

Security and Intelligence Agencies

Introduction

1. This Request for Resource 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

	£
Request for Resources 1: Protecting and promoting the national security and economic well being of the UK	1,096,300,000
Total net resource requirement	1,096,300,000
Net cash requirement	1,087,359,000

Amounts required in the year ended 31 March 2005 for expenditure by 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 developmental 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
	£	£	£
RfR 1	1,096,300,000	480,657,000	615,643,000
Total net resource requirement	1,096,300,000	480,657,000	615,643,000
Net cash requirement	1,087,359,000	460,132,000	627,227,000

Part II: Subhead detail

£'000

2004-05						2003-04 Provision	2002-03 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
RfR 1: Protecting and promoting the national security and economic well being of the UK									
620,696	524,414	-	1,145,110	48,810	1,096,300	178,326	297	1,119,106	940,032
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Security and Intelligence Agencies									
620,696	524,414	-	1,145,110	48,810	1,096,300	178,326	297	1,119,106	940,032
Total for Estimate:									
620,696	524,414	-	1,145,110	48,810	1,096,300	178,326	297	1,119,106	940,032

Part II: Resource to cash reconciliation

	2004-05		2003-04		2002-03	
	Provision		Provision		Outturn	
	£'000					
Net Total Resources	1,096,300		1,119,106		940,032	
Voted capital items						
Capital	178,326		534,840		122,295	
Less Non-operating A-in-A	297		6,413		340	
Total net voted capital	178,029		528,427		121,955	
Accruals to cash adjustment						
Adjustments to remove non-cash items:						
Cost of Capital charges	-29,695		-22,526		-18,554	
Depreciation	-140,967		-141,201		-119,317	
New provisions and adjustments to previous provisions	-		-		-	
Profit/loss on sale of assets	-28		992		-155	
Prior period adjustments	-		-		-	
Other non-cash items	-19,543		-377,961		-37,723	
Increase (+) / Decrease (-) in stock	-		-		-	
Increase (+) / Decrease (-) in debtors	3,263		3,736		13,608	
Increase (-) / Decrease (+) in creditors	-		-		-	
Use of provisions	-		-		-	
Total accruals to cash adjustments	-186,970		-536,960		-162,141	
Excess cash to be CFERd	-		-		-	
Net Cash Requirement	1,087,359		1,110,573		899,846	

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):-

	2004-05		2003-04		2002-03	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	<i>3,200</i>	-	<i>3,190</i>	-	<i>3,452</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	-	-	-	-	-	-
Total	-	<i>3,200</i>	-	<i>3,190</i>	-	<i>3,452</i>

Forecast Operating Cost Statement

	2004-05 Provision	2003-04 Provision	2002-03 Outturn	£'000
Net administration costs:				
RfR 1	578,497	566,317		489,879
Net programme costs:				
RfR 1	517,803	552,789	450,153	
Total net programme costs	517,803	552,789	450,153	
Total Net Operating Cost	1,096,300	1,119,106		940,032
<i>of which:</i>				
Net Resource Outturn	1,096,300	1,119,106		940,032
CFERs	-	-		-
Non-voted expenditure	-	-		-
Resource Budget Outturn	1,111,750	1,130,856		940,032

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2004-05	2003-04	2002-03
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	1,096,300	1,119,106	940,032
<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 Cost (Accounts)	1,096,300	1,119,106	940,032
<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	15,450	11,750	-
Other adjustments	-	-	-
Resource Budget Outturn (Budget)	1,111,750	1,130,856	940,032
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,111,750	1,130,856	940,032
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2004-05	2003-04	2002-03
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	178,029	528,427	121,955
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-28	992	-155
<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	5,000	-
Other adjustments	-	-	-
Capital Budget Outturn (Budget)	184,001	534,419	121,800
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	184,001	534,419	121,800
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Security and Intelligence Co-ordinator and Permanent Secretary of the Cabinet Office, Sir David Omand, as Accounting Officer for the Security and Intelligence Services.

The responsibilities of the Accounting Officer, including responsibility for the propriety and regularity of public finances for which an Accounting Officer is answerable for keeping proper records and for safeguarding the Departments assets are set out in the Accounting Officer's Memorandum issued by the Treasury and published in *Government Accounting*.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2004-05 provision		2003-04 provision		2002-03 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
RfR 1: Protecting and promoting the national security and economic well being of the UK						
Sales of services, recoveries etc	48,810	—	45,873	—	22,437	—
Sale of surplus properties	—	297	—	2,263	—	340
Total RfR 1	48,810*	297**	45,873	2,263	22,437	340

*Amount that may be applied as appropriations in aid 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

	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Interest payments	—	50	—	50	—	52
Miscellaneous	—	3,150	—	3,140	—	3,400
Total CFERS	—	3,200	—	3,190	—	3,452

Notes to the Main Estimate *(continued)*

Administration costs limits and Departmental Expenditure Limits

Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
Gross administration costs limit	598,810	–14,080	584,730
Net administration costs limit	27,686	–28,919	–1,233

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	1,096,300	15,450	1,111,750
Capital DEL	178,001	6,000	184,001
Less depreciation	–140,967	—	–140,967
Total DEL	1,133,334	21,450	1,154,784

- * i. 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
- ii. Excludes EU receipts included in Estimates, but excluded in Budgets

Notes to the Main Estimate *(continued)*

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

The provision sought for 2004-05 of £1,096,300,000 is 2.0 per cent lower than the final net provision of £1,119,106,000 and 6.3 per cent higher than the forecast outturn for 2003-04 of £1,031,206,000

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 which has been or will be appropriated in aid:

	2004-05 provision	2003-04 provision	2002-03 outturn
	48,810	52,756	22,437

