



Government Response to the House of Commons Foreign Affairs
Committee Report HC 690 of Session 2012-13
FCO Performance and Finances 2011-12

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

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**GOVERNMENT RESPONSE TO THE HOUSE OF COMMONS FOREIGN AFFAIRS
COMMITTEE REPORT HC 690 OF SESSION 2012–13 ON FCO PERFORMANCE
AND FINANCES 2011-12**

The Government welcomes the Foreign Affairs Committee's Inquiry into the FCO's Performance and Finances, published on 19 April 2013: the issues contained in the report merit full scrutiny. We welcome the detailed work the Committee has undertaken and comment on the main points of the Inquiry.

This Command Paper sets out our response to each of the Committee's conclusions and recommendations. The Committee's text is in bold and the Government's response is in plain text. Paragraph numbers refer to the Committee's report.

The Committee should note that combined answers have been given for paragraphs: 2 and 3; 15 and 16; 17, 18 and 19; and 24 and 25.

1. We commend the Department for its openness in providing the Committee with quarterly bulletins of management information. (Paragraph 1)

The FCO takes its obligations to Parliament very seriously and is committed to maintaining transparency in its dealings with the Committee. We will continue to keep the Committee updated quarterly on matters of management information, and on other major developments as and when they arise.

FCO ambition and performance

2. Performance measurement regimes which are based on large numbers of indicators and quantitative targets might work for some Government departments but are ill-suited to the work of the FCO. (Paragraph 7)

3. We welcome the FCO's decision to make greater use of peer review. The FCO is correct to value and trust the views of those whose work leads them to engage with the Department on a regular basis and who are well placed to identify weaknesses in performance. Despite the limitations of the FCO's own process for measuring its performance, the scores which result may over time give a useful indication of trends, and they complement other 'harder' forms of assessment. We recommend that, in the interests of transparency, the FCO should publish the methodology which underlies its framework for performance measurement. We do not believe, however, that the FCO has yet devised a method for measuring performance which would allow it to make a properly substantiated judgment on whether the Diplomatic Service is the best in the world; indeed, we suspect that no such method exists. (Paragraph 15)

The FCO welcomes the Committee's support for our decision to seek more external challenge and peer review. We agree that large numbers of indicators and quantitative targets are not particularly suited to measuring the effect of foreign policy and diplomacy. We also

accept that it is not possible to create a perfect, objective system of measurement. We nevertheless believe that the approach we have taken helps us to focus on priorities and practical results.

The Diplomatic Excellence measuring framework focuses on improving our capability to deliver our foreign policy priorities, and was agreed with the Office of National Statistics in 2012. We have recently completed our Financial Year 2012/13 review with an internal assessment score of 7.1 (6.5 for Financial Year 2011/12). We will continue to improve our methodology, working with the Office of National Statistics and, in the interests of transparency, we will publish the Diplomatic Excellence measuring framework during Financial Year 2013/14.

The Diplomatic Excellence measuring framework represents only one element of FCO performance reporting. We also do mid and end-year reviews of our business plans and monthly monitoring of FCO progress in meeting our priority outcomes for the year.

The Diplomatic Excellence External Panel was set up in March 2012 to encourage external challenge. The most recent panel discussion was held in May 2013, to coincide with our senior Leadership Conference. The discussion focused on external views of our performance.

We acknowledge that, when it comes to international comparisons, evaluation is complex and subjective. However it is useful to try to benchmark what we do against other Foreign Ministries, and we believe that it is right to aspire to be the best Diplomatic Service. We ask our External Panel for feedback and are committed to learning from best practice. We are often approached by other Ministries of Foreign Affairs, for example Germany, France, Turkey, Canada, Australia, New Zealand, Nigeria, Malaysia and Kenya, interested in learning more about how we evaluate our work.

The FCO won an 'Inspiration of Government Award' (March 2013) from the Institute for Government for our Diplomatic Excellence initiative and also a Highly Commended award for best international programme by the CIPR (Chartered Institute for Press Relations).

FCO network

4. We have not received direct negative feedback on changes to consular services in Europe, but we shall watch closely for any indication that services are not meeting the needs of users. We request that the FCO inform us what requirements are placed upon Honorary Consuls to disclose their financial and business interests before appointment. (Paragraph 18)

We welcome the Committee's continued scrutiny of our consular services. The recently launched Consular Strategy 2013-2016 sets out our commitment to ensure we have the right people in the right places with the right skills and support to deliver our services. This will allow the FCO to continue to provide high quality, modern, cost effective and efficient support to British nationals overseas with an increased focus on those most in need of assistance.

By 2016 our processes will be more efficient and staff will spend more time helping the most vulnerable people and the most serious cases. Our services will always be high quality, but we may vary the level of our offer across the network, according to local circumstances and need. British nationals will have more choice in how they access our services. We will be able to respond to changing needs and to react faster to crisis situations.

