

2025-26 Supplementary Estimates memorandum for National Crime Agency

Overview

1.1 Objectives

The National Crime Agency (NCA) is a non-ministerial department which has operational independence and is accountable to the Home Secretary.

The NCA is funded directly by Parliament via the Supply Estimate. We also receive funding for ring-fenced projects from other Government Departments, and contributions from the Scottish Government and the Police Service of Northern Ireland.

The Home Secretary sets the NCA's strategic priorities. Within that framework, the Director General NCA sets the Agency's operational priorities. These inform how we lead, support and coordinate operational activity under the National Control Strategy aligned to the Government's Serious and Organised Crime Strategy.

The Director General's operational priorities provide the focus for the activity of the Agency; these are underpinned by enabling functions which we will deliver in line with our NCA Strategy 2023-28.

They are:

- Degrading the most harmful organised crime groups
- Leading the UK's operational response
- Transforming the Agency's capabilities
- Growing a highly skilled workforce

1.2 Spending controls

The NCA's net spend is analysed between several different spending totals, for which Parliament's approval is sought.

The spending totals on which Parliament votes are:

- Resource Departmental Expenditure Limit (RDEL) which is split into Administration and Programme and covers costs for the day-to-day running of the department less income, principally from other Government Departments for ring-fenced projects, various training courses and provision of information.
- Capital Departmental Expenditure Limit (CDEL) which is for investment in non-current assets.

- Annually Managed Expenditure (AME) which consists of estimates for movements in provisions, police pensions in-year charges and movements in reserves. This is a non-cash item.

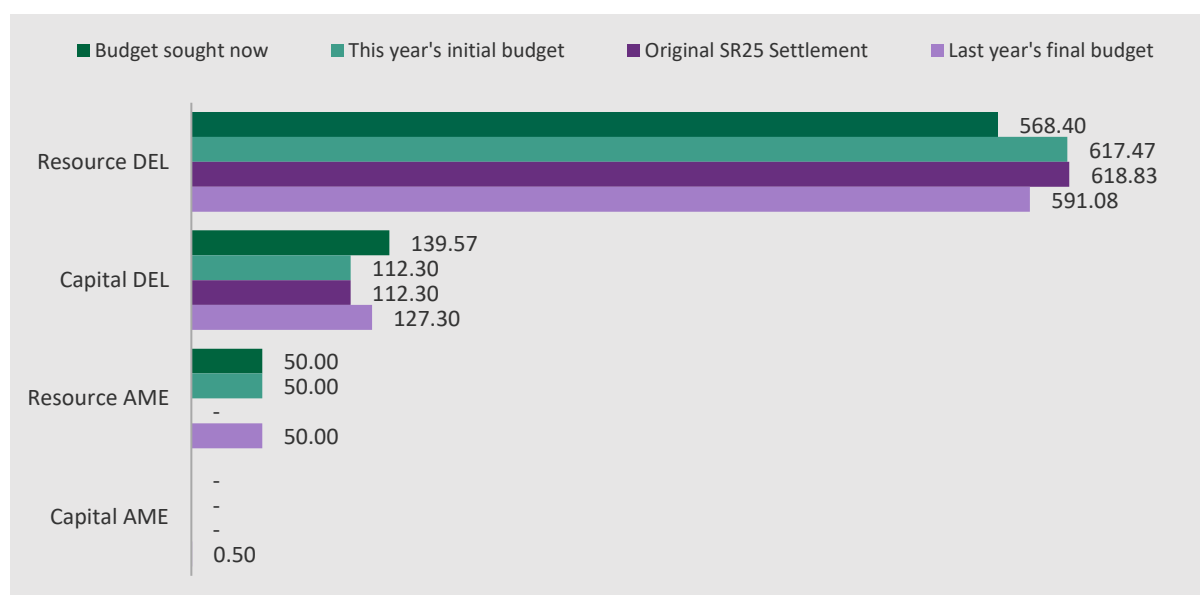
In addition, Parliament votes a Net Cash Requirement, designed to cover the elements of the above budgets which require the Agency to pay out cash in the year and also provide working capital for externally funded projects.

1.3 Comparison of spending totals sought

The table below shows how the net spending totals sought for NCA compared with last year and the latest Spending Review settlement. This excludes non-cash depreciation.

