



Foreign, Commonwealth & Development Office

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Dear Sarah,

FCDO MAIN ESTIMATES 2021-22

I am replying to your letter of 17 May 2021 on the FCDO Main Estimates 2021-22 in which you requested a more detailed breakdown of the budget sub-head "Strategic priorities and other programme spending".

Following the establishment of the new department, the FCDO needed to create a new Estimate structure for the department to reflect the merging of two legacy departments. For example, it was necessary to combine parallel pre-existing FCO and DFID lines relating to departmental operating costs.

As required, when making changes to the Estimate, FCDO officials consulted HM Treasury in detail. The guidance says that departments may also need to consult their relevant select committee. On this occasion, we judged that the changes to the Estimate were a technical rationalisation resulting from the creation of the FCDO rather than a change in substance.

You asked specifically about programme spending. The aim in the budget sub-heading "strategic priorities and other programme spending" is to present information relating to programme spend in the simplest way possible. In the previous Estimate, programme spending had been split across four Estimate sub-heads: three from legacy DFID and one from legacy FCO. These sub-headings were largely based on the delivery route for spending. For example, whether a programme was regional or central. The headings did not provide a useful way of understanding programme spending allocations and did not readily map onto the way in which programme funding is allocated.

This year the FCDO has allocated programme funding based on the Foreign Secretary's priorities for ODA. It would also not have been possible to give a full breakdown of spending by the old categories in time for the Main Estimates because detailed decisions on allocations and programme delivery were still being made.

On this basis, we judged that the most helpful approach at this stage would be to show a single sub-head for strategic priorities and programme spending (Annex A compares the old and new Estimate structure). The Estimates Memorandum gave as much additional detail as was available and included a link to the Foreign Secretary's Written Ministerial Statement of 21 April, which set out the FCDO's ODA allocations by theme. In line with previous practice, the FCDO will publish more detailed ODA spending plans in the FCDO Annual Report. Final information on our ODA spend will then be published in the Statistics on International Development. We also provide accessible information on our aid programmes on an ongoing basis on Devtracker.

I have provided below a breakdown of the FCDO budget in Estimate row D. Further core FCDO ODA allocations are in rows A, B, C, E, G and I. There is also ODA in CSSF's allocation on row F. (See Annex B for a breakdown of FCDO's ODA allocation by estimate row.)

Row D: Strategic priorities and other programme spending	(£'000)
Resource DEL	3,963,947
ODA programme	3,881,549
Non-ODA programme	82,398
Capital DEL	1,759,514
ODA capital programme	1,285,808
ODA R&D	256,706
ODA Financial Transactions	217,000

You also asked for an opportunity to discuss the format of future Estimates Memorandum. I would be very happy to support that. FCDO officials will also meet with the clerk of the select committees to discuss the content of the Annual Report and Accounts.

A copy of this letter will be sent to the Chair of the Foreign Affairs Committee.

Yours sincerely
Philip Barton

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Annex A: Comparison of old and new Estimates structure

Main Estimates 2021-22

Supplementary Estimates 2020-21
(mixture of FCO and DFID lines)

DEL	DEL
A: Operating costs, frontline diplomacy and overseas network	B: Total Operating Costs G: Administration, frontline diplomacy and overseas network
B: Funding for NDPBs within Departmental Group (Net)	A: CSC (NDPB) (net) scholarship relating to developing countries C: Independent Commission for Aid Impact (NDPB) (net) J: Funding for NDPBs within Departmental Group (Net)
C: British Council	I: British Council
D: Strategic priorities and other programme spending	D: Regional Programmes E: Other Central Programmes F: Policy Priorities, International Organisations and Humanitarian H: Core FCO programme funds and third party activity (core programme funds are in new row D; International subscriptions, scholarships and BBC World Service are in new row E)
E: International subscriptions, scholarships and BBC World Service	H: Core FCO programme funds and third party activity (core programme funds are in new row D; International subscriptions, scholarships and BBC World Service are in new row E)
<i>Prosperity Fund is no longer a cross-Whitehall Fund</i>	K: Prosperity Fund
F: Conflict, Stability and Security Fund	L: Conflict, Stability and Security Fund: Programme Expenditure M: Conflict, Stability and Security Fund: Peacekeeping
G: European Union Attributed Aid	N: European Union Attributed Aid
AME	AME
H: Other central programme and technical costs	O: Other Central Programmes Q: AME Programme R: Reimbursement of certain duties taxes and licence fees
I: CDC Group plc	P: Policy Priorities, International Organisations and Humanitarian

Annex B: FCDO ODA review allocation of £8,115 million by estimate row

Resource DEL	Main Estimate	Core FCDO ODA
A: Operating costs, frontline diplomacy and overseas network	1,652	740
B: Funding for NDPBs within Departmental Group (Net)	40	36
C: British Council	189	150
D: Strategic priorities and other programme spend	3,964	3,882
E: International subscriptions, scholarships and BBC World Service	259	195
F: Conflict, Stability and Security Fund*	721	
G: European Union Attributed Aid	608	608
	7,432	5,611

Capital DEL		
A: Operating costs, frontline diplomacy and overseas network	109	
C: British Council	70	
D: Strategic priorities and other programme spend	1,760	1,760
F: Conflict, Stability and Security Fund*	0	
	1,938	1,760

Resource AME		
H: Other central programme and technical costs	181	

Capital AME		
I CDC Group	646	646

Core FCDO ODA in Main Estimate	8,016
Main Estimate budget transfer to Cabinet Office for COP26	99
ODA review allocation (core FCDO)	8,115

*The Conflict, Stability and Security Fund received a separate ODA review allocation of £337 million