

# Foreign and Commonwealth Office

## 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: Promoting intentionally the interests of the UK and contributing to a strong world community</b>			
<u>Section</u>	<u>Reason for change</u>		
<b>Changes related to movements in budgets</b>			
<u>Take up of DEL End-Year Flexibility</u>			
A2	Take-up of programme End Year Flexibility for capital transfer to MoD.	7,350,000	
<u>DEL Reserve claims</u>			
A2	Consular premiums collected in the UK	16,500,000	
A2	Emergency Disaster Relief Fund	151,000	
A3	FCO/HMT 50/50 International Organisations cost sharing agreement	18,453,000	
C2	Increased grant to the British Council from the Overseas Pricing Mechanism	1,359,000	
<u>Transfers of budgetary cover to other government departments</u>			
A2	Transfer of programme expenditure to the Security and Intelligence Agencies for expansion and capability		-5,000,000
A2	Transfer of programme expenditure to Home Office for the Border and Immigration Agency		-5,363,000
A2	Transfer of programme expenditure to Home Office for the Border and Immigration Agency to fund assisted voluntary returns		-1,750,000
A2	Transfer of programme expenditure to the Security and Intelligence Agencies for expansion and capability		-100,000
A1 and A2	Payment to the Reserve of £9,424,000 Administration costs and £5,568,000 programme grants for the Overseas Pricing Mechanism		-14,992,000
<b><u>Other changes</u></b>			
<u>Take up of Departmental Unallocated Provision</u>			
A3	Take up of Departmental Unallocated Provision	5,000,000	
<u>Resource transfers to/from another Request for Resources</u>			
A3	Transfer from RfR2 to fund Afghan Delivery Plan	8,500,000	
<u>Resource transfers within the Request for Resources</u>			
A2	Transfer of programme EYF expenditure to capital for operations in Afghanistan		-7,350,000
D3	Transfers from section A2 for BBC World Service in respect of Farsi TV	7,000,000	
A2	Transfers to section D3 for BBC World Service in respect of Farsi TV		-7,000,000

	<u>Changes in operating appropriations in aid.(fully offset by changes in spending)</u>		
A2, A5	Increased expenditure of £20,000,000, fully offset by income, for consular and visa work		
	<u>Transfers from capital to capital grants</u>		
D3	Transfers from capital to capital grants for BBC World Service in respect of Farsi TV	2,000,000	
		<u>Total</u>	<u>66,313,000</u>
	<b>Total change in resources for RfR1</b>		<b>-41,555,000</b>
			<b>24,758,000</b>

**RfR 2: Conflict prevention**

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
	<b>Changes related to movements in budgets</b>		
	<u>Take up of DEL End-Year Flexibility</u>		
B3	Take-up of Global Conflict Prevention Pool End Year Flexibility	6,850,000	
	<u>DEL Reserve claims</u>		
C3	Drawdown of remaining peacekeeping funds for Africa	95,845,000	
D3	Drawdown of remaining peacekeeping funds for rest of the World	61,603,000	
	<u>Transfers of budgetary cover to/from other government departments</u>		
B3	Transfer of programme expenditure from DfID for Sri Lanka	1,500,000	
A3	Transfer of programme expenditure from DfID for conflict prevention in Africa	3,413,000	
	<u>Transfers of budgetary cover to/from other government departments</u>		
B3	Transfer of programme expenditure to the Security and Intelligence Agencies for expansion and capability		-2,200,000
B3	Transfer of programme expenditure to DfID for planned Global Conflict Prevention Activity		-9,660,000
B3	Transfer of programme expenditure to MoD for planned Global Conflict Prevention Activity		-1,500,000
A3	Transfer of programme expenditure to the Security and Intelligence Agencies for expansion and capability		-50,000
D3	Transfer of programme expenditure to MoD for operations in the Balkans		-31,000,000
	<u>Resource transfers to/from another Request for Resources</u>		
D3	Transfer to RfR1 to fund Afghan Delivery Plan		-8,500,000
	<u>Changes in operating appropriations in aid (fully offset by changes in spending)</u>		
B3, B5	Increased expenditure of £2,500,000, fully offset by income from MoD, for Better Basra		
B3, B5	Increased expenditure of £2,500,000, fully offset by income from DfID, for Better Basra		
		<u>Total</u>	<u>169,211,000</u>
	<b>Total change in resources for RfR2</b>		<b>-52,910,000</b>
			<b>116,301,000</b>
	<b>Total change in resources for Estimate</b>		<b>141,059,000</b>

