



Wilton Park

WILTON PARK

AN EXECUTIVE AGENCY OF THE FOREIGN &  
COMMONWEALTH OFFICE

ANNUAL REPORTS AND ACCOUNTS

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# Chairman's foreword

It is pleasing to report that the year ending March 2013 has been a further period of achievement and tangible progress at Wilton Park.

In a turbulent and challenging year for foreign policy, Wilton Park has fulfilled its primary role as a front line resource for the FCO. We have achieved this by focussing on deploying our skill, expertise and reputation in support of FCO priorities both by building capabilities in line with longer term strategic directions and by responding rapidly and effectively to urgent needs. Encouragingly, we have seen a further increase in FCO discretionary funding which demonstrates our direct relevance to FCO priorities.

Financially, Wilton Park achieved the budget target of a modest cash operating surplus for the third consecutive year. Year-on-year our total revenue increased by 5%, all from conference activity, and our commercial activity at Wiston House maintained its revenue base following the high rate of increase in the prior year; a very credible performance in a tough market. Independent participation fees and commercial sponsorship of conferences was stable year-on-year but still significantly below the level achieved before the current economic crisis. We continued to focus on efficiency improvements and cost reductions throughout the year and we are seeing the benefits of the new ways of working introduced for the conference team over the last 18 months.

During the year, 2985 people from 127 nations attended 55 Wilton Park conferences and events, 43 at Wiston House, 5 in London and 7 in other countries. Attendance included 69 ministerial (or equivalent) visits from 34 countries; all of our conferences had senior attendance from the FCO (King Charles Street or posts), relevant Whitehall Departments or agencies. The Foreign Secretary addressed our conference on 'Preventing sexual violence in conflict and post-conflict situations'; he was accompanied at the conference by the UNHCR Special Envoy, Angelina Jolie. The second Wilton Park Annual Address was delivered by HE Dr Yudhoyono, President of Indonesia. Our participant satisfaction scores maintained their excellent rating and our recently introduced Monitoring and Evaluation process is providing valuable feedback.

We are very fortunate to have a very dedicated and committed team at Wilton Park and I would like to thank them for all they have done throughout the year. The successful introduction of new ways of working has involved significant changes to the roles of the majority of people in the conference team and implementation has required considerable flexibility and cooperation; it is good to see people settling into their new roles and further refining the new operational model. In the coming year, our priority is to consolidate the recent changes and to further develop our capabilities in facilitation techniques. The annual staff survey continued to show well above average scores in all significant areas.

We have appointed nine new members to The Advisory Council and eight members stood down at the end of their terms. We benefit greatly from the input and wise counsel from the members and we are very appreciative of the time and support they give us. We are also grateful for the continuing support from the senior team in the FCO and particularly our colleagues in the Engagement and Communications Directorate.

Looking ahead, our role as a front line resource for the FCO, inevitably means we will face another volatile year. We have built greater resilience over the last 3 years and are well prepared for the challenges ahead. All of us at Wilton Park share a strong and continuing belief in the value of the work that we do and look forward to continuing to contribute to delivering the FCO key priorities and to playing our part in creating a safer and fairer world.

**Iain Ferguson CBE**

**Chairman**

# Chief Executive's overview

The annual report of an executive agency is a document of record. It is the primary source for the due diligence that can and will be undertaken by government, parliament, potential sponsors and the public. The public seeks and has a right to evidence that the hard-earned funds it provides through taxes are well spent in the national interest. So my overview is split into three parts – measures of our performance and efficiency, the outputs, and finally the purpose and relevance of our work.

## Performance and efficiency

For the third year we have delivered a modest cash surplus of revenue over expenditure (£38.1k or 0.8%) as shown in the Financial Review on page 15. This was achieved despite major changes in revenue (for sound policy reasons and turbulence in global affairs) which unexpectedly reduced our income by nearly 5% in the last quarter of the year. Our revenue was £4,775k a 5% annual increase.

Three critical performance measures over the past three to four years indicate the progress that has been made in making Wilton Park a cost effective and efficient institution that can weather the volatility that is characteristic of being part of international affairs. The leverage we generate from our core FCO allocation has increased from 209% to 377%. Our measure of staff efficiency (the ratio of staff cost to income) has moved from 68% to 53%; an improvement of 22%. Finally our headcount has declined by 13%.

## Outputs

Our output is high. The chairman has already cited the bald figures which are the indicators of our productivity. But behind those figures, we note that the number and range of institutions around the world supporting our work directly through funding and intellectual partnership has not changed. Not only do we find that key individuals repeatedly attend Wilton Park, or send their colleagues, but the institutions themselves – government, civil society and private sector companies – have maintained their allegiance and engagement with us. Our principal physical asset is the leased Wiston House – our home for over 60 years. Through 'sweating' its use - ensuring that we maximise the time it is occupied and the volume of that occupancy - has enabled us to achieve a remarkable benchmark.

## Purpose and relevance

As a public institution, our performance, efficiency and outputs are frankly meaningless unless we are delivering something of value to the nation. Our purpose is very simple. It is to provide a means by which some of the most intractable, pressing and often dangerous problems the world faces can be discussed quietly and discreetly; in a manner which allows policy makers and those that influence them to reach for consensus and solutions; to increase understanding in order to reduce tension and remove the obstacles to peace. Wilton Park reflects the unique place and ethos of the United Kingdom – a responsible democracy in an uncertain world. The repeated visits, the consistent support from overseas institutions and governments, and the fact that our earned income is now 80% of our revenue are clear indication that we are responding to 'our market' and creating advantage for Britain in the process. As our Permanent Under Secretary, Simon Fraser has said in the internal guide to FCO staff on Wilton Park "The networks it builds and sustains are invaluable; the investment of resource and time in Wilton Park by our principal allies around the world is testament to its value to us in the FCO".

**Richard Burge**

**Chief Executive**

# Activity, review of performance and future prospects

## Wilton Park conferences

The previous year of Wilton Park conferences was underpinned by seismic change throughout North Africa and the Middle East, a continuing financial crisis through much of the Western world, and a catalogue of natural disasters that plunged the global community into crisis management mode. This year we have sought to generate fresh debate on these developments, particularly within the context of dynamic global patterns in which an increasing number of actors are involved. In many instances, Wilton Park has provided a forum for pre-discussions to official negotiations and processes, particularly in established programmes such as Weapons of Mass Destruction (WMD); but similarly we have conducted a number of meetings in response to fast moving developments, demonstrating a great degree of flexibility.

We have also sought to expand our international engagement, not only through hosting a very wide range of nationalities at Wiston House, but also conducting conferences in locations such as Thailand, Turkey, Switzerland, Indonesia and Brazil. This has contributed to the framing of Wilton Park as a critical part of the UK foreign policy infrastructure, particularly as a soft power asset, demonstrated by the first ever visit of a sitting Foreign Secretary to Wilton Park in November 2012. Our reputation as a neutral location for open and rigorous debate on often highly sensitive issues has also been consolidated around the world through the signing of a number of Memoranda of Understanding.

A highlight of the year was the second Wilton Park Annual Address with President HE Dr Susilo Bambang Yudhoyono of the Republic of Indonesia. The President, accompanied by the Indonesian Minister of Foreign Affairs, Minister of Trade, and Minister of Energy and Mineral Resources, emphasised the country's strong economic and democratic fundamentals that inform Indonesia's various roles as a norm-setter, consensus-builder and advocate for the developing world. This event was largely made possible by Wilton Park's first conference in Indonesia in September 2012 on 'Indonesia's economic development: contributing to a sustainable growth pattern', detailed below.

## Defence and Security

Wilton Park's renowned non-proliferation programme, led by Programme Director Dr Mark Smith, began the year by taking on two demanding subjects: 'Deterrence, assurance and reductions: rebalancing the nuclear order' and 'Verification in the 21st century'. Both meetings are convened annually. The former is run in partnership with the Lawrence Livermore National Laboratory and Sandia National Laboratories and built on the recent discussions at the 2012 Nuclear Non-Proliferation Treaty (NPT) PrepCom and 2012 Chicago G8/NATO Summit particularly regarding the role of nuclear deterrence in the NATO alliance and its implications for global nuclear order. The latter event is conducted with the London based NGO VERTIC, focusing on multilateral verification of WMD agreements.

In line with many of our other programme areas, our September 2012 discussion on 'Global constituencies in the NPT regime' also focused on ways in which to increase and enhance the capacity of developing states to participate in the nuclear non-proliferation regime, building on the landmark conference held in South Africa earlier in the year.

Highlights of the year included our annual nuclear non-proliferation conference. Globally recognised as a critical part of the NPT debate, the conference is now in its 17th year and this time was attended by 86 participants from over 30 countries, as well as attendees from institutions such as the UN, the International Atomic Energy Agency (IAEA), the League of Arab States and the European External Action Service (EEAS). The challenges posed by the Iranian nuclear programme, likely US policy under the second Obama administration, the forthcoming Nuclear Security Summit, and the Middle East WMD-Free Zone were all specific topics of discussion.

Our final event of the year was held in The Hague at the end of February, in partnership with the FCO, the Dutch Ministry of Foreign Affairs, and the Clingendael Institute. The purpose of the dialogue was to aid deliberations running up to the 2014 Nuclear Security Summit, which the Dutch are chairing, to identify potential difficulties and explore possible solutions prior to the start of the Summit.

In addition to the nuclear driven work, we have also continued to support non-proliferation regimes in chemical and biological weapons. Working with the governments of the UK, US, Canada and the Netherlands, we ran a dialogue in October 2012 to assess challenges to the chemical weapons prohibition regime prior to the 2013 CWC Review Conference. Similarly, in February, the first meeting of the G8 Global Partnership's (GP) Working Group was held at Wilton Park and explored opportunities for UK leadership in the GP on WMD issues, particularly biological and chemical threats. The meeting specifically aimed to present a number of options to the UK Government to take forward during its G8 Presidency.

Moving away from WMD, a smaller group of 30 people attended a short event in partnership with the US State Department and the FCO to discuss modernised conventional arms control arrangements in Europe. This is a new theme for Wilton Park, and has already produced strong US interest in a follow-up dialogue.

Aside from Wilton Park's work on WMD and arms control, Programme Director, Dr Robert Grant has led a number of discussions throughout the year with a specific focus on NATO. Deputy SACEUR General Sir Richard Shirreff led high level participation in a meeting on 'Operationalising the comprehensive approach' in April. Participants considered the varying ways in which military and civilian actors may find themselves operating in the same space in both disaster relief and conflict related missions post Afghanistan. The imperative to create more efficient and effective interaction between the two was emphasised, and a major recommendation centred around the creation of new types of networks to achieve this.

