

Foreign and Commonwealth Office

Introduction

1. This Estimate covers the cost of running the Foreign and Commonwealth Office including British Trade International, subscriptions to international organisations, conflict prevention and peacekeeping, the FCO's subscriptions to the BBC World Service Monitoring Service 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 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. 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 Foreign and Commonwealth Office's Departmental Report (Cm 6213) Appendix A.

2. Symbols are explained in the Introduction to this booklet

Part I

	£
Request for Resources 1: Promoting internationally the interests of the UK and contributing to a strong world community	1,418,662,000
Request for Resources 2: Conflict prevention	98,450,000
Total net resource requirement	1,517,112,000
Net cash requirement	1,417,355,000

Amounts required in the year ending 31 March 2005 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 British Trade International, 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, the BBC Monitoring Service; 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.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	1,418,662,000	627,476,000	791,186,000
RfR 2	98,450,000	99,781,000	–1,331,000
Total net resource requirement	1,517,112,000	727,257,000	789,855,000
Net cash requirement	1,417,355,000	672,897,000	744,458,000

Part II: Subhead detail

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin 1	Other Current 2	Grants 3	Gross Total 4	A in A 5	Net Total 6	Capital 7	Non- operating A in A 8		
RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community									
951,613	283,826	346,807	1,582,246	163,584	1,418,662	92,571	30,015	1,473,375	1,367,812
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration international organisations programmes and BBC Monitoring subscriptions									
799,699	71,683	146,185	1,017,567	163,584	853,983	92,571	30,015	882,911	800,849
B BBC World Service Broadcasting grant in aid									
-	194,143	-	194,143	-	194,143	-	-	189,143	200,970
C Accruals consequences of DEL programmes: administration									
151,914	-	-	151,914	-	151,914	-	-	186,690	198,497
D BBC World Service - Capital grant									
-	-	31,000	31,000	-	31,000	-	-	31,000	-
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
<i>Pension transfer</i>									
-	-	-	-	-	-	-	-	157	-
Non-budget									
E Reimbursement of certain duties taxes and licence fees									
-	18,000	-	18,000	-	18,000	-	-	18,000	16,041

Part II: Subhead detail (continued)

£'000

2004-05						2003-04 Provision	2002-03 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	
F	British Council grant in aid									
-	-	169,622	169,622	-	169,622	-	-	165,474	151,455	
	RfR 2: Conflict prevention									
-	-	98,450	98,450	-	98,450	-	-	231,584	185,377	
	Spending in Departmental Expenditure Limits (DEL)									
	<i>Central Government spending</i>									
A	Sub - Saharan Africa - Programme expenditure									
-	-	2,450	2,450	-	2,450	-	-	10,590	5,790	
B	Global - Programme expenditure									
-	-	30,000	30,000	-	30,000	-	-	35,184	29,492	
C	Sub - Saharan Africa - Peacekeeping									
-	-	38,000	38,000	-	38,000	-	-	78,222	53,510	
D	Global - Peacekeeping									
-	-	28,000	28,000	-	28,000	-	-	107,588	96,585	
Total for Estimate:										
951,613	283,826	445,257	1,680,696	163,584	1,517,112	92,571	30,015	1,704,959	1,553,189	

Part II: Resource to cash reconciliation

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
Net Total Resources	1,517,112	1,704,959	1,553,189
Voted capital items			
Capital	92,571	109,743	119,428
Less Non-operating A-in-A	30,015	45,015	17,257
Total net voted capital	<u>62,556</u>	<u>64,728</u>	<u>102,171</u>
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-55,835	-65,835	-74,689
Depreciation	-106,218	-130,994	-126,597
New provisions and adjustments to previous provisions	-	-	-3,294
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-260	-260	-274
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	-	-	-
Total accruals to cash adjustments	<u>-162,313</u>	<u>-197,089</u>	<u>-204,854</u>
Excess cash to be CFERd	-	-	-
Net Cash Requirement	1,417,355	1,572,598	1,450,506

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):-

	£'000					
	2004-05 Provision		2003-04 Provision		2002-03 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	2,402	<i>2,402</i>	2,402	<i>2,402</i>	21,380	<i>21,378</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	<u>2,402</u>	<u><i>2,402</i></u>	<u>2,402</u>	<u><i>2,402</i></u>	<u>21,380</u>	<u><i>21,378</i></u>

Forecast Operating Cost Statement

	2004-05 Provision	2003-04 Provision	2002-03 Outturn	£'000
Net Administration Costs				
RfR 1	788,341	862,049	811,404	
RfR 2	-	-	-	
Total Net Administration costs	788,341	862,049	811,404	
Net Programme Costs				
RfR 1	627,919	608,924	535,028	
RfR 2	98,450	231,584	185,377	
Common Foreign and Security Policy	6,713	6,713	6,713	
Total Net Programme costs	733,082	847,221	727,118	
Total Net Operating Cost	1,521,423	1,709,270	1,538,522	
<i>of which:</i>				
Net Resource Outturn	1,517,112	1,704,959	1,553,189	
CFERs	-2,402	-2,402	-21,380	
Non-voted expenditure	6,713	6,713	6,713	
Resource Budget Outturn	1,544,565	1,694,412	1,545,646	