**Changes in Capital**

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
<b><u>Changes related to movements in budgets</u></b>			
<b><u>Take up of End Year Flexibility</u></b>			
A7	Take up of capital EYF in respect of the FCO Estate	31,300,000	
<b><u>DEL Reserve claims</u></b>			
A7	FCO/HMT 50/50 International Organisations cost sharing agreement	7,400,000	
<b><u>Transfers of budgetary cover to/from other government departments</u></b>			
A7	Transfer of capital expenditure from the Border and Immigration Agency for biometric passport equipment	22,396,000	
A7	Transfer of capital expenditure to MoD for operations in Afghanistan		-7,350,000
A7	Payment to the Reserve of £282,000 for the Overseas Pricing Mechanism		-282,000
<b><u>Other changes</u></b>			
<b><u>Transfers from capital grants to capital</u></b>			
A7	Transfers to capital grants for BBC World Service in respect of Farsi TV		-2,000,000
<b><u>Resource transfers within the Request for Resources</u></b>			
A7	Transfer of programme EYF expenditure to capital for operations in Afghanistan	7,350,000	
<b><u>Changes in operating appropriations in aid (fully offset by changes in spending)</u></b>			
A7, A8	Increased expenditure of £5,300,000, fully offset by income		
		<u>Total</u>	<u>-9,632,000</u>
<b>Total change in capital for Estimate</b>			<b>58,814,000</b>

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £214,873,000.

3. Symbols are explained in the Introduction to this booklet.

# Foreign and Commonwealth Office

## Part I

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<b>RfR 1: Promoting intenationally the interests of the UK and contributing to a strong world community</b>	<b>24,758,000</b>
<b>RfR 2: Conflict prevention</b>	<b>116,301,000</b>
Total additional net resource requirement	141,059,000
<b>Additional net cash requirement</b>	<b>214,873,000</b>

SUPPLEMENTARY amounts required in the year ending 31 March 2008 for expenditure by the Foreign and Commonwealth Office on:

### **RfR 1: Promoting intenationally the interests of the UK and contributing to a strong world community**

Expenditure by the Foreign and Commonwealth Office (FCO), including UK Trade and Investment, on its administration, Wilton Park Executive Agency, hospitality and facilities; international organisations; grants in aid 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; 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

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	£'000	
					New Net Provision	
<b>RfR 1: Promoting intentionally the interests of the UK and contributing to a strong world community</b>						
<b>Spending in Departmental Expenditure Limits (DEL)</b>						
RfR 1 - A	Administration, programmes and international organisations subscriptions	1,171,684	34,399	20,000	14,399	1,186,083
RfR 1 - B	BBC World Service broadcasting	215,043	7,000	-	7,000	222,043
RfR 1 - C	British Council	185,003	1,359	-	1,359	186,362
RfR 1 - D	BBC World Service - Capital Grant	31,000	2,000	-	2,000	33,000
<b>Total RfR 1</b>			<b>44,758</b>	<b>20,000</b>	<b>24,758</b>	
<b>RfR 2: Conflict prevention</b>						
<b>Spending in Departmental Expenditure Limits (DEL)</b>						
RfR 2 - A	Sub-Saharan Africa - Programme expenditure	4,510	3,363	-	3,363	7,873
RfR 2 - B	Global - Programme expenditure	50,241	-10	5,000	-5,010	45,231
RfR 2 - C	Sub-Saharan Africa - Peacekeeping	100,141	95,845	-	95,845	195,986
RfR 2 - D	Global - Peacekeeping	101,269	22,103	-	22,103	123,372
<b>Total RfR 2</b>			<b>121,301</b>	<b>5,000</b>	<b>116,301</b>	
<b>Total Changes to RfRs</b>			<b>166,059</b>	<b>25,000</b>	<b>141,059</b>	