Later on in the year, the NATO Defence College, NATO Public Diplomacy Division, and the FCO cosponsored a dialogue on 'NATO Partnerships in a shifting strategic landscape'. The importance of partnerships for NATO's ability to project security and stability was underscored, particularly as participants noted that major future NATO operations will more than likely take place with partners. Among key recommendations were for NATO to act as an 'interoperability school', helping partners better understand standardisation and interoperability in a multilateral framework.

## **Counter-terrorism, home affairs and the rule of law**

Building on the momentum of the London Conference on Cyberspace and in the lead up to the 2012 Budapest Conference, cyber has been a recurrent theme throughout 2012-13, with Programme Director, Julia Purcell building a diverse range of conversations. Run in partnership with the FCO and the Cabinet Office, our invitation only, high level roundtable meeting on 'Confidence building measures in cyber space: lessons from multilateral security regimes' brought together cyber specialists from selected countries alongside experts from other multilateral security regimes, to consider the transferability of existing mechanisms and to identify specific proposals to take forward in support of the work.

## **Human Rights, Democracy, Faith**

As with all programme areas, a large part of our focus over the past year has been on emerging issues, such as the role of business in human rights, which has been developed by Programme Director, Isobelle Jaques. Our June meeting on 'Business and human rights: implementing the Guiding Principles one year on' aimed to assess progress in the implementation of the Human Rights Council's 'Protect, Respect, Remedy' framework for businesses since the Council endorsed UN Special Representative John Ruggie's Guiding Principles in June 2011. Following from this, our conference on 'Burma/Myanmar, business and human rights: setting standards for responsible business' held in November, addressed how businesses and governments can ensure that the impact of their investments in Burma are positive and guided by the aforementioned UN framework.

We also continued our annual UN related human rights series, sponsored by the Norwegian and Swiss governments, with the ninth conference, 'Integrating transitional justice, security and development', held in January 2013. The objective of the meeting was to move discussions from concept to policy and programme planning, in addition to incorporating justice issues into the on-going dialogues on the post-2015 development goals and agenda. Earlier in the financial year, we promoted discussion on 'Supporting democracy: engaging and developing policies with transition countries – the role of rising global actors' held in Istanbul. A small meeting of specially invited participants from a range of emerging powers discussed case studies of Egypt, Libya, Syria, Afghanistan and Burma/Myanmar, the results consisting of some provocative but constructive debate with an emphasis on the importance of indigenous actors driving support and delivering assistance through NGOs.

'Promoting and protecting freedom of expression online' discussed the internet from a human rights perspective with Keir Starmer, Director of Public Prosecutions, giving the keynote address. Participants from a range of countries discussed the prospects for a free and open internet, that is safe and secure, underpinned by tolerance and respect, and in a manner that galvanises innovation and economic development.

As a result of our July 2012 workshop on 'Assisted Voluntary Returns' (AVR), the UK Border Agency (UKBA) instigated a review process for the programme. This invitation only workshop with the FCO's Migration Directorate and UKBA brought together senior UK officials, diplomatic representatives from key countries, NGOs, international agencies, academics and other experts to raise awareness and understanding of AVR; learn from shared knowledge; and explore and develop policy and practice for the most effective way forward for a successful AVR programme.

More recently, the human rights and democracy programme has seen us travel to Brazil as part of our public diplomacy series. A roundtable meeting on 'Applying soft power: the Brazilian and British perspectives' brought together UK and Brazilian experts from government, academia and think tanks alongside selected experts from, among others, India, Chile and the US, to share ideas about soft power strategies. Brazilian Culture Minister, Marta Suplicy gave the keynote address, during which she announced a new policy initiative – a highlight for the event. Funded by the FCO and held in partnership with the British Embassy in Brazil, the meeting was the first international conference on soft power to be held in-country and is one of a series of initiatives linked to the GREAT campaign. The roundtable was an important opportunity for Wilton Park to raise its profile in Brazil.

Led by Visiting Programme Director, Canon Dr Gary Wilton, Wilton Park continued its work on Faith, holding a December meeting on 'Combating intolerance and promoting freedom of religion or

belief for all' in association with the FCO and the Canadian High Commission. Overall, the aim was to create a dialogue in support of the Human Rights Council's Resolution 16/18, as well to contribute to an ongoing conversation within the Istanbul process. This topic is the subject of considerable political tension, which was evident both before and during the meeting. Participation included the Organisation of Islamic Cooperation (both the SG's Special Envoy and spokesman), the Vatican, Geneva based Ambassadors or their representatives to the UN Human Rights Council (US, Russia, Pakistan, Turkey) and participants from Indonesia, Malaysia, Saudi Arabia, Egypt, Georgia, and a range of EU member states.

Finally, in partnership with the European Organisation for Nuclear Research (CERN) Canon Dr Gary Wilton also brought together representatives of major religious faiths with scientists and philosophers to examine issues such as the impact on religion of scientific developments, faith and experimentation, observation and reason, how to handle revolutions in discovery and thought and the limits of knowledge. Held in Switzerland, 'The Big Bang and the interfaces of knowledge: towards a common language' also formed part of Wilton Park's increasing overseas portfolio in 2012-13, and generated considerable media attention.

## **Conflict resolution and peace-making**

A highlight of the year, in association with the Foreign Secretary's 'Preventing Sexual Violence Initiative', was our high profile meeting on 'Preventing sexual violence in conflict and post-conflict situations' attended by the Foreign Secretary, The Right Honourable William Hague MP and Lynne Featherstone, Parliamentary Under-Secretary DFID. Other leading international experts included Zainab Hawa Bangura, UN Special Representative on Sexual Violence in Conflict, Julia Duncan-Cassell, Minister of Gender and Development, Government of Liberia; and Norwegian State Secretary Gry Larsen. The Special Envoy for the UN High Commissioner for Refugees, Angelina Jolie, attended the final day of sessions.

The Foreign Secretary, who has since deployed his dedicated expert team for preventing sexual violence to a number of conflict zones, made concluding remarks based on recommendations from the meeting. These included ways in which to galvanise concerted and effective global leadership; the use of international mechanisms and legal frameworks; how to create institutional changes to establish a culture of deterrence; plus practical guidance on emerging situations such as Syria. Many of these issues have been developed as action points within the landmark G8 Declaration on 'Preventing sexual violence' released in April 2013.

Policymakers and practitioners from around the world, including senior UN officials, met at Wilton Park this year to discuss what needs to be done to give practical effect to the UN Secretary-General's seven-point action plan on Women's participation in peacebuilding. The discussion built on previous Wilton Park conferences on UNSCR 1325, women affected by violence during conflict and the role of UN peacekeepers in combating sexual violence, and as mentioned, most recently preventing sexual violence in conflict and post-conflict zones. Key issues particularly related to the UN were that the UN itself needs to set a better example in implementing the seven-point action plan, and that there should be increased UN accountability on the women, peace and security agenda as only a small minority of UN-supported peace processes have women as part of negotiating teams.

Our focus on the UN this year has also resulted in two conferences based on the overall effectiveness of the institution particularly within the broader global context. In May 2012 a meeting on 'New challenges, new partners, a new UN development system' formed part of an ongoing process towards greater reform of the UN development system, especially in view of evolving roles of the key actors including BRICS, private funders, and Multi-donor Partner Trust Funds. Speakers included the Former Prime Minister of Pakistan and the Permanent Representatives of South Africa, the US and India to the UN in Geneva. 'Delivering a well-managed and effective UN' provided further insight into how the international community can build on international momentum for management change and innovation following the UN Secretary-General's Five-Year Action Agenda. Run in association with the FCO's Multilateral Policy Directorate, participants, including those from a range of UN agencies, sought to identify concrete ways to strengthen the UN's effectiveness and efficiency.

## **Global Prosperity**

Programme Director, Kathryn Hingston, ran a series of conferences on global economic systems and future prosperity for both developed and developing countries. 'Promoting rules-based economic systems for global growth' was introduced by FCO Minister of State Hugo Swire, who highlighted the need for greater cooperation between mature, growth leading and emerging economic powers in the realignment, implementation and enforcement of the rules and standards governing global trade to deliver prosperity worldwide.

'Sustainable economic growth in small island states' drew together leading diplomats from Caribbean and Indian Ocean islands and international experts to discuss the challenges facing economies vulnerable to external and internal shocks. A particular highlight of this event was the facilitated dinner debate in which participants identified the criteria necessary to deliver long term stability and growth for island economies.

The format of this discussion was later applied to other events within the Global Prosperity programme. In January, 40 senior participants from the UK Government (Cabinet Office, HMT, SOCA, DFID, FSA, the Information Commission), banks, law and accountancy firms, academia and NGOs active in the field discussed potential efficiencies and improvements to be gained by a different approach to regulation and reporting of illicit financial flows. This conversation on 'Building public and private sector consensus on effective measures to combat international money laundering activities' was conducted through an afternoon and dinner discussion held in London, hosted by Allen & Overy LLP and in partnership with the Cabinet Office and Transparency International.

High on the G8 agenda, 'Delivering sustainable economic development in resource rich nations' was opened by Chris Austin, Director, G8 Transparency in the Cabinet Office who outlined the UK government's view that greater transparency is good for business. Funded in part by Rio Tinto, Anglo American and BG Group, over 60 representatives from the global extractives sector, national governments, the EU and civil society examined whether proposed legislation on increased financial transparency for extractive companies was an effective tool in the fight against corruption and weak governance within developing, resource-rich nations. The diversity of the group contributed greatly to reaching strong conclusions on what is needed beyond regulation to achieve poverty alleviation and prosperity growth in countries with mineral wealth.

## **Sustainable Development, Energy and the Environment**

Our six part series on 'Global food, agriculture and land use' with Professor Michael Winter, University of Exeter, Associated British Foods and the Small Foundation continued with two conferences during the year led by Director of Programmes Robin Hart. The first, on 'Improving diet and nutrition', brought together policy makers, agricultural producers, food retailers and nutritionists. Sir John Beddington delivered a keynote speech outlining the challenges of feeding an additional one billion people in the next twelve years. Highlights included case studies of Brazil's Zero Hunger programme (the provision of school meals supporting local farm produce); China's nutrition policy and dietary guidelines; and progress made in some African countries. A key conclusion was that food security policies must include nutrition. The second conference focused on the role of science and technology in improving agricultural production and yields. Ongoing research into artificial photosynthesis was noted as a potential game changer for the production of energy and starch as a bulk food staple in coming decades and provoked a fascinating debate on future possibilities.

