
Foreign and Commonwealth Office

Introduction

1. This Estimate covers the cost of running the Foreign and Commonwealth Office including UK Trade & Investment, 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.
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 Foreign and Commonwealth Office's Departmental Report (Cm 6533) Appendix A.
3. 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	1,542,884,000
Request for Resources 2: Conflict prevention	235,886,000
Total net resource requirement	1,778,770,000
Net cash requirement	1,724,029,000

Amounts required in the year ending 31 March 2006 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, 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/ surrender
	£	£	£
RfR 1	1,542,884,000	638,398,000	904,486,000
RfR 2	235,886,000	44,303,000	191,583,000
Total net resource requirement	1,778,770,000	682,701,000	1,096,069,000
Net cash requirement	1,724,029,000	637,810,000	1,086,219,000

Part II: Subhead detail

£'000

2005-06						2004-05 Provision	2003-04 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									
894,469	693,361	210,985	1,798,815	255,931	1,542,884	136,993	15,015	1,482,641	1,399,886
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration international organisations programmes and BBC Monitoring subscriptions									
728,149	287,215	172,185	1,187,549	255,931	931,618	136,993	15,015	915,519	859,646
B BBC World Service Broadcasting									
-	208,143	-	208,143	-	208,143	-	-	194,143	189,143
C British Council									
-	180,003	-	180,003	-	180,003	-	-	164,265	156,674
D Accruals consequences of DEL programmes: administration									
166,320	-	-	166,320	-	166,320	-	-	151,914	142,411
E BBC World Service - Capital grant									
-	-	31,000	31,000	-	31,000	-	-	31,000	31,000
F British Council - Capital grant									
-	-	7,800	7,800	-	7,800	-	-	7,800	5,800
Non-budget									

Part II: Subhead detail (continued)

£'000

2005-06						2004-05 Provision	2003-04 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
G	Reimbursement of certain duties taxes and licence fees								
-	18,000	-	18,000	-	18,000	-	-	18,000	15,212
RfR 2: Conflict prevention									
-	-	235,886	235,886	-	235,886	-	-	314,536	193,801
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Sub - Saharan Africa - Programme expenditure								
-	-	2,456	2,456	-	2,456	-	-	14,901	10,548
B	Global - Programme expenditure								
-	-	33,430	33,430	-	33,430	-	-	45,635	32,208
C	Sub - Saharan Africa - Peacekeeping								
-	-	100,000	100,000	-	100,000	-	-	133,000	66,527
D	Global - Peacekeeping								
-	-	100,000	100,000	-	100,000	-	-	121,000	84,518
Total for Estimate:									
894,469	693,361	446,871	2,034,701	255,931	1,778,770	136,993	15,015	1,797,177	1,593,687

Part II: Resource to cash reconciliation

	£'000					
	2005-06		2004-05		2003-04	
	Provision		Provision		Outturn	
Net Total Resources	1,778,770		1,797,177		1,593,687	
Voted capital items						
Capital	136,993		131,548		76,696	
Less Non-operating A-in-A	15,015		30,015		26,875	
Total net voted capital	121,978		101,533		49,821	
Accruals to cash adjustment						
Adjustments to remove non-cash items:						
Cost of Capital charges	-62,835		-55,835		-43,043	
Depreciation	-113,624		-106,218		-103,538	
New provisions and adjustments to previous provisions	-		-		-	
Profit (+) / loss (-) on sale of assets	-		-		-	
Prior period adjustments	-		-		-	
Other non-cash items	-260		-260		-267	
Increase (+) / Decrease (-) in stock	-		-		-	
Increase (+) / Decrease (-) in debtors	-		-		-	
Increase (-) / Decrease (+) in creditors	-		-		-	
Use of provisions	-		-		-	
Total accruals to cash adjustments	-176,719		-162,313		-146,848	
Excess cash to be CFERd	-		-		-	
Net Cash Requirement	1,724,029		1,736,397		1,496,660	

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					
	2005-06		2004-05		2003-04	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	2,401	<i>2,402</i>	2,401	<i>2,402</i>	2,401	<i>9,464</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	2,401	<i>2,402</i>	2,401	<i>2,402</i>	2,401	<i>9,464</i>

Forecast Operating Cost Statement

	£'000		
	2005-06 Provision	2004-05 Provision	2003-04 Outturn
Net Administration Costs			
RfR 1	797,638	771,855	745,715
RfR 2	-	-	-
Total Net Administration costs	797,638	771,855	745,715
Net Programme Costs			
RfR 1	742,845	708,385	651,770
RfR 2	235,886	314,536	193,801
Common Foreign and Security Policy	6,713	6,713	6,713
Total Net Programme costs	985,444	1,029,634	852,284
Total Net Operating Cost	1,783,082	1,801,489	1,597,999
<i>of which:</i>			
Net Resource Outturn	1,778,770	1,797,177	1,593,687
CFERs	-2,401	-2,401	-2,401
Non-voted expenditure	6,713	6,713	6,713
Resource Budget Outturn	1,813,483	1,816,890	1,585,188