Amounts sought this year		Difference (+/-), compared to Main Estimate		Difference (+/-), compared to Spending Review		Difference (+/-), compared to final budget last year	
(Supplementary Estimate 2025-26)		(Main Estimate 2025-26)		(SR25 Phase 1)		(Supplementary Estimate 2024-25)	
	£ m	£m	%	£m	%	£m	%
Resource DEL	568.4	-49.1	-9%	-22.7	-4%	+13.8	2%
Capital DEL	139.6	+27.3	20%	+12.3	10%	+30.6	28%
Resource AME	50.0	0.0	0%	0.0	0%	0.0	0%
Capital AME	0.0	0.0	0%	-0.5	-100%	-0.5	-100%

NCA budget comparison for Supplementary Estimate 2025-26



1.4 Key drivers of spending changes since last year

The net Resource DEL is a decrease of £49.1m from Main Estimates 2025-26. This can be attributed to a RDEL to CDEL swap of £27.3m and a budget cover transfer to the Home Office for £25.0m, offset against budget cover transfers received in relation to externally funded programmes.

The net Capital DEL proposed reflects the RDEL to CDEL swap of £27.3m.

Investments have been prioritised and structured into two sections:

(i) AI and Transformation investments; and (ii) Core Sustain and Estates Consolidation.

AI and Transformation investments prioritise the Agency's digital transformation by harnessing the power of data, technology, and innovation. We are specifically focused on advancing our AI capabilities, along with the underlying platforms and data ecosystems that are essential for their success.

Core Sustain investments are dedicated to maintaining and sustaining our current operationally critical services. They are split into four categories:

Estates and Fleet: Essential maintenance, updates and upgrades to our core capital expenditure; our workplaces, training facilities and fleet.

Tools for the Job: Securing and strengthening threat agnostic capabilities, to establish the Agency as cross-threat capability, which can respond to a dynamic threat landscape.

Critical Risk Reduction: Focusing on the Agency's cyber resilience, information risk and continuing the reduction in technical debt.

Productivity, Efficiency & Innovation: Focusing on: (i) delivering cashable efficiencies or cost avoidance; (ii) delivering productivity enhancements to speed up workflows and release resources from manually intensive tasks; and (iii) progressing innovation ideas through proof of concept and into business case for implementation.

1.5 Key drivers of change since the Spending Review

There have been no key drivers of change since the Spending Review.

1.6 Reserve claims and spending pressures

Spend category (RDEL, CDEL)	Budget sub-head	£m	Reason for reserve claim (explain why not foreseen at Spending Review)	Was this spending pressure identified at the Main Estimate?
RDEL	Ringfenced (Non-Cash)	-10.7	Delays to go live dates for assets under construction and change in policy regarding useful economic life of motor vehicles which were not foreseen at Spending Review.	No

1.7 Funding: other spending announcements

There have been no additional spending announcements.

1.8 New policies and programmes; ambit changes

Asset Policy - Departmental change to the useful economic life of motor vehicles from 3-9 years to 5-12 years. The requirement for full revaluation of freehold assets has moved from every 2 years to every 5 years, in line with HM Treasury and Financial Reporting Manual (FRM) guidance.

1.9 Administration costs and efficiency plans

Administration costs have increased by 11.3% compared to last year's outturn.

