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# Foreign and Commonwealth Office

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## Introduction

1. This Estimate covers the cost of running the Foreign and Commonwealth Office including UK Trade and Investment, subscriptions to international organisations, conflict prevention and peacekeeping and the other FCO programmes and grants including gifts of equipment and services mainly in Africa, Asia, the Caribbean, Eastern Europe, Latin America and the overseas territories; the Government's grants in aid to FCO Services, the BBC in respect of the World Service for broadcasting, the FCO's contribution towards the expenses of the British Council; and on associated non-cash items.
2. The Estimate also provides for the refund of certain UK taxes and duties paid by certain Foreign and Commonwealth governments and international organisations. A detailed breakdown of expenditure in sections A to F is included in the 'Resources and Staffing' section of the Foreign and Commonwealth Office's Departmental Report available later this year.
3. Symbols are explained in the introduction to this booklet

# Foreign and Commonwealth Office

## Part I

	£
<b>Request for Resources 1: Promoting internationally the interests of the UK and contributing to a strong world community</b>	<b>1,690,188,000</b>
<b>Request for Resources 2: Conflict prevention</b>	<b>418,000,000</b>
<b>Total net resource requirement</b>	<b>2,108,188,000</b>
<b>Net cash requirement</b>	<b>2,085,894,000</b>

Amounts required in the year ending 31 March 2010 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 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 FCO Services, 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.

	Net total	Allocated in Vote on Account	Balance to complete
<b>RfR 1</b>	<b>1,690,188,000</b>	<b>760,091,000</b>	<b>930,097,000</b>
<b>RfR 2</b>	<b>418,000,000</b>	<b>106,022,000</b>	<b>311,978,000</b>
<b>Total net resource requirement</b>	<b>2,108,188,000</b>	<b>866,113,000</b>	<b>1,242,075,000</b>
<b>Net cash requirement</b>	<b>2,085,894,000</b>	<b>844,517,000</b>	<b>1,241,377,000</b>

**Part II: Subhead detail**

£'000

2009-10 Provision						2008-09 Provision	2007-08 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A		
1	2	3	4	5	6	7	8	9	10
<b>RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community</b>									
483,345	1,298,543	290,300	2,072,188	382,000	1,690,188	172,760	18,000	1,725,127	1,568,947
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A	Administration, programmes and international organisations subscriptions.								
483,345	844,537	233,500	1,561,382	382,000	1,179,382	172,760	18,000	1,189,421	1,110,945
B	BBC World Service Broadcasting								
-	241,043	-	241,043	-	241,043	-	-	234,043	222,043
C	British Council								
-	192,963	-	192,963	-	192,963	-	-	194,863	186,362
D	BBC World Service - Capital grant								
-	-	31,000	31,000	-	31,000	-	-	31,000	33,000
E	British Council - Capital grant								
-	-	7,800	7,800	-	7,800	-	-	7,800	3,100
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
F	Administration, programmes and international organisations subscriptions								
-	20,000	-	20,000	-	20,000	-	-	50,000	-3,920
<b>Non-Budget</b>									
G	Reimbursement of certain duties taxes and licence fees								
-	-	18,000	18,000	-	18,000	-	-	18,000	17,417

**Part II: Subhead detail**

£'000

2009-10 Provision								2008-09 Provision	2007-08 Outturn
Resources						Capital Non- operating		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A		
1	2	3	4	5	6	7	8	9	10
<b>RfR 2: Conflict prevention</b>									
-	-	418,000	418,000	-	418,000	-	-	468,934	370,378
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A	Conflict Prevention Programme expenditure								
-	-	40,000	40,000	-	40,000	-	-	32,213	54,440
B	Peacekeeping								
-	-	350,000	350,000	-	350,000	-	-	379,025	315,938
C	Stabilisation Aid Fund								
-	-	28,000	28,000	-	28,000	-	-	57,696	-
<b>Total for Estimate:</b>									
483,345	1,298,543	708,300	2,490,188	382,000	2,108,188	172,760	18,000	2,194,061	1,939,325