Continuing with a focus on science, our series on disaster preparedness and response included a conference on 'Building global resilience to natural disasters: translating science into action', highlighting the major advances in science in predicting natural hazards, particularly in short and longer term forecasting. Innovative case studies from West Africa, Kenya, Bangladesh and India amongst others underlined positive progress in this area, and participants concluded that a highly collaborative approach is needed to bring together scientists, disaster managers, humanitarians, NGOs and others – an aspect in which Wilton Park has been able to play a role.

Another highlight in our disaster related programme was our meeting in November 2012 in Bangkok to discuss 'Communicating the risk of disasters'. With support from the Norwegian Ministry of Foreign Affairs, the meeting took the form of a workshop, working with the Asia Disaster Preparedness Centre to increase its outreach strategy to help improve communication regarding disaster risks. Wilton Park used a range of facilitation techniques to maximise the impact of the discussions – an aspect of our work that is continuously evolving and that we will be developing over the next year.

Our work on global health focused on 'The new era in HIV/AIDS treatment and prevention: science, implementation and finance', a meeting held near Geneva in June to look at the prospects and implications of an exciting breakthrough in HIV/AIDS prevention and control strategy, namely treatment as prevention. Mounting research evidence shows the benefits of early treatment for HIV-infected people using antiretroviral therapy, which saves the lives of HIV infected individuals and importantly reduces HIV transmission from infected individuals to others. This raises the possibility of mass testing and treatment of populations to reduce HIV related morbidity and mortality and lower new infections. Such a prospect raises complex issues, with costs and benefits for trade off by countries, funders, communities and individuals affected. This was a seminal meeting that included many of the key players and which is anticipated will help shape future World Health Organisation guidelines and thus UN and donor action.

Strategic foresight and long term forecasting also served to underpin several conferences on energy and resources, beginning with our annual Futures conference which this year focused on 'Resources: trends and future challenges for states and regions – towards 2030'. The 6th Futures meeting drew on the National Intelligence Council's 'Global Trends 2030 Report', bringing together a broad spectrum of resource experts to consider water, land, energy and food and the related trends, challenges and opportunities over the next 15-20 years.

Linked to the 'Futures' series, Wilton Park's summer 'School of International Futures' (SOIF) founded by Alun Rhydderch and Cat Tully, used case studies, lectures and tutorials working through a real life example to ensure those participating had a better understanding of how a set of radically different futures could come about, mitigating negative outcomes and turning unexpected events into positive ones. The original concept of SOIF was conceived to meet the growing interest in the use of Strategic Foresight, (or Horizon Scanning) among international policy officials, business leaders, analysts and activists. Based on the success of the 2012 School, planning for SOIF 2013 is underway.

A more specific energy and resource discussion took place at the British German Environment Forum with a focus on 'Energy policy for the 2050s'. This meeting allowed for an indepth look into German and UK energy policy within the wider context of EU strategy. Key conclusions included a call for a strong and convincing narrative for the public on a carbon-free future and also noted that Britain and Germany must become European and global leaders in moving towards the 2050 goals on greenhouse gas emission reductions. Similarly, 'The future of global markets for sensitive nuclear fuel cycles services' also brought together a highly diverse group of participants, including diplomats, nuclear energy officials, and industry representatives, to discuss the potential role of Multilateral Nuclear Approaches (MNAs) in meeting the fuel cycle requirements of nuclear energy 'consumer' states. Both of these meetings sought to address current issues on the energy agenda within a broader context of shifting global trends in international relations.

## **Key Countries and Regions**

Wilton Park's 'China Dialogues', run in partnership with the Central Party School of the Communist Party, continued this year with a seminal conference on the 'Implications and opportunities of the 18th Congress of the Communist Party of China'. The meeting incorporated experts from the School, Chinese officials, and a range of representatives from around the world, among them Trade and investment minister, Lord Green, the Chinese Ambassador, Liu Xiamong; EU Commissioner Lazlo Andor and Willie Walsh, CEO, International Airlines Group. Held soon after the Communist Party Congress that confirmed China's new leadership, discussion focused on the government's priorities, particularly in relation to social and governance reforms and the potential for practical implementation. The conference was followed by a 90 Minute Dialogue, hosted by the China Britain Business Council in London and involving members of the Central Party School delegation, to disseminate the findings among the business community.

The Middle East and North Africa remained high on Wilton Park's agenda throughout the year, building on the previous years' work which focused on the range of transitions and impacts across the region. Impact and challenges for the Middle East and North Africa one year on from the Arab transitions drew together some assessments from the past 18 months, examining achievements and exploring future challenges and options. Specific issues included security (triggers for conflict), managing negative impact on the economy and promoting growth, and the role of Islamist groups.

These issues set the tone for a series of later events on the region, including 'The economy of the Maghreb – a motor for regional prosperity and integration', held in July 2012. Run in conjunction with British Embassies in the Maghreb, and with support from Shell and Unilever, discussions were led by Alistair Burt, UK minister with responsibility for the region, the Deputy Foreign Ministers of Algeria and Morocco, the Secretary of State for Development and International Cooperation of Tunisia; the President of the Islamic Development Bank; the Secretary General of the Arab League; the Secretary General for the Union of the Mediterranean and the Minister for Economic Affairs of Mauritania. They focused on how to develop the region's economic potential and encourage intra-regional cooperation particularly in the run-up to the October 2012 Arab Maghreb Union Summit, looking at what could be done to promote greater (economic) integration, rather than concentrating on (political) obstacles and emphasising the importance of education and skills to harness the region's potential. A number of female representatives of key institutions, such as the African Development Bank, stressed the importance of increasing female participation. The UK's role in Europe on Maghreb issues was seen as being especially constructive ahead of its G8 Presidency in 2013, providing an opportunity to move ahead on the aid plan agreed at the 2011 G8 summit in Deauville.

A meeting on 'Political transition in Syria' (a UK Government initiative) held early on in 2013 was a highlight of the year, attended by policy makers from leading international partners, including UAE, Qatar, Turkey, Jordan, Egypt, France, Germany, Canada and the USA. Participant feedback was very positive, showing appreciation for candid and focused discussions that created a unified sense of direction. Conclusions circulated the day after the meeting covered topics of transition, immediate security needs, institutional reform and economic recovery, plus how to coordinate international efforts to support transition.

The Inaugural Jubilee Dialogue rounded off a year of discussions on the MENA region, bringing together FCO officials with regional experts based in London for an afternoon dialogue. Hosted by Minister of State Alistair Burt and introduced by Permanent Under Secretary Simon Fraser, the meeting, which took place at Carlton Gardens, aimed to increase FCO transparency by involving external specialists in a discussion on the ideas behind foreign policy formulation.

Afghanistan also retained its place on Wilton Park's agenda this year, particularly in the context of the 2014 withdrawal of international combat forces. 'Evaluation lessons from development assistance' was organised in partnership with the World Bank Independent Evaluation Group (IEG.) The meeting discussed lessons learned from a large number of evaluations of aid effectiveness in Afghanistan, and further examined options for enhancing future aid delivery. The Afghan delegation was led by Finance Minister Omar Zakhilwal and Education Minister Farooq Wardak. Specific ideas generated from the workshop included developing a time-bound transition plan for sustaining government capacity, and balancing a better understanding of the absorptive capacity of the government with the potential of Multi-donor Trust Funds to channel higher volumes of on-budget assistance to it.

'Indonesia's economic development: contributing to a sustainable growth pattern', was the first Wilton Park conference to be held in Indonesia and also coincided with the signing of a Memorandum of Understanding for a long term strategic partnership between Wilton Park and the Policy Planning and Development Unit in the Ministry of Foreign Affairs. The MOU will enable the holding of regular meetings. The British Embassy in Jakarta contributed substantially to the financing and organisation of the conference, while Shell Indonesia sponsored the opening dinner. The meeting attracted media coverage and awareness raising of sustainability issues. The Indonesian Foreign Minister stated that sustainable development should become the highest political commitment for the government, and other ministers acknowledged that economic growth and a green economy are not contradictory.

## **Emerging Leaders**

A lively group of future leaders from the UK and Germany met at Wilton Park in July 2012 for the 27th 'British German Forum: Europe's place in a challenging world'. Forty five high fliers focused on how Europe can retain influence in a challenging world shaped by economic crises, the rise of emerging powers and a fast changing international landscape, an underlying theme throughout the year. The group visited London for a panel discussion with Parliamentarians, with Jonathan Scheele (Head of the EU Office in London), and with the German Ambassador. The group is now connected via Facebook and LinkedIn, highlighting Wilton Park's focus on building links between the networks of people who attend our conferences.

## **European Union and its Neighbours**

Our Europe programme over the past year has focused on economic and institutional issues raised by the Eurozone crisis and on Europe's role in safeguarding security. Programme Director, Adela Gooch, has taken the lead in looking at the current state of the EU and addressing possible scenarios for the future. 'Economic recovery and Europe 2020' was run with support from the European Commission Representation to the UK and discussed Europe's economic prospects and progress on updating and implementing the Europe 2020 strategy for 'smart, sustainable and inclusive growth' in the context of political changes and the continuing impact of the financial crisis. Key factors highlighted in the conference report include the importance of education and lifelong learning for skill development, coordinated with workforce needs for sustainable growth. Ideas generated were fed directly into the Irish presidency of the EU that started in January 2013.

In February, 'The future of Europe' conference generated a particularly timely discussion on the concept of variable geometry and asked whether unity could be preserved in an increasingly diversified EU. Run in conjunction with the FCO's Europe Directorate, participants debated how variable geometry will work in practice, the alternatives, and the impact of a multi-speed Europe on EU institutions. Discussion on Eurozone 'ins' and 'outs' and the implications for key areas such as the single market, banking, fiscal, economic policy; defence and security and the EU's institutional, democratic legitimacy contributed to practical solutions put forward to the questions raised. Efforts were made to include a wide range of views from 'ins' 'outs' and others such as Turkey and Norway to refresh the often hackneyed Europe debate.

On the defence and security side, a meeting held in Brussels looked at the comprehensive approach and enhancing the EU's contribution to peace and security. Conclusions and recommendations on how to improve coordination and cooperation between the EU's different instruments and capabilities for addressing the conflict cycle fed directly into discussions over an EEAS/Commission Joint Communication on the comprehensive approach. Elaboration of an EU wide fragile states strategy would bring all capabilities for addressing the conflict cycle into a single conceptual framework and enable better definition of roles and relationships between capabilities.

