

Foreign, Commonwealth and Development Office

Supplementary Estimate Memorandum 2024-25

This memorandum gives background to the Foreign, Commonwealth and Development Office (FCDO) Supplementary Estimate 2024-25. The format of this document follows guidance from the Parliamentary Scrutiny Unit, to provide wider context on the department's objectives and finances.

1. Overview

The FCDO's enduring purpose is to lead the Government's diplomatic, development, and consular work around the world. Our overall aim is to position the UK as a responsible, reliable, and effective international actor and partner, investing in the global relationships we need for the long term.

Supplementary Estimate 2024-25 provides details of the changes to the FCDO's budget since the Main Estimate 2024-25, including the Autumn Budget 2024 (AB24).

1.1 Objectives

The FCDO's priority outcomes as set out at the start of 24/25 were:

1. Shape an **open and stable international order** through strong alliances and future partnerships.
2. Protect our **national and international security** and mitigate the threats of strategic competition through building partnerships, strengthening deterrence and effective constraint.
3. Reinvigorate the **UK's leadership role in international development** to tackle shared global challenges, respond to humanitarian crises, and support the Sustainable Development Goals (SDG's).
4. **Support British nationals around the world** by providing resilient 24/7 Consular services and agile crisis response.

1.2 Spending Controls

The FCDO's spending is broken down into several different spending totals, for which Parliament's approval is sought.

The spending totals which Parliament votes are:

- Resource Departmental Expenditure Limit ("**Resource DEL**") – programme funds, running costs, frontline diplomacy and development, the overseas platform, scholarships, grants to international organisations and other bodies supporting FCDO objectives, and associated non-cash items.
- Capital Departmental Expenditure Limit ("**Capital DEL**") – investment in capital assets, capital grants, research and development, loan funding to the British