## Part II: Resource to cash reconciliation

	£'000		
	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>Net Resource Requirement</b>	<b>2,108,188</b>	<b>2,194,061</b>	<b>1,939,325</b>
<b>Voted capital items</b>			
Capital	172,760	224,550	191,574
Less Non-operating A-in-A	18,000	60,000	18,492
<b>Total net voted capital</b>	<b>154,760</b>	<b>164,550</b>	<b>173,082</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-54,004	-52,004	-53,055
Depreciation	-123,050	-215,050	-69,300
New provisions and adjustments to previous provisions	-13,000	-14,000	-98
Profit/loss on sale of assets	-	-	1,415
Prior period adjustments	-	-	-
Other non-cash items	-	80,000	-345
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	61,269
Use of provisions	13,000	14,000	-14,569
<b>Total accruals to cash adjustments</b>	<b>-177,054</b>	<b>-187,054</b>	<b>-74,683</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>2,085,894</b>	<b>2,171,557</b>	<b>2,037,724</b>

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

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	<b>£'000</b>					
	<b>2009-10</b>		<b>2008-09</b>		<b>2007-08</b>	
	<b>Income</b>	<b>Receipts</b>	<b>Income</b>	<b>Receipts</b>	<b>Income</b>	<b>Receipts</b>
	<b>Provision</b>		<b>Provision</b>		<b>Outturn</b>	
Operating income not classified as A in A	9,000	-	9,000	-	14,396	<i>14,396</i>
Non-operating income not classified as A in A	-	-	-	-	181	<i>181</i>
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	<b>9,000</b>	<b>-</b>	<b>9,000</b>	<b>-</b>	<b>14,577</b>	<b><i>14,577</i></b>

## Forecast Operating Cost Statement

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>Net Administration Costs</b>			
RfR 1	403,345	430,367	367,358
RfR 2	-	-	-
<b>Total Net Administration costs</b>	<b>403,345</b>	<b>430,367</b>	<b>367,358</b>
<b>Net Programme Costs</b>			
RfR 1	1,286,843	1,294,760	1,201,589
RfR 2	418,000	468,934	370,378
Non-voted	-6,000	-6,000	-10,796
<b>Total Net Programme costs</b>	<b>1,698,843</b>	<b>1,757,694</b>	<b>1,561,171</b>
<b>Total Net Operating Cost</b>	<b>2,102,188</b>	<b>2,188,061</b>	<b>1,928,529</b>
<i>of which:</i>			
Net Resource Requirement	2,108,188	2,194,061	1,939,325
Non-voted expenditure	3,000	3,000	3,600
Consolidated Fund Extra Receipts	-9,000	-9,000	-14,396
Reduction in planned spend unable to be included in Estimate	-	-	-
<b>Resource Budget</b>	<b>2,048,888</b>	<b>2,127,551</b>	<b>1,873,628</b>

## Notes to the Main Estimate

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

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>Net Resource Requirement (Estimates)</b>	<b>2,108,188</b>	<b>2,194,061</b>	<b>1,939,325</b>
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
Non-voted expenditure in the OCS	3,000	3,000	3,600
Consolidated Fund Extra Receipts in the OCS	-9,000	-9,000	-14,396
Reductions in planned spend unable to be included in Estimate	-	-	-
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>2,102,188</b>	<b>2,188,061</b>	<b>1,928,529</b>
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	1,415
Capital grants	-61,300	-51,510	-53,295
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-18,000	-18,000	-17,417
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	9,000	9,000	14,396
Resource consumption of non departmental public bodies	-	-	-
Unallocated resource provision	17,000	-	-
Other adjustments	-	-	-
<b>Resource Budget (Budget)</b>	<b>2,048,888</b>	<b>2,127,551</b>	<b>1,873,628</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	2,028,888	2,077,551	1,877,548
Annually Managed Expenditure (AME)	20,000	50,000	-3,920

### Reconciliation of capital expenditure between Estimates and Budgets

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>Net Voted Capital (Estimates)</b>	<b>154,760</b>	<b>164,550</b>	<b>173,082</b>
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	-	-	-
Capital grants	61,300	51,510	53,295
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	-	-
Reductions in planned spend unable to be included in Estimate	-	-	-
Other adjustments	-	-	-
<b>Capital Budget (Budget)</b>	<b>216,060</b>	<b>216,060</b>	<b>226,377</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	216,060	216,060	226,377
Annually Managed Expenditure (AME)	-	-	-

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## Notes to the Main Estimate (*continued*)

### Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following Accounting Officer appointments have been made for the Request 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, has personal responsibility for the proper presentation of the resource accounts and their transmission to the Comptroller and Auditor General. Peter Ricketts is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities particular regard is given to:

- Observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the *Financial Reporting Manual (FReM)*, or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are set out in chapter 3 of *Managing Public Money* issued by the Treasury.

