

National Crime Agency Supplementary Estimate 2021/22

1. Organisational Overview Status and Priorities

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 five year strategy.

They are:-

- To enhance the intelligence picture of existing and emerging serious and organised crime threats to the UK.
- To lead, task and coordinate the law enforcement operational response against agreed priority threats, ensuring the right resources are targeted where they will have the greatest impact.
- To operate proactively at the high end of high risk, undertaking significant investigations resulting in disruption of threats by the most effective means.
- To develop and deliver specialist capabilities and services, where this is best done nationally, for the benefit of all UK law enforcement.
- To enhance our capability and credibility by recruiting and retaining talented officers and enabling them with the right skills, facilities, data and technology to operate productively and effectively.

2. Purpose

The Primary purpose of this Memorandum is to provide the Committee with an explanation of the underlying business drivers for the changes made between the NCA's 2021/22 Supplementary Estimate and Main Estimate 2021/22 and the prior year outturn for 2020/21.

3. Spending Controls

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

The spending totals 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, and 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 NCA to pay out cash in the year and also provide working capital for externally funded projects.

This Memorandum is split into the following parts:

- Summary of the changes sought to the Resource Departmental Expenditure Limit (RDEL).
- Summary of the changes sought to the Capital Departmental Expenditure Limit (CDEL).
- Summary of changes to the Net Cash Requirement (NCR).
- Summary of changes to the Annually Managed Expenditure (AME).

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Please see below for additional detail on each of these sections.

Spending total	Final Amount Sought this year	Compared to original budget this year			Compared to last year's outturn		
	2021-22 Supplementary Estimate Amount	Main Estimate 21/22			Outturn 2020-21		
	£m	£m	£m change	% change	£m	£m change	% change
Departmental Expenditure Limit							
Resource o/w							
Admin	37.461	37.461	0	0%	36.513	0.948	2.6%
Programme	475.623	452.032	23.591	5.2%	461.717	13.906	3.0%
Capital	48.036	44.981	3.055	6.8%	46.929	1.107	2.4%
Less depreciation#	-58.569	-58.800	0.231	0.4%	-64.195	5.626	8.8%
Total DEL	502.551	475.674	26.877	5.7%	480.964	21.587	4.5%
Annually Managed Expenditure							
Resource	50.000	75.000	-25.000	-33.3%	21.571	28.429	131.8%
Capital	0	0	0	0	0	0	0
Total AME	50.000	75.000	-25.000	-33.3%	21.571	28.429	131.8%
#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. Depreciation is a non cash item.							

4. Summary of the changes sought to the Resource Departmental Expenditure Limit (RDEL) Cash and Non Cash

The following net increases, total £23.591m, have been made at the Supplementary Estimate:

RDEL Programme net increase of £23.591m, comprising:

Cash items totalling £23.822m

- Additional £0.031m from the Foreign, Commonwealth and Development Office from the Conflict, Stability and Security Programme Funding (CSSF) to fund overseas work to build improved capability to tackle serious and organised crime in overseas countries prioritising those countries where these threats are either driven by UK demand or enabled by UK criminals; and to improve our intelligence.
- Additional £2.926m funding from the Cabinet Office from the National Cyber Security Programme to increase capability including for hostile state actors and special projects in an area of increasing criminality.
- Additional £0.250m Programme funding from the Crown Prosecution Service to cover additional staffing costs.
- Additional £0.490m Star Fund programme funding from the Home Office for operational work.
- Additional £18.200m Police Settlement International Non ODA programme funding from the Home Office to fund overseas work.
- Additional £4.480m from the Home Office to cover the costs of Covid 19 and personal protective equipment.
- Additional £3.260m RDEL programme cash funding transferred from the Home Office.
- Decrease £0.200m transferring internally RDEL programme cash to CDEL cash from CSSF funding to enable the acquisition of required assets.
- Decrease £0.180m transferring internally RDEL programme cash to CDEL cash from EU transition funding to enable the acquisition of required assets.
- Decrease £0.130m transferring internally RDEL programme cash to CDEL cash from EU transition funding to enable the acquisition of required assets for the Prum project.
- Decrease £0.050m transferring internally RDEL programme cash to CDEL cash from EU transition funding to enable the acquisition of required assets for the International Crime Co-ordination Centre.
- Decrease £0.900m transferring internally RDEL programme cash to CDEL cash from Police Settlement International Non

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ODA funding to enable the acquisition of required assets for International Criminality Case Management project.