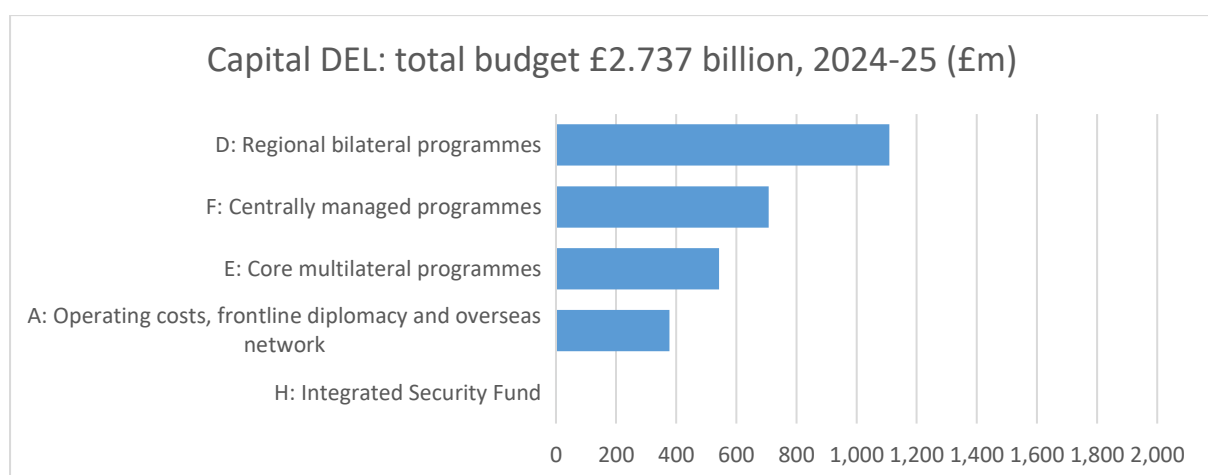
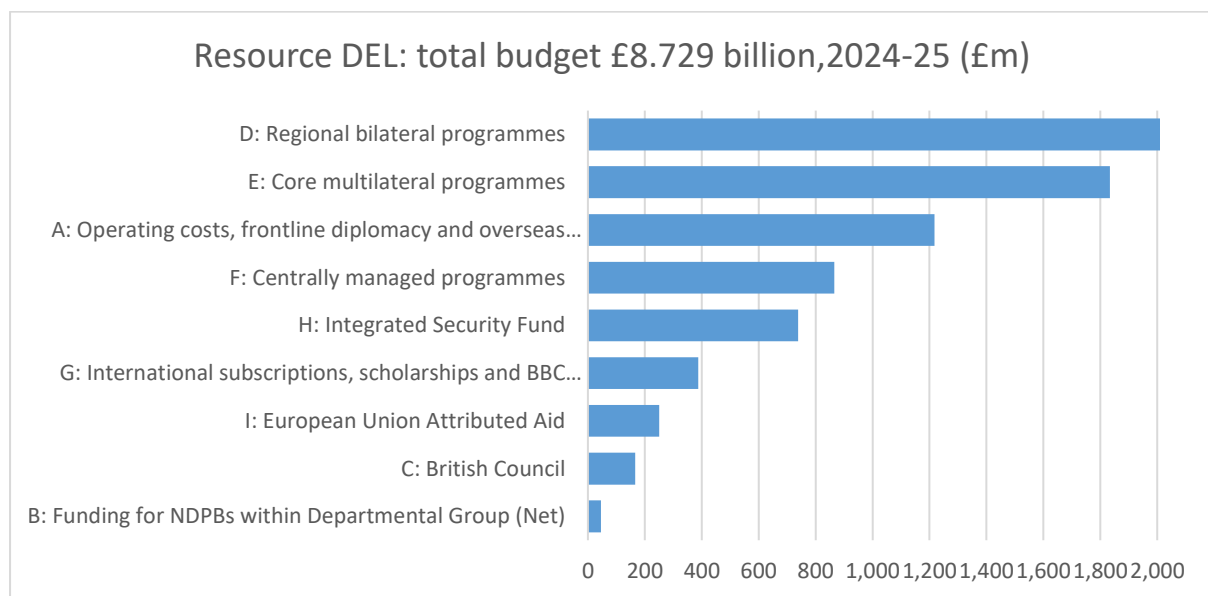
Council, and investments and assets to create growth in the future for either the UK or our partner governments.

- Resource Annually Managed Expenditure (“**Resource AME**”) – less predictable day-to-day spending: In the FCDO’s case, this includes accounting adjustments for financial guarantees, impairments, provisions, foreign exchange, and the refund of certain taxes and duties paid by certain foreign and Commonwealth governments.
- Capital Annually Managed Expenditure (“**Capital AME**”) – the FCDO is required to record capital injections in its wholly owned self-financing public corporation, British International Investment (BII) as prescribed by the government budgeting rules.

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets that require the FCDO to pay cash in year.

1.3 Main areas of spending

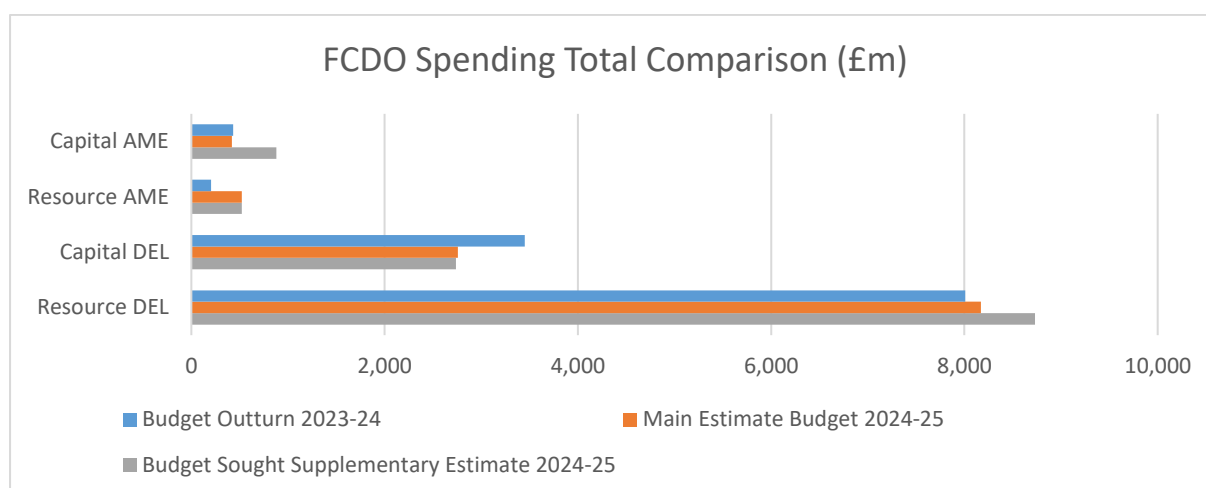
The graphics below show the main components of the FCDO’s proposed budget included in the latest Supplementary Estimate and the proportions of funds spent on its main activities.



