

Foreign and Commonwealth Office

Introduction

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

Changes in resources

Amount £

RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community

Increases:

Take up of End Year Flexibility

1.	£23,092,000	
	Section D1	23,092,000
	Take up of Non-Cash EYF - 2004-05 Non Cash underspend and Impairments DUP	
2.	£5,000,000	5,000,000
	Section A1	
	Take up of 2004-05 DUP	

Transfers between RfRs

1	From RfR2	8,500,000
	£8,500,000	
	Section A2	
	Contribution to Afghan Delivery Plan	

Transfers from Non-Voted Spending

1	Departmental Unallocated Provision	
	£12,000,000	12,000,000
	Section A2	
2	Departmental Unallocated Provision	
	£4,000,000	4,000,000
	Section A2	
3	£20,000,000	20,000,000
	Section D1	
	Departmental Unallocated Provision for impairments	

Transfers from other government departments

1.	PES transfer from Cabinet Office	
	£61,000	61,000
	Section A1	
	Parliamentary Counsel Office	
2	PES transfer from Home Office	
	£4,000,000	4,000,000
	Section A2	
	Afghan Delivery Plan	

Introduction (*continued*)Other Increases

1.	DEL Reserve Claim £12,600,000 Section A2 Consular Premium Collected in the UK	12,600,000
2.	DEL Reserve Claim £10,000,000 Section A3 FCO/HMT 50/50 International Organisations cost sharing agreement	10,000,000
3.	Emergency and Disaster Reserve Claim £8,000,000 Section A2 Claim to meet 2004-05 Tsunami costs	8,000,000
4.	Del Reserve Claim £10,500,000 Section A2 Claim to meet 2005-06 Tsunami costs	10,500,000
5.	Transfer from DEL Reserve £1,386,000; £1,407,000 Sections A1 and C2 Overseas Pricing Mechanism (OPM)	1,386,000 1,407,000
6.	Increase in Non Budget Spending £2,000,000 Section G2 Increase in forecast	2,000,000

Decreases:Transfers to other government departments

1.	PES transfer to SIA £875,000 Section A2 Planned Programme Activity	-875,000
2.	PES transfer to SIA £100,000 Section A1 Planned Programme Activity	-100,000
3.	PES transfer to MOD £2,100,000 Section A2 Overseas Programme Funding	-2,100,000

Other Decreases

1.	Transfer to the DEL Reserve £4,349,000 Section A2 Overseas Pricing Mechanism	-4,349,000
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Introduction (*continued*)

Transfers between RfRs

1.	Transfer RfR1 to RfR2 Section A2 £1,500,000 Transfer of Iraq funding	-1,500,000
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Neutral Changes:

Increased spending offset by income

1.	£14,400,000 Sections A2 and A5 Consular A in A
2.	£10,000,000 Sections A1 and A5 Increase in external Income
3.	£39,100,000 Sections A2 and A5 Visa Income

Transfers within RfR

1	£20,000,000 Sections A1 and D1 Non cash to near cash switch
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Total change in resources for RfR1 113,622,000

RfR 2: Conflict prevention

Increases:

Take up of End-Year Flexibility

1.	Programme costs £6,812,000 Section B3 Take up of 2004-05 Global Conflict Prevention Pool underspend for planned programme activity	6,812,000
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Transfers from Central Funds

1.	Drawdown balance of Africa Peacekeeping Main Estimate Provision £78,533,000 Section C3 For planned programme activity and PES transfers	78,533,000
2.	Drawdown balance of Global Peacekeeping Main Estimate Provision £92,124,000 Section D3 For planned programme activity and PES transfers	92,124,000

Introduction (continued)Transfers from non-voted spending

1.	Departmental Unallocated Provision (DUP)	
	£10,000,000	10,000,000
	Section B3	
	For planned programme activity and PES transfers	

