

# 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 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 (Cm 7099).
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>1,631,732,000</b>
<b>Request for Resources 2: Conflict prevention</b>	<b>256,160,000</b>
<b>Total net resource requirement</b>	<b>1,887,892,000</b>
<b>Net cash requirement</b>	<b>1,789,376,000</b>

Amounts required in the year ending 31 March 2008 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 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>1,631,732,000</b>	<b>704,594,000</b>	<b>927,138,000</b>
<b>RfR 2</b>	<b>256,160,000</b>	<b>107,308,000</b>	<b>148,852,000</b>
<b>Total net resource requirement</b>	<b>1,887,892,000</b>	<b>811,902,000</b>	<b>1,075,990,000</b>
<b>Net cash requirement</b>	<b>1,789,376,000</b>	<b>790,970,000</b>	<b>998,406,000</b>

**Part II: Subhead detail**

£'000

2007-08 Provision						2006-07 Provision	2005-06 Outturn		
Resources						Capital	Non- operating	Net Total	Net Total
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	Resources	Resources
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>									
955,007	824,868	233,379	2,013,254	381,522	1,631,732	118,203	10,000	1,640,283	1,604,594
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A	Administration, programmes and international organisations subscriptions.								
955,007	374,822	176,579	1,506,408	381,522	1,124,886	118,203	10,000	1,159,616	1,180,315
B	BBC World Service Broadcasting								
-	215,043	-	215,043	-	215,043	-	-	208,543	208,143
C	British Council								
-	185,003	-	185,003	-	185,003	-	-	180,324	181,410
D	BBC World Service - Capital grant								
-	-	31,000	31,000	-	31,000	-	-	31,000	31,000
E	British Council - Capital grant								
-	-	7,800	7,800	-	7,800	-	-	7,800	7,800
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
F	Administration, programmes and international organisations subscriptions								
-	50,000	-	50,000	-	50,000	-	-	35,000	-22,229
<b>Non-Budget</b>									
G	Reimbursement of certain duties taxes and licence fees								
-	-	18,000	18,000	-	18,000	-	-	18,000	18,155
<b>RfR 2: Conflict prevention</b>									
-	-	256,160	256,160	-	256,160	-	-	361,530	296,255
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A	Sub - Saharan Africa - Programme expenditure								
-	-	4,510	4,510	-	4,510	-	-	3,083	2,203
B	Global - Programme expenditure								
-	-	50,240	50,240	-	50,240	-	-	44,370	42,167
C	Sub - Saharan Africa - Peacekeeping								
-	-	100,141	100,141	-	100,141	-	-	201,857	164,517

**Part II: Subhead detail**

£'000

2007-08 Provision						2006-07 Provision	2005-06 Outturn			
Resources						Capital	Non- operating	Net Total	Net Total	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	Resources	Resources	
1	2	3	4	5	6	7	8	9	10	
D	Global - Peacekeeping									
	-	-	101,269	101,269	-	101,269	-	-	112,220	87,368
<b>Total for Estimate:</b>										
	<b>955,007</b>	<b>824,868</b>	<b>489,539</b>	<b>2,269,414</b>	<b>381,522</b>	<b>1,887,892</b>	<b>118,203</b>	<b>10,000</b>	<b>2,001,813</b>	<b>1,900,849</b>

## Part II: Resource to cash reconciliation

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
<b>Net Resource Requirement</b>	<b>1,887,892</b>	<b>2,001,813</b>	<b>1,900,849</b>
<b>Voted capital items</b>			
Capital	118,203	186,066	112,505
Less Non-operating A-in-A	10,000	68,687	19,513
<b>Total net voted capital</b>	<b>108,203</b>	<b>117,379</b>	<b>92,992</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-39,835	-21,455	-44,155
Depreciation	-166,624	-150,004	-86,446
New provisions and adjustments to previous provisions	-	-	-17,732
Profit/loss on sale of assets	-	-	1,498
Prior period adjustments	-	-	-
Other non-cash items	-260	-260	-270
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	-	-	-
<b>Total accruals to cash adjustments</b>	<b>-206,719</b>	<b>-171,719</b>	<b>-147,105</b>
<b>Excess cash to be CFERd</b>	-	-	-
<b>Net Cash Requirement</b>	<b>1,789,376</b>	<b>1,947,473</b>	<b>1,846,736</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>2007-08</b>		<b>2006-07</b>		<b>2005-06</b>	
	<b>Provision</b>		<b>Provision</b>		<b>Outturn</b>	
	<b>Income</b>	<i>Receipts</i>	<b>Income</b>	<i>Receipts</i>	<b>Income</b>	<i>Receipts</i>
Operating income not classified as A in A	2,401	<i>2,402</i>	2,401	<i>2,402</i>	10,409	<i>6,806</i>
Non-operating income not classified as A in A	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	<b>2,401</b>	<b><i>2,402</i></b>	<b>2,401</b>	<b><i>2,402</i></b>	<b>10,409</b>	<b><i>6,806</i></b>

## Forecast Operating Cost Statement

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
<b>Net Administration Costs</b>			
RfR 1	853,046	835,331	813,191
RfR 2	-	-	-
<b>Total Net Administration costs</b>	<b>853,046</b>	<b>835,331</b>	<b>813,191</b>
<b>Net Programme Costs</b>			
RfR 1	776,286	802,552	780,995
RfR 2	256,160	361,530	296,255
Non-voted	5,861	6,712	6,712
<b>Total Net Programme costs</b>	<b>1,038,307</b>	<b>1,170,794</b>	<b>1,083,962</b>
<b>Total Net Operating Cost</b>	<b>1,891,353</b>	<b>2,006,125</b>	<b>1,897,153</b>
<i>of which:</i>			
Net Resource Requirement	1,887,892	2,001,813	1,900,849
Non-voted expenditure	5,862	6,713	6,713
Consolidated Fund Extra Receipts	-2,401	-2,401	-10,409
<b>Resource Budget</b>	<b>1,859,204</b>	<b>1,969,126</b>	<b>1,852,107</b>