- Decrease £0.100m transferring internally RDEL programme cash to CDEL cash from Police Settlement International Non ODA funding to enable the acquisition of required assets.
- Decrease £2.755m transferring internally RDEL programme cash to CDEL cash from Police Settlement International Non ODA funding to enable the acquisition of required assets for Eastern Europe.
- Decrease £1.500m transferring internally RDEL programme cash to CDEL cash from Police Settlement International Non ODA funding to enable the acquisition of required operational equipment assets.

Non- cash items decrease totalling £0.231m

- Decrease of £0.231m non cash depreciation to adjust to the current year's depreciation requirement.

5. Summary of the changes sought to the Capital Departmental Expenditure Limit (CDEL) Cash.

The following net increases, total £3.055m, have been made at the Supplementary Estimate:

CDEL Programme, increase of £3.055m, comprising:

- Additional £0.500m from the Cabinet Office from the National Cyber Security Programme Fund to increase capability in an area of increasing criminality and for a special project.
- Increase £0.200m transferred internally from CSSF programme cash RDEL funding to enable the acquisition of non-current assets.
- Increase £0.180m transferred internally from EU exit programme cash RDEL funding to enable the acquisition of non-current assets.
- Increase £0.050m transferred internally from EU exit programme cash RDEL funding to enable the acquisition of non-current assets for International Crime Co-ordination Centre.
- Increase £0.130m transferred internally from EU exit programme cash RDEL funding to enable the acquisition of non-current assets for the Prum project.
- Increase £0.900m transferred internally from Police Settlement International Non ODA programme cash RDEL funding to enable the acquisition of non-current assets re International Criminality Case Management project.
- Increase £0.100m transferred internally from Police Settlement International Non ODA programme cash RDEL funding to enable the acquisition of non-current assets.

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- Increase £2.755m transferred internally from Police Settlement International Non ODA programme cash RDEL funding to enable the acquisition of non-current assets for Eastern Europe.
- Increase £1.500m transferred internally from Police Settlement International Non ODA programme cash RDEL funding to enable the acquisition of operational equipment non-current assets.
- Decrease £3.260m CDEL core funding transferred to the Home Office.

6. Summary of changes to the Net Cash Requirement (NCR).

The NCR has remained in the Supplementary Estimate at £670.000m.

7. Summary of changes to the Annually Managed Expenditure (AME).

The AME requirement for the Agency has decreased by £25.000m to reflect changes in requirements for provisions, pensions and property revaluations.

8. Ambit changes

The ambit has the no additional items for expenditure or income.