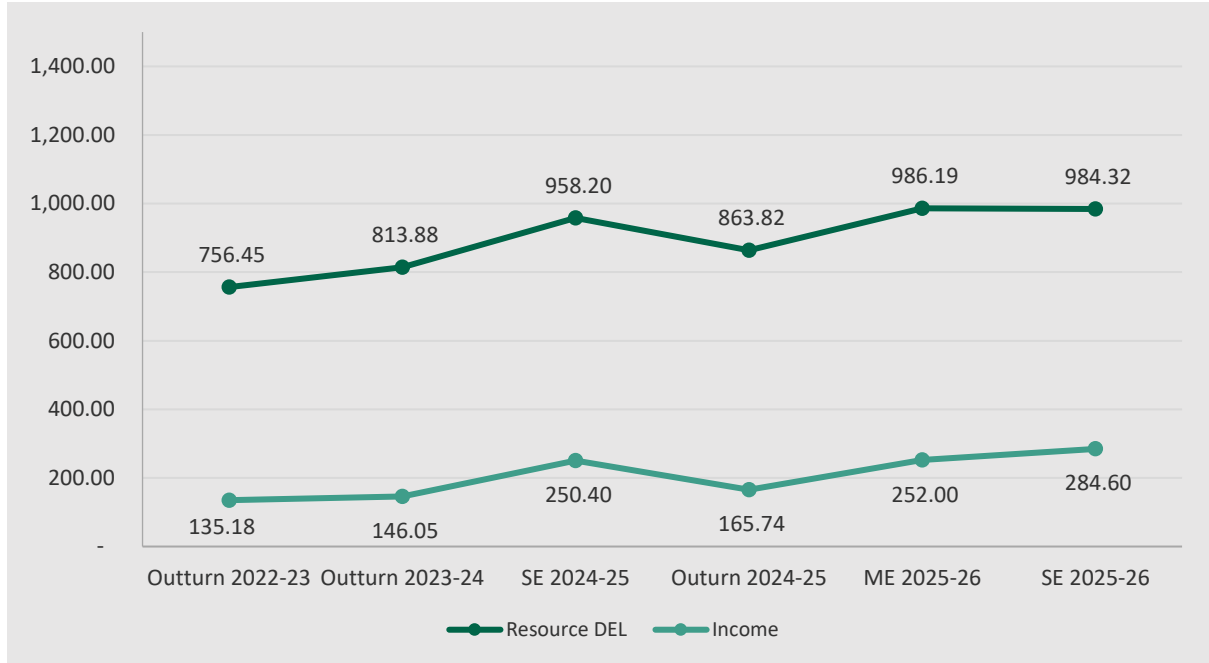
Amounts sought this year		Difference (+/-), compared to original budget this year		Difference (+/-), compared to final outturn last year		Difference (+/-), compared to Spending Review	
(Supplementary Estimate 2025-26)		(Main Estimate 2025-26)		(Outturn 2024-25)		SR25 (Phase 1)	
	£ m	£m	%	£m	%	£m	%
Administration Costs	44.0	0.0	-0.1%	5.0	11.3%	0.0	-0.1%

NCA has plans to achieve £31.6m of annual efficiencies in FY25-26 and these are embedded within the Core DEL funding for FY25-26.

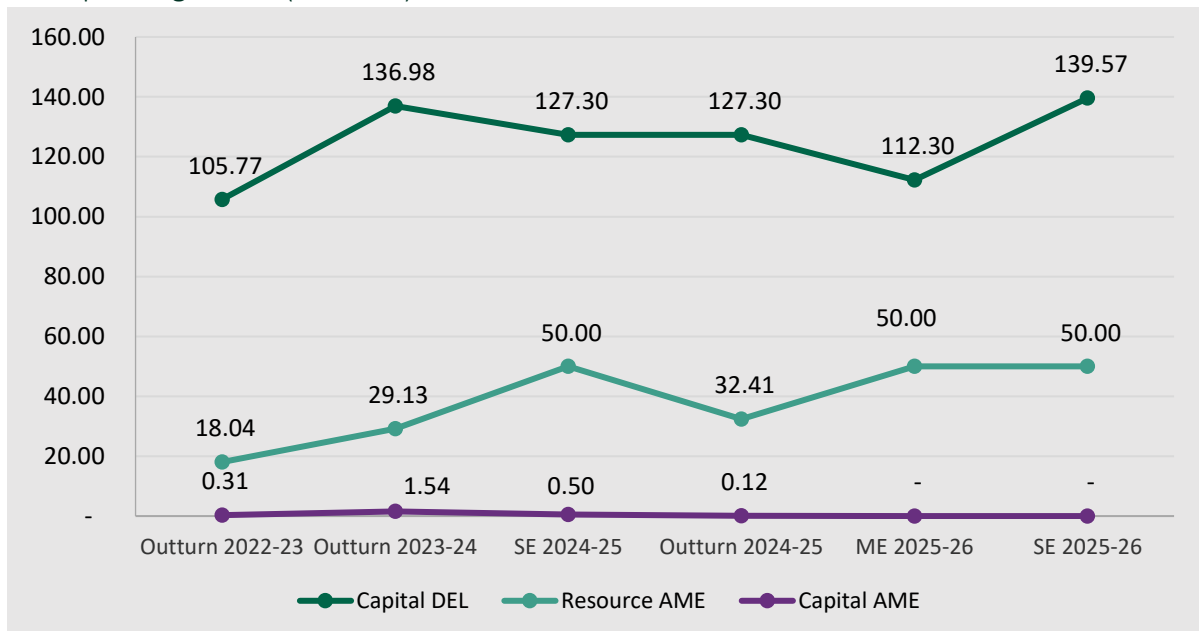
1.10 Spending trends

The charts below show overall spending and income trends for the last five years and plans presented in the Supplementary Estimate for 2025-26. Increased income relates to additional external funding (not baselined) from other government departments.