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2004-05	2003-04	2002-03
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	1,517,112	1,704,959	1,553,189
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	6,713	6,713	6,713
Consolidated Fund Extra Receipts in the OCS	-2,402	-2,402	-21,380
Other adjustments	-	-	-
Net Operating Cost (Accounts)	1,521,423	1,709,270	1,538,522
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	-18,000	-18,000	-16,041
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	2,402	2,402	21,380
resource consumption of non departmental public bodies	1,740	740	1,785
unallocated resource provision	37,000	-	-
Other adjustments	-	-	-
Resource Budget Outturn (Budget)	1,544,565	1,694,412	1,545,646
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,545,165	1,694,855	1,546,446
Annually Managed Expenditure (AME)	-600	-443	-800

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2004-05	2003-04	2002-03
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	62,556	64,728	102,171
<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	13,200	11,200	11,200
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	1,000	-	-
Other adjustments	-	-	-
Capital Budget Outturn (Budget)	76,756	75,928	113,371
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	71,356	70,528	107,971
Annually Managed Expenditure (AME)	5,400	5,400	5,400

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Foreign Office, Sir Michael Jay, as the Accounting Officer of the Department with responsibility for preparing the Department's Estimate.

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 for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: Promoting internationally the interests of the United Kingdom and contributing to a strong world community						
Refunds of salaries of seconded FCO staff	1,256	—	1,256	—	702	—
Sale of information material	49	—	49	—	235	—
Sales into Wider Markets	5,590	—	13,000	—	5,831	—
Income from sub-letting and receipts from sales of surplus material and equipment	110	—	295	—	2,242	—
Receipts at home and overseas from legalisation fees, telephone and postage recoveries, medical schemes recoveries, bank interest and other sundry receipts	5,335	—	5,377	—	6,026	—
Receipts from Government Departments	47,718	—	55,000	—	50,718	—
Overseas receipts relating to local budgets	2,572	—	2,585	—	—	—
Receipts for visa, and other services provided at consular offices	98,876	—	155,153	—	115,525	—
Lancaster House receipts from other customers	87	—	87	—	87	—
Wilton Park Executive Agency	1,679	—	1,679	—	1,609	—
Distressed British nationals, repayment of advances	65	—	65	—	—	—
DFID payments to Commonwealth Foundation	247	—	247	—	365	—
British Council Appropriations-In-Aid	—	—	—	—	—	—
Income from sale of fixed assets	—	30,015	—	45,015	—	17,257
Total RfR 1	163,584*	30,015**	234,793	45,015	183,253	17,257
Total A in A	163,584	30,015	234,793	45,015	183,253	17,257

* 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.

**Amount that may be applied as non-operating appropriations in aid include receipts from the sale of land and buildings, receipts from the sale of official vehicles and receipts realised by the British Council.

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund extra receipts

	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Consular fees ●	2,402	2,402	2,402	2,402	21,380	21,378
Total	2,402	2,402	2,402	2,402	21,380	21,378

Notes to the Main Estimate *(continued)*

Administration costs limits and Departmental Expenditure Limits

Administration costs limits	£'000		
	Gross provision	Income	Total administration costs limit
Gross administration costs limits	951,613	–163,272	788,341
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	1,329,490	215,675	1,545,165
Capital DEL	62,556	8,800	71,356
Less depreciation	–106,218	–26,800	–133,018
Total DEL	1,285,828	197,675	1,483,503

- * i. Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review
 ii. Excludes EU receipts included in Estimates, but excluded in Budgets

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

The total net resource sought for 2004-05 of £1,517,112,000 is 11 per cent lower than the final provision and forecast outturn for 2003-04 of £1,704,959,000.

Notes to the Main Estimate *(continued)*

Cash which may be retained to offset expenditure

£'000

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

	2004-05 provision	2003-04 provision	2002-03 outturn
	163,584	234,793	172,017

Contingent liabilities

£'000

British Council: indemnities given by the British Council to the owners of objects exhibited overseas against loss or damage. 10,055

Subscriptions to International Organisations above £1 million

£'000

United Nations Regular Budget	57,470
Commonwealth Secretariat	3,620
Council of Europe	18,310
Western European Union	2,020
Organisation for Economic Co-operation and Development (OECD)	11,751
North Atlantic Treaty Organisation (NATO)	18,900

Grants in aid above £1 million

£'000

BBC World Service	225,143
British Council ♥	169,622
Westminster Foundation for Democracy ♥	4,100