

17 July 2013

FREEDOM OF INFORMATION ACT 2000 REQUEST REF: 0284-13

Thank you for your email of 30 March 2013 in which you asked:

"I am writing to request the following information:

:: The top ten British Embassies or high commissions overseas with the highest expenditure on hospitality in 2011-12,

:: How much money they spent in 2010-11 and in 2009-10."

I am writing to confirm that we have now completed the search for the information which you requested. I can confirm that the FCO does hold information relevant to your request and I apologise for the delay in providing this reply.

A total of £6.3m was spent on official hospitality by the FCO in Financial Year (FY) 2011-12 which represents less than 0.3% of the FCO's discretionary departmental spend during that period. The purpose of official hospitality is to establish and cultivate contacts throughout our network of over 260 overseas Posts, as well as diplomatic activity in the UK, in order to promote British interests. Activities funded from the FCO's business hospitality budget can include working meetings with Ministers in the UK, meetings with senior political and military figures from host countries and events hosted for political and business delegations abroad, including those in support of UK Trade & Industry.

The table below lists the ten overseas diplomatic Posts with the highest recorded gross spend on official hospitality in FY2011-12, as well as the figures for the same Posts for FY2009/10 and FY2010/11. For the purposes of answering your query, an initial search was carried out for expenditure recorded against the business hospitality account code on the FCO's management information system which was consistent with your previous request for information on business hospitality expenditure. The posts that featured on the list generated by that search then calculated figures in more detail, to take account of associated expenditure (and, where relevant, income) with hospitality events. This gives a more accurate picture of expenditure which differs from previous responses and for this reason, posts that appeared on the list for FY 2009/10 issued will not necessarily show identical figures to those previously released. The figures are shown in the table below.

Please note that not all of the expenditure shown in the table is specific to that Post. As part of the FCO's ongoing programme of efficiencies and cost reduction, administrative processes are increasingly being centralised at regional hubs which in some cases result in sovereign Posts' expenditure in one country being processed at another.

There are also subordinate Posts in some countries whose expenditure is administered at the Embassy or High Commission (the sovereign Post in the country) and which therefore makes that Embassy or High Commission's expenditure appear to be higher than it actually is. In addition certain sovereign Posts administer spend for other sovereign Posts.

For example, the figures attributed to the **British Embassy in Berne**, a sovereign Post, for FY2011/12 are mostly those of the United Kingdom's Mission to (UKMIS) Geneva which is itself a sovereign Post. Furthermore, in FY2009/10 and 2010/11 Berne's figures also included those for Geneva which in FY2009/10 included three missions: UKMIS Geneva, the Consulate-General and the United Kingdom Permanent Representation to the Conference on Disarmament (UKDIS Geneva). By FY2010/11 the three missions in Geneva had reduced to one, which is why there is a drop in expenditure between FY2009/10 and FY2010/11.

The figures shown for the **High Commission in Ottawa** comprise the hospitality expenditure for the United Kingdom's diplomatic network for all of Canada, which includes the Consulates-General in Montreal, Toronto and Vancouver. Those for **Tokyo** include the Consulate-General Osaka and those for **Mexico City** include the Consulate in Monterrey and the British Trade Offices in Guadalajara and Tijuana.

In addition, given that foreign policy goals are subject to change, most recently resulting in the FCO's Network Shift, some of our Posts have seen increases in activity that have by extension raised expenditure levels. For instance, between 2010/11 and 2011/12 **New Delhi** saw a significant increase in Ministerial visits, a larger celebration of the Queen's Birthday for key interlocutors in government and business and the creation of the GREAT campaign.

The increase in total expenditure at our Embassy in **Mexico** over the last three years has been due to a step-change in our relationship, reflecting Mexico's status as a key emerging power and an increasingly important market for British trade and investment. For example, in early 2011 an agreement was made between the UK and Mexico to double the value of bilateral trade to £4.2billion per year by 2015. Cross-Embassy efforts in Mexico, including our UKTI team, have helped increase annual trade value to more than £3billion per year and efforts to reach the 2015 target are on track.

Please also note that the figures below take account of the fact that a sizeable proportion of such expenditure at most of these locations is in support of events that are sponsored by other government departments, or by commercial companies. We also hire out some of our buildings to help recoup some of the running costs. Many of the events we run are in support of the prosperity agenda and result in deals for British businesses that outweigh the costs of running them. Often, the money that we spend is matched or covered by commercial sponsorship, whether in the form of cash or in kind (for example where an Embassy hosts an event and a sponsor supplies food and drink). A list of sponsored events is included in the FCO's 2012/13 Annual Resource Accounts on pages 32 – 35. The FCO has been encouraging use of its more prestigious residences to advance UK commercial and other interests in order to derive the greatest benefit from these assets. In these cases, the FCO recovers the full cost of such events in line with the Treasury's 'Selling into Wider Markets' (SIWM) guidance. As a result of this in the calculations, the figures for Japan show that income exceeded expenditure.

For information, and to avoid any potential confusion, "BE" is short for "British Embassy"; "BHC" is short for "British High Commission" and BCG is short for British Consulate-General. Where a sovereign post's figures include spend for another post, whether subordinate or sovereign, this is clearly stated. All others are for that post alone.

	FY 2011/12	FY 2010/11	FY 2009/10
Post	£	£	£
BHC New Delhi			
Note: These figures are for all diplomatic missions in India	187,020	135,897	158,197
BHC Ottawa Note: These figures are for all diplomatic missions in Canada	163,069	114,967	107,834
BE Washington	156,624	164,580	185,676
BE Moscow	140,671	193,570	161,512
BE Mexico City Note: These figures are for all diplomatic missions in Mexico	138,353	82,218	74,193
BE Paris	138, 055	137, 760	175, 055
BE Berlin	134,226	111,292	159,138
BE Rome Note: These figures are for all diplomatic missions in Italy	109,068	128,377	145,795
BE Berne			
Note: These figures include different Posts across each Financial Year as outlined above	91,974	43,152	78,866
BE Tokyo			
Note: These figures include BCG Osaka	-117,152	-38,982	58,284

As part of its commitment to transparency, the FCO publishes the business expenses and hospitality of its senior London-based staff. These include travel costs and are subject to detailed Cabinet Office and internal guidance and regular audit. Details can be found at:

http://www.gov.uk/government/publications/fco-senior-staff-expenses-and-hospitality

All expenditure on official hospitality is kept under rigorous scrutiny to ensure value for money and effectiveness and is incurred in accordance with the principles of Managing

<u>Public Money</u> and the Treasury handbook on <u>Regularity</u>, <u>Propriety and Value for Money</u>. Links to both of these documents, as well as that of the <u>'Selling into Wider Markets'</u> <u>guidance</u>, all of which are available on the HM Treasury website for download, are embedded in the text for ease of reference.



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