Capital and Cash	Present Provision	Change in Provision	£000
			New Provision
Total Capital Expenditure	137,526	64,114	201,640
Non-Operating A in A	10,000	5,300	15,300
<b>Net cash requirement</b>	<b>1,855,498</b>	<b>214,873</b>	<b>2,070,371</b>

## Part II: Revised subhead detail including additional provision

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	
<b>RfR 1: Promoting intentionally the interests of the UK and contributing to a strong world community</b>								
962,597	931,034	274,009	2,167,640	464,352	1,703,288	201,640	15,300	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Administration, programmes and international organisations subscriptions								
962,597	472,629	215,209	1,650,435	464,352	1,186,083	201,640	15,300	
B BBC World Service broadcasting								
-	222,043	-	222,043	-	222,043	-	-	
C British Council								
-	186,362	-	186,362	-	186,362	-	-	
D BBC World Service - Capital Grant								
-	-	33,000	33,000	-	33,000	-	-	
E British Council - Capital Grant								
-	-	7,800	7,800	-	7,800	-	-	
<b>Spending in Annually Managed Expenditure (AME)</b>								
<i>Central Government spending</i>								
F Administration, programmes and international organisations subscriptions								
-	50,000	-	50,000	-	50,000	-	-	
<b>Non-Budget</b>								
G Reimbursement of certain duties, taxes and licence fees								
-	-	18,000	18,000	-	18,000	-	-	
<b>RfR 2: Conflict prevention</b>								
-	-	377,462	377,462	5,000	372,462	-	-	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Sub-Saharan Africa - Programme expenditure								
-	-	7,873	7,873	-	7,873	-	-	
B Global - Programme expenditure								
-	-	50,231	50,231	5,000	45,231	-	-	
C Sub-Saharan Africa - Peacekeeping								
-	-	195,986	195,986	-	195,986	-	-	
D Global - Peacekeeping								
-	-	123,372	123,372	-	123,372	-	-	
<b>Total for Estimate:</b>								
962,597	931,034	651,471	2,545,102	469,352	2,075,750	201,640	15,300	

## Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	£'000 <u>Revised</u>
<b>Net Resource Requirement</b>	<b>1,934,691</b>	<b>141,059</b>	<b>2,075,750</b>
<b>Voted capital items</b>			
Capital	137,526	64,114	201,640
<i>Less:</i> Non-operating A in A	<u>10,000</u>	<u>5,300</u>	<u>15,300</u>
<b>Total net voted capital</b>	<b>127,526</b>	<b>58,814</b>	<b>186,340</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-39,835	-25,165	-65,000
Depreciation	-166,624	40,165	-126,459
New provisions and adjustments to previous provisions	-	-15,000	-15,000
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>15,000</u>	<u>15,000</u>
<b>Total accruals to cash adjustments</b>	<b>-206,719</b>	<b>15,000</b>	<b>-191,719</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>1,855,498</b>	<b>214,873</b>	<b>2,070,371</b>

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

As in existing provision

## Forecast Operating Cost Statement

	£'000
	2007-08 provision
<b>Net Administration Costs</b>	
RfR1	860,636
RfR2	-
<b>Total Net Administration Costs</b>	<b>860,636</b>
<b>Net Programme Costs</b>	
RfR1	840,252
RfR2	372,462
Non-voted expenditure	5,861
<b>Total Net Programme costs</b>	<b>1,218,575</b>
<b>Total Net Operating Cost</b>	<b>2,079,211</b>
<i>of which:</i>	
<b>Net Resource Requirement</b>	<b>2,075,750</b>
Non-voted expenditure	5,862
Consolidated Fund Extra Receipts	-2,401
<b>Resource Budget</b>	<b>2,006,385</b>

