
Foreign and Commonwealth Office

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 to be published later in the year.
3. Symbols are explained in the introduction to this booklet

Foreign and Commonwealth Office

Part I

	£
Request for Resources 1: Promoting internationally the interests of the UK and contributing to a strong world community	1,689,093,000
Request for Resources 2: Conflict prevention	235,606,000
Total net resource requirement	1,924,699,000
Net cash requirement	1,876,705,000

Amounts required in the year ending 31 March 2009 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
RfR 1	1,689,093,000	734,279,000	954,814,000
RfR 2	235,606,000	115,272,000	120,334,000
Total net resource requirement	1,924,699,000	849,551,000	1,075,148,000
Net cash requirement	1,876,705,000	805,219,000	1,071,486,000

Part II: Subhead detail

£'000

2008-09 Provision						2007-08 Provision	2006-07 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
RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community									
493,569	1,384,524	271,000	2,149,093	460,000	1,689,093	177,060	18,000	1,704,963	1,581,934
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Administration, programmes and international organisations subscriptions.								
493,569	912,524	214,000	1,620,093	460,000	1,160,093	177,060	18,000	1,187,758	1,106,575
B	BBC World Service Broadcasting								
-	234,000	-	234,000	-	234,000	-	-	222,043	208,543
C	British Council								
-	188,000	-	188,000	-	188,000	-	-	186,362	183,124
D	BBC World Service - Capital grant								
-	-	31,000	31,000	-	31,000	-	-	33,000	31,000
E	British Council - Capital grant								
-	-	8,000	8,000	-	8,000	-	-	7,800	5,000
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
F	Administration, programmes and international organisations subscriptions								
-	50,000	-	50,000	-	50,000	-	-	50,000	27,205
Non-Budget									
G	Reimbursement of certain duties taxes and licence fees								
-	-	18,000	18,000	-	18,000	-	-	18,000	20,487
RfR 2: Conflict prevention									
-	-	235,606	235,606	-	235,606	-	-	372,462	345,580
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Sub - Saharan Africa - Programme expenditure								
-	-	4,688	4,688	-	4,688	-	-	7,873	3,485
B	Global - Programme expenditure								
-	-	19,793	19,793	-	19,793	-	-	45,231	40,638
C	Sub - Saharan Africa - Peacekeeping								
-	-	100,000	100,000	-	100,000	-	-	195,986	198,255

Part II: Subhead detail

										£'000	
2008-09 Provision										2007-08 Provision	2006-07 Outturn
Resources						Capital Non- operating A in A		Net Total Resources	Net Total Resources		
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	9	10		
1	2	3	4	5	6	7	8	9	10		
D	Global - Peacekeeping	-	-	83,125	83,125	-	83,125	-	-	123,372	103,202
E	Stabilisation Aid Fund	-	-	28,000	28,000	-	28,000	-	-	-	-
Total for Estimate:											
		493,569	1,384,524	506,606	2,384,699	460,000	1,924,699	177,060	18,000	2,077,425	1,927,514

Part II: Resource to cash reconciliation

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Resource Requirement	1,924,699	2,077,425	1,927,514
Voted capital items			
Capital	177,060	201,700	162,217
Less Non-operating A-in-A	18,000	15,300	57,728
Total net voted capital	159,060	186,400	104,489
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-52,004	-65,004	-50,540
Depreciation	-155,050	-126,509	-108,760
New provisions and adjustments to previous provisions	-14,000	-15,000	-14,545
Profit/loss on sale of assets	-	-	472
Prior period adjustments	-	-	-
Other non-cash items	-	-260	-345
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	14,000	15,000	-
Total accruals to cash adjustments	-207,054	-191,773	-173,718
Excess cash to be CFERd	-	-	-
Net Cash Requirement	1,876,705	2,072,052	1,858,285

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					
	2008-09 Provision		2007-08 Provision		2006-07 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	9,000	<i>9,000</i>	2,401	<i>2,401</i>	2,401	<i>9,211</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	-	-	-	-	-	-
Total	9,000	<i>9,000</i>	2,401	<i>2,401</i>	2,401	<i>9,211</i>