NCA Resource DEL gross expenditure and income trends (£ million)



NCA spending trends (£ million) – CDEL and AME



2 Spending detail

2.1 Explanations of changes in spending

Resource DEL

The table below shows how NCA's spending plans for Resource DEL compare with last year.

Subhead	Description	Resource DEL				Is change significant?
		This year (Supplementary Estimate 2025-26)	This year (Main Estimate 2025-26)	Change from last year		
		£ m		£ m	%	See note
A	Enabling Capabilities	147.3	184.1	-36.8	-20.0%	1
	Operations	83.5	96.4	-12.9	-13.4%	1
	Threats	19.4	21.1	-1.8	-8.4%	1
	Pay	318.3	315.9	2.4	0.7%	
A	Net expenditure	568.4	617.5	-49.1	-8.3%	

Notes

- Resource DEL has decreased by £49.1m from Main Estimate 2025-26. This is mainly due to switch of £27.3m to CDEL in line with delivery plans for 2025-26 and £25.0m budget cover transfer to Home Office. This has been offset against budget cover transfers received in relation to external funding.

Capital DEL

The table below shows how NCA's spending plans for Capital DEL compared with last year.

Subhead	Description	Capital DEL				Is change significant?
		This year (Supplementary Estimate 2025-26)	This year (Main Estimate 2025-26)	Change from last year		
		£ m		£ m	%	See note
A	Enabling Capabilities	110.5	97.1	13.4	13.8%	1
	Operations	29.1	15.2	13.9	91.4%	1
A	Total voted	139.6	112.30	27.3	24.3%	

Notes

- Capital DEL has increased by £27.3m from Main Estimate. This is mainly due to switch of £27.3m to CDEL in line with delivery plans for 2025-26.

Resource AME

The table below shows how NCA's spending plans for Resource AME compare with Main Estimate 2025-26

Subhead	Description	Resource AME				Is change significant?
		This year (Supplementary Estimate 2025-26)	This year (Main Estimate 2025-26)	Change from Original Budget		
		£ m		£ m	%	See note
B	Pension Valuations	30.0	30.0	0.0	0%	
	Reserves & Provisions	20.0	20.0	0.0	0%	
B	Total voted and non-voted	50.0	50.0	0.0	0.0	

There were no changes to the NCA Resource or Capital AME budget.

2.2 Restructuring [if applicable]

NCA has not restructured, nor had any approved plans to do so in 2025-26.

2.3 Ring-fenced budget

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

Amounts sought this year (Supplementary Estimate 2025-26) £m		Difference (+/-), compared to final budget last year. (Main Estimate 2025-26)		Difference (+/-), compared to final budget last year (Supplementary Estimate 2024-25)	
		£ m	%	£m	%
Depreciation	131.3	14.6	11.1%	14.6	11.1%

2.4 Changes to contingent liabilities

There are no new contingent liabilities:

- Indemnities issued to third parties for the use of their facilities for Firearms training and other indemnities, with the maximum exposure limited to £50.0m.

- NCA had a small number of claims from employees, members of the public and suppliers that could result in compensation payments to be made on settlement.

3 Priorities and performance

3.1 How spending relates to objectives

Expenditure under subheads A and B supports all of the objectives set out in Section 1.1 above.

3.2 Measures of performance against each priority

The Home Secretary determines the Agency's strategic priorities, while the Director General sets the operational priorities, decides the operations mounted by NCA officers and the way in which they are conducted. Each year these are outlined in the Agency's Annual Plan which articulates how the Agency will prioritise activity in the year ahead to achieve the ambition within the NCA Strategy and responds to the threat outlined in the National Strategic Assessment.

The Agency continuously reviews processes and procedures for improvement in its efficiency and performance. The Agency is developing, through business planning, more insight linking finances, headcount and performance in order to make effective decisions regarding strategic priorities and consideration of strategic trade-offs.

The Agency's Annual Report and Accounts includes a performance report, detailing the Agency's performance against the Home Secretary's Strategic Priorities and Serious and Organised Crime Threat. The accounts have not been subject to qualification by National Audit Office; however, audit recommendations are reviewed and implemented where appropriate.

3.3 Major projects

NCA has the Concordis Project in progress. The key priority is the exit from South London Headquarters to new offices in East London. See Section 1.4 above that provides information on other priority project work.

4. Other information

4.1 Research & Development Expenditure

The NCA has no significant R&D expenditure to report.

4.2 Additional specific information required by the select committee

No additional information has been requested by the Select Committee

5. Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by myself as Chief Financial Officer of the Agency.



Sophie Ingram

CFO

National Crime Agency

29 January 2026