

# Security and Intelligence Agencies

## 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: Protecting and promoting the national security and economic well being of the UK</b>			
<u>Section</u>	<u>Reason for change</u>		
	<u>Take up of DEL End-Year Flexibility</u>	87,200,000	
A	£62,100,000 in Administration and £25,100,000 in Programme to cover the expansion and capability of the SIA.		
	<u>DEL Reserve Claim</u>	15,000,000	
A	£15,000,000 Programme to cover the expansion and capability of the SIA		
	<u>Take up of DUP</u>	15,500,000	
A	£5,000,000 Administration; £10,500,000 Programme to cover the expansion and capability of the SIA.		
	<u>Transfer of Budgetary cover from the Foreign and Commonwealth Office</u>	8,300,000	
A	<u>Transfer to budgetary cover to MOD</u> to cover joint project costs		-42,525,000
A	<u>Other DEL changes</u> Transfer £2,000,000 from Administration DEL Budget to AME Budget to cover impairments as per changes to Consolidated Budgeting Guidance		-2,000,000
A	Transfer of £4,681,000 Programme DEL Budget to AME Budget to cover impairments as per changes to the Consolidated Budgeting Guidance		-4,681,000
<b><u>Other changes</u></b>			
<b><u>Changes in Appropriations in Aid (not offset by changes in spending)</u></b>			
A	Reduction in Administration expenditure of £ 21,365,000 partially offset by a decrease in admin appropriations -in-aid of £ 21,246,000.	21,246,000	-21,365,000
A	Balance of reduction is to cover increase in Programme expenditure of £119,000.	119,000	
A	Increase in Programme Expenditure of £7,838,000 partially offset by an increase in Programme Income of £7,719,000,	7,838,000	-7,719,000
A	The balance of £119,000 is covered by Administration Appropriations-in-Aid		-119,000

A	Changes in operating appropriations in aid (not offset by changes in spending).	600,000	
A	<u>Decrease in expenditure not offset by changes in spending</u>		-25,000
A	Correction of classification from programme to administration	92,000	-92,000
<u>Changes in Annually Managed Expenditure (AME)</u>			
B	Counterpart to DEL changes above	2,000,000	
		4,681,000	
		<u>Total</u>	<u>162,576,000</u>
<b>Total change in resources for RfR1</b>			<b>-78,526,000</b>
			<b>84,050,000</b>
<b>Total change in resources for Estimate</b>			<b>84,050,000</b>

**Changes in Capital**

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
<u>Changes related to movements in budgets</u>			
A	<u>Drawdown of Capital DUP</u> £8,000,000	8,000,000	
	<u>Drawdown of capital EYF</u> £15,400,000	15,400,000	
A	<u>Increase in Non Operating Appropriations-in-Aid offset by an increase in capital expenditure</u>	6,559,000	-6,559,000
A	Changes in operating A in A (not offset by changes in spending)		-25,000
		<u>Total</u>	<u>29,959,000</u>
<b>Total change in capital for Estimate</b>			<b>-6,584,000</b>
			<b>23,375,000</b>

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £ 97,651,000.
3. Symbols are explained in the Introduction to this booklet.

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**Part I**

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<b>RfR 1: Protecting and promoting the national security and economic well being of the UK</b>	<b>84,050,000</b>
Total additional net resource requirement	84,050,000
<b>Additional net cash requirement</b>	<b>97,651,000</b>

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SUPPLEMENTARY amounts required in the year ending 31 March 2008 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 **Security and Intelligence Agencies** will account for this Estimate.

## Part II: Changes proposed

Resources					£'000
	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
<b>RfR 1: Protecting and promoting the national security and economic well being of the UK</b>					
<b>Spending in Departmental Expenditure Limits (DEL)</b>					
RfR 1 - A Security and Intelligence Agencies	1,466,703	63,242	-14,127	77,369	1,544,072
<b>Annually Managed Expenditure (AME)</b>					
RfR1 - B Impairments	-	6,681	-	6,681	6,681
<b>Total RfR 1</b>		<b>69,923</b>	<b>-14,127</b>	<b>84,050</b>	
<b>Total Changes to RfRs</b>		<b>69,923</b>	<b>-14,127</b>	<b>84,050</b>	