1.4 Comparison of spending totals sought

The table and graphic below show how the totals sought for the FCDO Supplementary Estimate compare with the Main Estimate and the outturn in the last financial year:

Spending total Amounts sought this year (Supplementary Estimate 2024-25)		Difference (+/-), compared to original budget this year (Main Estimate 2024-25)		Difference (+/-), compared to last year's outturn (Outturn 2023-24)	
		£ m	%	£ m	%
Resource DEL	8729	557	7%	721	9%
Capital DEL	2737	-22	-1%	-712	-21%
Resource AME	521	0	0%	318	157%
Capital AME	881	461	110%	448	103%



1.5 Key drivers of spending changes in the last year

In comparison to the Mains Estimate 2024-25, there is a net increase in Resource DEL of £557m (7%), reduction in Capital DEL of £22m (1%) and increase in Capital AME of £461m (110%).

The net increase in Resource DEL is made up of an uplift in the Autumn Budget 2024 and routine reserve claims. This includes an uplift of the ODA budget (£155.0m) to reflect the GNI forecast at the Autumn Budget, Afghan Relocations & Assistance Policy (£25.0m), British Indian Ocean Territories (£30.0m), Consular Premium (£74.4m), International Subscriptions (£94.4m) and the Foreign Currency Mechanism and Differential Inflation (£29.1m).

Due to late increases in expected 2024 gross national income (GNI) growth and reductions in other government department ODA spend mainly relating to anticipated

asylum costs, the FCDO received an ODA uplift of £400m Capital AME, that was invested in British International Investment (BII). The remaining decrease in Capital DEL arises from a £25.1m return of estates sales proceeds.

The full list of changes in the Supplementary Estimate is set out in section 2.0 and the Data Annex, Table B.

