

Over the 2007 Comprehensive Spending Review (2007 CSR) period the Foreign and Commonwealth Office (FCO) will take forward an ambitious value for money reform programme, generating net cash-releasing savings of £144 million by 2010-11. This will allow the FCO to continue to deliver the Government's international priorities within a total budget rising from £1.6 billion in 2007-08 to £1.7 billion by 2010-11, including:

- a **continuing programme of modernisation**, including a rationalisation of the overseas diplomatic network, the transformation of corporate support services, and a move towards increased co-location with the Department for International Development overseas;
- a **£183 million capital investment programme over the CSR07 period**, including enhancing security across the UK's embassy network and a new embassy in Kabul;
- the launch in 2008 of a **BBC World Service Farsi television channel** and a **24/7 Arabic TV channel**, providing a tri-media service (radio, online and TV) in the Middle East, Iran and Afghanistan; and
- contributing towards the Government's **counter-radicalisation agenda** through initiatives to address weakness in governance, education, civil society, human rights and rule of law in priority countries.

Achievements so far **D9.1** The FCO promotes the UK's interests in achieving a safe, just and prosperous world. Within a transformed geopolitical environment the FCO has been at the forefront of the UK's efforts to counter the growing terrorist threat and meet other global challenges. Working with other departments and key stakeholders, the FCO has made important contributions towards tackling the drugs trade, returning failed asylum seekers, and countering child trafficking. The BBC World Service and the British Council, the two public corporations that come under the FCO umbrella, have built on their internationally renowned reputations to further public diplomacy and break down cultural barriers and misunderstanding.

Responding to challenges ahead **D9.2** The rapidly changing global environment requires a flexible FCO, ready to address evolving and unforeseen events as well as serving the UK's international agenda. Changing patterns of globalisation, the evolving terrorist threat, and the blurring of the boundaries between the national and international arenas, mean that the FCO will work with and through others to deliver the Government's international priorities, notably in increasing the Government's engagement with and understanding of Islamic communities around the world and in the UK. With UK nationals increasingly living, working and visiting overseas, the FCO will build on and develop its current world-class consular and visa services. **Delivery of these priorities will be driven by the following Departmental Strategic Objectives:**

- **making the world safer from global terrorism and weapons of mass destruction;**
- **reducing the harm to the UK from international crime, including drug trafficking, people smuggling and money laundering;**
- **preventing and resolving conflict through a strong international system;**
- **building an effective and globally competitive EU in a secure neighbourhood;**

- supporting the UK economy and business through an open and expanding global economy, science and innovation and secure energy supplies;
- achieving climate security by promoting a faster transition to a sustainable, low carbon global economy;
- promoting sustainable development and poverty reduction underpinned by human rights, democracy, good governance and protection of the environment;
- managing migration and combating illegal immigration;
- delivering high quality support for British nationals abroad, in normal times and in crises; and
- ensuring the security and good governance of the UK's overseas territories.

D9.3 The Department will lead delivery of the cross governmental Public Service Agreement (PSA) to reduce the impact of conflict through enhanced UK and international efforts.

RESOURCES AND REFORM

D9.4 Over the CSR07 period the FCO has identified value for money reforms that will make annual net cash-releasing savings of £144 million by 2010-11, thereby allowing it to continue to deliver the Government's international priorities within a budget of £1.6 billion in 2007-08 rising to £1.7 billion in 2010-11. The programme will include:

- sharing services with other public bodies at home and overseas, including increased co-location with DFID, realising net cash-releasing savings of at least £22 million per year by 2010-11;
- working more flexibly and effectively in Europe, realising net cash-releasing savings of at least £9 million per year by 2010-11; and
- rationalisation of the overseas estate, enabling the disposal of £140 million of assets.

GLOBAL PROSPERITY AND SECURITY

Service transformation **D9.5** The FCO will develop its support to UK nationals, providing information packages for travellers, rolling out best practice in the approach taken by consular staff across the network, and improving efficiency in relation to passport production.

Capital investment **D9.6** This settlement provides for greater investment in security for diplomatic staff and UK nationals who work in or visit UK government buildings abroad. A new embassy in Kabul will contribute towards UK efforts in Afghanistan and the region.

Public diplomacy **D9.7** The BBC World Service and the British Council plan to build on their work in recent years to engage further with transitional countries and future opinion-makers around the world. The 2007 CSR builds on the funds made available as a result of earlier reprioritisation and the significant increase in resources they have received over the last decade, enabling them to continue to provide trusted and independent news and information, cultural and educational services to a growing and influential audience.

D9.8 As part of that effort, the BBC World Service will in 2008 begin broadcasting a Farsi television service for Iran, supported with the investment of £15 million by 2010-11. The service will offer an alternative source of opinion to upwards of eight million weekly viewers. The BBC World Service is also this year launching a 12-hour Arabic television service that, again, will build on the organisation's world-leading brand and help provide unbiased news and information in the region. The BBC World Service Arabic television will move to a 24-hour service in 2008 with the assistance of additional funds rising to £6 million a year by 2010-11.

D9.9 The British Council has ambitious plans to refocus its work on the key challenges the UK faces. It will redirect existing funding for Europe to high priority areas such as the Middle East and South Asia. In addition, its Reconnect initiative will receive an additional £3 million of funding a year by 2010-11 continue to build understanding with Muslim societies, particularly amongst alienated younger populations.

Counter-radicalisation

D9.10 The FCO will contribute towards the Government's counter-radicalisation agenda through funding of £37 million a year by 2010-11 for projects addressing weaknesses in governance, education, civil society, human rights and rule of law in priority countries.

Table DI5: Foreign and Commonwealth Office baseline and additions

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	1,551	41	57	66
<i>of which near-cash</i>	1,394	41	57	66
<i>of which administration</i>	396	-10	-19	-28
Capital DEL	148	58	68	57
Total DEL¹	1,581	99	125	123
<i>Of which:</i>				
BBC World Service	193	3	8	4
British Council	246	19	26	25

¹ Full resource budgeting basis, net of depreciation.