Ensuring progress on the rule of law in the context of the Western Balkans and EU enlargement highlighted strong and broad support within both the EU and the region for the approach of 'front loading' rule of law (RoL) issues in the EU accession process. Areas for potential improvement in how EU institutions and regional stakeholders work together on RoL issues most importantly include having a better understanding of candidate countries' rule of law systems – what works and what needs to be built on – rather than simply trying to export a West European system.

## **The Impact of Our Policy Work**

Wilton Park conferences contribute to the achievement of the UK government's international policy priorities. Wilton Park's framework targets include:-

**Target: The impact of Wilton Park conferences on policy and opinion should receive the positive endorsement of the Advisory Council and the FCO.**

**This was successfully achieved.**

Wilton Park develops its priorities for conference work for the year alongside the priorities of the FCO on the themes of Security, Prosperity and Consular. We engage with Directorates within the FCO and with other government departments to ensure that our policy work is aligned to UK International policy priorities.

We engage with a range of partners on our conferences, developing objectives and anticipated outcomes of the conferences to be held, and work with our external stakeholders in ensuring broad range and balance of our proposed future conference schedule. Key external stakeholders who advise us on the focus and outcomes include the Wilton Park Advisory Council (WPAC) and Wilton Park International Council (WPIC).

The contribution of our conferences to policy outcomes is directly measured by feedback from conference participants, both orally and in targeted questionnaires, for which we obtain a response rate of 51%. The revised Monitoring and Evaluation system initiated in January 2011 is a key element of assessing impact. We continue to refine this system and report on its results below.

## Schedule of conferences and events 2012/13

Conf ID	Conference title	Dates
WP1092	Operationalising the comprehensive approach: lessons learned and the way ahead	16 - 18 Apr 2012
WP1157	Improving diet and nutrition: challenges for global food, agricultural and land use policies	23 - 25 Apr 2012
WP1177	Supporting democracy: engaging and developing policies with transition countries - the role of rising global actors (Istanbul)	23 - 26 Apr 2012
WP1183	New challenges, new partners, a new UN development system?	14 - 16 May 2012
WP1166	Impact and challenges for the Middle East and North Africa one year on from the Arab transitions	21 - 24 May 2012
WP1133	Confidence building measures in cyber space: lessons from multilateral security regimes	28 - 30 May 2012
WP1184	Delivering a well-managed and effective UN: building international consensus	11 - 12 Jun 2012
WP1176	Verification in the 21st century - technological, political and institutional challenges and opportunities	17 - 20 Jun 2012
WP1175	Deterrence, Assurance and Reductions: Rebalancing the nuclear order	20 - 23 Jun 2012
WP1170	The new era in HIV/AIDS treatment and prevention: Science, Implementation and Finance (Geneva)	27 - 28 Jun 2012
WP1172	Business and human rights: implementing the Guiding Principles one year on	27 - 29 Jun 2012
WP1193	Assisted Voluntary Returns: working together for greater effectiveness	4 - 6 Jul 2012
WP1107	The economy of the Maghreb - a motor for regional prosperity and integration	11 - 13 Jul 2012
WP1155	British German Forum: Europe's place in a challenging world	15 - 19 Jul 2012
WP1179	School of International Futures	13 - 17 Aug 2012
WP1188	Global constituencies in the NPT regime: how to build consensus for 2015?	2 - 5 Sep 2012
WP1152	Indonesia's economic development: contributing to a sustainable growth pattern (Indonesia)	11 - 13 Sep 2012
WP1192	NATO Partnerships in a shifting strategic landscape	1 - 3 Oct 2012
WP1208	Conventional arms control and the Euro-Atlantic security environment	11 - 12 Oct 2012
WP1178	The Chemical Weapons Convention: Third Review Conference and beyond	15 - 17 Oct 2012
WP1180	The Big Bang and the interfaces of knowledge: towards a common language?	15 - 17 Oct 2012
WP1189	Global food security: the role of science and technology	17 - 19 Oct 2012
WP1207	Economic recovery and Europe 2020: towards smart, sustainable and inclusive growth	24 - 26 Oct 2012
WP1194	The future of global markets for sensitive nuclear fuel cycle services: connecting supply and non-proliferation objectives	1 - 3 Nov 2012
WP1198	Annual Address 2012 - Indonesia's role as a regional and global actor (London)	2 Nov 2012
WP1200	Promoting rules-based systems for global economic growth	5 - 6 Nov 2012

<b>Conf ID</b>	<b>Conference title</b>	<b>Dates</b>
WP1204	Telling the story: How to communicate the message that disaster risk reduction pays off (Bangkok)	7 - 8 Nov 2012
WP1195	Burma/Myanmar, business and human rights: setting standards for responsible business	7 - 9 Nov 2012
WP1199	Preventing sexual violence in conflict and post-conflict situations	12 - 14 Nov 2012
WP1203	Sustainable economic growth in small island states: challenges and opportunities	22 - 23 Nov 2012
WP1187	Combating intolerance and promoting freedom of religion or belief for all: working on UN Human Rights Council Resolution 16/18 (London)	3 - 5 Dec 2012
WP1186	The nuclear non-proliferation regime: Laying the groundwork for the 2015 Review Conference	10 - 14 Dec 2012
WP1196	Towards prosperity: implications and opportunities of the 18th Congress of the Communist Party of China	16 - 18 Dec 2012
WP1202	From comprehensive approach to comprehensive action: enhancing the effectiveness of the EU's contribution to peace and security (Brussels)	17 - 18 Dec 2012
WP1230	China-Britain Business Council 90 Minute Dialogue (London)	18 Dec 2012
WP1221	Syria: planning for transition	9 - 10 Jan 2013
WP1218	Resources: trends and future challenges for states and regions - towards 2030	14 - 16 Jan 2013
WP1219	Integrating transitional justice, security and development	17 - 19 Jan 2013
WP1242	Building public and private sector consensus on effective measures to combat international money laundering activities (London)	22 Jan 2013
WP1197	Building global resilience to natural hazards: translating the science into action	28 - 30 Jan 2013
WP1215	Future of Europe: variable geometry - how can unity be preserved in an increasingly diversified world?	4 - 6 Feb 2013
WP1233	The Global Partnership Working Group	6 - 8 Feb 2013
WP1216	Freedom of expression online: identifying and addressing challenges and developing a shared vision and a working partnership	13 - 15 Feb 2013
WP1223	Evaluation lessons from development assistance to Afghanistan	19 - 21 Feb 2013
WP1226	The 2014 Nuclear Security Summit: challenges and opportunities (Hague)	27 Feb - 1 Mar 2013
WP1212	British-German Environment Forum - Energy policy for the 2050s	7 - 8 Mar 2013
WP1232	Applying soft power: the Brazilian and British perspectives (Brazil)	12 - 14 Mar 2013
WP1191	Women in peacebuilding	18 - 20 Mar 2013
WP1213	Delivering sustainable economic development in resource-rich nations: beyond the EITI and international extractive industry transparency legislation	20 - 22 Mar 2013
WP1253	Inaugural Jubilee Dialogue: Arab Spring two years on (London)	25 Mar 2013
WP1217	The Western Balkans and EU enlargement: ensuring progress on the rule of law	25 - 27 Mar 2013

In addition to the 51 conferences above there were four private conferences held: WP1222, WP1224, WP1234 and WP1190.

## Monitoring and Evaluation

We aim to provide high quality conferences and conference facilities. The Monitoring and Evaluation system provides feedback from participants on the impact and effectiveness of the conferences and identifies ways in which they can be improved. This system was developed with the aid of Professor Robert Picciotto. It allows us to compare data and statistics both across individual conferences and whole financial years. A subcommittee of the Wilton Park Advisory Council has been set up, chaired by Myles Wickstead CBE to steer the use of the Monitoring and Evaluation system and to help improve and refine it.

The M&E system is intended to highlight the impact of our conferences and provide evidence of the strengths of Wilton Park and our ability to deliver value for money. It is also used to create timely, user friendly reports for the Wilton Park board and the Advisory Committee to assist in ensuring that our strategies are aligned with stakeholders' interests.

We look at a variety of indicators to measure the success of each of our conferences. In order to create an accurate picture of the composition of our conferences and identify themes over time we collect data on: Overall participation trends, Participation by profession, Participation by nationality, and Participation by gender.

Below is a summary of trends from the last three years.

### Overall Participation Trends

Financial year	Total number of participants	Number of conferences	Average participation
2012/13	2,985	55	54.3
2011/12	2,866	54	53.1
2010/11	2,388	47	50.8

### Participation by profession

	% 2012/13	% 2011/12	% 2010/11
Foreign Ministry	24	27	24
Academic/Research Institutes	19	17	23
Business	12	9	12
Other Government Ministries	12	14	12
NGO	11	11	8
International Organisations	10	9	8
Defence Ministry/Military	6	6	7
Parliament/Political	4	3	4
Media	2	4	2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

### Participation by nationality

	% 2012/13	% 2011/12	% 2010/11
European Union	52	56	54
Other OECD	17	15	19
Other Regions	12	9	5
Non-EU Europe	9	10	10
Sub-Saharan Africa	4	5	6
Middle East	3	2	2
South Asia	3	3	4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Participation by gender

Financial year	Total number of female participants	As a percentage of total number of participants
2012/13	907	30.4%
2011/12	827	28.9%
2010/11	642	26.9%

The Monitoring and Evaluation system also provides an overall rating from constituent ratings regarding Overall impression, Relevance, effectiveness, impact, and Facilities and administration. Questionnaires are completed at the end of each event which ask participants to rate the sections within these five categories, eg 'What was your overall impression of the conference?' These scores are then collated to give an overall rating for the five different categories for each conference.

The table below gives this year's overall results for each section within the five categories.