Transfers between RfRs

1	Transfer RfR1 to RfR2	
	Section B3	
	£1,500,000	1,500,000
	Transfer of Iraq funding	

Decreases:Transfers to other government departments

1.	PES transfer to SIA	
	£334,000	-334,000
	Section B3	
	Planned Programme Activity	
2.	PES transfer to DFID	
	£2,000,000	-2,000,000
	Section B3	
	For agreed GCPP Activity	
3.	PES transfer to MOD	
	£3,200,000	-3,200,000
	Section B3	
	For agreed GCPP Activity	
4.	PES transfer to MOD	
	£64,000,000	-64,000,000
	Section D3	
	For agreed GCPP activity	
5.	PES transfer to DfID	
	£150,000	-150,000
	Section A3	
	Africa Conflict Prevention Activity	

Transfers between RfRs

1	To RfR1	-8,500,000
	£2,500,000	
	Section C3	
	£6,000,000	
	Section D3	
	Contribution to Afghan Delivery Plan	

Total change in resources for RfR2 110,785,000

Total change in resources for Estimate 224,407,000

Introduction (*continued*)

Changes in capital

1.	Increase in Budgetary Cover £3,359,000 Section A7 Home Office contribution to Biometrics Programme	3,359,000
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2.	Claim on DEL Reserve £360,000 Section A7 Overseas Pricing Mechanism	360,000
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<u>End Year Flexibility</u>		
1.	£10,000,000 Section A7 Take up of 2004-05 underspend	10,000,000

<u>Neutral Changes</u>		
1.	Increased spending offset by income £3,000,000 Section A8 Asset Recycling agreement	

Total change in capital for Estimate	13,719,000
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2. As a result of the above and associated non-cash adjustments, there is an increase in the net cash requirement of £226,434,000.
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community	113,622,000
RfR 2: Conflict prevention	110,785,000
Total additional net resource requirement	224,407,000
Additional net cash requirement	226,434,000

SUPPLEMENTARY amounts required in the year ending 31 March 2006 for expenditure by the Foreign and Commonwealth Office on:

RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community

Expenditure by the Foreign and Commonwealth Office including UK Trade and Investment, on its administration, Wilton Park Executive Agency, hospitality and facilities; international organisations, grants in aid and loans to bodies supporting FCO objectives; scholarships, information services and sponsored visits; special payments and assistance programmes to support foreign policy objectives including human rights, good governance, international security and the fight against the illicit drug trade, the BBC Monitoring Service; on grant in aid to the BBC World Service for broadcasting and to the British Council; the refund of certain taxes and duties paid by certain Foreign and Commonwealth governments and international organisations; and on associated non-cash items.

RfR 2: Conflict prevention

Expenditure by the Foreign and Commonwealth Office on conflict prevention, early warning, crisis management, conflict resolution/peacemaking, peacekeeping and peacebuilding activity and on associated strengthening of international and regional systems and capacity.

The Foreign and Commonwealth Office will account for this Estimate.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community					
Spending in Departmental Expenditure Limits (DEL)					
RfR 1 - A Administration, international organisations programmes and BBC Monitoring subscriptions	935,615	150,623	63,500	87,123	1,022,738
RfR 1 - B BBC World Service Broadcasting	208,143	-	-	-	208,143
RfR 1 - C British Council	180,003	1,407	-	1,407	181,410
RfR 1 - D Accruals consequences of DEL programmes: administration	166,320	23,092	-	23,092	189,412
Non-budget					
RfR 1 - G Reimbursement of certain duties, taxes and licence fees	18,000	2,000	-	2,000	20,000
Total RfR 1		177,122	63,500	113,622	
RfR 2: Conflict prevention					
Spending in Departmental Expenditure Limits (DEL)					
RfR 2 - A Sub-Saharan Africa - Programme expenditure	2,356	-150	-	-150	2,206
RfR 2 - B Global - programme expenditure	33,580	12,778	-	12,778	46,358
RfR 2 - C Sub-Saharan Africa - Peacekeeping	112,000	76,033	-	76,033	188,033
RfR 2 - D Global - Peacekeeping	100,000	22,124	-	22,124	122,124
Total RfR 2		110,785	-	110,785	
Total Changes to RfRs		287,907	63,500	224,407	

