

Foreign and Commonwealth Office

Introduction

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

Amount £

Changes in resources

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

Increases:

Take up of End Year Flexibility

1	£14,755,000 Section A1 Take up of EYF from 2005-06	14,755,000
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Transfer from Non-Voted Spending

1	£4,500,000 Section A3 Take up of 2006-07 programme Departmental Unallocated Provision	4,500,000
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Transfers from other government departments

1	Budget transfer from Cabinet Office £73,000 Section A1 Parliamentary Counsel Office	73,000
2	Budget transfer from Home Office £13,000 Section A1 Police Pension Costs for Consular	13,000
3	Budget transfer from Home Office £52,000 Section A2 Police Pension Costs for GOF Counter Terrorism & Economic Governance	52,000
4	Budget transfer from Home Office £52,000 Section A3 Police Pension Costs for GOF Drugs & Crime	52,000

Internal Departmental Corrections

1	Movement from Capital to Capital Grant £1,600,000 Section A3 Movement of funds to pay invoice by Cabinet Office for Government Secure Zone	1,600,000
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Decreases:Transfers to other government departments

1	Budget transfer to SIA £7,075,000 Section A2 Planned Programme Activity	-7,075,000
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Neutral Changes:Increased Spending offset by income

1	Increased expenditure offset by income from Home Office for Afghan Delivery Plan £6,000,000 Section A2 and A5 For Afghan Delivery Plan	
2	Increased expenditure offset by income from MOD for Afghan Delivery Plan £8,500,000 Section A2 and A5 For Afghan Delivery Plan	

Total change in resources for RfR1 13,970,000

RfR 2: Conflict prevention**Increases:**Transfers from other government departments

1	Budget transfer from Home Office £141,000 Section C3 Police Pension Costs for Peacekeeping Africa	141,000
2	Budget transfer from Home Office £1,270,000 Section D3 Police Pension Costs for Peacekeeping Global	1,270,000
3	Budget transfer from DFID £3,000,000 Section B3 For Agreed GCPP Activity	3,000,000

Transfers from Central Funds

1	Drawdown Africa Peacekeeping Provision £25,000,000 Section C3	25,000,000
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2	Drawdown Global Peacekeeping Provision £25,000,000 Section D3	25,000,000
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Total change in resources for RfR2 54,411,000

Total change in resources for Estimate 68,381,000

Changes in capital

Decreases

1	Movement from Capital to Capital Grant £1,600,000 Section A7 Movement of funds to pay invoice by Cabinet Office for Government Secure Zone	-1,600,000
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Neutral Changes

1	Increased expenditure offset by income from Home Office for biometrics £11,000,000 Section A7 and A8 For Biometrics	
2	Increased spending offset by income £39,000,000 Section A7 and A8 Asset Recycling agreement	
Total change in capital for Estimate		-1,600,000

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £66,781,000

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

Part I

£

RfR 1: Promoting internationally the interest of the UK and contributing to a strong world community	13,970,000
RfR 2: Conflict prevention	54,411,000
Total additional net resource requirement	68,381,000
Additional net cash requirement	66,781,000

SUPPLEMENTARY amounts required in the year ending 31 March 2007 for expenditure by the Foreign and Commonwealth Office on:

RfR 1: Promoting internationally the interest 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

£'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 interest of the UK and contributing to a strong world community					
Spending in Departmental Expenditure Limits (DEL)					
RfR 1 - A Administration, programmes and international organisations subscriptions	1,120,919	28,470	14,500	13,970	1,134,889
Total RfR 1		28,470	14,500	13,970	
RfR 2: Conflict prevention					
Spending in Departmental Expenditure Limits (DEL)					
RfR 2 - B Global - Programme expenditure	35,570	3,000	-	3,000	38,570
RfR 2 - C Sub-Saharan Africa - Peacekeeping	100,000	25,141	-	25,141	125,141
RfR 2 - D Global - Peacekeeping	100,000	26,270	-	26,270	126,270
Total RfR 2		54,411	-	54,411	
Total Changes to RfRs		82,881	14,500	68,381	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	120,203	48,400	168,603
Non-Operating A in A	10,000	50,000	60,000
Net cash requirement	1,757,712	66,781	1,824,493

