

Foreign and Commonwealth Office

Introduction

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

Amount £

Changes in resources

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

Increases:

Reserve claims

1.DEL Reserve claim	
£12,849,000	12,849,000
Section A3	
FCO/HMT 50/50 International organisations cost sharing agreement	

2.DEL Reserve claim	
£14,600,000	14,600,000
Section A2	
Consular Premiums collected in the UK	

3. Transfer from the DEL Reserve	
£821,000	821,000
Section C3	
Overseas Pricing Mechanism (OPM)	

Transfer of budgetary cover from another RfR

4. Transfer from RfR2	
£8,500,000	8,500,000
Section A3	
Contribution to Afghan Delivery Plan	

Transfer from non-voted Spending (DUP)

1. Transfer from Non-Voted Spending	
£12,000,000	12,000,000
Section A1	
Take up from 2006-07 Impairment DUP	

Decreases:

Transfers to other government departments

1 Budgetary transfer to SIA	
£200,000	-200,000
Section A2	
Planned Programme activity	

2 Budgetary transfer to SIA	
£74,000	-74,000
Section A2	
Planned Programme activity	

Other Decreases

1. Transfer to the DEL Reserve £6,611,000; £3,837,000 Section A1 and A2 Overseas Pricing Mechanism (OPM)	-10,448,000
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Neutral Changes:Increased Spending offset by income

1. £16,600,000 Sections A1 and A5 Wider market sales
2. £3,413,000 Sections A1 and A2 Reclaimable VAT
3. £3,789,000 Sections A1 and A5 Invoice from FCO to DFID for FTN Services
4. £1,210,000 Sections A1 and A5 Invoice from FCO to SOCA for FTN Services
5. £1,766,000 Sections A1 and A5 Invoice from FCO to DFID for FTN Services
6. £432,000 Sections A1 and A5 Invoice from FCO to DFID for FTN Services
7. £168,000 Sections A1 and A5 Invoice from FCO to HMRC for FTN Services
8. £439,000 Sections A3 and A5 Invoice from FCO to HO for Migration fund.
9. £10,000,000 Sections A2 and A5 Consular A in A
10. £2,000,000 Sections A1 and A5 Invoice from Cabinet Office
10. £4,830,000 Sections A2 and A5 Invoice from FCO to HO for Afghan Delivery Plan

Total change in resources for RfR1 38,048,000

RfR 2: Conflict prevention**Increases:**Take up of End-Year Flexibility (EYF)**1. Programme costs**

£4,000,000	4,000,000
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Section B3

Take up of 2005-06 Global Conflict Prevention Pool underspend for planned programme activity.

Transfers from other government departments

1. Budgetary transfer from SIA

£190,000	190,000
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Section A3

Africa Conflict Prevention activity

2. Budgetary transfer from DFID

£341,000	341,000
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Section A3

Africa Conflict Prevention activity

3. Budgetary transfer from DFID

£5,000,000	5,000,000
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Section A3

Africa Conflict Prevention activity (Sudan)

4. Budgetary Transfer from DFID

£5,000,000	5,000,000
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Section A3

Africa Conflict Prevention activity (Humanitarian)

5. Budgetary Transfer from DFID

£5,000,000	5,000,000
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Section A3

Africa Conflict Prevention activity (Peacekeeping)

6. Budgetary Transfer from DFID

£875,000	875,000
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Section A3

QIPs.

Reserve claim

1. Reserve claim

£950,000	950,000
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Section D3

GCPP(PEACEKEEPING)

2. Drawdown balance of Global Peacekeeping Main Estimate Provision

£46,500,000	46,500,000
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Section D3

For planned programme activity and budgetary transfers

3. Drawdown balance of Africa Peacekeeping Main Estimate Provision

£60,500,000	60,500,000
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Section C3

For planned programme activity and budgetary transfers

Transfers from non-voted spending (DUP)

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

Decreases:Transfers to other government Departments

1. Budgetary transfer to MOD	
£53,000,000	-53,000,000
Section D3	
For Peacekeeping (Balkans)	

2. Budgetary transfer to MOD	
£4,200,000	-4,200,000
Section B3	
Planned Programme activity	

Transfers between Rfrs

To Rfr 1	
£8,500,000	-8,500,000
Section D3	
Contribution to Afghan Delivery Plan	

Total change in resources for Rfr2 72,656,000

Total change in resources for Estimate 110,704,000

Changes in capital**Increases:**

1. Reserve claim	
£9,094,000	9,094,000
Section A7	
FCO/HMT 50/50 International organisations cost sharing agreement	

Decreases

1. Transfer to the DEL Reserve	
£318,000	-318,000
Section A7	
Overseas Pricing Mechanism (OPM)	

Neutral ChangesIncreased spending offset by income

1. £1,087,000	
Section A7 and A8	
Asset Recycling Agreement	

2. £7,600,000	
Section A7 and A8	
Asset Recycling Agreement	

Total change in capital for Estimate 8,776,000

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £ 127,480,000
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	38,048,000
RfR 2: Conflict prevention	72,656,000
Total additional net resource requirement	110,704,000
Additional net cash requirement	127,480,000

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

RfR 1: Promoting internationally the 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

