,000 administration (RfR1: Subhead H1, Policing and Security) due to the transfer of security functions from Central Administration
- 18 an increase of £48,000 grants (RfR 1: Subhead H3, Policing and Security) due to increased programme costs for Police Retraining and Rehabilitation Trust (PRRT)
- 19 an increase of £74,000 capital (RfR 1: Subhead H7, Policing and Security) due to the transfer of security functions from Central Administration
- 20 an increase of £150,000 administration (RfR 1: Subhead I1, Policing Non Severance) due to an increase in non-cash costs
- 21 an increase of £162,000 AinA (RfR1: Subhead J5, Northern Ireland Prison Service) due to increased resource receipt:
- 22 an increase of £5,676,000 other current (RfR 1: Subhead K2, Youth Justice Agency) due to a transfer from Criminal Justice relating to Youth Conferencing Services and for the buy-out of a pension liability for ex staff
- 23 an increase of £200,000 AinA (RfR 1: Subhead K5, Youth Justice Agency) due to increased resource receipts
- 24 an increase of £276,000 capital (RfR 1: Subhead K7, Youth Justice Agency) due to capital projects that were rephased from 2004/05 to 2005/06
- 25 an increase of £33,080,000 Grants (RfR 1: Subhead L3, Police) due to the utilisation of FTR severance provision and for the set up of the new PSNI Historic Enquiry Team
- 26 an increase of £330,000 Grants (RfR 1: Subhead O3, Probation Board for Northern Ireland) mainly due to the victim support scheme

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- 26 an increase of £1,600,000 administration (RfR 1: Subhead P1 Bloody Sunday) and £4,200,000 other current (RfR 1: Subhead P2) due to the continuation of Bloody Sunday Inquiry in 2005/06

Sections making transfers

- 1 a decrease of £21,469,000 other current (RfR 1: Subhead A2, Central Administration) due to centralisation of pressures within the Department and due the recoding of expenditure from programme to administrator
- 2 a decrease of £35,000 AinA (RfR 1: Subhead C5, Political) due to a decrease in the recovery of shared costs from outside the NIO
- 3 a decrease of £497,000 administration (RfR 1: Subhead D1, Public Prosecution Service) due to the transfer of front line costs from administration to programme
- 4 a decrease of £1,941,000 capital (RfR 1: Subhead D7, Public Prosecution Service) due to the reclassification of fit out costs from capital to programme
- 5 a decrease of £1,131,000 administration (RfR 1: Subhead F1, Criminal Justice) due to reduced running costs
- 6 a decrease of £2,542,000 other current (RfR 1: Subhead F2, Criminal Justice) due to a transfer to Youth Justice Agency relating to Youth Conferencing Services
- 7 a decrease of £448,000 grant (RfR 1: Subhead F3, Criminal Justice) due to transfer to Probation Board
- 8 a decrease of £55,000 other current (RfR 1: Subhead H2, Policing and Security) due to miscellaneous easements
- 9 a decrease of £2,080,000 other current (RfR 1: Subhead I2, Policing - Non-Severance) due to the rephasing of projects
- 10 a decrease of £2,218,000 administration (RfR 1: Subhead J1, Northern Ireland Prison Service) due to short term vacancies and delays in training prison custody officers
- 11 a decrease of £1,220,000 other current (RfR 1: Subhead J2, Northern Ireland Prison Service) due to a reduction in staffing associated with the rephasing of a major capital project
- 12 a decrease of £2,000,000 capital (RfR 1: Subhead J7, Northern Ireland Prison Service) due to the rephasing of a major capital project
2. As a result of these changes there is an increase in the net cash requirement of: £138,609,000
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland in the UK Government; supporting and developing an efficient, effective and responsive Criminal Justice System; upholding and sustaining the rule of law and preventing crime; maintaining a secure and humane prison service and reducing the risks of re-offending	143,421,000
Total additional net resource requirement	143,421,000
Additional net cash requirement	138,609,000

SUPPLEMENTARY amounts required in the year ending 31 March 2006 for expenditure by the Northern Ireland Office on:

