

# Security and Intelligence Agencies

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## 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

	£
<b>Request for Resources 1: Protecting and promoting the national security and economic well being of the UK</b>	<b>1,137,322,000</b>
<b>Total net resource requirement</b>	<b>1,137,322,000</b>
<b>Net cash requirement</b>	<b>1,135,958,000</b>

Amounts required in the year ending 31 March 2006 for expenditure by the Her Majesty's 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
	£	£	£
<b>RfR 1</b>	1,137,322,000	493,335,000	643,987,000
<b>Total net resource requirement</b>	1,137,322,000	493,335,000	643,987,000
<b>Net cash requirement</b>	1,135,958,000	489,312,000	646,646,000

**Part II: Subhead detail**

£'000

2005-06						2004-05 Provision	2003-04 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
<b>RfR 1: Protecting and promoting the national security and economic well being of the UK</b>									
659,067	527,797	-	1,186,864	49,542	1,137,322	199,560	1,683	1,198,483	1,059,427
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Security and Intelligence Agencies									
659,067	527,797	-	1,186,864	49,542	1,137,322	199,560	1,683	1,198,483	1,059,427
<b>Total for Estimate:</b>									
659,067	527,797	-	1,186,864	49,542	1,137,322	199,560	1,683	1,198,483	1,059,427

## Part II: Resource to cash reconciliation

	£'000					
	2005-06		2004-05		2003-04	
	Provision		Provision		Outturn	
<b>Net Total Resources</b>	1,137,322		1,198,483		1,059,427	
<b>Voted capital items</b>						
Capital	199,560		200,907		516,143	
Less Non-operating A-in-A	1,683		152		6,336	
<b>Total net voted capital</b>	197,877		200,755		509,807	
<b>Accruals to cash adjustment</b>						
Adjustments to remove non-cash items:						
Cost of Capital charges	-33,046		-27,923		-18,154	
Depreciation	-150,690		-147,025		-150,979	
New provisions and adjustments to previous provisions	-		-		-	
Profit (+) / loss (-) on sale of assets	123		-243		-59,517	
Prior period adjustments	-		-		-	
Other non-cash items	-17,786		-27,659		-24,006	
Increase (+) / Decrease (-) in stock	-		-		-	
Increase (+) / Decrease (-) in debtors	2,158		42,352		-309,862	
Increase (-) / Decrease (+) in creditors	-		5,353		-	
Use of provisions	-		-		-	
<b>Total accruals to cash adjustments</b>	-199,241		-155,145		-562,518	
<b>Excess cash to be CFERd</b>	-		-		-	
<b>Net Cash Requirement</b>	1,135,958		1,244,093		1,006,716	

## 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					
	2005-06		2004-05		2003-04	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Operating income not classified as AinA	-	<i>3,200</i>	-	<i>14,339</i>	-	<i>21,220</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	-	<i>3,200</i>	-	<i>14,339</i>	-	<i>21,220</i>

## Forecast Operating Cost Statement

	2005-06 Provision	2004-05 Provision	2003-04 Outturn	£'000
<b>Net administration costs:</b>				
RfR 1	615,808	623,201		544,062
<b>Net programme costs:</b>				
RfR 1	521,514	575,282	515,365	
<b>Total net programme costs</b>	<u>521,514</u>	<u>575,282</u>	<u>515,365</u>	
<b>Total Net Operating Cost</b>	1,137,322	1,198,483		1,059,427
<i>of which:</i>				
<b>Net Resource Outturn</b>	1,137,322	1,198,483		1,059,427
CFERs	-	-		-
Non-voted expenditure	-	-		-
<b>Resource Budget Outturn</b>	1,156,322	1,201,483		1,059,427

## Notes to the Main Estimate

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

	£'000		
	2005-06	2004-05	2003-04
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>1,137,322</b>	<b>1,198,483</b>	<b>1,059,427</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 Cost (Accounts)</b>	<b>1,137,322</b>	<b>1,198,483</b>	<b>1,059,427</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	19,000	3,000	-
Other adjustments	-	-	-
<b>Resource Budget Outturn (Budget)</b>	<b>1,156,322</b>	<b>1,201,483</b>	<b>1,059,427</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,156,322	1,201,483	1,059,427
Annually Managed Expenditure (AME)	-	-	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2005-06	2004-05	2003-04
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>197,877</b>	<b>200,755</b>	<b>509,807</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	123	-243	-59,517
<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	7,000	4,152	-
Other adjustments	-	-	-
<b>Capital Budget Outturn (Budget)</b>	<b>205,000</b>	<b>204,664</b>	<b>450,290</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	205,000	204,664	450,290
Annually Managed Expenditure (AME)	-	-	-

## Notes to the Main Estimate *(continued)*

### Explanation of Accounting Officer responsibilities

In accordance with 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:** Bill Jeffrey, Permanent Secretary of the Cabinet Office

Bill Jeffrey, as the Principal Accounting Officer (PAO) of the Security and Intelligence Co-ordinator 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 RfR, 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 Main Estimate *(continued)*

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

	£'000					
	2005-06 provision		2004-05 provision		2003-04 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	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>						
Sale of services, recoveries etc	49,542	—	48,810	—	42,061	—
Sale of surplus properties	—	1,683	—	297	—	6,336
<b>Total RfR 1</b>	<b>49,542*</b>	<b>1,683**</b>	<b>48,810</b>	<b>297</b>	<b>42,061</b>	<b>6,336</b>
<i>of which: Administration Budgets</i>	—	—	—	—	—	—

\*Amount that may be applied as 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.

\*\* Amounts 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.

## Notes to the Main Estimate *(continued)*

### Analysis of Consolidated Fund Extra Receipts (CFERs)

	£'000					
	2005-06 provision		2004-05 provision		2003-04 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Interest payments $\Phi$	—	3,200	—	50	—	805
Miscellaneous $\Phi$	—	—	—	14,289	—	20,415
<b>Total CFERS</b>	—	<b>3,200</b>	—	<b>14,339</b>	—	<b>21,220</b>

## Notes to the Main Estimate *(continued)*

### Departmental Expenditure Limits and Administration Budgets

£'000

Details of 2005-06 Departmental Expenditure Limits (DEL) and Administration budget limits

	Voted*	Non-voted	Total
Resource DEL	1,137,322	19,000	1,156,322
<i>of which: Administration Budget</i>	<i>615,808</i>	<i>5,400</i>	<i>621,208</i>
Capital DEL**	198,000	7,000	205,000
Less depreciation†	-150,690	—	-150,690
Total DEL	1,184,632	26,000	1,210,632

\* Excludes EU receipts included in Estimates, but excluded in Budgets.

\*\* Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review.

† 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.

### Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2005-06 of £1,137,322,000 is 5.1 per cent lower than the final net provision of £198,483,000 and 1.7 per cent lower than the forecast outturn for 2004-05 of £1,156,834,000.

### 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:

	2005-06 provision	2004-05 provision	2003-04 outturn
	51,225	49,017	48,397