Capital and Cash	£000		
	Present Provision	Change in Provision	New Provision
Total Capital Expenditure	266,590	29,959	296,549
Non-Operating A in A	296	6,584	6,880
<b>Net cash requirement</b>	<b>1,520,714</b>	<b>97,651</b>	<b>1,618,365</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: Protecting and promoting the national security and economic well being of the UK</b>								
939,766	686,628	-	1,626,394	75,641	1,550,753	296,549	6,880	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Security and Intelligence Agencies								
937,766	681,947	-	1,619,713	75,641	1,544,072	296,549	6,880	
<b>Annually Managed Expenditure (AME)</b>								
B Impairments								
2,000	4,681	-	6,681	-	6,681	-	-	
<b>Total for Estimate:</b>								
939,766	686,628	-	1,626,394	75,641	1,550,753	296,549	6,880	

## Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000 Revised</u>
<b>Net Resource Requirement</b>	<b>1,466,703</b>	<b>84,050</b>	<b>1,550,753</b>
<b>Voted capital items</b>			
Capital	266,590	29,959	296,549
<i>Less:</i> Non-operating A in A	<u>296</u>	<u>6,584</u>	<u>6,880</u>
<b>Total net voted capital</b>	<b>266,294</b>	<b>23,375</b>	<b>289,669</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-32,105	2,922	-29,183
Depreciation	-160,313	-8,574	-168,887
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-45,897	-4,122	-50,019
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	26,032	-	26,032
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total accruals to cash adjustments</b>	<b>-212,283</b>	<b>-9,774</b>	<b>-222,057</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>1,520,714</b>	<b>97,651</b>	<b>1,618,365</b>

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

As in existing provision

## Forecast Operating Cost Statement

	£'000
	2007-87 provision
<b>Net Administration Costs</b>	
RfR1	891,633
<b>Total Net Administration Costs</b>	<b>891,633</b>
<b>Net Programme Costs</b>	
RfR1	659,120
<b>Total Net Programme costs</b>	<b>659,120</b>
<b>Total Net Operating Cost</b>	<b>1,550,753</b>
<i>of which:</i>	
<b>Net Resource Requirement</b>	<b>1,550,753</b>
Non-voted expenditure	-
Consolidated Fund Extra Receipts	-
<b>Resource Budget</b>	<b>1,550,753</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>1,550,753</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>1,550,753</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>1,550,753</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	1,544,072
Annually Managed Expenditure (AME)	6,681

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2007-08 Provision
<b>Net Voted Capital (Estimates)</b>	<b>289,669</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>289,669</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	289,669
Annually Managed Expenditure (AME)	-

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## 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.

<b>Request for Resources 1</b>	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 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  
Provision

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

<b>Administration</b>	<b>48,133</b>
<i>of which:</i>	
Sale of goods and services	48,133
<b>Programme</b>	<b>27,508</b>
<i>of which:</i>	
Sale of goods and services	27,508
<b>Total RfR1</b>	<b>75,641 †</b>

† Amount that may be applied as appropriation 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.

<b>Total Operating A in A</b>	<b>75,641</b>
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### Analysis of non -operating appropriations in aid (A in A)

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

<b>Programme</b>	<b>6,880</b>
<i>of which:</i>	
Sale of assets	6,880
<b>Total RfR1</b>	<b>6,880 †</b>

† Amount that may be applied as non-operating appropriations in aid, arising from: the sale of fixed assets and from the sale of freehold interest and land.

<b>Total Non - operating A in A</b>	<b>6,880</b>
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## Notes to the Estimate (*continued*)

### Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	77,369	-15,500	1,544,072	-	1,544,072
<i>of which:</i>					
<i>Administration budget †</i>	70,139	-5,000	889,633	-	889,633
<i>Near-cash in RDEL</i>	67,595	-15,500	1,295,983	-	1,295,983
Capital DEL ††	23,375	-8,000	289,669	-	289,669
Less Depreciation †††	-8,574	-	-168,887	-	-168,887
<b>Total</b>	<b>92,170</b>	<b>-23,500</b>	<b>1,664,854</b>	<b>-</b>	<b>1,664,854</b>

† 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	82,521