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
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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, programmes and international organisations subscriptions	1,183,964	81,874	44,647	37,227	1,221,191
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RfR 1 - C	British Council	179,503	821	-	821	180,324
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Total RfR 1		82,695	44,647	38,048		
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RfR 2: Conflict prevention

Spending in Departmental Expenditure Limits (DEL)

RfR 2 - A	Sub-Saharan Africa - Programme expenditure	2,893	15,531	-	15,531	18,424
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RfR 2 - B	Global - Programme expenditure	38,570	10,675	-	10,675	49,245
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RfR 2 - C	Sub-Saharan Africa - Peacekeeping	125,141	60,500	-	60,500	185,641
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RfR 2 - D	Global - Peacekeeping	126,270	-14,050	-	-14,050	112,220
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Total RfR 2		72,656	-	72,656		
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Total Changes to RfRs		155,351	44,647	110,704		
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£000

	Present Provision	Change in Provision	New Provision
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Capital and Cash

Total Capital Expenditure	168,603	17,463	186,066
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Non-Operating A in A	60,000	8,687	68,687
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Net cash requirement	1,824,493	127,480	1,951,973
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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 interests of the UK and contributing to a strong world community							
977,836	773,955	280,930	2,032,721	414,938	1,617,783	186,066	68,687
Spending in Departmental Expenditure Limits (DEL)							
<i>Central Government spending</i>							
A Administration, programmes and international organisations subscriptions							
977,836	385,088	224,130	1,587,054	414,938	1,172,116	186,066	68,687
B BBC World Service broadcasting							
-	208,543	-	208,543	-	208,543	-	-
C British Council							
-	180,324	-	180,324	-	180,324	-	-
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							
-	-	365,530	365,530	-	365,530	-	-
Spending in Departmental Expenditure Limits (DEL)							
<i>Central Government spending</i>							
A Sub-Saharan Africa - Programme expenditure							
-	-	18,424	18,424	-	18,424	-	-
B Global - Programme expenditure							
-	-	49,245	49,245	-	49,245	-	-
C Sub-Saharan Africa - Peacekeeping							
-	-	185,641	185,641	-	185,641	-	-
D Global - Peacekeeping							
-	-	112,220	112,220	-	112,220	-	-
Total for Estimate:							
977,836	773,955	646,460	2,398,251	414,938	1,983,313	186,066	68,687

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net Resource Requirement	1,872,609	110,704	1,983,313
Voted capital items			
Capital	168,603	17,463	186,066
<i>Less:</i> Non-operating A in A	<u>60,000</u>	<u>8,687</u>	<u>68,687</u>
Total net voted capital	108,603	8,776	117,379
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-39,835	1,620	-38,215
Depreciation	-116,624	6,380	-110,244
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	8,000	-148,719
Excess cash to be CFERd	-	-	-
Net Cash Requirement	1,824,493	127,480	1,951,973

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	847,331
RfR2	-
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Total Net Administration Costs	847,331
Net Programme Costs	
RfR1	768,051
RfR2	365,530
Non-voted expenditure	6,713
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Total Net Programme costs	1,140,294
Total Net Operating Cost	1,987,625
<i>of which:</i>	
Net Resource Requirement	1,983,313
Non-voted expenditure	6,713
Consolidated Fund Extra Receipts	-2,401
Resource Budget	1,969,126

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2006-07 Provision
Net Resource Requirement (Estimates)	1,983,313
<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)	1,987,625
<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	37,500
Other adjustments	-
Resource Budget (Budget)	1,969,126
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	1,969,126
Annually Managed Expenditure (AME)	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
Net Voted Capital (Estimates)	117,379
<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)	158,779
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	158,779
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 interests of the UK and contributing to a strong world community

Administration	130,505
<i>of which:</i>	
Sale of goods and services	130,505
Programme	284,433
<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)	29,769

Total RfR1	414,938 †
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† 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 Home Office in relation to the Migration Fund and the Afghan Delivery Plan, receipts from other Government Departments in relation to telecommunications, receipts from asset sales, receipts from Sales into Wider Markets.

Total Operating A in A	414,938
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Analysis of non - operating appropriations in aid (A in A)

Administration	-
<i>of which:</i>	
Sale of assets	-
Programme	68,687
<i>of which:</i>	
Sale of assets	57,687
Sale of goods and services	11,000

Total RfR1	68,687 †
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† 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	68,687
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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	110,704	-22,000	1,924,913	44,213	1,969,126
<i>of which:</i>					
<i>Administration budget*</i>	5,389	-12,000	847,331	37,500	884,831
<i>Near-cash in RDEL</i>	128,704	-10,000	1,786,194	21,213	1,807,407
Capital**	8,776	-	157,779	1,000	158,779
Less Depreciation†	-6,380	-12,000	-110,244	-23,000	-133,244
Total	113,100	-34,000	1,972,448	22,213	1,994,661

*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
483,625

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	BBC World Service Broadcasting	◆	239,543
RfR1	British Council	◆	187,303
RfR1	Westminster Foundation for Democracy	◆	4,100

International subscriptions

RfR/Section	Body		£ '000
RfR1	UN Regular Budget		60,913
RfR1	Commonwealth Secretariat		4,170
RfR1	OECD		13,094
RfR1	Western European Union		2,090
RfR1	NATO Civil Budget		18,694
RfR1	NATO HQ		1,697
RfR1	Council of Europe		19,593
RfR1	OSCE		3,310