RfR 1: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland in the UK Government; supporting and developing an efficient, effective and responsive Criminal Justice System; upholding and sustaining the rule of law and preventing crime; maintaining a secure and humane prison service and reducing the risks of re-offending

expenditure on central administrative services; VIP visits to Northern Ireland; the Bloody Sunday Inquiry; Reviews and Commissions arising from the Good Friday Agreement; expenditure on political development and inquiries; expenditure on Victims of the Troubles; expenditure arising from the Northern Ireland Act 1998 and Northern Ireland Act 2000; expenditure arising from elections; forensic services; services related to crime; criminal justice including juvenile justice services; probation and after-care; state pathology; Crown prosecutions and other legal services; compensation schemes; Criminal Injuries Compensation Appeals Panel for Northern Ireland; European Union peace and reconciliation projects; and certain other grants; implementation of the Independent Commission on Police findings; security; the Police Ombudsman; the Independent Assessor of Military Complaints Procedures in Northern Ireland; the Parades Commission; arms decommissioning; policing including expenditure arising from police pensions; prisons including the Prison Service Trust and the Prison Ombudsman; and associated non-cash items.

RfR 2: Providing appropriate funding to the Northern Ireland Consolidated Fund for the delivery of transferred public services as defined by the Northern Ireland Act 1998 and the Northern Ireland Act 2000.

grants to the Northern Ireland Consolidated Fund and transfers of EU funds.

The Northern Ireland 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
RfR 1: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland					
Spending in Departmental Expenditure Limits (DEL)					
RfR 1 - A Central Administration	33,040	10,793	-	10,793	43,833
RfR 1 - C Political Directorate	13,920	6,316	-35	6,351	20,271
RfR 1 - D Public Prosecution Service	25,691	1,150	-	1,150	26,841
RfR 1 - E Forensic Science Northern Ireland	1,243	3,087	2,920	167	1,410
RfR 1 - F Criminal Justice	29,427	-4,121	15	-4,136	25,291
RfR 1 - G Compensation Agency	25,975	5,468	240	5,228	31,203
RfR 1 - H Policing and Security	16,698	1,649	-	1,649	18,347
RfR 1 - I Policing - Non Severance	3,890	-1,930	-	-1,930	1,960
RfR 1 - J Northern Ireland Prison Service	136,973	-3,438	162	-3,600	133,373
RfR 1 - K Youth Justice Agency	14,967	5,676	200	5,476	20,443
Non-budget					
RfR 1 - L Police	766,419	116,143	-	116,143	882,562
RfR 1 - O Probation Board for Northern Ireland	13,776	330	-	330	14,106
RfR 1 - P Bloody Sunday	-	5,800	-	5,800	5,800
Total RfR 1		146,923	3,502	143,421	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	32,508	4,000	36,508
Non-Operating A in A	50	4,000	4,050
Net cash requirement	11,305,914	138,609	11,444,523

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: Playing a full part in implementing the Good Friday Agreement and representing the interests of								
94,974	213,751	986,000	1,294,725	12,202	1,282,523	36,508	4,050	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Central Administration								
35,146	11,785	-	46,931	3,098	43,833	8,862	4,000	
B Ministers								
3,586	-	-	3,586	-	3,586	-	-	
C Political Directorate								
6,250	12,566	1,650	20,466	195	20,271	853	-	
D Public Prosecution Service								
2,033	24,894	-	26,927	86	26,841	677	-	
E Forensic Science Northern Ireland								
9,371	-	-	9,371	7,961	1,410	384	50	
F Criminal Justice								
9,730	10,916	4,660	25,306	15	25,291	13,755	-	
G Compensation Agency								
4,314	155	27,154	31,623	420	31,203	378	-	
H Policing and Security								
6,680	9,536	2,141	18,357	10	18,347	82	-	
I Policing - Non Severance								
150	1,810	-	1,960	-	1,960	-	-	
J Northern Ireland Prison Service								
16,014	117,346	230	133,590	217	133,373	11,241	-	
K Youth Justice Agency								
100	20,543	-	20,643	200	20,443	276	-	
Non-budget								
L Police								
-	-	882,562	882,562	-	882,562	-	-	
M Police Pensions								
-	-	45,947	45,947	-	45,947	-	-	
N Police Ombudsman for Northern Ireland								
-	-	7,550	7,550	-	7,550	-	-	
O Probation Board for Northern Ireland								
-	-	14,106	14,106	-	14,106	-	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
P Bloody Sunday								
1,600	4,200	-	5,800	-	5,800	-	-	

Part II: Revised subhead detail including additional provision (contd.)