## Notes to the Estimate

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

	£'000
	2007-08 Provision
<b>Net Resource Requirement (Estimates)</b>	<b>2,075,750</b>
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	5,862
Consolidated Fund extra receipts in the OCS	-2,401
Other adjustments	-
<b>Net Operating Costs (Accounts)</b>	<b>2,079,211</b>
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
capital grants	-57,227
European Union income related to capital grants	-
voted expenditure outside the budget	-18,000
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	2,401
resource consumption of non departmental public bodies	-
unallocated resource provision	-
Other adjustments	-
<b>Resource Budget (Budget)</b>	<b>2,006,385</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	1,956,385
Annually Managed Expenditure (AME)	50,000

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2007-08 Provision
<b>Net Voted Capital (Estimates)</b>	<b>186,340</b>
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	-
capital grants	57,227
European Union income related to capital grants	-
supported capital expenditure (revenue)	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-
<b>Capital Budget (Budget)</b>	<b>243,567</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	243,567
Annually Managed Expenditure (AME)	-

## Notes to the Estimate (*continued*)

### 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**                      Peter Ricketts, Permanent Head of the Department

**Request for Resources 2**                      Peter Ricketts, Permanent Head of the Department

Peter Ricketts as the Accounting Officer (AO) of the Foreign and Commonwealth Office has personal responsibility for the proper presentation of the department's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The AO, as the permanent head, remains in general overall charge of the Foreign and Commonwealth Office.

The responsibilities of an Accounting Officer are set out in chapter 3 of Managing Public Money. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for 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 the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims, and objectives and should regularly review the effectiveness of that system.

## Notes to the Estimate (*continued*)

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

	£'000
	2007-08 Provision
<b>RfR 1: Promoting intentionally the interests of the UK and contributing to a strong world community</b>	
<b>Administration</b>	<b>101,961</b>
<i>of which:</i>	
Sale of goods and services	101,961
<b>Programme</b>	<b>362,391</b>
<i>of which:</i>	
Sale of goods and services	364,544
DFID payments to the Commonwealth Foundation	247
CFERs	-2,400
Other income (including receipts)	-
<b>Total RfR1</b>	<b>464,352 †</b>

† 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.

<b>RfR 2: Conflict prevention</b>	
<b>Programme</b>	<b>5,000</b>
<i>of which:</i>	
Sale of goods and services	5,000
<b>Total RfR2</b>	<b>5,000 †</b>

† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: payment from other government departments for Global conflict prevention activity arising from the Better Basra programme.

<b>Total Operating A in A</b>	<b>469,352</b>
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### Analysis of non - operating appropriations in aid (A in A)

<b>Administration</b>	-
<i>of which:</i>	
Sale of assets	-
<b>Programme</b>	<b>15,300</b>
<i>of which:</i>	
Sale of assets	15,300
<b>Total RfR1</b>	<b>15,300 †</b>

† Amount that may be applied as non-operating appropriations in aid in addition to the net total arising from: the sale of land and buildings, receipts from the sale of official vehicles and receipts realised by the British Council.

<b>Total Non - operating A in A</b>	<b>15,300</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	139,059	-5,000	1,950,523	5,862	1,956,385
<i>of which:</i>					
Administration budget †	-9,424	-	860,636	-	860,636
Near-cash in RDEL	154,059	-5,000	1,808,804	5,862	1,814,666
Capital DEL ††	60,814	-	243,567	-	243,567
Less Depreciation †††	-	-	-76,459	-	-76,459
Total	199,873	-5,000	2,117,631	5,862	2,123,493

† The total of '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  
479,652

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

## Notes to the Estimate (*continued*)

### Grants in Aid

RfR/Section	Body		£ '000
RfR1- B	BBC World Service Broadcasting	◆	222,043
RfR1 - C	British Council	◆	186,362
RfR1- A	Westminster Foundation for Democracy	◆	4,100

### International subscriptions

RfR/Section	Body		£ '000
RfR1	UN Regular Budget		69,617
RfR1	Commonwealth Secretariat		4,180
RfR1	OECD		12,877
RfR1	Western European Union		1,645
RfR1	North Atlantic Treaty Organisation (NATO)		17,399
RfR1	Council of Europe		19,408
RfR1	OSCE		3,297

