

Security and Intelligence Agencies

Introduction

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

Amount £

Changes in resources

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

Increases:

Take up of End-Year Flexibility (EYF)

- | | | |
|---|--|------------|
| 1 | £19,000,000 Administration, £5,000,000 Programme for the expansion and capability of the Security and Intelligence Agencies. | 24,000,000 |
|---|--|------------|

Transfer of budget cover from Other Government Departments (OGDs)

- | | | |
|---|--|---------|
| 2 | Transfer from FCO for £ 200,000 Prog for Good Governance Programmes. | 200,000 |
| 3 | Transfer from FCO for £ 74,000 Programme for Good Governance Programmes. | 74,000 |
| 4 | Transfer from MOD for £ 750,000 for Administration for the expansion and capability of the Security and Intelligence Agencies. | 750,000 |

Other increases

- | | | |
|---|---|------------|
| 6 | Reserve Claim for expansion of capability £ 31,469,000 administration, £ 14,531,000 Programme (of which £ 6,500,000 will become administration unallocated provision) for the expansion and capability of the Security and Intelligence Agencies. | 46,000,000 |
| 7 | Reserve Claim PBR money £ 3,000,000 administration, £ 13,100,000 programme for the expansion and capability of the Security and Intelligence Agencies. | 16,100,000 |

Decreases:

Transfer of budget cover to Other Government Departments (OGDs)

- | | | |
|---|---|------------|
| 1 | Transfer to Foreign and Commonwealth Office £ 190,000 Programme for Good Governance Programmes. | -190,000 |
| 2 | Transfer to Cabinet Office £ 5,300,000 Programme for Joint Security and Intelligence Projects. | -5,300,000 |
| 3 | Transfer to Cabinet Office £ 5,000,000 Programme for Joint Security and Intelligence Projects. | -5,000,000 |
| 4 | Transfer to Cabinet Office £ 1,681,000 Programme for Joint Security and Intelligence Projects. | -1,681,000 |

Transfer to Non-voted

- | | | |
|---|---|------------|
| 5 | Transfer of £ 6,500,000 to Administration Departmental Unallocated Provision (DUP) to cover funds previously drawn down as EYF in Winter Supplementary. | -6,500,000 |
|---|---|------------|

Neutral Changes:

Decreased spending offset by decreased income

- | | | |
|---|---|--|
| 1 | Decrease in administration A in A of £ 3,945,000 offset by a decrease in administration expenditure. | |
| 3 | £ 6,710,000 conversion of programme non-cash to near cash for the expansion and capability of the Security and Intelligence Agencies. | |

Increased spending offset by increased income

- | | | |
|---|---|--|
| 5 | An increase in programme appropriations in aid of £ 7,285,000 offset by an increase in programme expenditure. | |
|---|---|--|

- 6 A decrease of £ 600,000 administration appropriations in aid which is offset by a decrease in adminstraion expenditure of £ 600,000.
- 7 Switch of adminstration spending into programme £ 45,000.

Total change in resources for RfR1 68,453,000

Total change in resources for Estimate 68,453,000

Changes in capital

Take up of End-Year Flexibility (EYF)

- 1 Take up of £ 500,000 capital EYF for the expansion and capability of the Security and Intelligence Agencies. 500,000

Other increases

- 2 Take up of £ 1,100,000 reserve PBR claim for the expansion and capability of the Security and Intelligence Agencies. 1,100,000

Decreases

- 1 Transfer of £ 8,000,000 to Departmental Unallocated Provision to cover funds previously drawn down in Winter Supplementary. -8,000,000

Neutral changes

- 2 Increase in non-operating appropriations in aid of £ 1,193,000 offset by an increase in capital expenditure.

Total change in capital for Estimate -6,400,000

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £73,025,000.
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Protecting and promoting the national security and economic well being of the UK	68,453,000
Total additional net resource requirement	68,453,000
Additional net cash requirement	73,025,000

SUPPLEMENTARY amounts required in the year ending 31 March 2007 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	1,378,883	71,193	2,740	68,453	1,447,336
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Total RfR 1		71,193	2,740	68,453	
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Total Changes to RfRs		71,193	2,740	68,453	
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£000

	Present Provision	Change in Provision	New Provision
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Capital and Cash

Total Capital Expenditure	273,559	-5,207	268,352
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Non-Operating A in A	669	984	1,653
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Net cash requirement	1,442,630	73,025	1,515,655
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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	
RfR 1: Protecting and promoting the national security and economic well being of the UK								
860,416	675,920	-	1,536,336	89,000	1,447,336	268,352	1,653	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Security and Intelligence Agencies								
860,416	675,920	-	1,536,336	89,000	1,447,336	268,352	1,653	
Total for Estimate:								
860,416	675,920	-	1,536,336	89,000	1,447,336	268,352	1,653	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net Resource Requirement	1,378,883	68,453	1,447,336
Voted capital items			
Capital	273,559	-5,207	268,352
<i>Less: Non-operating A in A</i>	<u>669</u>	<u>984</u>	<u>1,653</u>
Total net voted capital	272,890	-6,191	266,699
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-29,775	-2,734	-32,509
Depreciation	-157,313	6,901	-150,412
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	71	-280	-209
Prior period adjustments	-	-	-
Other non-cash items	-41,238	6,320	-34,918
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	19,112	556	19,668
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>-</u>	<u>-</u>	<u>-</u>
Total accruals to cash adjustments	-209,143	10,763	-198,380
Excess cash to be CFERd	-	-	-
Net Cash Requirement	1,442,630	73,025	1,515,655

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

	£'000
	2006-07 provision
Net Administration Costs	
RfR1	801,199
Total Net Administration Costs	801,199
Net Programme Costs	
RfR1	646,137
Total Net Programme costs	646,137
Total Net Operating Cost	1,447,336
<i>of which:</i>	
Net Resource Requirement	1,447,336
Non-voted expenditure	14,500
Consolidated Fund Extra Receipts	-
Resource Budget	1,461,836

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2006-07 Provision
Net Resource Requirement (Estimates)	1,447,336
<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	-
Net Operating Costs (Accounts)	1,447,336
<i>Adjustments to remove:</i>	
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	14,500
Other adjustments	-
Resource Budget (Budget)	1,461,836
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	1,461,836
Annually Managed Expenditure (AME)	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
Net Voted Capital (Estimates)	266,699
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-209
<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	8,000
Other adjustments	-
Capital Budget (Budget)	274,490
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	274,490
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 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 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 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
	2006-07 Provision
RfR 1: Protecting and promoting the national security and economic well being of the UK	
Administration	59,217
<i>of which:</i>	
Sale of goods and services	59,217
Programme	29,783
<i>of which:</i>	
Sale of goods and services	29,783
Total RfR1	89,000 †
† 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.	
Total Operating A in A	89,000

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	
Administration	-
<i>of which:</i>	
Sale of goods and services	-
Programme	1,653
<i>of which:</i>	
Sale of assets	1,653
Total RfR1	1,653 †
† 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.	
Total Non - operating A in A	1,653

Notes to the Estimate (*continued*)

Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	68,453	-6,500	1,447,336	14,500	1,461,836
<i>of which:</i>					
<i>Administration budget*</i>	50,519	-6,500	801,199	6,500	807,699
<i>Near-cash in RDEL</i>	38,290	-6,500	1,174,601	14,500	1,189,101
Capital**	-6,400	8,000	266,490	8,000	274,490
Less Depreciation†	-	-	-150,412	-	-150,412
Total	62,053	1,500	1,563,414	22,500	1,585,914

* 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
90,653

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