Forecast Operating Cost Statement

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Administration Costs			
RfR 1	413,569	332,692	393,201
RfR 2	-	-	-
Total Net Administration costs	413,569	332,692	393,201
Net Programme Costs			
RfR 1	1,275,524	1,372,271	1,188,733
RfR 2	235,606	372,462	345,580
Non-voted	-6,000	3,461	417
Total Net Programme costs	1,505,130	1,748,194	1,534,730
Total Net Operating Cost	1,918,699	2,080,886	1,927,931
<i>of which:</i>			
Net Resource Requirement	1,924,699	2,077,425	1,927,514
Non-voted expenditure	3,000	5,862	2,818
Consolidated Fund Extra Receipts	-9,000	-2,401	-2,401
Resource Budget	1,879,699	2,008,060	1,854,492

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Resource Requirement (Estimates)	1,924,699	2,077,425	1,927,514
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
Non-voted expenditure in the OCS	3,000	5,862	2,818
Consolidated Fund Extra Receipts in the OCS	-9,000	-2,401	-2,401
Other adjustments	-	-	-
Net Operating Cost (Accounts)	1,918,699	2,080,886	1,927,931
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	472
Capital grants	-47,000	-40,800	-54,225
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-18,000	-18,000	-20,487
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	9,000	2,401	2,401
Resource consumption of non departmental public bodies	-	-16,427	-1,600
Unallocated resource provision	17,000	-	-
Other adjustments	-	-	-
Resource Budget (Budget)	1,879,699	2,008,060	1,854,492
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,829,699	1,958,060	1,827,287
Annually Managed Expenditure (AME)	50,000	50,000	27,205

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Voted Capital (Estimates)	159,060	186,400	104,489
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	-	16,427	1,600
Capital grants	47,000	40,800	54,225
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	-	-
Other adjustments	-	-	-
Capital Budget (Budget)	206,060	243,627	160,314
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	206,060	243,627	160,314
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 Resource 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 Chapter 3 of Managing Public Money. 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		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community			
Administration	80,000	101,961	64,620
<i>of which:</i>			
Sale of goods and services	80,000	101,961	64,620
Programme	380,000	362,391	277,845
<i>of which:</i>			
Sale of goods and services	380,000	362,144	277,845
EU Income	-	247	-
Total RfR 1	460,000†	464,352	342,465
<i>† 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.</i>			
RfR 2: Conflict prevention			
Programme	-	5,000	-
<i>of which:</i>			
Sale of goods and services	-	5,000	-
Total RfR 2	-	5,000	-
Total Operating A in A	460,000	469,352	342,465

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

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community			
Programme	18,000	15,300	57,728
<i>of which:</i>			
Sale of assets	18,000	15,300	57,728
Total RfR 1	18,000†	15,300	57,728
<i>† 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.</i>			
Total Non-Operating A in A	18,000	15,300	57,728

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2008-09		2007-08		2006-07	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Consular Fees●	2,401	2,401	2,401	2,401	2,401	9,211
UN Peacekeeping Refunds●	6,599	6,599	-	-	-	-
Total	9,000	9,000	2,401	2,401	2,401	9,211

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	1,809,699	20,000	1,829,699
<i>of which:†</i>			
Administration budget	425,287	5,282	430,569
Near-cash in RDEL	1,638,645	34,000	1,672,645
Capital DEL††	206,060	-	206,060
Less Depreciation†††	-105,050	-	-105,050
Total DEL	1,910,709	20,000	1,930,709

† 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 2008-09 of £1,924,699,000 is 7.4 per cent lower than the final net provision for 2007-08 of £2,077,425,000 and 5.1 per cent lower than the forecast outturn for 2007-08 of £2,028,600,000.

Cash which may be retained to offset expenditure

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 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.	478,000	484,652	400,193

Notes to the Main Estimate (*continued*)

Changes in Accounting Policies

FCO Services became a Trading Fund on the 1st April 2008 and therefore moved outside of the FCO Accounting Boundary.

The FCO will produce shadow accounts on an IFRS basis in 2008-09.

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

RfR/Section	Body	£'000
RfR1 - B and D	BBC World Service Broadcasting♦	265,000
RfR1 - C and E	British Council♦	196,000
RfR1 - A	Westminster Foundation for Democracy♦	4,100
RfR1 - A	FCO Services♦	-

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

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

Notes to the Main Estimate (*continued*)

International Subscriptions

RfR/Section	Body	£'000
RfR1 - A	UN Regular Budget	64,625
RfR1 - A	Commonwealth Secretariat	4,338
RfR1 - A	OECD	12,700
RfR1 - A	Western European Union	1,945
RfR1 - A	North Atlantic Treaty Organisation (NATO)	19,776
RfR1 - A	Council of Europe	22,821
RfR1 - A	OSCE	3,988