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2005-06	2004-05	2003-04
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	1,778,770	1,797,177	1,593,687
<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	-2,401	-2,401	-2,401
Other adjustments	-	-	-
Net Operating Cost (Accounts)	1,783,082	1,801,489	1,597,999
<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	-15,212
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	2,401	2,401	2,401
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	46,000	31,000	-
Other adjustments	-	-	-
Resource Budget Outturn (Budget)	1,813,483	1,816,890	1,585,188
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,813,483	1,816,890	1,585,188
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2005-06	2004-05	2003-04
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	121,978	101,533	49,821
<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 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	1,000	-
Other adjustments	-	-	-
Capital Budget Outturn (Budget)	122,978	102,533	49,821
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	122,978	102,533	49,821
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

In accordance with Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointment for the Request for Resources within this Estimate.

Request for Resources 1: Sir Michael Jay, Principal Accounting Officer and Permanent Head of the Foreign and Commonwealth Office

Request for Resources 2: Sir Michael Jay, Principal Accounting Officer and Permanent Head of the Foreign and Commonwealth Office

Sir Michael Jay, as the Principal Accounting Officer (PAO) of the Foreign and Commonwealth Office, has personal responsibility for the proper presentation of the Foreign and Commonwealth Office's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The PAO as the permanent head, in addition to the responsibilities for the assigned RfR, 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 the 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 available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the Foreign and Commonwealth Office's policies, aims, and objectives; and should regularly review the effectiveness of that system.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2005-06 provision		2004-05 provision		2003-04 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 UK and contributing to a strong world community						
Refunds of salaries of seconded FCO staff	1,256	—	1,256	—	902	—
Sale of information material	49	—	49	—	—	—
Sales into Wider Markets	5,590	—	5,590	—	6,163	—
Income from sub-letting and receipts from sales of surplus material and equipment	110	—	110	—	3,042	—
Receipts at home and overseas from legalisation fees, telephone and postage recoveries, medical schemes recoveries, bank interest and other sundry receipts	5,335	—	5,780	—	8,596	—
Receipts from Government Departments	95,065	—	87,204	—	43,006	—
Overseas receipts relating to local budgets	2,572	—	2,572	—	—	—
Receipts for visa, and other services provided at consular offices	143,876	—	149,576	—	139,505	—
Lancaster House receipts from other customers	87	—	87	—	—	—
Wilton Park Executive Agency	1,679	—	1,679	—	2,688	—
Distressed British nationals, repayment of advances	65	—	65	—	—	—
DFID payments to Commonwealth Foundation	247	—	407	—	—	—
Income from sale of fixed assets	—	15,015	—	30,015	—	26,875
Total RfR 1	255,931*	15,015**	254,375	30,015	203,902	26,875
* 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.						
Total A in A	255,931	15,015	254,375	30,015	203,902	26,875
<i>of which: Administration Budgets</i>	96,831		88,970		45,694	

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund Extra Receipts (CFERs)

	£'000					
	2005-06 provision		2004-05 provision		2003-04 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Consular fees ●	2,401	2,402	2,401	2,402	2,401	9,464
Total	2,401	2,402	2,401	2,402	2,401	9,464

Notes to the Main Estimate *(continued)*

Departmental Expenditure Limits and Administration Budgets

Details of 2005-06 Departmental Expenditure Limits (DEL) and Administration budget limits

	Voted*	Non-voted	£'000 Total
Resource DEL	1,760,770	52,713	1,813,483
<i>of which: Administration Budgets</i>	<i>797,638</i>	<i>—</i>	<i>797,638</i>
Capital DEL**	121,978	1,000	122,978
Less depreciation†	-113,624	-20,000	-133,624
Total DEL	1,769,124	33,713	1,802,837

* Excludes EU receipts included in Estimates, but excluded in Budgets.

** 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.

† 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.

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

The total net resource sought for 2005-06 of £1,778,770,000 is 1.0 per cent lower than the final net provision for 2004-05 of £1,797,177,000 and 0.7 per cent higher than the forecast outturn of £1,767,177,000.

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

	2005-06 provision	2004-05 provision	2003-04 outturn
	270,946	284,390	230,777

Notes to the Main Estimate *(continued)*

Grants in aid above £ 1 million

	£'000
BBC World Service	239,143
British Council ♥	187,803
Westminster Foundation for Democracy ♥	4,100

Subscriptions to International Organisations above £1 million

	£'000
United Nations Regular Budget	60,111
Commonwealth Secretariat	3,620
Council of Europe	19,425
Western European Union	1,800
Organisation for Economic Co-operation and Development (OECD)	12,543
North Atlantic Treaty Organisation (NATO)	18,300

Contingent liabilities

	£'000
British Council: indemnities given by the British Council to the owners of objects exhibited overseas against loss or damage	10,055