



Foreign and Commonwealth Office

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FCO CORPORATE UPDATE FOR OCTOBER TO DECEMBER 2017

I sent you an update on the corporate side of the FCO in September. Since then, together with my Chief Operating Officer and Finance Director, I gave evidence to the Committee on 15 November and you visited the FCO with Committee members on 12 December. I am glad that on that occasion you were able to see our Diplomatic Academy and Crisis Management Department.

This letter gives you an update on FCO corporate matters for October to December 2017. During this period, we took part in the annual Civil Service People Survey. The headline Staff Survey results for the FCO were good, and given a high response rate of 86%, I am confident that they are representative of colleagues' views. Our engagement score – based on questions measuring pride, advocacy, attachment, inspiration and motivation - is 70%, nine percentage points above the Civil Service average. Our scores on bullying, harassment and discrimination however remain too high: 13% of colleagues said they had experienced bullying or harassment at work, and 16% reported discrimination. As in previous years, overseas Posts, Departments or teams with particularly high scores in these areas will receive specific, Human Resources-led interventions. The FCO Management Board discussed the main Survey outcomes before Christmas, and will look at the results in detail at the end of January.

The Survey showed that only 30% of colleagues are positive about our pay and benefits package (for UK Based staff the figure is 17%). We are working with HM Treasury to transform our pay structure, so that UK Based staff pay comes closer to that of colleagues in other Government Departments. According to Cabinet Office

data, our staff at middle and senior management grades are amongst the lowest paid in the Civil Service. This year, HM Treasury agreed some pay flexibility so that we could move funds within our overall UK Based pay budget to deliver base pay increases of between 0.5% and 3.9%. Higher increases were targeted at our lowest paid middle management staff, who are furthest behind their colleagues in other Government Departments. We also have a continuing challenge in meeting the pay aspirations of Local Staff overseas, although our overall offer to them, including learning and development, has many positive elements.

This quarter saw the one-year anniversary of the launch of Diplomacy 20:20, our corporate transformation programme. The FCO Management Board discussed the programme in November and was cautiously optimistic about progress at this stage of a multi-year programme. It was encouraging that the Staff Survey showed an 18% rise in understanding of Diplomacy 20:20 around the network, the highest score increase this year.

You will recall that Diplomacy 20:20 is organised around three pillars of improved Expertise and Agility, supported by a world-class Platform. As with my previous letter, I highlight developments under each pillar:

Expertise

All twelve of our Diplomatic Academy Faculties have now launched a Practitioner level syllabus. The Trade Policy and Negotiations Faculty was the final one to do so, in October. The Academy's focus in the coming months will be to work on raising quality and consistency across all Faculties and make the Academy's offer more accessible, including to staff overseas. We are also continuing to refine how we record our skills and knowledge centrally to inform workforce planning and our investment in learning and development.

Our foreign language skills continue to improve. The percentage of officers in speaker roles with an examination pass to show they have reached their target level now stands at 59%, an increase of 20% over the last two years. Our languages strategy sets a target of 80% by 2020.

Agility

We have completed the first two runs of our new Quarterly Job Boarding system, which allows a more strategic view of resourcing and gives the opportunity to match staff skills to roles. So far, the Boards have proved successful, particularly at grades where we have a strong supply of staff. We now require staff to bid for a percentage of foreign policy priority jobs. EU Exit-related roles across the organisation will remain the highest priority for the foreseeable future.

In my last update I highlighted the launch of the Commuter Posting Package pilot, part of the 21st Century Lifestyles strand of Diplomacy 20:20. Seven staff are now taking part in the pilot and we expect take-up to increase. Also with the aim of

improving the offer to our globally mobile workforce, staff have been issued with new British Forces Post Office residential postcodes to allow them easier access to UK financial services.

World Class Platform

We continue to prioritise health and safety in our overseas Estate. Following the fire at Grenfell Tower, we conducted a thorough fire safety review across our overseas network. We assessed all 5,500 properties in the network, and our Estates team have taken steps to mitigate and manage all identified potential risks.

The period was marked by natural disasters. Following Hurricanes Irma and Maria, we worked closely with the local authorities to deliver critical repairs to the estate used by the Governors on the islands affected. The earthquake in Mexico compromised our Embassy buildings there, and staff have relocated to temporary locations. I had a chance to witness our operations in Mexico City first hand when I visited in December. Prior to the earthquake we were already developing plans to relocate to new Embassy offices. We have accelerated these plans.

We have made good progress to co-locate our two offices in New York into a single building. This will generate significant long term cost savings. We are now co-located with the Canadians in Minneapolis and continue to explore around 11 new co-location possibilities with like-minded governments where it promotes cooperation and makes financial sense.

The Technology Overhaul programme completed rollout of new laptops and desktops to most staff in the UK in 2017. New devices are now being deployed overseas: 20 Posts, including some of our larger Embassies in Europe, were completed by the end of December. To ensure that we are using the new IT to its maximum, deployment has been supported by Tech Learning Zones and a 'Tech Ninja' initiative, where expert staff support other colleagues to transform their ways of working. The benefits of the Tech Overhaul Programme are already evident, with more flexible and remote working and more paperless meetings, and associated financial and sustainability benefits.

Preparations for our move to the Cloud are underway. We plan to start moving users' email and data to Office 365 from 2018. Ongoing pilots will inform exactly how this will be rolled out next year.

Finally, **security**. There were no terrorist incidents directly affecting staff in our overseas network in this period, but two FCO staff were among the 30 injured in the Parsons Green underground train attack in September. We saw a large scale indirect fire attack on Kabul Airport in September, a massive Vehicle-Borne Improvised Explosive Device (VBIED) in Mogadishu in October, and the deadliest terrorist attack in Egypt's history in November. All these incidents highlighted again the risks to FCO and other HM Government staff. We are monitoring closely our security

posture in the Middle East and North Africa following the US announcement on recognising Jerusalem as the capital of Israel.

December saw the appalling murder of Rebecca Dykes, a DFID member of Embassy staff in Beirut. Both FCO Health and Welfare and DFID provided assistance to Rebecca's family in the aftermath, and are giving ongoing support, including to the wider Embassy community.

Finally, I should highlight challenges with staff security vetting. The transition to a single vetting provider, UK Security Vetting, following the 2015 Strategic Defence and Security Review, has resulted in significant delays in vetting delivery across Whitehall Departments, with particular impact on the FCO. We are working on ways within the FCO's control to mitigate this impact, and I am discussing with Permanent Secretary colleagues how to find solutions to the longer-term cross-Whitehall challenge.

Simon McDonald