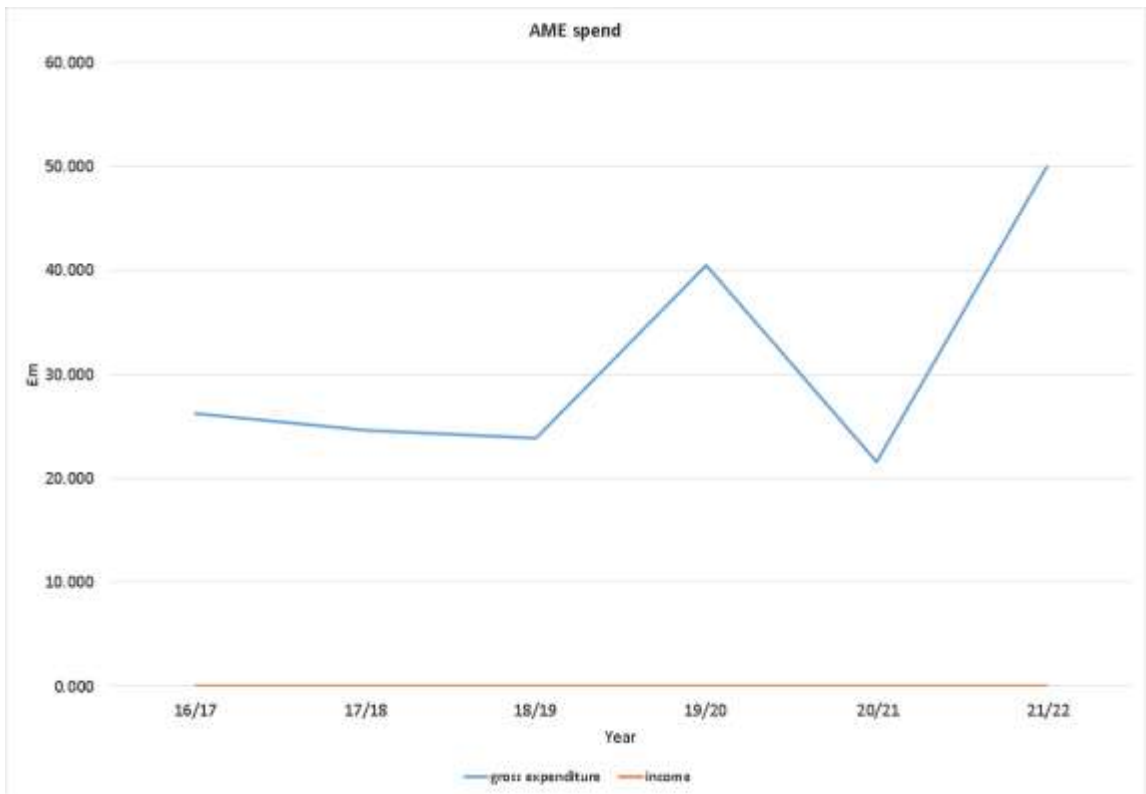
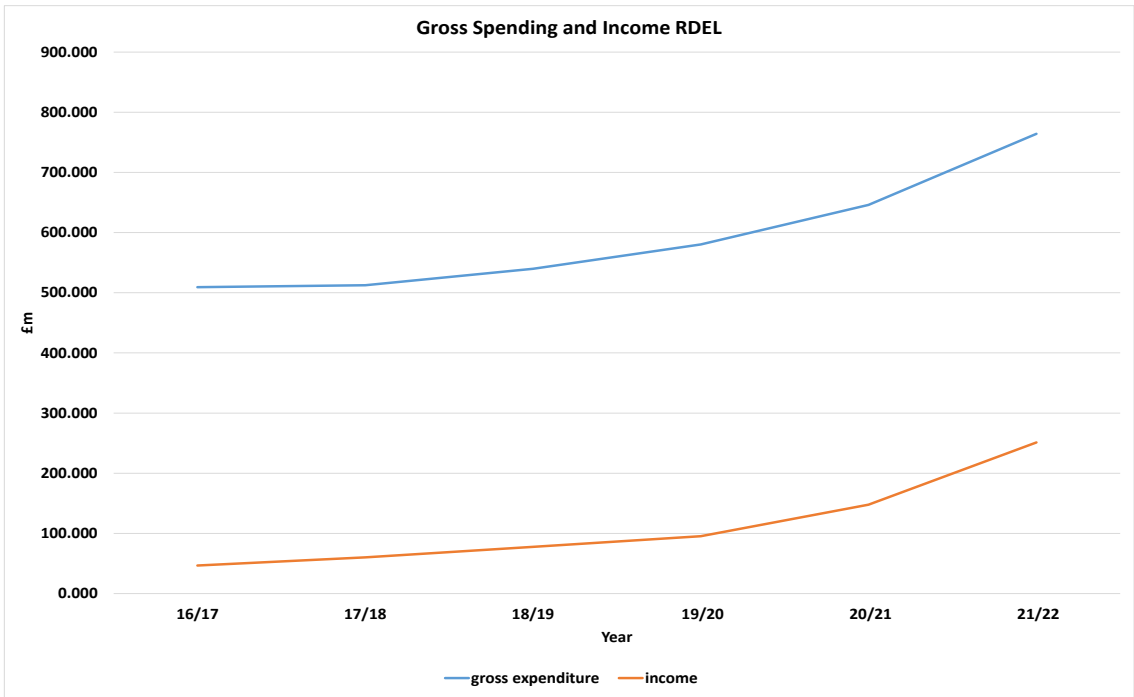
9. Spending and Income Trends