£000

	Present Provision	Change in Provision	New Provision
Capital and Cash			
Total Capital Expenditure	136,993	16,719	153,712
Non-Operating A in A	15,015	3,000	18,015
Net cash requirement	1,740,076	226,434	1,966,510

Part II: Subhead detail

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community								
933,908	818,456	228,970	1,981,334	320,831	1,660,503	153,712	18,015	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Administration, international organisations programmes and BBC Monitoring subscriptions								
764,496	388,903	190,170	1,343,569	320,831	1,022,738	153,712	18,015	
B BBC World Service Broadcasting								
-	208,143	-	208,143	-	208,143	-	-	
C British Council								
-	181,410	-	181,410	-	181,410	-	-	
D Accruals consequences of DEL programmes: administration								
169,412	20,000	-	189,412	-	189,412	-	-	
E BBC World Service - Capital grant								
-	-	31,000	31,000	-	31,000	-	-	
F British Council - Capital grant								
-	-	7,800	7,800	-	7,800	-	-	
Non-budget								
G Reimbursement of certain duties, taxes and licence fees								
-	20,000	-	20,000	-	20,000	-	-	
RfR 2: Conflict prevention								
-	-	358,721	358,721	-	358,721	-	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Sub-Saharan Africa - Programme expenditure								
-	-	2,206	2,206	-	2,206	-	-	
B Global - programme expenditure								
-	-	46,358	46,358	-	46,358	-	-	
C Sub-Saharan Africa - Peacekeeping								
-	-	188,033	188,033	-	188,033	-	-	
D Global - Peacekeeping								
-	-	122,124	122,124	-	122,124	-	-	
Total for Estimate:								
933,908	818,456	587,691	2,340,055	320,831	2,019,224	153,712	18,015	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>Revised</u>
			£'000
Net total Resources	1,794,817	224,407	2,019,224
Voted capital items			
Capital expenditure	136,993	16,719	153,712
<i>Less: non-operating A in A</i>	<u>15,015</u>	<u>3,000</u>	<u>18,015</u>
Total net voted capital	121,978	13,719	135,697
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-62,835	2,000	-60,835
Depreciation	-113,624	-25,092	-138,716
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-260	-	-260
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>-</u>	<u>11,400</u>	<u>11,400</u>
Total accruals to cash adjustments	-176,719	-11,692	-188,411
Excess cash to be CFERd	-	-	-
Net cash requirement	1,740,076	226,434	1,966,510

Part III: Extra receipts payable to the Consolidated Fund

In addition to Appropriations in aid, the following income and receipts relate to the department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	<u>Present provision</u>		<u>New provision</u>	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	2,401	<i>2,402</i>	3,601	<i>3,601</i>
Non-operating income not classified as A in A	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-
Excess receipts to be surrendered to the Consolidated Fund	-	-	-	-
Total	2,401	<i>2,402</i>	3,601	<i>3,601</i>

Forecast Operating Cost Statement

		£'000
		2005-06 provision
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Net Administration Costs		
RfR 1	857,677	
RfR 2	-	
	<hr/>	
Total Net Administration Costs		857,677
Net Programme Costs		
RfR 1	799,225	
RfR 2	358,721	
Common Foreign and Security Policy	6,713	
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Total Net Programme costs		1,164,659
Total Net Operating Cost		2,022,336
<i>of which:</i>		
Net Resource Outturn		2,019,224
CFERs		-3,601
Non-voted expenditure		6,713
Resource Budget Outturn		2,005,937
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Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2005-06 Provision
Net Resource Outturn (Estimates)	2,019,224
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	6,713
Consolidated Fund extra receipts (CFERS) in the OCS	-3,601
Other adjustments	-
Net Operating Costs (Accounts)	2,022,336
<i>Adjustments to remove:</i>	
capital grants to local authorities	-
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	-
voted expenditure outside the budget	-20,000
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	3,601
resource consumption of non departmental public bodies	-
unallocated resource provision	-
Other adjustments	-
Resource Budget Outturn (Budget)	2,005,937
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	2,005,937
Annually Managed Expenditure (AME)	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
Net Voted Capital Outturn (Estimates)	135,697
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	-
capital grants to local authorities	-
capital grants financed by the Capital Modernisation Fund	-
local authority credit approvals	-
capital spending by levy funded bodies	-
unallocated capital provision	1,000
Other adjustments	-
Capital Budget Outturn (Budget)	136,697
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	136,697
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

In accordance with the Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointments for the Requests for Resources within this Estimate.

