

Serious Fraud Office Supplementary Estimates Memorandum 2024-25

1 Overview

1.1 Objectives

The Serious Fraud Office (SFO) is a non-ministerial Government department under the superintendence of the Attorney General. The Serious Fraud Office fights complex financial crime, delivers justice for victims and protects the UK's reputation as a safe place to do business.

Our Objectives:

- To investigate and prosecute the most serious or complex cases of fraud, bribery and corruption.
- To uphold the rule of law, deliver justice for victims and recover the proceeds of financial crime.
- To deter criminals and require offending companies to reform in order to protect the UK's economy and global reputation as a safe place to invest and do business.
- To collaborate with partners in the UK and overseas to ensure there is no safe haven for those who commit serious financial crime.

1.2 Spending controls

The SFO's net spending is broken down into several different spending totals, for which Parliament's approval is sought.

The spending totals which Parliament votes are:

- Resource Departmental Expenditure Limit (Resource DEL) - a net limit comprising day-to-day running costs, less income from cost awards.
- Capital Departmental Expenditure Limit (Capital DEL) - investment in capital equipment such as servers, laptops and software and leases.
- Annually Managed Expenditure Limit (AME DEL) - used to record legal costs arising from events in year but expected to be paid in future financial years.

In addition, Parliament votes a net cash requirement to cover the elements of the above budgets which require the SFO to pay out cash in year.

1.3 Comparison of net spending totals sought

The table below shows how the net spending totals sought for the SFO compares with last year:

Net Spending total		Compared to original budget this year (Main Estimate 2024-25)		Compared to final budget last year (Supplementary Estimate 2023-24)	
Amounts sought this year (Supplementary Estimate 2024-25)					
	£000	£000	%	£000	%
Resource DEL	87,957	59,819	47%	92,522	-5%
Capital DEL	11,800	33,007	-64%	2,900	307%
AME DEL	0	0	0%	250,000	-100%

1.4 Key drivers of spending changes since original budget this year

Net Resource DEL has increased by £28.1m. This is made up of £24.3m for high-cost cases and £3.8m for our office relocation project (both agreed at the autumn budget 2024).

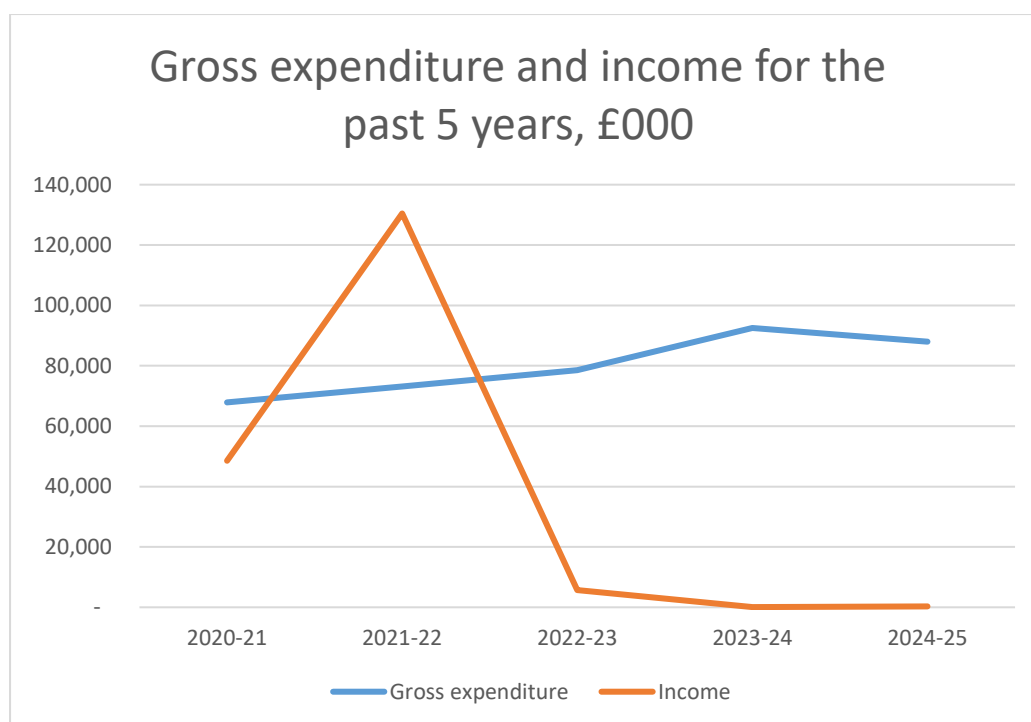
Capital DEL has reduced by £21.2m, of which £21.0m is a surrender of IFRS16 funding allocated to capitalise a new office building lease – the office move is now on hold following the outcome of SR25 Phase 1. The SFO is working with the Government Property Agency to find suitable office space on the government estate.

The core capital budget for this year of £2.4m is to enable the SFO to continue to invest in essential IT and digital infrastructure to respond to the increasing volume and complexity of case data and the challenges this poses for disclosure.

There is no in-year change to the AME control total.

1.5 Spending and income trends

The chart below shows actual overall resource DEL funding, supplementary request and income for the last five years.



2 Spending detail

2.1 Explanations of changes in spending

Resource DEL costs are expected to be broadly in line with last year with the exception of £3.8m initially allocated for our office relocation project, following the outcome of SR25 Phase 1 this was repurposed to improving our existing office accommodation. Capital DEL costs are lower than our

main estimate, a reduction of £21.0m, this is a surrender of IFRS16 funding allocated to capitalise a new office building lease (move on hold following the outcome of SR25 Phase 1).

2.2 Ring fenced budgets

Within the totals, the following elements are ring fenced ie savings in these budgets may not be used to fund pressures on other budgets.

Ring fenced budgets (Supplementary Estimate 2024-25) £000		Compared to original budget (Main Estimate 2024-25)		Compared to final budget last year (Supplementary Estimate 2023-24)	
		£000	%	£000	%
Depreciation	4,357	4,157	5%	5,301	-18%

2.3 Changes to contingent liabilities

There is no change. The existing provision in relation to civil action taken by (mining conglomerate) ENRC against its former law firm Dechert, former lawyer Neil Gerrard and the SFO mains at the same level as last year.

We continue to monitor potential exposure on our cases and will inform the Committee should material changes occur.

3 Priorities and performance

3.1 Measures of performance

The SFO's business plan ([see here](#)) sets out the following high-level objectives, and measures of performance, for the department for the current financial year. We will undertake quarterly monitoring of the Business Plan.

3.2 Major projects

The current standalone Finance and HR systems for conducting the SFO's core corporate businesses are fragmented and highly inefficient. A replacement for the current corporate systems is therefore urgently required. In 2024-25 will be deploying a modern, fit for purpose & integrated 'Enterprise Resource Planning' (ERP) solution, and appropriate information governance processes and procedures alongside it.

The SFO has is the early stages of implementation of a case management system. The introduction of a case management system will deliver a wide range of strategic and operational benefits, ensuring that we continue to carry out our mission more efficiently and effectively.

3.3 Additional specific information required by the select committee

No additional information has been requested by the Select Committee

4 Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by HM Treasury and the House of Commons Scrutiny Unit, available on the Scrutiny Unit website. The information in this Estimates Memorandum has been approved on behalf of the Departmental Accounting Officer.

Tanya de Jager

Chief Financial Officer (CFO)

Serious Fraud Office

13 February 2025