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

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

	<b>£'000</b>		
	<b>2007-08</b>	<b>2006-07</b>	<b>2005-06</b>
	<b>Provision</b>	<b>Provision</b>	<b>Outturn</b>
<b>Net Resource Requirement (Estimates)</b>	<b>1,887,892</b>	<b>2,001,813</b>	<b>1,900,849</b>
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
Non-voted expenditure in the OCS	5,862	6,713	6,713
Consolidated Fund Extra Receipts in the OCS	-2,401	-2,401	-10,409
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>1,891,353</b>	<b>2,006,125</b>	<b>1,897,153</b>
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	1,498
Capital grants	-38,550	-38,800	-38,800
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-18,000	-18,000	-18,155
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	2,401	2,401	10,409
Resource consumption of non departmental public bodies	-	-1,600	-
Unallocated resource provision	22,000	19,000	-
Other adjustments	-	-	2
<b>Resource Budget (Budget)</b>	<b>1,859,204</b>	<b>1,969,126</b>	<b>1,852,107</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,809,204	1,934,126	1,874,336
Annually Managed Expenditure (AME)	50,000	35,000	-22,229

### Reconciliation of capital expenditure between Estimates and Budgets

	<b>£'000</b>		
	<b>2007-08</b>	<b>2006-07</b>	<b>2005-06</b>
	<b>Provision</b>	<b>Provision</b>	<b>Outturn</b>
<b>Net Voted Capital (Estimates)</b>	<b>108,203</b>	<b>117,379</b>	<b>92,992</b>
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	-	1,600	-
Capital grants	38,550	38,800	38,800
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	1,000	1,000	-
Other adjustments	-	-	-
<b>Capital Budget (Budget)</b>	<b>147,753</b>	<b>158,779</b>	<b>131,792</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	147,753	158,779	131,792
Annually Managed Expenditure (AME)	-	-	-

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

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

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
<b>RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community</b>			
<b>Administration</b>	101,961	130,505	96,850
<i>of which:</i>			
Sale of goods and services	101,961	130,505	96,850
<b>Programme</b>	279,561	284,433	230,387
<i>of which:</i>			
Sale of goods and services	281,714	286,586	240,795
EU Income	247	247	-
CFERs	-2,400	-2,400	-10,408
<b>Total RfR 1</b>	<b>381,522†</b>	<b>414,938</b>	<b>327,237</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; repayments of defence assistance loans to Singapore and Malaysia, receipts from Sales into Wider Markets.

<b>Total Operating A in A</b>	<b>381,522</b>	<b>414,938</b>	<b>327,237</b>
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### Analysis of non-operating appropriations in aid (A in A)

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
<b>RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community</b>			
<b>Administration</b>	-	-	1,498
<i>of which:</i>			
Sale of assets	-	-	1,498
<b>Programme</b>	10,000	68,687	18,015
<i>of which:</i>			
Sale of assets	10,000	68,687	18,015
<b>Total RfR 1</b>	<b>10,000†</b>	<b>68,687</b>	<b>19,513</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>10,000</b>	<b>68,687</b>	<b>19,513</b>

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

### Analysis of Consolidated Fund extra receipts

	<b>£'000</b>					
	<b>2007-08</b>		<b>2006-07</b>		<b>2005-06</b>	
	<b>Provision</b>		<b>Provision</b>		<b>Outturn</b>	
	<b>Income</b>	<b>Receipts</b>	<b>Income</b>	<b>Receipts</b>	<b>Income</b>	<b>Receipts</b>
Consular Fees •	2,401	2,402	2,401	2,402	10,409	6,806
<b>Total</b>	<b>2,401</b>	<b>2,402</b>	<b>2,401</b>	<b>2,402</b>	<b>10,409</b>	<b>6,806</b>

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

### Departmental Expenditure Limits and Administration budgets

	<b>£'000</b>		
	<b>Voted</b>	<b>Non-voted</b>	<b>Total</b>
Resource DEL	1,781,342	27,862	1,809,204
<i>of which:†</i>			
Administration budget	853,046	17,000	870,046
Near-cash in RDEL	1,624,623	27,862	1,652,485
Capital DEL††	146,753	1,000	147,753
Less Depreciation†††	-116,624	-	-116,624
<b>Total DEL</b>	<b>1,811,471</b>	<b>28,862</b>	<b>1,840,333</b>

† 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 2007-08 of £1,887,892,000 is 5.7 per cent lower than the final net provision for 2006-07 of £2,001,813,000 and 4.5 per cent lower than the forecast outturn for 2006-07 of £1,977,152,000.

### Cash which may be retained to offset expenditure

	<b>£'000</b>		
	<b>2007-08 Provision</b>	<b>2006-07 Provision</b>	<b>2005-06 Outturn</b>
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.	391,522	483,625	346,750

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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	BBC World Service Broadcasting ♦	246,043
RfR1	British Council ♦	192,803
RfR1	Westminster Foundation for Democracy ♦	4,100

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

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Nature of Liability	£'000
British Council - Indemnities give by the British Council to the owners of objects exhibited overseas against loss or damage	10,055

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

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<b>RfR/Section</b>	<b>Body</b>	<b>£'000</b>
RfR1	UN Regular Budget	69,617
RfR1	Commonwealth Secretariat	4,180
RfR1	OECD	12,877
RfR1	Western European Union	1,645
RfR1	North Atlantic Treaty Organisation (NATO)	17,399
RfR1	Council of Europe	19,408
RfR1	OSCE	3,297

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