Request for Resources 1 Sir Michael Jay, Principal Accounting Officer and permanent head of department

Request for Resources 2 Sir Michael Jay, Principal Accounting Officer and permanent head of department

Sir Michael Jay as the Principal Accounting Officer (PAO) of the Foreign and Commonwealth Office has personal responsibility for the proper presentation of the Foreign and Commonwealth Office's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The PAO, as the permanent head, in addition to the responsibilities for the assigned RfRs, remains in general overall charge of the Foreign and Commonwealth Office.

The responsibilities of an Accounting Officer are set out in Annex 4.1 of Government Accounting. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the Foreign and Commonwealth Office's policies, aims and objectives; and should regularly review the effectiveness of that system.

Notes to the Estimate

Analysis of appropriations in aid (A in A)

	£'000	
	2005-06 Provision	
	Operating A in A	Non operating A in A
RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community		
Refunds of salaries of seconded FCO staff	1,256	-
Sale of information material	49	-
Sales into Wider Markets	15,590	-
Income from sub-letting and receipts from sales of surplus material and equipment	110	-
Receipts at home and overseas from legalisation fees, telephone and postage recoveries, medical schemes recoveries, bank interest and other sundry receipts	5,335	-
Receipts from Government Departments	96,465	-
Overseas receipts relating to local budgets	2,572	-
Receipts from visa and other services provided at consular offices	197,376	-
Lancaster House receipts from other customers	87	-
Wilton Park Executive Agency	1,679	-
Distressed British nationals, repayment of advances	65	-
DFID payments to Commonwealth Foundation	247	-
Income from sale of fixed assets	-	18,015
Total RfR 1	320,831 *	18,015 **

* Amount that may be applied as operating appropriations in aid in addition to the net total, arising from: salary refunds of seconded diplomatic staff and locally engaged staff; the sale of information material, income from sub-letting and receipts from sales of surplus material and equipment; receipts at home and overseas for legalisation fees, telephone and postage recoveries, medical scheme recoveries, bank interest and other sundry receipts, repayment by locally engaged staff of loans for car purchase and medical and other assistance, receipts from Government Departments, receipts for visa, passport and other services provided at consular offices; Wilton Park executive agency receipts for related running costs from other customers and receipts from sales and rents, Hospitality Section, Conference and visits Group and Lancaster House receipts for related running costs from other customers, repayment of sums advanced to distressed British Nationals; repayments of defence assistance loans to Singapore and Malaysia, receipts from Sales into Wider Markets.

** Amount that may be applied as non-operating appropriation in aid including receipts from the sale of land and buildings, receipts from the sale of official vehicles and receipts realised by the British Council.

Total A in A	320,831	18,015
<i>of which: Administration budgets</i>	<i>108,231</i>	-

Notes to the Estimate

Analysis of Consolidated Fund Extra Receipts (CFERs)

	£'000	
	2005-06 provision	
	Income	Receipts
Consular fees	3,601	3,601
Total	3,601	3,601

Departmental Expenditure Limits and Administration Budgets

As announced to the House of Commons, the Foreign and Commonwealth Office Departmental Expenditure Limit will change as follows:

	New DEL			£'000
	Change	Voted	Non-voted	Total
Resource	176,407	1,999,224	6,713	2,005,937
<i>of which : Administration Budget</i>	<i>29,439</i>	<i>825,677</i>	<i>-</i>	<i>825,677</i>
Capital	13,719	135,697	1,000	136,697
Depreciation*	-5,092	-138,716	-	-138,716
Total	185,034	1,996,205	7,713	2,003,918

*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
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	338,846