



**Foreign, Commonwealth
& Development Office**

The Rt Hon. David Lammy MP
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The Lord De Mauley
Chair, International Relations and Defence
Committee
House of Lords
London
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16 June 2025

Dear Lord De Mauley,

As part of HM Treasury's Spending Review across all UK Government Departments, this week the Foreign, Commonwealth and Development Office (FCDO) has agreed a new spending settlement. The FCDO settlement provides total funding of £28.8 billion over the period 2026/27-2028/29 and a further £3 billion capital in 2029/30.

I made my Mansion House speech on 12 June outlining some of the global challenges facing the UK and its international partners.¹ In an increasingly volatile world, this spending settlement marks an important moment for the FCDO. While HM Treasury asked all departments to deliver savings and efficiencies in their Spending Review proposals, we believe this settlement will ensure the department can deliver its core development, diplomatic and consular priorities. It will also mean the FCDO can lead international delivery of the government's Plan for Change for the British people, particularly the Growth mission.

To ensure we can deliver our international work, the FCDO's non-ODA budget will increase over the Spending Review period with a £200 million annual uplift in programme spend to deliver the FCDO's priorities which are not delivered through development spending (non-ODA), including on Security, Growth, Migration, Europe and our commitments to the Overseas Territories. In addition, we have secured a more sustainable funding model for our network of overseas estates in the coming years - with additional spending for Estates, Security and digital - to maximise UK diplomacy across the globe.

The settlement reflects changes in the overall size of FCDO's budgets following the Government's decision to reduce Official Development Assistance (ODA) spending to 0.3% of GNI by 2027. This settlement is explicit about the government's sustained commitment to international development and to returning to spending 0.7% of GNI on ODA when the

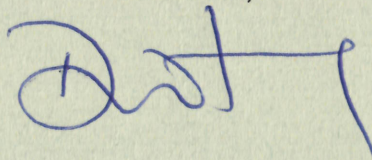
¹ FCDO, '[The Foreign Secretary's Mansion House Speech 2025](#)', 13 June 2025.

fiscal circumstances allow. It demonstrates the UK is changing how we work, sharpening our focus on the issues – humanitarian, health, climate and nature, underpinned by economic development - that align with the needs of our partners and with the long-term interests of people in the UK. We will prioritise multilateral investment across those issues, where the international system needs both to deliver at scale and to reform. We will shift the way we work to deliver the development our partners want: working as an investor rather than only a donor and moving from service delivery to system support, while drawing on the UK's leading expertise and delivering more through local partners.

I have been clear that we must reform the FCDO to ensure that Britain's diplomatic and development footprint is more open, more strategic, focused, capable and more digitally enabled, to deliver on the Government's Plan for Change for the British people. The settlement will underpin delivery of the FCDO2030 change programme and ensure resources are prioritised for the delivery of the Government's Missions. Everything the FCDO does must deliver tangible benefits for the British people – more jobs, more money in people's pockets, and secure borders. We have secured a bespoke transformation package to support the transformation required as part of FCDO2030. This will enable us to reshape the workforce and to make the substantial investment in the capability-building and digital tools that will transform how we work over the coming years.

The whole of the FCDO is determined to deliver its priorities and be a strong international voice in the coming years, as the international strategy and delivery arm of the Government's Plan for Change. We look forward to engaging with you further as this work progresses and I would be happy to facilitate a briefing with my officials if you have further questions.

Yours ever,

A handwritten signature in blue ink, appearing to be 'D. Lammy', written in a cursive style.

THE RT HON. DAVID LAMMY MP
Secretary of State for Foreign, Commonwealth and Development Affairs