

# Crown Prosecution Service

## Introduction

1. This Supplementary Estimate is required for the following purposes:

		Amount (£)	
		<u>Increases</u>	<u>Reductions</u>
<b><u>Changes in resources</u></b>			
<b>RfR 1: To bring offenders to justice, recover proceeds of crime, improve services to victims and witnesses and promote confidence by firm and fair decision making and presentation of cases in court.</b>			
<u>Section</u>	<u>Reason for Change</u>		
<b><u>Changes related to movements in budgets</u></b>			
	<u>Machinery of Government changes</u>		
B2	Increase in programme spending reallocating the provision of the Revenue and Customs Prosecutions Office as a result of the merger with the Crown Prosecution Service	40,172,000	
B5	Increase in operating appropriations in aid reallocating the provision of the Revenue and Customs Prosecutions Office as a result of the merger with the Crown Prosecution Service		-4,100,000
<u>Transfers of budgetary cover to/from other government departments</u>			
B2	Transfer in programme spending from the Ministry of Justice of £8,123,000 consisting of:		
	(i) to help fund the Compass Case Management System (CMS)	4,300,000	
	(ii) from the Victim Surcharge collections	2,600,000	
	(iii) to provide support for the Local Criminal Justice Boards	806,000	
	(iv) to help fund the prosecution of new offences introduced in the Road Safety Act 2006	417,000	
B2	Transfer in programme spending from the Home Office to help fund the delivery of the Violent Crime Reduction Act 2006	148,000	
<u>Other changes in DEL spending</u>			
B2	Movement from voted to non-voted spending of unitary charges relating to PFI contracts newly categorised as assets following the adoption of International Financial Reporting Standards		-5,045,000

**Other changes**

	<b><u>Increases in non-budget spending</u></b>	
Subhead C2	Non-budget resource implications resulting from the introduction of International Financial Reporting Standards of £5,697,000 consisting: of:	
	(i) Interest charges, service charges and non-cash depreciation charges relating to PFI contracts newly categorised as assets	5,045,000
	(ii) non-cash revaluation costs relating to PFI contracts newly categorised as assets	391,000
	(iii) non-cash cost of capital charges relating to PFI contracts newly categorised as assets	261,000
	<b><u>Totals</u></b>	<b>54,140,000      -9,145,000</b>
<b><u>Total RfR 1</u></b>		<b>44,995,000</b>
<b><u>Total change in resources for Estimate:</u></b>		<b>44,995,000</b>

2. As a result of the above and associated non- cash adjustments, there is an increase in the net cash requirement of £44,343,000.
3. Symbols are explained in the Introduction to this booklet.

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# Crown Prosecution Service

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## Part I

	£
<b>Request for Resources 1: To bring offenders to justice, recover proceeds of crime, improve services to victims and witnesses and promote confidence by firm and fair decision making and presentation of cases in court.†</b>	<b>44,995,000</b>
Total additional net resource requirement	44,995,000
<b>Additional net cash requirement†</b>	<b>44,343,000</b>

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SUPPLEMENTARY amounts required in the year ending 31 March 2010 for expenditure by the Crown Prosecution Service on:

**RfR 1: To bring offenders to justice, recover proceeds of crime, improve services to victims and witnesses and promote confidence by firm and fair decision making and presentation of cases in court.**

Administrative costs, including the hire of private agents; Crown Prosecution Services; the support of voluntary sector organisations working within the Criminal Justice System; in connection with the confiscation of the proceeds of crime; and associated non-cash items.

The **Crown Prosecution Service** will account for this Estimate.

†As announced on 3 April 2009, the Revenue and Customs Prosecutions Office and associated support functions are transferred to the Crown Prosecution Service. Within the overall changes sought in this Estimate, the specific changes relating to this machinery of government transfer are:

- a) the net resource requirement is increased by £36,072,000;
- b) the operating appropriations in aid are increased by £4,100,000; and
- c) the net cash requirement is increased by £36,072,000.