Conference results	2012-2013		
<b>Total Questionnaires</b>	2,615		
<b>Questionnaires Returned</b>	1,378		
<b>Return Percentage</b>	52.7		
<b>A Conference</b>	% Excellent	% Good	Total
Overall impression	60.0	37.8	97.8
<b>B Objectives</b>	% Absolutely	% Almost	Total
Clear and Coherent	50.0	43.9	
Relevant to your work	61.7	31.2	
They were met	33.7	54.6	
Relevance rating	48.4	43.2	91.7
<b>C Programme design and Delivery</b>	% Excellent	% Good	Total
Choice of issues	56.3	40.4	
Selection of participants	51.9	42.6	
Quality of presentation	39.7	54.2	
Quality of Facilitation	71.3	26.3	
Quality of Debates	56.9	38.6	
Effectiveness rating	55.2	40.4	95.6
<b>D Impact</b>	% Definitely	% Significantly	
Broader and deeper understanding	48.0	41.2	
Attitude changed	13.0	36.3	

Use new contacts	65.5	26.6	
Consider returning to WP	78.9	18.9	
Worth my time	78.2	19.4	
Impact rating	56.7	28.4	85.2
<b>E Facilities and administration</b>	% Excellent	% Good	Total
Rooms	61.0	32.8	
Meals	73.0	24.9	
Service	88.8	10.8	
Administration	89.1	10.6	
Facilities and Admin rating	77.9	19.7	97.7

### Commercial activities

When Wilton Park conferences are not being held, the facilities at Wiston House are used to generate income which provides a contribution towards our overheads. We generate interest internally from government departments and externally from the private sector to use the facilities for conference, training and banqueting events.

During 2012/13, income from Wiston House commercial activities was £953k (£946k in 2011/12). This income was generated from 104 commercial functions (107 in 2011/12), of which 49 were weddings (35 in 2011/12).

Selling available days around the Wilton Park conference programme is core to maximising this commercial income stream and diary management continues to be the key factor that leads to success in this area. The main Wilton Park website provides links to online information on hiring the facilities at Wiston House. Alternatively, these can be directly accessed from our commercial website [www.wistonhouse.co.uk](http://www.wistonhouse.co.uk).

### Financial Review

The financial target for Wilton Park as set out in the Framework document is as follows:-

**Target – Wilton Park should meet the costs of its operations through raising income from conferences and other commercial activities (before deducting non-cash items).**

#### This target was met

	2012-13 £000	2011-12 £000	
Total Operating Costs	215	267	from Statement Comprehensive Net Expenditure
Less non-cash Costs	327	306	Note 4
Provisions Written Back	(74)		Note 4
Cash-based (Surplus)/Deficit	<u>(38)</u>	<u>(39)</u>	

### Sponsorship and Participation Fees

Wilton Park conferences raise income almost exclusively through sponsorship and participation fees.

Up until March 2009, sponsorship for conferences was secured on a conference-by-conference basis.

In March 2009, following the results of the FCO Review, the FCO committed to providing core funding for our conferences commencing in 2009/10. In 2012/13 this core funding amounted to £800k (2011/12 £950k).

## Support from the FCO

As mentioned above, the FCO plays a key role in supporting the work of Wilton Park. In addition to core funding, FCO provided conference sponsorship of £1,100k (2011/12 £904k). This amounts to 58% of total sponsorship funding (61% in 2011/12). Additionally, the FCO provides Wilton Park with capital investment resources. During 2012/13 capital investments amounted to £250k (£251k in 2011/12). The total of non-cash resource costs amounted to £253k (£306k in 2011/12). The FCO accounts can be found on the FCO website [www.fco.gov.uk](http://www.fco.gov.uk).

## Creditor Payment

Our policy is to pay our creditors within the later of 30 days from the invoice date or receipt of the month-end statement, or within otherwise agreed trading terms. The aggregate number of days taken to pay suppliers was 30 (25 in 2011/12).

## Staff

The Agency's success is founded on high quality staffing at all levels and high priority is given to the management and training of staff. The Wilton Park employee engagement index in the civil service annual employee survey was 76%.

We recognise that making best use of the talents and skills of all our staff makes us more effective and productive; we aim to create and sustain a culture that values and actively supports and promotes diversity. We continue to seek every opportunity to develop the potential of all staff at Wilton Park. We continue to provide staff with the training necessary for improving their performance, closing any skill gaps and for their personal development.

This year, staffing levels increased to 72, including 13 part-time staff (the equivalent of 67 full time staff at 31st March 2013, (2011/12 - 66).

Staff turnover increased to 10%, with 7 people leaving (4 in 2011/12). Of the 7 leavers, 2 had been on loan and returned to their parent department.

8 people were recruited and we have also appointed an A Grade from the FCO and taken a grade B on loan from HMRC and a grade C from the Environment Agency during the year.

Recruitment is carried out in accordance with the Civil Service Commissioners' Guidance.

The recruitment figures are shown in the table overleaf:

Grade/Level	Total Recruited	% Female	% Ethnic Minority	% Disabled
SMS	0	0	0	0
D	2	100	0	0
C	2	50	0	0
B	0	0	0	0
A	4	100	0	0

There were no exceptions to The Civil Service Commission's Recruitment Principles. Our job-shadowing scheme continues to be successful, as is our reward scheme, which recognises and rewards staff for outstanding achievements outside their work remit.

We have an active Health & Safety Committee, led by the Personnel Manager, which meets quarterly to discuss a range of matters affecting our staff and visitors. During the year 534 days were lost through sickness absence. This equates to an average of 7.4 days per employee, little change on last year with an average of 7.2 days per employee.

## **Sustainable Operations**

Wilton Park is committed to the Government's international policy for prioritisation of sustainable development.

As one of the world's leading centres for the discussion of key international policy challenges, Wilton Park contributes strongly to the sustainable development agenda by running conferences on this theme.

In seeking to manage operations on a sustainable basis, Wilton Park has endeavoured over the last decade to minimise its impact on the environment in a number of ways and we are committed to continual improvement in our environmental performance, preventing pollution and minimising adverse environmental impacts.

We will fulfil these commitments through a range of measures that include:

- Complying with all relevant environmental laws and regulations
- Setting clear environmental objectives which are prioritised in line with the nature, scale and environmental impacts of our activities and monitoring performance against these
- Implementing effective and efficient resource reduction and handling methods consistent with best practice
- Influencing and managing our suppliers and contractors to ensure that goods procured and services undertaken comply with our environmental policy
- Ensuring that our environmental policy is understood, implemented and maintained at all levels in the organisation and is supported by suitable information and training

Other environmental practices undertaken at Wilton Park include:

- Recycling food waste through two waste compost machines – with the compost spread on the gardens
- Re-using materials, compaction and compression of waste, recycling of a wide range of materials (glass, plastics, cardboard, paper etc), or considerate disposal, thereby reducing waste to landfill to one 1,100 litre bin collected twice per week
- Using in-house water filtration and bottling facilities – reducing transportation and materials for bottled water from external suppliers
- Investing in energy saving lighting and other energy efficiency measures – identified through Carbon Trust survey recommendations
  
- Reducing supplier delivery chains – through using locally sourced products and services wherever practical
- Meeting customer demands and preferences for using environmentally sensitive and Fairtrade products
- Encouraging shared transportation – coordinating conference and local travel

We recognise that the use of transport by our staff and conference speakers and participants uses energy and produces CO2 emissions. Air travel is however, largely unavoidable in the pursuit of our core business. We are actively trying to avoid or reduce emissions as much as possible.

**Richard Burge Chief Executive**

**26 June 2013**

# Support for Wilton Park events

## Intellectual and financial support

**UK Government Departments** Cabinet Office\*  
Department for Business, Innovation and Skills (BIS)  
Department of International Development (DFID)\*  
Department of Energy and Climate Change (DECC)  
Foreign and Commonwealth Office (FCO)\*  
Government Office for Science (Go Science)\*  
Ministry of Defence (MOD)\*  
Natural Environment Research Council (NERC)\*  
UK Border Agency (UKBA)

### UK Foundations, Thinktanks and NGOs

British-German Environment Forum  
China-Britain Business Council  
Sir Heinz Koeppler Trust\*  
Humanitarian Futures Programme, Kings College, London\*  
Institute of Human Rights and Business\*  
Met Office  
Save the Children\*  
Sir Halley Stewart Trust\*  
Small Foundation\*  
Transparency International  
UK Collaborative on Development Sciences (UKCDS)\*  
Verification Research, Training and Information Centre (VERTIC)

### UK/Multinational Businesses

Allen&Overy LLP\*  
Anglo American\*  
Associated British Foods plc\*  
BG Group\*  
British Airways\*  
Bupa\*  
Coffey International\*  
CropLife\*  
Ericsson\*  
PricewaterhouseCoopers\*  
Rio Tinto\*  
Tesco Plc\*  
Unilever\*  
Urenco Enrichment Company Ltd\*

### International Organisations

European Commission\*  
European Centre for Development Policy Research  
European Organisation for Nuclear Research (CERN)\*  
Future United Nations Development System (FUNDS)  
GOXI, World Bank Institute  
NATO\*  
UN Women  
World Bank\*

## Overseas Governments and Organisations

### Afghanistan

Ministry of Finance

### Australia

Australian Civil-Military Centre\*

### Canada

Canadian High Commission, London  
Department for Foreign Affairs and International Trade (DFAIT)\*

### China

Party School of the Central Committee of the Communist Party of China

### Germany

Ministry of Foreign Affairs\*  
Bosch – Stiftung\*  
Ecologic Institute

### Indonesia

Ministry of Foreign Affairs

### Netherlands

Oil, Gas, Energy Law Intelligence  
Ministry of Foreign Affairs\*  
Netherlands Institute of International Relations, Clingendael

### Norway

Ministry of Foreign Affairs\*

### Sweden

Ministry of Foreign Affairs

### Switzerland

Swiss Agency for Development and Cooperation\*  
Swiss Federal Department of Foreign Affairs\*

### Turkey

Ministry of Foreign Affairs\*

### USA

GE Foundation  
Gilead Sciences\*  
Lawrence Livermore National Laboratory\*  
Los Alamos National Laboratory\*  
National Intelligence Council (NIC)\*  
National Nuclear Security Administration (NNSA)\*  
Ralph Bunche Institute for International Studies  
Sandia National Laboratories\*  
The Global Health Group, University of California  
US Department of State

\*Financial partner

Marketing/Media partner

# Governance Statement

Wilton Park's aim and terms of reference are laid down in a Framework document that is revised every three years. The latest version came into force on 31 March 2013, and can be found at [www.wiltonpark.org.uk/wp-content/uploads/Framework-Document.pdf](http://www.wiltonpark.org.uk/wp-content/uploads/Framework-Document.pdf). This document also specifies the processes and procedures used by Wilton Park in governance, management, and audit, including our relationship with the Internal Audit system of the FCO and the NAO.