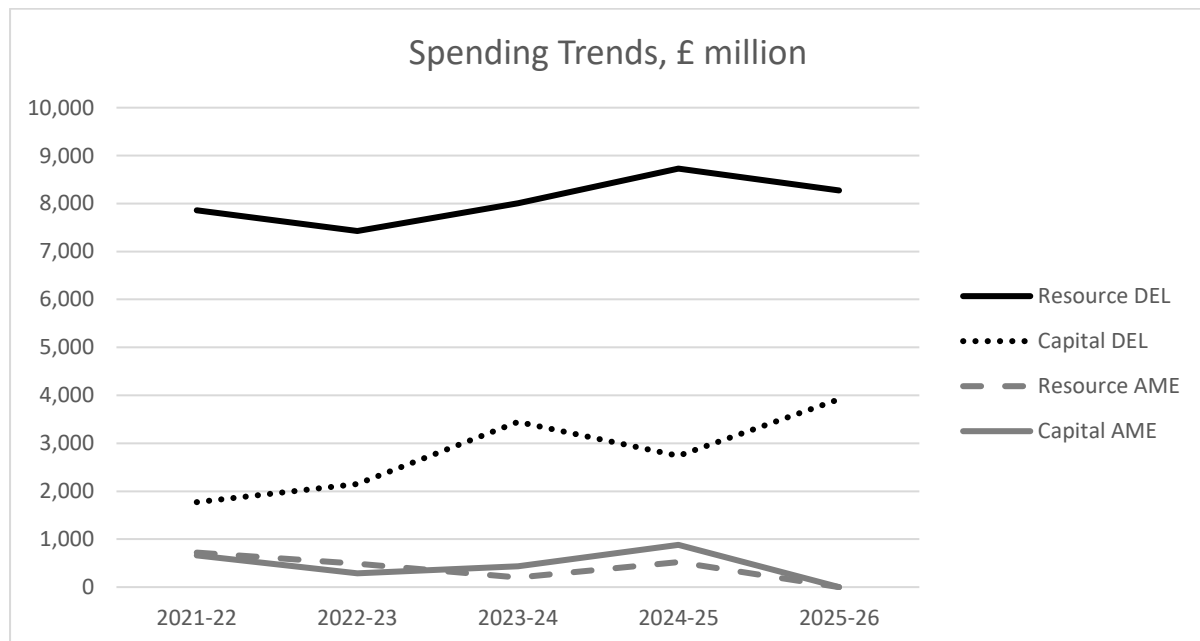
1.6 New policies and programmes; ambit changes

Details of all new policies and programmes announced by the FCDO can be found on [Gov.uk](https://www.gov.uk).

There are no changes to the FCDO's ambit.

1.7 Spending Trends

The charts below show overall spending trends for the last three years and plans for 2024-25 to 2025-26.



- Resource DEL:** Outturn for 2021-22 onwards reflects the resources required to spend 0.5% of UK Gross National Income (GNI) on ODA. The growth in 2024-25 reflects increased ODA spend arising from an improvement in the GNI and the additional resources provided to the UK ODA allocation as part of the 2024 Autumn Budget.
- Capital DEL:** Outturn for 2021-22 onwards reflects the resources required to spend 0.5% of UK Gross National Income (GNI) on ODA. The reduction in 2024-25 reflects the £460.0m transfer to Capital AME to reflect the investment in British International Investment (BII).

- **Resource AME:** is used primarily for accounting adjustments to provisions and financial instruments such as loans and shares. AME expenditure, by definition, is volatile. There were no overall changes to the RAME requirement for 2024-25.
- **Capital AME:** budget is used to make investments in the FCDO's wholly owned self-financing public corporation, British International Investment (BII). Capital injections into BII contribute towards the FCDO's financial transactions target. The increase in 2024-25 reflects the £460.0m transfer from Capital DEL for the investment in BII.

The Spending Review (SR) does not allocate budget for RAME and CAME; therefore, the required amount will be determined for the Main Estimate 2025-26.

1.8 Administration costs and efficiency plans

In comparison to the Main Estimate 2024-25, there is a net decrease in Administration of £7m (2%). This relates to a realignment of income, pay and non-pay cost in the Autumn Budget 2024 and a £37.0m switch from Administration to Programme budget for the European Political Committee Summit.

Spending total Amounts sought this year (Supplementary Estimate 2024-25)		Difference (+/-), compared to original budget this year (Main Estimate 2024-25)		Difference (+/-), compared to last year's outturn (Outturn 2023-24)	
		£ m	%	£ m	%
Resource DEL	346	-7	-2%	45	15%

The FCDO's settlement is subject to our commitment to deliver RDEL efficiencies equivalent to £79.5m over the Spending Review 2021 period ending 2024-25, of which at least £35.4m will be non-ODA savings. These savings are being delivered through British Council's transformation programme, workforce planning, various IT and estates efficiencies including handing back 22 Whitehall, and the natural closure of some non-ODA programmes.