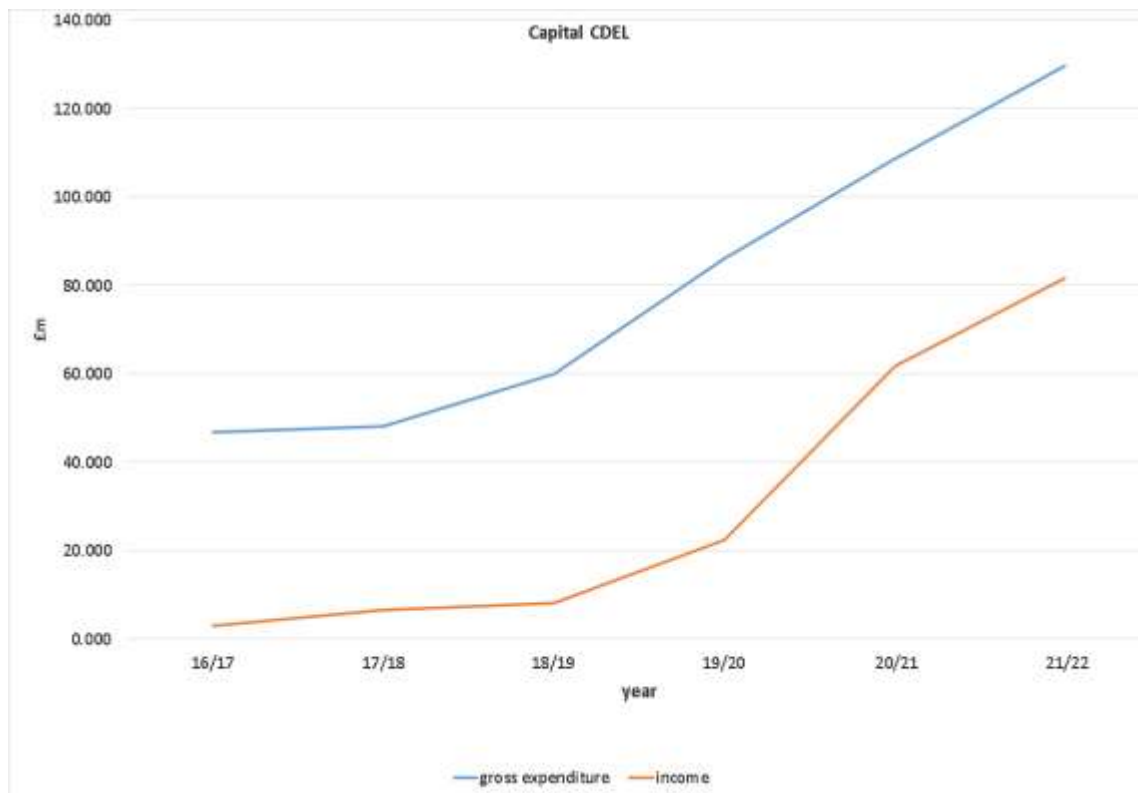
The charts below show the overall RDEL, AME and CDEL spending and income trends for the last five years actuals and the current year budget.

Years 2016/17 to 2021/22.

The 2022/23 plans are not yet agreed and, as external funding is a large contributor to the spending and income of the organisation, an estimate at this point in time would be inaccurate.

Increasing amounts of external funding has increased our spending and income in later years.





10. Administration Costs

The NCA Administration budget has remained unchanged from the Main Estimate 21/22 which is £37.461m. This is £0.018m higher than last year’s funding.

Last year’s outturn at £36.513m represents an underspend of 2.5% on last year’s budget and 2.5% on the current year’s.