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 2: Providing appropriate funding to the Northern Ireland Consolidated Fund for the delivery of transferred public services as defined by the Northern Ireland Act 1998 and the Northern Ireland Act 2000.								
-	-	10,137,001	10,137,001	-	10,137,001	-	-	-
Non-budget								
A Grants to the Northern Ireland Consolidated Fund								
-		10,137,000	10,137,000	-	10,137,000	-	-	-
B European Institutions (Net)								
-		1	1	-	1	-	-	-
Total for Estimate:								
94,974	213,751	11,123,001	11,431,726	12,202	11,419,524	36,508	4,050	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	11,276,103	143,421	11,419,524
Voted capital items			
Capital expenditure	32,508	4,000	36,508
<i>Less:</i> non-operating A in A	<u>50</u>	<u>4,000</u>	<u>4,050</u>
Total net voted capital	32,458	-	32,458
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-8,718	-599	-9,317
Depreciation	-18,457	2,841	-15,616
New provisions and adjustments to previous provisions	-24,540	-6,315	-30,855
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-3,038	-739	-3,777
Increase(+)/decrease (-) in stock	-13	-	-13
Increase(+)/decrease (-) in debtors	-405	-	-405
Increase(-)/decrease (+) in creditors	-200	-	-200
Use of provisions	<u>52,724</u>	<u>-</u>	<u>52,724</u>
Total accruals to cash adjustments	-2,647	-4,812	-7,459
Excess cash to be CFERd	-	-	-
Net cash requirement	11,305,914	138,609	11,444,523

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2005-06 provision
Net Administration Costs		
RfR1	83,701	
RfR2	-	
Total Net Administration Costs		83,701
Net Programme Costs		
RfR1	1,198,822	
RfR2	10,137,001	
Total Net Programme costs		11,335,823
Total Net Operating Cost		11,419,524
<i>of which:</i>		
Net Resource Outturn		11,419,524
CFERs		-
Non-voted expenditure		-
Resource Budget Outturn		1,421,253

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2005-06 Provision
Net Resource Outturn (Estimates)	11,419,524
<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)	11,419,524
<i>Adjustments to remove:</i>	
capital grants to local authorities	-
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	187,129
voted expenditure outside the budget	-10,324,130
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
resource consumption of non departmental public bodies	92,459
unallocated resource provision	46,271
Other adjustments	-
Resource Budget Outturn (Budget)	1,421,253
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	1,199,288
Annually Managed Expenditure (AME)	221,965

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
Net Voted Capital Outturn (Estimates)	32,458
<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	33,470
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)	65,928
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	65,928
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	Sir Joseph Pilling, Principal Accounting Officer and Permanent Under Secretary of the Northern Ireland Office
Request for Resources 2	Sir Joseph Pilling, Principal Accounting Officer and Permanent Under Secretary of the Northern Ireland Office

Sir Joseph Pilling, as the Principal Accounting Officer (PAO) of the Northern Ireland Office has personal responsibility for the proper presentation of the Northern Ireland Office'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 Northern Ireland Office.

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 Northern Ireland Office'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: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland in the UK Government; supporting and developing an efficient, effective and responsive Criminal Justice System; upholding and sustaining the rule of law and preventing crime; maintaining a secure and humane prison service and reducing the risks of re-offending		
Income from licences	2	-
Income from fees and charges	86	-
Recovery of costs	12,108	-
Income from other sales	6	50
Income from sale of land and buildings	-	4,000
Total RfR1	12,202 *	4,050 **
<i>of which: Administration Budgets</i>	11,273	-

* Amount that may be applied as operating appropriations in aid in addition to the net total, arising from recoupment of electoral expenses, shared accommodation costs, receipts from the use of video conference facilities, certain pension contributions, receipts from accruing superannuation liability charges, fees and costs recovered or received for work done for other departments, freedom of information receipts, data protection act receipts; recovery of compensation paid, recovery of costs associated with supplying forensic science services, costs and fees awarded in favour of the crown, receipts arising from arms decommissioning, proceeds of prison occupational services, sale of surplus stores and catering equipment, creche fees, and tuck shop receipts.

** Amount that may be applied as non-operating appropriations in aid include receipts from the sale of residential properties, surplus IT and office equipment.

Departmental Expenditure Limits and Administration Budgets

As announced to the House of Commons, the Northern Ireland Office Departmental Expenditure Limit will change as follows:

	Change	New DEL		£'000
		Voted	Non-voted	Total
Resource	-131	326,557	872,731	1,199,288
<i>of which :Administration Budget</i>	<i>-131</i>	<i>83,701</i>	<i>10,973</i>	<i>94,674</i>
Capital	-	32,458	33,470	65,928
Depreciation*	2,741	-15,616	-28,627	-44,243
Total	2,610	343,399	877,574	1,220,973

**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
16,252

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