1.9 Funding: Spending Review and Budgets

The following changes have been made to 2024-25 budgets since Spending Review 2024 allocations were agreed:

Resource DEL:

- a reserve surrender of **£4.4m** from the estates sale proceeds for maintenance as part of the estates programme;
- a Machinery of Government transfer of **£5.5m** to Cabinet Office for the Europe Framework;
- a reserve claim of **£4.2m** for the Consular Passport Premium;
- a reserve surrender of **£27.6m** for the Foreign Currency Mechanism and Differential Inflation;

- a reduction of **£7.58m** for IFRS16 for ring-fenced depreciation and interest charges;
- a reserve claim of **£2.56m** from the Emergency Disaster Relief Fund for costs incurred for emergency consular responses, including those resulting from the conflict in the Middle East;
- a net decrease of **£72.8m** for budget transfers with other government departments mainly for the Integrated Security Fund and;
- a budget switch from RDEL to CDEL of **£12.1m** for the Integrated Security Fund.

Capital DEL:

- a reserve surrender of **£25.1m** from the estates sale proceeds for contractually committed projects that are part of the estates programme of global new builds and refurbishments;
- a reserve claim of **£400.0m**, along with a switch of **£460.0m** from Capital DEL to Capital AME for investment in British International Investment (BII) as required under Consolidated Budgeting Guidance rules;
- a net decrease of **£17.9m** for budget transfers with other government departments mainly for the Integrated Security Fund and;
- a budget switch from RDEL to CDEL of **£12.1m** for the Integrated Security Fund.

1.10 Funding: other funding announcements

Details of all new funding announcements by the FCDO can be found on [Gov.uk](https://www.gov.uk).

2. Spending detail

2.1 Explanation of changes in spending

Resource DEL

The table below shows how the FCDO's spending plans for Resource DEL compared with the Main Estimate.

Resource DEL							
		£ million				%	
Subhead	Description	This year (2024-25 Supplementary Estimate budget sought)	This year (2024-25 Main Estimate budget approved)	changes from Main Estimate		see note number	
A	Operating costs, frontline diplomacy and overseas network	1,218.0	1,738.7	-520.7	-30%	I, II	

B	Funding for NDPBs within Departmental Group (Net)	45.4	45.0	0.4	1%	III
C	British Council	166.3	162.5	3.8	2%	IV
D	Regional bilateral programmes	3,223.2	2,061.8	1,161.3	56%	I, V
E	Core multilateral programmes	1,833.4	1,612.1	221.3	14%	I, VI
F	Centrally managed programmes	865.2	1,105.6	-240.3	-22%	I, VI
G	International subscriptions, scholarships and BBC World Service	387.7	296.2	91.5	31%	I
H	Integrated Security Fund	738.8	864.0	-125.2	-14%	I, VII
I	European Union Attributed Aid	251.0	286.0	-35.0	-12%	VIII

- I. Includes budget changes announced in the Autumn Budget 2024.
- II. The net decrease is comprised of:
- reserve surrenders for Differential Inflation and Foreign Currency Mechanism **£27.6m**, IFRS 16 ring-fenced depreciation **£7.3m**, IFRS 16 interest charges **£0.2m**;
 - reserve claims for Consular Passport Premium **£4.1m** and cash management rebate of **£0.04m**;
 - return of estates sales receipts for maintenance **£4.4m**;
 - a Machinery of Government transfer to Cabinet Office for **£5.5m**;
 - net budget transfers of **£1.9m** to other departments, comprising total receipts of **£3.2m** and transfers of **£5.1m**.
- III. An increase of **£0.3m** received for the Commonwealth Scholarship Commission and a budget realignment of **£0.1m** for Independent Commission for Aid Impact.
- IV. An increase of **£3.6m** received for the GREAT Campaign and a receipt of **£0.3m** from the Dept of Education.
- V. The net increase is comprised of:
- reserve claims from the Emergency Disaster Relief fund of **£2.6m** and;
 - net budget transfers of **£10.2m** to other departments, including a transfer of **£10.0m** for the Irregular Migration and Returns Fund (IMRF).
- VI. Net budget transfers received to other departments of **£5.1m**, including a receipt of **£15.3m** for UK PACT (Partnering for Accelerated Climate Transitions) against **£5.8m** transferred to the Blue Belt programme.
- VII. The net decrease in the Integrated Security Fund comprised of:
- net budget transfers of **£90.5m** to other departments and;

- a budget switch of **£12.1m** Resource DEL to Capital DEL to cover capital grants.

