

## **Crown Prosecution Service Main Estimate 2015-16 Memorandum**

### **Introduction**

The Crown Prosecution Service Main Estimate for 2015-16 seeks the resources and cash necessary to support the Crown Prosecution Service (CPS) in prosecuting criminal cases, recovering proceeds of crime, supporting voluntary organisations, building capacity in the criminal justice system and other associated activities. All functions continue from previous years and no new functions have been added this year.

### **Budgetary Limits**

#### **Resource DEL £482.3m**

The majority of the Crown Prosecution Service's expenditure, including that on the front line and support staff, the cost of employing barristers as advocates, the allowances and expenses of prosecution witnesses who attend court, the costs of employing expert witnesses, costs associated with the recovery of the proceeds of crime, other associated costs of prosecuting criminal cases, accommodation, general administration costs and depreciation of non current assets falls within Resource DEL. The CPS's Resource DEL at the beginning of the financial year 2015-16 is £480.7m, a reduction of 5.7% on the final budgetary provision of 2014-15. In addition to this, the CPS received a budget cover transfer of £1.56m in 2015-16 from Department for International Development; this is part of the Conflict Security and Stability Funding. The overall RDEL budget including the budget transfer to CPS is £482.3m; this represents a reduction of 5.3% on the final budgetary provision of 2014-15.

#### **Administration Budget £31.6m**

Within RDEL, expenditure on most headquarters and corporate functions, including headquarters staff costs and related expenses, falls within the Administration Budget. SR13 specified an administration budget of £31.6m for 2015-16, which is 6.6% of total Resource DEL. This represents a reduction of 2.8% on the final Administration Budget position of 2014-15.

#### **Depreciation Ring-fence £3.8m**

Following the implementation of the Clear Line of Sight project depreciation charges relating to non-current assets held by the Crown Prosecution Service are subject to a ring-fence within the RDEL budget. In the SR13 settlement this was set at £3.8m for 2015-16.

#### **Capital DEL £2.5m**

A capital investment budget of £2.5m for the purchase of non current assets was provided for in the SR13 settlement with the flexibility to switch additional provision

from resource to capital if required. This is a decrease of 24.2% on the final budgetary position of 2014-15.

### **Resource AME**

**£5.3m**

Following the implementation of the Clear Line of Sight project a number of non cash costs, including provisions, write off of bad debts and adjustments to staff benefit accruals, have been moved from the RDEL boundary into Resource AME. This includes creation and revaluation of provisions for future liabilities, the write off of bad debts and adjustments to staff benefits accruals. At the time of the SR13 settlement the CPS forecast of these costs was £5.3m.

| <i>£m</i> | Resource DEL |         | <i>of which admin</i> |                | Capital DEL |         | Resource AME |         |
|-----------|--------------|---------|-----------------------|----------------|-------------|---------|--------------|---------|
|           | Budget       | Outturn | <i>Budget</i>         | <i>Outturn</i> | Budget      | Outturn | Forecast     | Outturn |
| 2008-09   | 682.7        | 665.5   | 56.4                  | 51.7           | 7.3         | 5.5     |              |         |
| 2009-10   | 687.1        | 657.0   | 55.0                  | 54.3           | 6.7         | 6.1     |              |         |
| 2010-11   | 641.4        | 616.9   | 48.0                  | 39.3           | 5.1         | 3.1     | 4.0          | -11.7   |
| 2011-12   | 613.4        | 584.8   | 42.6                  | 27.9           | 2.6         | 0.7     | 7.6          | 5.6     |
| 2012-13   | 593.4        | 556.9   | 47.8                  | 32.3           | 2.7         | -0.6    | 8.5          | 4.1     |
| 2013-14   | 562.4        | 515.6   | 37.5                  | 30.4           | 2.3         | 0.03    | 6.1          | 7.6     |
| 2014-15   | 509.5        | 506.7*  | 32.5                  | 30.1*          | 3.3         | 0.05*   | 5.3          | 1.8*    |
| 2015-16   | 482.3        |         | 31.6                  |                | 2.5         |         | 5.3          |         |

*\*Provisional outturn*

### **Net Cash Requirement**

**£480.9m**

In addition to the resource based budgetary limits, the net cash requirement, which removes non cash costs and movements in working capital, of the department is also subject to parliamentary control. In 2015-16 this limit is £480.9m, a reduction of 5.5% on the closing provision of 2014-15.

### **Approval of Memorandum**

This memorandum has been prepared with reference to guidance in the *Estimates Manual* provided by HM Treasury and that found on the House of Commons, Scrutiny Unit website. The information in this memorandum has been approved on behalf of the Accounting Officer by Christopher Sharp, Finance Director.

## **Glossary of Key Terms**

**Administration Budget** – a Treasury control on the resources consumed directly by departments and agencies in providing those services which are not directly associated with frontline service delivery. Including such things as: civil service pay; resources expenditure on accommodation, utilities and services. The Administration Budget is part of Resource DEL

**Annually Managed Expenditure (AME)** – A Treasury budgetary control and parliamentary limit for expenditure that is generally less predictable and controllable than expenditure in DEL.

**Capital Expenditure** – Spending on the purchase of non current assets, above a certain capitalisation threshold, which are expected to be used for a period of at least one year. It includes the purchase of buildings, equipment and land. The capitalisation threshold for the Crown Prosecution Service is £2000; items below this value are not counted as capital assets even if they have a productive life of more than one year.

**Clear Line Of Sight (CLOS)** – A Treasury project to simplify public spending and reporting by aligning the estimates, budgetary and accounting frameworks more closely and reducing duplication in financial reporting documents.

**Departmental Expenditure Limit (DEL)** – a Treasury budgetary control and parliamentary limit for spending that is within the department's direct control and which can therefore be planned over an extended (spending review) period (such as the costs of its own administration, payments to third parties, etc).

**Net cash requirement** – the limit voted by Parliament reflecting the maximum amount of cash that can be released from the Consolidated Fund to a department in support of its resource Estimate to carry out the functions specified in the Estimate's ambit.