## Part II: Changes proposed

### Resources

£'000

	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
<b>RfR 1: To bring offenders to justice, recover proceeds of crime, improve services to victims and witnesses and promote confidence by firm and fair decision making and presentation of cases in court.</b>					
		49,095	4,100	44,995	
<b>Spending in Departmental Expenditure Limits (DEL)</b>					
<i>Central Government spending</i>					
B Crown Prosecutions and Legal Services	583,002	43,398	4,100	39,298	622,300
<b>Non-Budget</b>					
C IFRS Adjustments*	-	5,697	-	5,697	5,697
<b>Total for Estimate:</b>		<b>49,095</b>	<b>4,100</b>	<b>44,995</b>	

### Capital and Cash

£'000

	Present Provision	Changes in Provision	New Provision
Total Capital Expenditure	5,200	-	5,200
Non-Operating A in A	-	-	-
<b>Net cash requirement</b>	<b>636,453</b>	<b>44,343</b>	<b>680,796</b>

\* This increase in non-budget spending due to the adoption of IFRS is offset by reductions in Departmental Expenditure Limit (DEL) spending contained in other parts of the Estimate. The offsetting reductions may not be visible in this table, but further information is included in the Introduction to the Estimate.

**Part II: Revised subhead detail including additional provision**

£'000

Resources							Capital		
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	
<b>RfR 1: To bring offenders to justice, recover proceeds of crime, improve services to victims and witnesses and promote confidence by firm and fair decision making and presentation of cases in court.</b>									
56,693	689,397	-	746,090	63,100	682,990		5,200	-	
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A	Administration costs on HQ and Central Services								
56,693	-	-	56,693	1,700	54,993		-	-	
B	Crown Prosecutions and Legal Services								
-	683,700	-	683,700	61,400	622,300		5,200	-	
<b>Non-Budget</b>									
C	IFRS Adjustments								
-	5,697	-	5,697	-	5,697		-	-	
<b>Total for Estimate:</b>									
56,693	689,397	-	746,090	63,100	682,990		5,200	-	

## Part II: Resource to cash reconciliation

£'000

	Present	Increase(+)/ Decrease(-)	Revised
<b>Net Resource Requirement</b>	<b>637,995</b>	<b>44,995</b>	<b>682,990</b>
<b>Voted capital items</b>			
Capital	5,200	-	5,200
Less Non-operating A-in-A	-	-	-
<b>Total net voted capital</b>	<b>5,200</b>	<b>-</b>	<b>5,200</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-2,512	-261	-2,773
Depreciation	-5,056	-4,460	-9,516
New provisions and adjustments to previous provisions	-745	-	-745
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-102	-	-102
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	4,069	4,069
Use of provisions	1,673	-	1,673
<b>Total accruals to cash adjustments</b>	<b>-6,742</b>	<b>-652</b>	<b>-7,394</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>636,453</b>	<b>44,343</b>	<b>680,796</b>

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## **Part III: Extra receipts payable to the Consolidated Fund**

As in existing provision.

## Forecast Operating Cost Statement

	<b>£'000</b>
	<b>2009-10 Provision</b>
<b>Net Administration Costs</b>	
RfR 1	54,993
<b>Total Net Administration costs</b>	<b>54,993</b>
<b>Net Programme Costs</b>	
RfR 1	627,997
Non-voted	-
<b>Total Net Programme costs</b>	<b>627,997</b>
<b>Total Net Operating Cost</b>	<b>682,990</b>
<i>of which:</i>	
Net Resource Requirement	682,990
Non-voted expenditure	-
Consolidated Fund Extra Receipts	-
Reduction in planned spend unable to be included in Estimate	-
<b>Resource Budget</b>	<b>688,191</b>