VIII. Under the EU-UK Withdrawal Agreement, the UK will continue to meet outstanding commitments to EU development programmes, the EU budget (MFF 2014-2020) and the European Development Fund until around 2027. A budget switch of **£35.0m** is requested from non-voted to voted for EU Attributed Aid.

Capital DEL

The table below shows how the FCDO's spending plans for Capital DEL compare with the Main Estimate.

Capital DEL							
		£ million				%	
Subhead	Description	This year (2024-25 Supplementary Estimate budget sought)	This year (2024-25 Main Estimate budget approved)	changes from Main Estimate		see note number	
A	Operating costs, frontline diplomacy and overseas network	377.0	333.1	43.9	13%	I, II	
D	Regional bilateral programmes	1,109.0	1,228.5	-119.5	-10%	I	
E	Core multilateral programmes	543.0	750.7	-207.7	-28%	I, III	
F	Centrally managed programmes	707.6	446.3	261.3	59%	I, IV	
H	Integrated Security Fund	0.2	0.0	0.2	0%	V	

- I. Includes budget changes announced in the Autumn Budget 2024.
- II. A return of estates asset sales receipts of **£25.1m**.
- III. The net decrease is comprised of a Capital Reserve claim of **£400.0m** to facilitate investment in British International Investment (BII). This **£400.0m** Capital DEL, plus an additional **£60.0m** of existing Capital DEL switched to Capital AME increasing the British International Investment (BII) budget from **£420m** to **£880m**.
- IV. Net budget transfers to other departments which includes £6.1m for the Caribbean Antimicrobial Resistance (AMR) Partnership.
- V. The net decrease is comprised of:
 - a budget switch of **£12.1m** Resource DEL to Capital CEL to cover capital grants and;

- budget transfer of **£11.9m** to other departments relating to the Integrated Security Fund.

Resource AME

The table below shows how the FCDO's spending plans for Resource AME compare with the Main Estimate.

Resource AME							
		£ million				%	
Subhead	Description	This year (2024-25 Supplementary Estimate budget sought)	This year (2024-25 Main Estimate budget approved)	changes from Main Estimate		see note number	
J	Other central programme and technical costs	520.7	520.7	0.0	0%	I	

- I. Resource AME is used primarily for accounting adjustments and by definition is volatile. There were no changes to the Resource AME requirement in the 2024-25 Supplementary Estimate.

Capital AME

The table below shows how the FCDO's spending plans for Capital AME compare with the Main Estimate.

Capital AME							
		£ million				%	
Subhead	Description	This year (2024-25 Supplementary Estimate budget sought)	This year (2024-25 Main Estimate budget approved)	changes from Main Estimate		see note number	
K	British International Investment	881.0	420.0	461.0	110%	I, II	

- I. The increase to Capital AME shows additional funding to recapitalise FCDO's investment in British International Investment plc. The Supplementary Estimate 2024-25 includes a **£460m** switch from Capital DEL to invest in British International Investment (BII).
- II. The additional **£1.0m** increase to the Capital AME budget is from the creation of a dilapidations provision.

2.2 Restructuring

In July 2024 the Prime Minister, Sir Keir Starmer, announced in a Written Ministerial Statement that the responsibility for the United Kingdom's relationship with the European Union will move from the Foreign, Commonwealth and Development Office to the Cabinet Office. In the Supplementary Estimate, the FCDO transferred £5.5m as a Machinery of Government to the Cabinet Office.

2.3 Ring-fenced budgets

Within the totals, counter terrorism, research and development, financial transactions, depreciation and the Integrated Security Fund, are ring-fenced and funding cannot be transferred into other parts of the core FCDO budget without HMT approval.

