FCO CORPORATE UPDATE FOR JULY TO SEPTEMBER 2018

I start with the financial context. In my previous update of 12 July, I highlighted two new funding streams approved by HM Treasury, for EU Exit and for Global Britain. The Government’s Africa Strategy has since also been approved. We are now finalising plans to deploy the new resources from these initiatives to bolster FCO operations. Optimising deployment of our additional resources is one of two central financial challenges for the FCO for the remainder of 2018-19, as we seek to balance our budget within a 1% margin. Handling foreign exchange volatility is the other. As last year, we have deliberately over-allocated our budget to offset the risk that underspends might emerge at the end of the Financial Year.

In the past quarter the National Audit Office (NAO) has sent its annual management letter outlining findings and recommendations from the FCO’s annual audit. This year’s letter contained no red-rated items. The amber-related recommendations included some technical accounting issues, which we are addressing. The NAO also recommended certain improvements to the FCO’s sponsorship of its Arm’s-Length Bodies, to clarify situations where they are subject to Government controls and need FCO approval. We are pursuing these.

As with previous updates, I highlight other developments under each pillar of our Diplomacy 20:20 change programme: Expertise and Agility, supported by a world-class Platform:

Expertise

We welcomed the Committee’s Inquiry into FCO Skills, and the opportunity the Minister for Europe and our senior officials had to give evidence to the Committee on 5 September, building on the detailed information we had previously submitted. Since the Minister’s evidence session with the Committee, the Diplomatic Academy
has begun piloting a new Massive Open Online Course, “Diplomacy in the 21st Century”. At this stage, this is an invitation-only course with participants drawn from the FCO, other Foreign Ministries and academia. Feedback so far has been positive and we plan to make it fully available next year.

138 officers had, by late September, completed the City and Guilds’ Foundation Level Diploma in UK Foreign Policy, up from 114 in mid-June. 55% of officers and 74% of Heads if Mission in speaker slots currently have an exam pass in their target foreign language.

Agility

We are strengthening our overseas network with significant numbers of new UK-Based and Local Staff roles. The new roles will enable us to have further impact in the EU, across Africa and on our Global priorities. We have begun to create and fill some of the new positions already, starting with a successful internal campaign to fill 68 of the new UK-Based roles this Financial Year, with a further set of jobs being developed for next Financial Year. This increased demand for diplomatic expertise in our network means we are recruiting to fill roles that become vacant in London as existing staff deploy overseas. We continue to attract high calibre candidates at all levels. More than 300 new staff will have started in the FCO by January 2019, most on fixed term contracts, and the Diplomatic Academy has inducted nearly 200 new staff already.

When I wrote in April I highlighted that we had reviewed our records to ensure that cases of sexual harassment in the FCO had been handled appropriately and that any learning from older cases had been applied to more recent ones. Further to this, the FCO and DIT are together launching in November a survey of colleagues’ perceptions of sexual harassment in the workplace. The aim of the survey is to understand whether we have a gap in our knowledge about those in the FCO who report sexual harassment and those who experience it but do not report it. We have systems and processes designed to prevent sexual harassment and deal with it effectively if it happens. We need to know if they’re working across our entire global network and deal with it promptly if they aren’t. Across the board, tackling Bullying, Harassment and Discrimination (BHD) continues to be a priority for the FCO leadership, the FCO Board anti-BHD Champion and the whole FCO.

In previous letters I highlighted concerns around pay in the FCO. HM Treasury and Cabinet Office have approved our pay flexibility case for UK based delegated grades and we are now starting formal negotiations with the Trade Unions. I will include an update in the next quarterly letter.

World Class Platform

We continue to make good progress in updating FCO IT systems. The Tech Overhaul Programme is entering its final stages and is on track to complete by March 2019. Device deployment is now complete with over 22,000 new laptops and desktops deployed world-wide. The first phase of the transition to Office 365 software has begun, with nearly 3,000 users now migrated. An FCO Work Smarter Programme continues to support FCO staff in getting the most out of the new
technology. We are also rolling out the new cross-Whitehall ‘Rosa’ platform to enhance secure and smart working across HMG. Rosa deployment is scheduled to complete this Financial Year.

Two important Estates projects are nearing completion. In New York the project to merge our Consulate General and Mission to the UN into a single office will deliver savings in operating costs. In London, the new Diplomatic Academy building providing a state-of-the-art learning facility in a previously unused courtyard while also expanding the space available in King Charles Street is scheduled to complete before the end of this calendar year. Following an internal naming completion, the new facility will be called the Mayhew Theatre after Baroness Cicely Elizabeth Mayhew, who was the UK’s first female diplomat.

Work to establish new overseas Posts, including the nine new Commonwealth missions due to open next Financial Year, is a priority and work is underway to identify suitable properties for these. We expect a number of offices to be co-located with partner countries to minimise costs and improve resilience.

We have corresponded about the Washington Embassy rebuilding project. We are planning to tender this work in early 2019. Work will start in the Offices in summer 2019 and in the Residence in early 2020. We will be retaining use of the Residence reception rooms until the new entertainment space in the Office building is ready in spring 2020. Otherwise, we will prioritise work on the Residence, which has the most urgent requirement for refurbishment. We expect work on the project to complete in winter 2021.

In July, the Management Board approved the business case to award the next contract for facilities management in the UK and North West Europe to Interserve FM, the incumbent supplier. The contract is worth £66m across five years. Mobilisation is underway, with a go-live date of 1 December 2018. Together with a small (0.3%) saving over the current contract, re-provision includes stronger contractual arrangements, including more stringent performance measures and improved response times.

FCO Security continues to implement the Cabinet Office-led Transforming Government Security programme, which aims to improve security provision across Government by clustering security across departments. FCO and MoD jointly lead the cluster, which includes DFID, DIT, and DExEU, and for which we have established an implementation team

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