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	
RfR 1: Promoting internationally the interest of the UK and contributing to a strong world community								
943,069	747,815	259,142	1,950,026	370,291	1,579,735	168,603	60,000	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Administration, programmes and international organisations subscriptions								
943,069	359,769	202,342	1,505,180	370,291	1,134,889	168,603	60,000	
B BBC World Service broadcasting								
-	208,543	-	208,543	-	208,543	-	-	
C British Council								
-	179,503	-	179,503	-	179,503	-	-	
D BBC World Service - Capital Grant								
-	-	31,000	31,000	-	31,000	-	-	
E British Council - Capital Grant								
-	-	7,800	7,800	-	7,800	-	-	
Non-Budget								
F Reimbursement of certain duties, taxes and licence fees								
-	-	18,000	18,000	-	18,000	-	-	
RfR 2: Conflict prevention								
-	-	292,874	292,874	-	292,874	-	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Sub-Saharan Africa - Programme expenditure								
-	-	2,893	2,893	-	2,893	-	-	
B Global - Programme expenditure								
-	-	38,570	38,570	-	38,570	-	-	
C Sub-Saharan Africa - Peacekeeping								
-	-	125,141	125,141	-	125,141	-	-	
D Global - Peacekeeping								
-	-	126,270	126,270	-	126,270	-	-	
Total for Estimate:								
943,069	747,815	552,016	2,242,900	370,291	1,872,609	168,603	60,000	

Part II: Resource to cash reconciliation

	<u>Present</u>	Increase (+)/ Decrease (-)	£'000 <u>Revised</u>
Net Resource Requirement	1,804,228	68,381	1,872,609
Voted capital items			
Capital	120,203	48,400	168,603
<i>Less:</i> Non-operating A in A	<u>10,000</u>	<u>50,000</u>	<u>60,000</u>
Total net voted capital	110,203	-1,600	108,603
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-39,835	-	-39,835
Depreciation	-116,624	-	-116,624
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>-</u>	<u>-</u>
Total accruals to cash adjustments	-156,719	-	-156,719
Excess cash to be CFERd	-	-	-
Net Cash Requirement	1,757,712	66,781	1,824,493

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

	£'000
	2006-07 provision
Net Administration Costs	
RfR1	841,942
RfR2	-
Total Net Administration Costs	841,942
Net Programme Costs	
RfR1	735,393
RfR2	292,874
Non-voted expenditure	6,712
Total Net Programme costs	1,034,979
Total Net Operating Cost	1,876,921
<i>of which:</i>	
Net Resource Requirement	1,872,609
Non-voted expenditure	6,713
Consolidated Fund Extra Receipts	-2,401
Resource Budget	1,880,422

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2006-07 Provision
Net Resource Requirement (Estimates)	1,872,609
<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 in the OCS	-2,401
Other adjustments	-
Net Operating Costs (Accounts)	1,876,921
<i>Adjustments to remove:</i>	
capital grants	-40,400
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	59,500
Other adjustments	-
Resource Budget (Budget)	1,880,422
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	1,880,422
Annually Managed Expenditure (AME)	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
Net Voted Capital (Estimates)	108,603
<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	40,400
European Union income related to capital grants	-
supported capital expenditure (revenue)	-
capital spending by levy funded bodies	-
unallocated capital provision	1,000
Other adjustments	-
Capital Budget (Budget)	150,003
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	150,003
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 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 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 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
	2006-07 Provision
RfR 1: Promoting internationally the interest of the UK and contributing to a strong world community	
Administration	101,127
<i>of which:</i>	
Sale of goods and services	101,127
Programme	269,164
<i>of which:</i>	
Sale of goods and services	256,817
DFID payments to the Commonwealth Foundation	247
CFERs	-2,400
Other income (including receipts)	14,500
Total RfR1	370,291 †

† 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.

Total Operating A in A	370,291
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Analysis of non - operating appropriations in aid (A in A)

Administration	-
<i>of which:</i>	
Sale of assets	-
Programme	60,000
<i>of which:</i>	
Sale of assets	49,000
Sale of goods and services	11,000
Total RfR1	60,000 †

† 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.

Total Non - operating A in A	60,000
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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	66,781	-4,500	1,814,209	66,213	1,880,422
<i>of which:</i>					
<i>Administration budget*</i>	14,841	14,500	841,942	49,500	891,442
<i>Near-cash in RDEL</i>	66,781	-4,500	1,657,490	31,213	1,688,703
Capital**	-	-	149,003	1,000	150,003
Less Depreciation†	-	-	-116,624	-35,000	-151,624
Total	66,781	-4,500	1,846,588	32,213	1,878,801

* 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
430,291

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