In the FCDO's capacity as ODA spender and saver of last resort, the FCDO manages HMG's ring-fenced ODA budget to meet the calendar year commitment of 0.5% gross national income (GNI). FCDO are committed to protecting the most vulnerable and returning to spending 0.7% of GNI on ODA as soon as the fiscal situation allows.

2.4 Changes to contingent liabilities

The FCDO's contingent liabilities have decreased by around £4.4bn from Mains Estimate 2024-25 to Supps Estimate 2024-25.

The decrease mainly relates to financial guarantees of £3.8bn which we anticipated would be signed in this financial year but will now not.

Additionally, a decrease of £0.8bn is attributable to amounts payable to International Financial Institutions as a result of the depositing of promissory notes.

Several financial guarantees have now commenced repayment of principal which also reduces the total exposure.

These decreases are partially offset by movements in foreign exchange rates which has increased the GBP value of contingent liabilities.

3 Priorities and performance

3.1 How spending relates to objectives

The Estimates were being prepared following a general election campaign and the priority outcomes were set in the previous Parliament.

The FCDO's internal Outcome Delivery Plan, will set out what we will achieve over the current Spending Review period against a series of Priority Outcomes and corporate strategic enablers.

It is not currently possible to reflect the breakdown of resources by Priority Outcome as the FCDO is not structured in this way. Our resources, both people and projects, are cross cutting and delivery of our objectives contribute towards all of our Priority Outcomes.

[3.2 Measures of performance against each priority](#)

The FCDO's internal Outcome Delivery Plan will set out in detail how we will deliver our priority outcomes, how we will measure our success and how we will ensure we continuously improve.

Data on the FCDO's 2024-25 performance will be given in the FCDO 2024-25 Annual Report and Accounts which will be published in Summer 2025.

[3.3 Commentary on steps being taken to address performance issues](#)

Spending specifically designed to address performance issues includes:

The estate: the FCDO continues to self-fund its estates projects. At Supplementary Estimate we will surrender £24.1m Capital DEL from capital receipts drawn down at the Main Estimate. We will continue to fund the contractually committed projects that are part of the estates programme of global new builds and refurbishments with the remaining drawn-down amount.

The draw-down will fund the works on new offices in Geneva, Bamako, Djibouti and Miami, which will complete early in FY25/26. There are also other large projects addressing urgent health and safety/end of life asset issues in Athens, Lagos, Nairobi, Luanda and Cairo. We continue to invest other capital sales receipts in a long pipeline of smaller projects.

The FCDO will also surrender a further £4.4m from estates sales receipts draw-down at the Main Estimate for Resource DEL costs. The remaining drawn-down amount will continue to fund smaller estates projects helping to reduce the backlog on largely health and safety maintenance works.

[3.4 Major Projects](#)

The FCDO will deliver the following major projects as defined by the Infrastructure and Projects Authority (IPA):

- Echo 2: a joint project with the British Council to provide new network, telephony and video-conferencing services.
- A project which will refurbish and upgrade key buildings on the British Embassy compound in Tokyo.
- A major refurbishment of the embassy and ambassador's residence in Washington DC.

Progress on major projects is recorded at:

[Infrastructure and Projects Authority Annual Report 2023-24 - GOV.UK](#)

An update to the FCDO's projects will be published in the next IPA report where we expect closed programmes to be removed.

4. Other Information

4.1 Additional specific information required by the select committee

The FCDO brought forward several planned multilateral payments from 2025-26 plans into 2024-25 to help deliver the 2024 ODA 0.5% GNI calendar year commitment. Planned multilateral payments brought forward where: the Global Partnership for Education, the Global Environment Facility, the Green Climate Fund, the Global Alliance for Vaccination and Immunisation, and the International Development Association.

5. Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by myself as Departmental Accounting Officer.

Sir Oliver Robbins
Accounting Officer
Permanent Under-Secretary
Foreign, Commonwealth and Development Office

11 February 2025