



FIFTY-FOURTH ANNUAL REPORT

of the
Foreign Compensation Commission
for the Financial Year ended
31 March 2009

*Presented to Parliament by the Secretary of
State for Foreign and Commonwealth Affairs
by Command of Her Majesty
January 2010*

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Functions

1. The Foreign Compensation Commission (FCC) was established in 1950 to support the consular work of the Foreign and Commonwealth Office (FCO) by providing a mechanism to determine complex or numerous compensation claims through an independent and impartial judicial process. The FCC has also been engaged prior to settlement negotiations to administer a stock-taking of British property losses overseas at the hands of foreign Governments. Where compensation is secured through diplomatic or other means, the FCC then determines the entitlement of claimants to compensation. To date there have been seven registration programmes to assess losses prior to negotiations and thirteen compensation programmes to distribute funds.
2. The FCC carries out administrative and incidental advisory functions in addition to assessing losses and determining claims in a judicial capacity. These administrative functions include facilitating and examining claims pending adjudication, investing and managing funds prior to distribution, paying out compensation, maintaining registers and records, responding to diplomatic and other queries about claims and events giving rise to claims programmes, and ensuring compliance with regulatory and reporting requirements. It also supports the FCO by providing information and guidance on legal and practical aspects of claims handling, and maintaining links with other bodies concerned with tribunal functions such as the Ministry of Justice and the Administrative Justice and Tribunals Council.

Creation and Status

3. The FCC was established by the Foreign Compensation Act, 1950 and is governed by that Act, as amended, and by Statutory Instruments pursuant thereto. It appears on the Cabinet Office List of Non-Departmental Public Bodies, classed as a "Tribunal NDPB".
4. The FCC is scheduled under the Tribunals and Inquiries Act, 1992. By virtue of that Act and an Order pursuant to its predecessor Act of 1971, its judicial procedures have been under the supervision of the Administrative Justice and Tribunals Council (formerly Council on Tribunals) since 1984. In 1996 the administrative practices of the Foreign Compensation Commission were brought within the jurisdiction of the Parliamentary Commissioner for Public Administration by inclusion in Schedule 4 of the Parliamentary Commissioner Act 1967. The FCC is operating on a care and maintenance basis in relation to the processing of claims, but has been active in carrying out routine and special advisory functions described herein.

Personnel

5. The part-time Chairman of the Commission, Dr John Barker, and the part-time Secretary, Mr Barrie England, both appointed in 2004, continued in their posts. The Commission continued to employ a further part-time staff member to carry out ongoing data entry and other clerical duties.

Progress of Work

6. As the sixtieth anniversary of the Foreign Compensation Commission approaches, relocation and reorganisation of the Claims Section within the FCO's Consular Directorate occasioned consideration of the role of the FCC in support of the management and determination of cases. Claims activities are currently being reviewed, with the idea that they, and by extension FCC input, should facilitate a more strategic, prevention-oriented approach supplementing traditional diplomatic protection to minimise losses and promote remedial action where warranted.
7. The FCC was consulted about injuries and risks to British property interests in Spain, Cyprus, Bulgaria and Zimbabwe. Although in many cases such losses concern disputes with private parties, closer scrutiny may be required in cases where the actions of official organs of the host State are contributing factors.
8. As a repository and reserve of claims handling expertise and data, the FCC provides an interface with other tribunals within the UK and abroad to keep up to date on new developments and best practice. In the period under review, the FCC engaged with the United Nations Compensation Commission, the German Forced Labour Compensation Programme, the US Foreign Claims Settlement Commission and the Austrian National Fund for Victims of National Socialism and the related General Settlement Fund, to evaluate the electronic case handling systems employed by high-volume claims programmes to improve the quality and speed of determinations at reduced cost.
9. In the year under review the Commission completed its initial round of electronic data capture of claims records. In responding to routine internal and external queries, the operational and other advantages of enhanced access were demonstrated, pointing the way forward. The FCC has used this experience to assist Claims Section with the management of its case records and the generation of statistics for planning purposes. The Commission also took steps to provide wider access to information by further development of its website.
10. The FCC kept under review the ongoing development of the Tribunals Service with periodic communications with the Senior President of Tribunals to explore synergies and avenues of cooperation. The Chairman also consults with the Administrative Justice and Tribunals Council and the Ministry of Justice to ensure that any proposed revision of FCC responsibilities and procedures conform to its founding statute, as amended, and the evolving obligations imposed on all Tribunals.
11. The National Archives and other institutions consulted the Commission in respect of inquiries received under the Freedom of Information Act. The Commission also received a number of direct inquiries about claims from FCO staff, former claimants, foreign States, research institutions, and members of the public.

Expenses of the Commission

12. As there were no claims funds generating revenue during the period, the expenses of the Commission were met from monies provided by Parliament and were accounted for in Request for Resources 1 of the Foreign and Commonwealth Office. Expenditure in Financial Year ended 31 March 2009 amounted to £45,985.87



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