## Notes to the Main Estimate (*continued*)

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

	£'000		
	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community</b>			
<b>Administration</b>	<b>80,000</b>	<b>100,600</b>	<b>49,193</b>
<i>of which:</i>			
Sale of goods and services	80,000	100,000	49,193
Interest and dividends	-	600	-
<b>Programme</b>	<b>302,000</b>	<b>385,500</b>	<b>74,754</b>
<i>of which:</i>			
Sale of goods and services	302,000	385,500	74,628
EU Income	-	-	126
<b>Total RfR 1</b>	<b>382,000†</b>	<b>486,100</b>	<b>123,947</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; interest and dividends from Public Corporations; receipts from Sales into Wider Markets.			
<b>RfR 2: Conflict prevention</b>			
<b>Programme</b>	-	-	1,732
<i>of which:</i>			
Sale of goods and services	-	-	1,732
<b>Total RfR 2</b>	-	-	1,732
<b>Total Operating A in A</b>	<b>382,000</b>	<b>486,100</b>	<b>125,679</b>

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

	£'000		
	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community</b>			
<b>Programme</b>	<b>18,000</b>	<b>60,000</b>	<b>18,492</b>
<i>of which:</i>			
Sale of assets	18,000	60,000	18,492
<b>Total RfR 1</b>	<b>18,000†</b>	<b>60,000</b>	<b>18,492</b>
† Amount that may be applied as non-operating appropriations in aid, 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>18,000</b>	<b>60,000</b>	<b>18,492</b>

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**Notes to the Main Estimate (*continued*)**
**Analysis of Consolidated Fund extra receipts**

£'000

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	2009-10 Provision		2008-09 Provision		2007-08 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Consular Fees ●	2,401	-	2,401	-	2,401	2,401
UK Peacekeeping Refunds ●	6,599	-	6,599	-	12,176	12,176
<b>Total</b>	<b>9,000</b>	<b>-</b>	<b>9,000</b>	<b>-</b>	<b>14,577</b>	<b>14,577</b>

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## Notes to the Main Estimate (*continued*)

### Departmental Expenditure Limits and Administration budgets

£'000

	Voted	Non-voted	Total
Resource DEL	2,008,888	20,000	2,028,888
<i>of which: †</i>			
Administration budget	403,345	17,000	420,345
Near-cash in RDEL	1,838,834	33,000	1,871,834
Capital DEL ††	216,060	-	216,060
Less Depreciation †††	-103,050	-	-103,050
Total DEL	2,121,898	20,000	2,141,898

† The total of the '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.

### Comparison of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2009-10 of £2,108,188,000 is 3.9 per cent lower than the final net provision for 2008-09 of £2,194,061,000 and 0.6 per cent higher than the forecast outturn for 2008-09 of £2,096,514,000.

### Cash which may be retained to offset expenditure

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
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.	400,000	546,100	144,171

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## **Notes to the Main Estimate (*continued*)**

### **Changes in Accounting Policies**

We are adopting hedge accounting in respect of forward purchase of foreign currency.

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**Notes to the Main Estimate (*continued*)**
**Grants in aid**


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<b>RfR/Section</b>	<b>Body</b>	<b>£'000</b>
RfR1 - B and D	BBC World Service Broadcasting♦	272,043
RfR1 - C and E	British Council♦	200,763
RfR1 - A	Westminster Foundation for Democracy♦	4,100

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**Notes to the Main Estimate (*continued*)****Contingent liabilities**

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<b>Nature of Liability</b>	<b>£'000</b>
British Council - indemnities given by the British Council to the owners of objects exhibited overseas against loss or damage	565,773
Remote contingent liability in respect of residual liabilities concerning the de-mining of the Falklands.	Unquantifiable

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**Notes to the Main Estimate (*continued*)**
**International Subscriptions**


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RfR/Section	Body	£'000
RfR1 - A	UN Regular Budget	75,648
RfR1 - A	Commonwealth Secretariat	4,570
RfR1 - A	OECD	12,500
RfR1 - A	Western European Union	2,171
RfR1 - A	North Atlantic Treaty Organisation (NATO)	20,852
RfR1 - A	Council of Europe	22,916
RfR1 - A	OSCE	4,455

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