The **Wilton Park Board** agrees the strategy and objectives including the financial and other performance targets; it monitors and evaluates progress and advises on the allocation of resources. Its membership is appointed in accordance with the provisions of the Framework, which results in some turnover associated with transfers within the FCO senior staff ranks. During 2012-13, the membership has been;

Iain Ferguson CBE	Chair of the Wilton Park Board (NED)
Richard Burge	Chief Executive Wilton Park
Simon Turl	Chief Executive of Roadchef (NED)
Alex Jablonowski	Director High Performance Leadership Ltd (NED)
Anna Clunes (until Oct 2012)	Head Communications and Engagement FCO

*replaced by*

John Duncan (until April 2013) Interim Director Communications and Engagement FCO

Alex Ellis (until April 2013) Director Strategy FCO

One vacancy FCO

It should be noted that in April 2013:

- John Duncan was replaced by Hugh Elliott (Director of Engagement and Communications at the FCO and the Senior Responsible Officer for Wilton Park)
- Alex Ellis was replaced by Peter Hill (Director Strategy FCO)
- Sarah MacIntosh (Director Defence and International Security FCO) was appointed to the vacancy on the Board

The Wilton Park Board meetings are also usually attended by:

- Members of the Wilton Park Senior Management Team (including Elise Maddocks (Director of Finance) who fills the role of Secretary to the Board)
- Iain Morgan (an NED member of the Audit Committee – see below)
- Key members of FCO Communications and Engagement Directorate; Sara Everett, Tim Willows and Elizabeth Evans (who succeeded Stephen Townsend in October 2012)

The Wilton Park Board carried out an effectiveness review in March 2012, and plans to repeat the exercise at the end of 2013. Board attendance has been as follows

	Jun 2012	Sep 2012	Nov 2012	Jan 2013	Mar 2013
Iain Ferguson	√	√	√	√	√
Richard Burge	√	√	√	√	√
Simon Turl	√	√	X	√	X
Alex Jablonowski	√	√	√	√	√
Anna Clunes	√	√	X	X	X
John Duncan (replaced AC)	X	X	√	√	√
Alex Ellis	X	√	√	√	X

The Chair of the Wilton Park Board writes to the PUS at the end of every financial year outlining the major events and performance indicators. This acts as the basis for a meeting between the PUS, the SRO, the Chair and the Chief Executive. Additionally, the chief executive meets three to four times a month with the SRO, and attends the weekly FCO Directors meeting with the PUS.

Every month, the Chief Executive sends an update on all ongoing and planned activity to Heads of Mission, the FCO Executive Board and all FCO directors. Every week, a short summary of planned activity is sent to SRO, the Director of Strategy, and key members of FCO Communications and Engagement Department.

Wilton Park is managed on a day-to-day basis by the Chief Executive as Accounting Officer and by the Senior Management Team (SMT). The SMT meets informally at the beginning of each week, and conducts a formal meeting every month. The team also meets to review the issues and papers going to Board and Audit Committee meetings. The SMT consists of:

Richard Burge	Chief Executive
Mark Bellone	Director of Operations
Jo Childs	Director of Delivery and Communications
Shirley Ellis	Head Personnel
Robin Hart	Director of Programmes
Tim Catherall	Director of Finance

*succeeded by*

Elise Maddocks (September 2012)

Wilton Park has an **Audit Committee** of the main Board. Its terms of reference and purpose is detailed in the Framework document. The membership is:

Alex Jablonowski	Chair of the Audit Committee (NED)
Iain Ferguson	Chair Wilton Park Board (NED)
Simon Turl	Member Wilton Park Board (NED)
Iain Morgan	Former Financial Controller to HM Forces Surgeon-General (NED)

The Chief Executive attends the Board and the Director of Finance acts as Secretary. Other Wilton Park senior managers are often invited to attend as are other members of the main board and key members of staff from the FCO.

The Audit Committee consider the management accounts in detail, reviews the delivery of internal Audit reports and self-audits, reviews the Operational Risk Register, and undertake the detailed review of the annual accounts on behalf of the main Board.

During the year, the Committee reviewed internal audit reports on:

1. follow up audit on Procurement
2. Payroll – Published
3. ICT coverage – not yet received but expected in next week or two
4. Risk Management- Just received
5. Self-audits
  - a. Governance
  - b. Estate Management
  - c. Personal Data Handling

All issues are dealt with as soon as audits are received and within acceptable timelines

The business continuity plan was again reviewed by the Audit Committee and revised. Poor weather conditions in the winter of 2012-13 did not disrupt conferences but highlighted some shortcomings in our ability to manage and cope with these situations. Small scale investment and procedural changes have been introduced.

The Audit Committee has also maintained a detailed oversight of progress on the new database project for Wilton Park.

No fraud or whistleblowing cases were reported to the Audit Committee during the year

Wilton Park has an Advisory Council (enshrined in the Framework) which provides advice, critique and oversight of the content and policy work of Wilton Park. Collectively and individually, its members advise on conference and event content, participants and structure. They also advise on themes in order to ensure that Wilton Park continues to address issues which will benefit from its approach and methodology, and which are of strategic relevance to the UK foreign policy objectives. Members meet formally two times each year. A sub-committee meeting that reviews the monitoring and evaluation reports of on Wilton Park events meets separately twice a year.

As of 31 March 2013, the membership of the Advisory Council is:

- Mr Peter Apps, Political Risk Correspondent, Thomson Reuters
- Professor Colin Blakemore, Professor of Neuroscience, University of Oxford
- Ms Rachel Briggs, Director, Hostage UK and Freelance Researcher
- Mr Nicholas Colloff, Director of Strategy and Innovation, Oxfam GB
- Mr Iain Ferguson CBE, Chairman, Wilton Park
- Sir John Holmes, Director, The Ditchley Foundation
- Dame Denise Holt CMG, DCMG, Former UK Ambassador to Spain
- Ms Mary Jo Jacobi, Chair, Sir Heinz Koepler Trust
- Ms Bridget Kendall, Diplomatic Correspondent, BBC
- Sir Michael Leigh, KCMG, Senior Adviser, German Marshall Fund
- Sir Tom Phillips KCMG, Former Ambassador to Tel Aviv and Saudi Arabia
- Professor Robert Picciotto, Visiting Professor, King's College London
- Mr Victor Sebestyen, historian and journalist
- Dr Paola Subacchi, Research Director, International Economics Programme, Chatham House
- Mr Owen Tudor, Head, TUC European Union and International Relations Department
- Prof Myles Wickstead CBE, Visiting Professor, Open University

#### Associates

- Mr Simon Harris, Adviser, Associated British Foods plc
- Mr Paul Wilson, Director, Government Relations, De La Rue plc

#### **Risk Management**

Wilton Park is a small organisation and so only a small number of individuals are responsible for the management of risks. These are primarily, the chief executive and other members of the senior management team. Other groups are formed in Wilton Park to focus on areas such as business continuity, ICT and Marketing.

During the year, a new process was initiated called the Resource Allocation Group. This monthly meeting, chaired by the Director of Operations, reviews the forward plan for all events and the diary. They have the authority to assess progress on all work, and to redirect resources and the use of Wiston House from one area to another. Their task is to ensure that we use our assets to the fullest possible extent, and that financial risk on events is minimised. The primary sources of information are the calendar of events, and individual reports from each programme direct which shows the progress on developing, funding and delivering conferences in their portfolio.

### **Key Risks**

Wilton Park maintains an Operational Risk Register modelled on the format used by the FCO. A sub-group of the SMT chaired by the chief executive is responsible for maintaining the Operational Risk Register and for preparing its submission to the Audit Committee and the Board, who both review the document at every meeting.

There have been some significant changes in operational risk management recording and monitoring recently in the public service, and during 2013-14, we anticipate making complementary changes in the Wilton Park system.

Throughout the year, the principle two risks have been securing sufficient funding for our work, and business continuity during extreme weather events. As an organisation which relies on the discretionary funding for 80% of its revenue, the current global environment of austerity in public funding bodies (both governmental and civil society) increases risk. Wilton Park's costs are largely fixed and have little room for flexing within year, so the effective marketing of our events is critical. Of particular relevance at the moment is the current fiscal 'sequester' in the USA. This does not appear to be affecting sponsorship of Wilton Park events but it is having a clear impact on the ability of US public officials to secure permission to travel. Global uncertainty and conflict has intensified the use of Wilton Park by the FCO, other UK government departments, and our overseas partners. Consequently the overall downturn in public finance in the UK and elsewhere has had minimal impact on Wilton Park. We expect, however, this situation to change. We will further reduce our operating costs to reflect fiscal restraint in Europe, a continued budgetary impasse in the USA, and in preparation for public expenditure reductions in the next UK spending round.

The business continuity risk from adverse weather has two sources; problems which prevent participants arriving at Wiston House or leaving it because of local conditions, or international conditions that prevent arrival in or departure from the UK. We have monitored the suitability of equipment and staff training to ensure that local conditions have at most only a temporary effect lasting a few hours. For the international dimension, we rely on constant monitoring and the use of VCT when appropriate.

At the end of 2011-12, we investigated a possible security breach which might have given access to closed areas of our websites (but not to our databases or other parts of our ICT systems). The website at the time was managed as part of an FCO global contract. We reported this possibility to the National Audit Office and appropriate FCO directorates. A follow-up investigation in 2012-13 revealed that no data had been lost nor attempts made to access it without authority. The potential for a breach to occur in the future had been removed by the transfer of the website to our own gateway.

No ministerial directions were given during the year.

**Richard Burge**

**Chief Executive and Accounting Officer for Wilton Park**

**26 June 2013**

# Remuneration report

## Service Contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners' Guidance.

Richard Burge was appointed as Chief Executive of Wilton Park on a three year contract commencing 7 September 2009, with a three year extension granted in September 2012. All other officials covered by this report hold appointments which are open ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Further information about the work of the Civil Service Commissioners can be found at <http://civilservicecommission.independent.gov.uk/>

## Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the senior officials of the Agency. The tables below have been subject to audit.

Name, Title	Salary 2012/13 £000	Bonus 2012/13 £000	Salary 2011/12 £000	Bonus 2011/12 £000
Richard Burge, Chief Executive	115-120	nil	115-120	nil
Iain Ferguson, Chairman	20-25	nil	20-25	nil
Alex Jablonowski NED	5-10	nil	0-5	nil
Simon Turl NED	nil	nil	nil	nil

	2012/13	2011/12
Band of Highest Paid Director's Total Remuneration (£ '000)	115-120	115-120
Median - Total Remuneration	25,809	24,042
Ratio	4.3	4.6

Richard Burge and Alex Jablonowski are remunerated by Wilton Park. Iain Ferguson is remunerated by the FCO.

