
Assets Recovery Agency

Introduction

1. This Estimate covers the administration, programme and capital costs of the Assets Recovery Agency.
2. The Agency is a non-Ministerial department which was set up under the Proceeds of Crime Act 2002. The Agency was formally established on 13 January 2003 with the majority of its powers coming into force on 24 February 2003 and assuming full financial independence from 1 April 2003.
3. The Agency's remit is to reduce crime by:
 - (a) supporting all law enforcement agencies in financial investigations and asset recovery through the development and provision of specialist training and advice;
 - (b) investigating cases leading to post-conviction confiscation orders and/or applying for such orders;
 - (c) enforcing certain confiscation orders;
 - (d) using a new power of 'civil recovery' by suing in the High Court for the recovery of the proceeds of unlawful conduct;
 - (e) using powers of taxation where the Director has reasonable grounds to suspect that there is income, gains or profits that is chargeable to the relevant tax and which results from criminal conduct. The Director then carries out the tax functions that the Inland Revenue would ordinarily carry out. This is not just limited to the proceeds of unlawful conduct but to all the defendant's property; and
 - (f) seeking international assistance in obtaining restraint and confiscation.
4. The Director of the Agency is a corporation sole and is appointed by the Home Secretary who is also required to approve the Annual Plan.
5. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resource 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation.	15,201,000
Total net resource requirement	15,201,000
Net cash requirement	15,217,000

Amounts required in the year ending 31 March 2006 for expenditure by the Assets Recovery Agency on:

RfR 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation.

Payments and expenses related to investigation, litigation and enforcement of referred cases from law enforcement agencies, expenses for the development and delivery of specialist training courses in financial investigation and other associated asset identification and recovery, expenses related to the administration and management of the service provision; and associated non-cash items.

The Assets Recovery Agency will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	15,201,000	6,973,000	8,228,000
Total net resource requirement	15,201,000	6,973,000	8,228,000
Net cash requirement	15,217,000	6,930,000	8,287,000

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
RfR 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation									
3,972	11,304	-	15,276	75	15,201	350	-	17,609	11,026
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Helping to reduce crime									
3,972	11,304	-	15,276	75	15,201	350	-	17,609	11,026
Total for Estimate:									
3,972	11,304	-	15,276	75	15,201	350	-	17,609	11,026

Part II: Resource to cash reconciliation

	£'000		
	2005-06 Provision	2004-05 Provision	2003-04 Outturn
Net Total Resources	15,201	17,609	11,026
Voted capital items			
Capital	350	182	1,074
Less Non-operating A-in-A	-	-	-
Total net voted capital	<u>350</u>	<u>182</u>	<u>1,074</u>
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-6	-37	40
Depreciation	-325	-261	-15
New provisions and adjustments to previous provisions	-	-	-
Profit (+) / loss (-) on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-60	-60	-56
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-6	-4	-8
Increase (-) / Decrease (+) in creditors	63	77	-3,118
Use of provisions	-	-	-
Total accruals to cash adjustments	<u>-334</u>	<u>-285</u>	<u>-3,157</u>
Excess cash to be CFERd	-	-	-
Net Cash Requirement	15,217	17,506	8,943

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 Provision		2004-05 Provision		2003-04 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	<i>1</i>	-	<i>1</i>	-	<i>18</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>1</i>	-	<i>1</i>	-	<i>18</i>

Forecast Operating Cost Statement

	2005-06 Provision	2004-05 Provision	2003-04 Outturn	£'000
Net administration costs:				
RfR 1	3,897	4,170		3,442
Net programme costs:				
RfR 1	11,304	13,439	7,584	
Total net programme costs	<u>11,304</u>	<u>13,439</u>	<u>7,584</u>	
Total Net Operating Cost	15,201	17,609		11,026
<i>of which:</i>				
Net Resource Outturn	15,201	17,609		11,026
CFERs	-	-		-
Non-voted expenditure	-	-		-
Resource Budget Outturn	15,201	17,609		11,026

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2005-06	2004-05	2003-04
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	15,201	17,609	11,026
<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)	15,201	17,609	11,026
<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	-	-	-
Other adjustments	-	-	-
Resource Budget Outturn (Budget)	15,201	17,609	11,026
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	15,201	17,609	11,026
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2005-06	2004-05	2003-04
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	350	182	1,074
<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	-	-	-
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)	350	182	1,074
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	350	182	1,074
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: Jane Earl, the Director of the Assets Recovery Agency

Jane Earl, as the Principal Accounting Officer (PAO) of the Assets Recovery Agency has personal responsibility for the proper presentation of the Assets Recovery Agency'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 Assets Recovery Agency.

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 Assets Recovery Agency's 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
RfR 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation.						
Charges for financial investigators courses	75	—	75	—	25	—
Total RfR 1	75*	—	75	—	25	—
<i>of which: Administration Budgets</i>	—	—	—	—	—	—

*Amount that may be applied as appropriations in aid in addition to the net total, arising from amount recovered through the delivery of specialist training courses in financial investigation and other associated asset identification and recovery to law enforcement agencies.

Analysis of Consolidated Fund Extra Receipts (CFERs)

	£'000					
	2005-06 provision		2004-05 provision		2003-04 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Income from fees ϕ	—	1	—	1	—	18
Total	—	1	—	1	—	18

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	15,201	—	15,201
<i>of which: Administration Budgets</i>	<i>3,897</i>	<i>—</i>	<i>3,897</i>
Capital DEL**	350	—	350
Less depreciation†	-325	—	-325
Total DEL	15,226	—	15,226

* 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 £15,201,000 is 13.7 per cent lower than the final provision and forecast outturn for 2004-05 of £17,609,000.

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
	75	75	25