## Notes to the Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2009-10 Provision
<b>Net Resource Requirement (Estimates)</b>	<b>682,990</b>
<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	-
Reductions in planned spend unable to be included in Estimate	-
Other adjustments	-
<b>Net Operating Cost (Accounts)</b>	<b>682,990</b>
<i>Adjustments to remove:</i>	
Gains / losses from sale of capital assets	-
Capital grants	-
European Union income related to capital grants	-
Voted expenditure outside the budget	-5,697
<i>Adjustments to additionally include:</i>	
Other Consolidated Fund Extra Receipts	-
Resource consumption of non departmental public bodies	-
Unallocated resource provision	5,853
Other adjustments	5,045
<b>Resource Budget (Budget)</b>	<b>688,191</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	688,191
Annually Managed Expenditure (AME)	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2009-10 Provision
<b>Net Voted Capital (Estimates)</b>	<b>5,200</b>
<i>Adjustments to remove:</i>	
Provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
Other Consolidated Fund Extra Receipts	-
Capital spending by non-departmental public bodies	-
Capital grants	-
European Union income related to capital grants	-
Supported capital expenditure (revenue)	-
Capital spending by levy funded bodies	-
Unallocated capital provision	-
Reduction in planned spend unable to be included in Estimate	-
Other adjustments	-
<b>Capital Budget (Budget)</b>	<b>5,200</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	5,200
Annually Managed Expenditure (AME)	-

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## Notes to the Estimate (*continued*)

### Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following Accounting Officer appointments have been made for the Request for Resources within this Estimate:

**Request for Resources 1:** Keir Starmer QC, Permanent Head of Department

Keir Starmer QC, has personal responsibility for the proper presentation of the resource accounts and their transmission to the Comptroller and Auditor General. Keir Starmer QC is also responsible for the use of public money and stewardship of assets.

With the agreement of the HM Treasury, the Permanent Head of Department appoints the Chief Executive as Additional Accounting Officer. Peter Lewis, Chief Executive, holds the appointment of Additional Accounting Officer for Resources within this Estimate.

In discharging these responsibilities particular regard is given to:

- Observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the *Financial Reporting Manual* (FReM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are set out in chapter 3 of *Managing Public Money* issued by the Treasury.

## Notes to the Estimate (*continued*)

### Analysis of operating appropriations in aid (A in A)

£'000

2009-10

#### **RfR 1: To bring offenders to justice, recover proceeds of crime, improve services to victims and witnesses and promote confidence by firm and fair decision making and presentation of cases in court.**

<b>Administration</b>	<b>1,700</b>
<i>of which:</i>	
Sale of goods and services	1,700
<b>Programme</b>	<b>61,400</b>
<i>of which:</i>	
Sale of goods and services	61,400
<b>Total RfR 1</b>	<b>63,100†</b>

† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: income in respect of letting, disposal, vacation or occupation of property or accommodation; shared services; recoveries in respect of the Recovered Assets Incentivisation Fund; receipts in respect of Victim Surcharge collections; receipts from the European Commission; costs awarded to CPS in court; income from Local Criminal Justice Boards; refund of costs for seconded staff; funding from the Access to Work Scheme and the New Deal programmes; receipts for Prosecution College Licences; and recoveries of costs from other government departments for joint working arrangements.

<b>Total Operating A in A</b>	<b>63,100</b>
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## Notes to the Estimate (*continued*)

### Departmental Expenditure Limits and Administration budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	39,298	5,045	677,293	10,898	688,191
<i>of which: †</i>					
Administration budget	-	-	54,993	-	54,993
Near-cash in RDEL	39,298	5,045	668,878	12,571	681,449
Capital DEL ††	-	-	5,200	-	5,200
Less Depreciation †††	-	-	-5,056	-	-5,056
Total DEL	39,298	5,045	677,437	10,898	688,335

† The total of the 'Administration Budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

†† Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

††† 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.

### Cash which may be retained to offset expenditure

	£'000
	Revised
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.	63,100

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## Notes to the Estimate (*continued*)

### Changes in Accounting Policies

The Crown Prosecution Service is adopting International Financial Reporting Standards for the first time in 2009-10. IFRIC 12, the IFRS standard that addresses PFI service concessions, results in elements of the CPS IT and Telephony PFI contracts coming on to the balance sheet in resource accounting and estimates terms. The contract costs are now reflected in terms of service charges, interest charges, depreciation charges on the newly categorised assets and repayment of leases. The newly categorised assets also attract additional non-cash revaluation and cost of capital charges due to the new accounting treatment. Budgets however, are based on the ESA95 rules and the contracts remain off balance sheet and unchanged in budgeting terms.

Under IAS 19 accrued employee benefits must be shown on the balance sheet. Net changes in the position of accrued employee benefits will now be recognised in resource accounts, estimates and budgets.