'Salary' includes gross salary, performance pay or bonuses, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation. The pay and conditions are set by the FCO and are normal Civil Services conditions. This report is based on payments made by the Agency and thus recorded in these accounts. The members of the Wilton Park Board held no other posts during the year.

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in Wilton Park in the financial year 2012-13 was £115-£120k (2011-12, £115-£120k). This was 4.3 times (2011-12, 4.6) the median remuneration of the workforce, which was £25,809 (2011-12, £24,042). In 2012-13, no employees received remuneration in excess of the highest paid director (2011-12, none). Remuneration of employees, excluding the highest paid director, ranged from £16,635 to £59,099 (2011-12, £16,635 to £59,099).

The Chief Executive was provided with a rent free cottage in the grounds of Wiston House. The cash benefit is calculated as £3,266 for the full year. The Agency has a PAYE Settlement Agreement in place with HM Revenue & Customs for the provision of accommodation which will be met by the Chief Executive.

## Pension Benefits

The table below has been subject to audit.

Name Title	Accrued pension at age 60 as at 31/3/13 and related lump sum  £000	Real increase in pension and related lump sum at age 60  £000	CETV at 31/3/13  £000	CETV at 31/3/12  £000	Real increase in CETV  £000
Richard Burge Chief Executive	10	2	132	92	25

Richard Burge is a member of the Nuvos scheme.

## Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (classic, premium or classic plus); or a whole career scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 1.5% and 3.9% of pensionable earnings for classic and 3.5% and 5.9% for premium, classic plus and nuvos. Increases to employee contributions will apply from 1 April 2013. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/pensions>

## **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## **Real increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

**Richard Burge**  
**Chief Executive**  
**26 June 2013**

# Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, Wilton Park is required to prepare accounts for each financial year, in conformity with an HM Treasury Direction, detailing the resources acquired, held or disposed of during the year and the use of resources by Wilton Park during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Wilton Park and of its net resource outturn, change in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts and prepare the accounts on a going concern basis.

The Accounting Officer for the FCO has appointed the Chief Executive as the Accounting Officer for Wilton Park.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Wilton Park's assets, are set out in Managing Public Money published by the HM Treasury.

# The certificate and report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of Wilton Park Executive Agency for the year ended 31 March 2013 under the Government Resources and Accounts Act 2000. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity, and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## Respective responsibilities of the Chief Executive and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Agency; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Opinion on Regularity

In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Opinion on the financial statements

In my opinion:

- The financial statements give a true and fair view, of the state of the Agency's affairs as at 31st March 2013, and of the net operating cost for the year then ended; and
- The financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder

## **Opinion on other matters**

In my opinion:

- The part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- The information given in the Chief Executive's Overview and the Governance Statement, for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept; or
- The financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit.
- The Governance Statement does not reflect compliance with HM Treasury's guidance.

## **Report**

I have no observations to make on these financial statements.

***Amyas C E Morse  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP***

**2 July 2013**

# Financial statements

## STATEMENT OF COMPREHENSIVE NET EXPENDITURE for year ended 31 March 2013

	Note	2012/13				2011/12
		£000	£000	£000	£000	£000
<b>Administration Costs</b>						
Staff Costs	3	390	-	-	-	420
Other Administration Costs	4	-	1,033	-	-	1,074
Operating Income	6&18	-	-	-	(953)	(946)
<b>Programme Costs</b>						
Staff Costs	3	2,424	-	-	-	2,280
Programme Costs	5	-	-	1,143	-	1,035
Operating Income	6&18	-	-	-	(3,822)	(3,596)
<b>Totals</b>		<u>2,814</u>	<u>1,033</u>	<u>1,143</u>	<u>(4,775)</u>	
<b>NET OPERATING COST</b>					<u><b>215</b></u>	<u><b>267</b></u>

The notes on pages 33 to 44 form part of these accounts

**STATEMENT OF FINANCIAL POSITION**  
**as at 31 March 2013**

	Note	<b>31st March 2013</b>		<b>31st March 2012</b>	
		£000	£000	£000	£000
<b>Non-current assets</b>					
Property, plant and equipment	7	1,147		1,188	
Intangible assets	8	22		17	
<b>Total non-current assets</b>		<u>1,169</u>		<u>1,205</u>	
<b>Current assets</b>					
Inventories	11	28		29	
Trade and other receivables	12	439		676	
Cash and cash equivalents	13	507		814	
<b>Total current assets</b>		<u>974</u>		<u>1,519</u>	
<b>Total assets</b>			<u>2,143</u>		<u>2,724</u>
<b>Current liabilities</b>					
Trade and other payables	14	(885)		(769)	
Provisions	15	0		(74)	
<b>Total current liabilities</b>		<u>(885)</u>		<u>(843)</u>	
<b>Non-current assets plus net current assets</b>			<u>1,258</u>		<u>1,881</u>
<b>Non-current liabilities</b>					
Provisions			0		0
<b>ASSETS LESS LIABILITIES</b>			<u><u>1,258</u></u>		<u><u>1,881</u></u>
<b>Taxpayers' equity</b>					
General Fund	SCTE		1,258		1,881
<b>Total taxpayers' equity</b>			<u><u>1,258</u></u>		<u><u>1,881</u></u>

The notes on pages 33 to 44 form part of these accounts

**Signed Chief Executive**  
**Date 26 June 2013**

**STATEMENT OF CASH FLOWS**  
**for year ended 31 March 2013**

	Note	2012/13 £000	2011/12 £000
<b>Cash flows from operating activities</b>			
Net Operating Cost		(215)	(267)
Adjustments for non-cash transactions	4	327	306
Provisions written back	4 & 15	(74)	74
Increase/(decrease) in trade payables	9 & 14	116	(19)
(Increase)/decrease in inventories	9 & 11	1	15
(Increase)/decrease in trade and other receivables	9 & 12	237	(278)
<b>Net cash inflow from operating activities</b>		<b>392</b>	<b>(169)</b>
<b>Cash flows from investing activities</b>			
Purchase of property plant and equipment	7	(231)	(251)
Purchase of intangible assets	8	(19)	-
<b>Net cash outflow from investing activities</b>		<b>(250)</b>	<b>(251)</b>
<b>Cash flows from financing activities</b>			
Net FCO Funding	SCTE	(449)	(73)
<b>Net financing</b>		<b>(449)</b>	<b>(73)</b>
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(307)	(493)
Cash and cash equivalents at the beginning of the period	13	814	1,307
<b>Cash and cash equivalents at the end of the period</b>		<b>507</b>	<b>814</b>

The notes on pages 33 to 44 form part of these accounts

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY**  
**for the year ended 31 March 2013**

	<b>General Fund</b>	<b>Total Reserves</b>
	£000	£000
<b>Balance at 1st April 2011</b>	2,167	2,167
<b>Changes in taxpayers' equity for 2011-12</b>		
Non-cash charges:		
External Auditor's Fees	20	20
Internal Auditor's Fees	16	16
Pay Section Costs	5	5
Net operating cost for the year	(267)	(267)
Net FCO Funding	(60)	(60)
<b>Balance at 1 April 2012</b>	<b>1,881</b>	<b>1,881</b>
<b>Changes in taxpayers' equity for 2012-13</b>		
Non-cash charges:		
External Auditor's Fees	20	20
Internal Auditor's Fees	16	16
Pay Section Costs	5	5
Net operating cost for the year	(215)	(215)
FCO Capital Funding	(250)	(250)
Net FCO Funding	(199)	(199)
<b>Balance at 31 March 2013</b>	<b>1,258</b>	<b>1,258</b>

The notes on pages 33 to 44 form part of these accounts

# Notes to the Financial Statements

## 1 Statement of Accounting Policies

The financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Wilton Park Executive Agency for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

### Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, and inventories where material, at their value to the business by reference to their current costs.

### Property, plant and equipment

Plant and equipment in excess of £500 are stated at current value. Individual assets purchased for less than this amount are written off.

Depreciated cost is used as a suitable proxy for current value where non property assets have a short useful economic life or are of low value. Consequently Wilton Park do not revalue assets.

### Depreciation

Property, plant and equipment are depreciated at rates calculated to write them down to their estimated residual values on a straight-line basis over their estimated useful lives. Asset lives have been set in the following ranges :

	Estimated useful life in years
Plant and machinery	5 to 20
Fixtures and fittings	5 to 10
Building enhancement	Remaining period of current lease to 10 years
Computers and equipment	
Motor vehicles	4 to 10

In-year capital acquisitions and disposals are depreciated on a monthly pro-rata basis.

### Inventories

Inventories are valued at the lower of cost (or current replacement cost if materially different), and net realisable value.

## Operating income

Operating income is income that relates directly to the operating activities of the Agency. It principally comprises fees and charges for services provided, on a full cost basis, to external customers and other Government bodies, but also includes other income from other assets.

Income is recognised in the month in which the first day of the conference or event occurs.

## Administration and programme expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme costs.

Administration costs reflect the costs of running the Agency as defined under the administration cost control regime, together with associated operating income. Income is analysed in the notes between that which, under the regime, is allowed to be offset against gross administrative costs in determining the outturn against the administration cost limit, and that operating income which is not. Programme costs reflect non-administration costs including payments of grants and other disbursements by the Agency.

## Foreign Exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for a period is used. Balances held at the year-end are translated at the rate prevailing on 31 March.

## Pensions

Present and past employees are covered by the provisions of the Principal Civil Service Pension Schemes which are described at Note 3. The defined benefit elements of the schemes are un-funded and are non-contributory except in respect of dependants benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pension Schemes (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes the Agency recognises the contribution payable for the year.

## Operating Leases

Payments made under operating leases are charged to expenditure in equal amounts in accordance with the terms of the lease.

## VAT Policy

Output VAT is charged as appropriate on activities that fall within the scope of VAT. In broad terms, Wilton Park conference income is exempt from VAT whereas commercial income is standard rated. Input VAT is subject to partial exemption and to the extent it is irrecoverable is included in expenditure as shown in these accounts.

## 2 Financial Targets

Our financial target is to break-even on a cash basis	2012-13	2011-12
Target	break-even	break-even
Achieved £000s (Surplus)/Deficit	(38)	(39)

### 3 Staff Numbers and Costs

	2012/13		2011/12	
	Permanently Employed Staff	Others	Total	Total
The payroll costs of these employees were as follows:	£000	£000	£000	£000
Salaries and wages	2,133	53	2,186	2,078
Social Security	161	11	172	163
Others - Superannuation	335		335	326
- Employee Related Costs	24	97	121	133
	<b>2,653</b>	<b>161</b>	<b>2,814</b>	<b>2,700</b>

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. Wilton Park is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31st March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk))

For 2012-13 employer's contributions of £335k were payable to the PCSPS (2011-12 £326k) at one of the four rates in the range 17.1 to 25.5 per cent (the rates in 2011-12 were between 17.1 and 25.5 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution.