11. Efficiency Plans

The NCA obtains efficiency savings by delivering targeted savings as approved by the board.

12. Funding: Spending Review and Budgets

The NCA receives funding through the Spending review and budget transfers from other departments.

It also receives monies from other sources including funding from the devolved Governments, the Asset Recovery Incentivisation Scheme, and also external funding from various sources primarily via Memoranda of Understanding.

13. Funding changes in the Supplementary Estimate

RDEL increases amount to a net increase of £23.591m which is comprised of the following transfers from other departments and internal transfers:-

- Additional £0.031m from the Foreign, Commonwealth and Development Office from the Conflict, Stability and Security Programme Funding (CSSF) to fund overseas work to build improved capability to tackle serious and organised crime in overseas countries prioritising those countries where these threats are either driven by UK demand or enabled by UK criminals; and to improve our intelligence.
- Additional £2.926m funding from the Cabinet Office from the National Cyber Security Programme funding to increase capability including for hostile state actors and special projects in an area of increasing criminality.
- Additional £0.250m Programme funding from the Crown Prosecution Service to cover additional staffing costs.
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- Decrease £0.900m transferring internally RDEL programme cash to CDEL cash from Police Settlement International Non ODA funding to enable the acquisition of required assets for International Criminality Case Management project.
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ODA funding to enable the acquisition of required assets for Eastern Europe.

- Decrease £1.500m transferring internally RDEL programme cash to CDEL cash from Police Settlement International Non ODA funding to enable the acquisition of required operational equipment assets.
- Decrease of £0.231m non cash depreciation to adjust to the current year's depreciation requirement.

CDEL decreases amount to £3.055m which is comprised of the following transfers from other departments and internal transfers:-

- Additional £0.500m from the Cabinet Office from the National Cyber Security Programme Fund to increase capability in an area of increasing criminality and for a special project.
- Increase £0.200m transferred internally from CSSF programme cash RDEL funding to enable the acquisition of non-current assets.
- Increase £0.180m transferred internally from EU exit programme cash RDEL funding to enable the acquisition of non-current assets.
- Increase £0.050m transferred internally from EU exit programme cash RDEL funding to enable the acquisition of non-current assets for International Crime Co-ordination Centre.
- Increase £0.130m transferred internally from EU exit programme cash RDEL funding to enable the acquisition of non-current assets for the Prum project.
- Increase £0.900m transferred internally from Police Settlement International Non ODA programme cash RDEL funding to enable the acquisition of non-current assets re International Criminality Case Management project.
- Increase £0.100m transferred internally from Police Settlement International Non ODA programme cash RDEL funding to enable the acquisition of non-current assets.
- Increase £2.755m transferred internally from Police Settlement International Non ODA programme cash RDEL funding to enable the acquisition of non-current assets for Eastern Europe.
- Increase £1.500m transferred internally from Police Settlement International Non ODA programme cash RDEL funding to enable the acquisition of operational equipment non-current assets.
- Decrease £3.260m CDEL core funding transferred to the Home Office.

AME requirement to provide cover for provisions has been decreased by £25.000m to reflect changes in requirements for provisions, pensions and property revaluations.

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NCR has remained at £670.000m and includes allowance for working capital requirements relating to externally funded projects and contingency.

14. Ring-fenced Budgets

- The depreciation budget is ring fenced.

15. Contingent Liabilities

There are no new contingent liabilities:

- We retain the contingent liabilities for firearms training and legal cases.

16. How Spending Relates to Objectives

The NCA spending is under one subhead

- Expenditure under Subheading A supports all of the objectives set out in the corporate plan and Section 1 above.

17. Measures of performance against each priority

- The NCA produces an Annual Plan detailing its priorities and objectives which can be found on the internet.

18. Commentary on steps being taken to address performance issues.

- The NCA continuously reviews processes and procedures for improvement in its efficiency and performance.
- The accounts have not been subject to qualification; however any audit recommendations are reviewed and implemented where appropriate.

19. Approval

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

Jacqui Smillie