No Employees have opted to open a partnership account.

The Chief Executive was provided with a rent free furnished cottage in the grounds of Wiston House from 7th September 2009 (see remuneration report).

Casual workers costs are included in Salaries and Wages whilst Agency costs are included within Employee Related Costs.

### Average number of persons employed

The average number of whole-time equivalent persons employed during the period, including directors, was made up as follows:

			<b>2012/13</b>	<b>2011/12</b>
	Permanently Employed Staff	Others	Total	Total
Directly Employed	67.0	4.7	71.7	66
Staff engaged on capital projects	0.0	0.0	0.0	0
	<b>67.0</b>	<b>4.7</b>	<b>71.7</b>	<b>66</b>

Other staff were interns, FTE calculations for the remaining casual staff are not practicable due to short working hours of these numerous staff

#### 4 Other Administration Costs

	Note	2012/13		2011/12	
		£000	£000	£000	£000
Rentals under operating leases					
Hire of Office Equipment		14		13	
Property Rentals		207		176	
			<u>221</u>		<u>189</u>
Non cash items					
Depreciation	7 & 8	286		265	
External Auditor's Fees		20		20	
Internal Auditor's Fees		16		16	
Pay Section Charge		5		5	
			<u>327</u>		<u>306</u>
Provisions: Written Back	15	(74)			
			<u>(74)</u>		
Other expenditure					
Rates		82		65	
Maintenance, Cleaning, Heating & Lighting		304		284	
Administrative Expenses		174		214	
Net (gain)/loss on Foreign Exchange		(1)		16	
			<u>559</u>		<u>579</u>
			<u>1,033</u>		<u>1,074</u>

#### 5 Programme Costs

	2012/13	2011/12
	£000	£000
Other current expenditure		
Purchases	303	288
Housekeeping	230	233
Conference Costs	610	514
	<u>1,143</u>	<u>1,035</u>

## 6 Operating Income

	2012/13	2011/12
Operating income is analysed as follows:	£000	£000
Bank Interest received	2	3
Other fees and charges	4,773	4,539
	<b>4,775</b>	<b>4,542</b>
Other fees and charges is analysed as follows:		
WP Conferences	3,003	2,603
FCO allocation funding for conferences	800	800
FCO transitional funding	-	150
Commercial Operations	813	808
Bar Sales	104	87
Shop Sales	2	3
Miscellaneous	51	75
Government Grant Reserve Transfer	-	13
	<b>4,773</b>	<b>4,539</b>

The FCO support Wilton Park conferences with a base allocation of £800k. Additionally Wilton Park has been granted an additional funding to aid with the transition period of 3 years due to the appointment of a new Chief Executive. Initially this was £325k, in 2011-12 it was £150k and reduced to zero 2012-13.

## 7 Property, Plant and Equipment

	Building Enh'ment	Assets Under Constructio	ICT	Fixture & Fittings	Motor Vehicles	Plant & Machinery	Office Equipment	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
at 1/4/2012	274		375	947	40	683	93	<b>2,412</b>
Additions	30	118	39	11	5	19	9	<b>231</b>
Disposals	-	-	(215)	(45)		(7)	(17)	<b>(284)</b>
Re-classification	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
<b>Cost at 31/3/2013</b>	<b>304</b>	<b>118</b>	<b>199</b>	<b>913</b>	<b>45</b>	<b>695</b>	<b>85</b>	<b>2,359</b>
Depreciation								
at 1/4/2012	70		292	512	13	292	45	<b>1,224</b>
Charge in year	42	-	43	102	7	63	15	<b>272</b>
Disposal	-	-	(215)	(45)		(7)	(17)	<b>(284)</b>
Re-classification	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
<b>Depreciation at 31/3/2013</b>	<b>112</b>	<b>-</b>	<b>120</b>	<b>569</b>	<b>20</b>	<b>348</b>	<b>43</b>	<b>1,212</b>
Net Book Value								
<b>at 31/3/2013</b>	<b>192</b>	<b>118</b>	<b>79</b>	<b>344</b>	<b>25</b>	<b>347</b>	<b>42</b>	<b>1,147</b>
at 31/3/2012	204		83	435	27	391	48	1,188

## 8 Intangible Assets

Intangible assets comprise the cost of building the website

	<b>TOTAL</b>
	<b>Website</b>
	<b>£000</b>
Cost or Valuation	
at 1/4/2012	<b>43</b>
Additions	19
Disposals	(40)
Re-classification	-
Revaluation	-
<b>Cost at 31/3/2013</b>	<b>22</b>
Amortisation	
at 1/4/2012	<b>26</b>
Charge in year	14
Disposal	(40)
Re-classification	-
Revaluation	-
<b>Amortisation at 31/3/2013</b>	<b>22</b>
<b>Net Book Value</b>	
<b>at 31/3/2013</b>	<b>22</b>
at 31/3/2012	17

## 9 Movements in Working Capital other than Cash

		<b>2012/13</b>	<b>2011/12</b>
	Note	£000	£000
Decrease/(Increase) in Inventories	11	1	15
Decrease/(Increase) in Receivables	12	237	(278)
(Decrease)/Increase in Payables	14	116	(19)
(Decrease)/Increase in Provisions	15	(74)	74
		<b>280</b>	<b>(208)</b>

## 10 Financial Instruments

International Financial Reporting Standard 7 (IFRS 7), Financial Instruments: Disclosures, requires disclosures in the financial statements that enable users to evaluate the significance of financial instruments to the financial position and performance, and the nature and extent of risks arising from financial instruments to which the Agency is exposed during the year and at the financial year end, and how those risks are being managed.

Due to the largely non trading nature of its activities and the way in which government agencies are financed, the Agency is not exposed to the degree of financial risk faced by many private sector business entities.

Financial assets and liabilities generated by day-to-day operational activities are not held to change the risks facing the Agency in undertaking its activities, or for trading.

Interest Rate Risk - Wilton Park has two interest bearing bank accounts on which the interest disclosed in Note 6 was earned. It has no other financial assets and liabilities on which interest is earned or paid, and is not considered to be exposed to significant interest rate risk.

Currency Risk – Wilton Park Conference income includes sponsorships that are denominated in foreign currency. It is exposed to foreign exchange risk to the extent that the relevant foreign exchange rate fluctuates between the date the sponsorship debtor is recognized and when it is paid. Wilton Park's policy is to tolerate this risk. As at 31 March 2013, Wilton Park has negligible assets or liabilities in foreign currency.

Liquidity Risk - Wilton Park is not exposed to significant liquidity risk, as the liquidity requirements are met by financing from the Foreign and Commonwealth Office, and it has no borrowing facilities. Foreign and Commonwealth Office resource requirements are voted annually by Parliament.

## 11 Inventories

	2012/13	2011/12
	£000	£000
Liquor and Food	20	20
Shop	8	9
	<b>28</b>	<b>29</b>

## 12 Trade receivables and other current assets

	2012/13	2011/12
	£000	£000
Amounts falling due within one year		
Trade Receivables	395	605
Prepayments and Accrued Income	44	71
	<b>439</b>	<b>676</b>

An analysis of debtors is as follows:

Balances with other central government bodies	117	354
Balances with bodies external to government	322	322
	<b>439</b>	<b>676</b>

### 13 Cash and cash equivalents

	2012/13	2011/12
	£000	£000
Balance at 1 April	814	1,307
Net change in cash and cash equivalent balances	(307)	(493)
Balance at 31 March	<b>507</b>	<b>814</b>

### 14 Trade payables and other current liabilities

	2012/13	2011/12
	£000	£000
Trade Payables	246	138
Payments Received on Account	341	306
Other Payables	6	10
Accruals and Deferred Income	148	160
VAT	144	155
	<b>885</b>	<b>769</b>

An analysis of creditors is as follows:

Balances with other central government bodies	288	168
Balances with bodies external to government	597	601
	<b>885</b>	<b>769</b>

### 15 Provisions for liabilities and charges

	Early departure costs	Other	Total
	£000	£000	£000
Balance as at 1 April 2012	30	44	74
Provided in the year	-	-	-
Provisions not required and written back	(30)	(44)	(74)
Provisions utilised in the year	-	-	-
<b>Balance as at 31 March 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 16 Commitments under Operating Leases

	2012/13	2011/12
	£000	£000
At 31 March 2013 Wilton Park minimum commitment under non-cancellable operating leases which expire was:		

### Land and Buildings

Not later than 1 year	-	176
Later than 1 year and not later than 5 years	828	704
Later than 5 years	-	-

The new lease on Wiston House extends to the year 2027 with 5 yearly break clauses. As notice was not given at the time for the break clause to be exercised in 2012 the commitment is now until March 2017.

### Other Operating Leases

Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-

## 17 Related Party Transactions

Wilton Park is an Executive Agency of the Foreign and Commonwealth Office. The Foreign and Commonwealth Office is regarded as a related party. During the year, Wilton Park has had a significant number of transactions with the Foreign and Commonwealth Office. The Gross income from the FCO amounts to £800k plus £1,100k for conference specific funding plus £250k for capital expenditure.

In addition, Wilton Park has had various transactions with other government departments.

Most of these transactions have been with the Ministry of Defence and Department for International Development

None of the Management Board members or their related parties have undertaken any material transactions with Wilton Park during the year.

## 18 Segmental Reporting

	Wilton Park		
	Conference	Commercial	Total
	Activities	Activities	
	£000	£000	£000
Income	3,822	953	4,775
Expenditure	4,066	924	4,990
(Deficit)/Surplus	(244)	29	(215)
% Cost Recovery	94.0%	103.2%	95.7%
Surplus/(deficit) on the disposal of fixed assets	-	-	-
Interest receivable and similar income	2	-	2
Interest payable and similar charges	-	-	-
Total Assets	<b>1,746</b>	<b>397</b>	<b>2,143</b>

Commercial activities included weddings, meetings and corporate conferences.

## 19 Capital Commitments

	2012/13	2011/12
	£000	£000
Contracted capital commitments at 31 March 2013 for which no provision has been made	-	-

## 20 Contingent Liabilities

There are no contingent liabilities for 2012/13 (2011/12 £nil)



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