The reshaping of the FCO's Consular network in Europe is linked to these strategic objectives. Over the period 2010 – 2012 we re-examined our European network and the role of its subordinate posts, and introduced a range of smarter working methods. This has enabled us to maintain a high quality of service provision to British nationals and other customers, while working in a more effective and efficient way. The introduction of Contact Centres, which has helped to reduce calls to posts in Europe by over 80% on average, has enabled us to respond to routine requests in a more centralised way and allowed our front line staff to focus more on our most vulnerable customers. This has also allowed us to ensure we have our physical resources and buildings positioned where we need them most.

This has involved the use of Honorary Consuls in locations where there was evidence that the residual workload was sufficiently light and non-complex to warrant such an arrangement. Honorary Consuls work under the direct supervision of superintending posts, and their work is carefully managed and monitored by trained Consular staff who assess whether the task is appropriate for delegation to an Honorary Consul or whether a full time member of staff ought to be deployed. We have a number of staff working remotely, as part of wider regional teams, in order to be able to deploy quickly to customers in these circumstances.

As Honorary Consuls are not our employees, there is no specific requirement for them to disclose their financial and business interests prior to appointment. They are however required to undertake a formal interview with the Embassy/High Commission staff prior to taking up their appointment, and to inform senior management at post of any perceived conflict of interest that may arise. This is an issue specifically covered in the Honorary Consul appointment letter and is in line with our approach to the appointment of other staff and volunteers in our overseas network. In addition, as is the case for other locally engaged staff, Honorary Consuls must undergo a local security check before their appointment is confirmed.

5. We acknowledge the relatively high cost of maintaining a full-time presence in Basra (£6.5 million per annum), but we question whether a major reduction in British presence and profile in Basra is wise at a time when stability throughout Iraq is far from assured and when there is uncertainty about the security of transit routes for oil via the Gulf. The effect of the staffing changes in Iraq announced by the Foreign Secretary on 16 October 2012 is unclear. We seek reassurance that the FCO's ability to continue its political work in Iraq and to monitor human rights in the country will not diminish as a result, and we ask the FCO to spell out what the impact of the changes will be on overall FCO staff numbers and distribution within the country. (Paragraph 19)

The Government is confident that its ability to continue political work and monitoring of human rights in Iraq will not be diminished as a result of the decision to remove permanent UK based staff from Basra. We have taken a number of steps to strengthen our diplomatic influence in Iraq as a whole.

Ahead of the Foreign Secretary's announcement of the decision to remove permanent staff from Basra, four FCO staff were based at the Consulate-General. Two of these staff focused on political and commercial work; the others on the management of the Consulate-General. Since this decision, the Embassy in Baghdad has recruited two additional staff to its political section, and an additional member of staff to the commercial section. The Consulate-General in Erbil has recruited an additional member of staff to its commercial section. Overall, the number of staff focused on political and commercial work in Iraq has increased. The FCO has also maintained the resources dedicated to our human rights work in Iraq. We consistently monitor human rights issues, and continue to provide training and funding for a variety of human rights projects across Iraq. Our priorities in 2013 include improving women's rights, supporting the development of Iraq's Independent Commission for Human Rights and strengthening the rule of law.

We also continue to cover Basra. Since this decision took effect at the end of December 2012, HM Ambassador Baghdad has visited Basra twice, and nine other staff from the British Embassy in Baghdad have visited on a number of occasions. Lord Green also visited Basra in January 2013. Staff have also visited other parts of Southern Iraq, including 'Energy City' in Basra Province and Nasiriyah. A team from the Embassy in Baghdad acted as observers of the Provincial Elections held in Nasiriyah on 20 April.

As the Committee acknowledges, maintaining permanent staff in Basra was expensive. The Consulate-General cost £6.5 million per annum to operate. This is more than some large Embassies, for example those in Cairo or Rome. Some of the savings made as a result of this decision have been used to strengthen HMG's Iraq network in Baghdad and Erbil, as set out above, and the rest has contributed to our Network Shift, expanding our presence in the emerging powers of the future.

6. We reiterate our support for the Foreign Secretary's policy of re-orienting the FCO's resources towards countries which will be more politically and economically influential in the long term. It is likely, however, that the increase in the number of posts will mean that UK-based staff are more thinly spread and that there will be a greater reliance on locally engaged staff. (Paragraph 20)

The Government welcomes the Committee's support for the FCO's Network Shift strategy, through which we are creating some 300 new frontline positions in Asia Pacific, Latin America and parts of Africa, the Middle East and Central and South Asia, and opening up to 20 new Embassies and Consulates.

We are reducing the overall number of our UK based staff and changing our staffing structure with the aim of having a greater proportion of UK based staff, including at junior policy level, in front-line policy roles by 2015. This will be good for building our future expertise.

At the same time, the FCO is continuing to strengthen the role of our locally engaged staff who, as the Committee notes, already make a huge contribution to our work around the globe, not only in support functions but also in some cases on front-line policy. We will continue to localise positions or hire additional local staff where we believe it will bring greater efficiency and more professionalism, expertise and added value.

FCO estate

7. We welcome the emphasis placed by the Permanent Under-Secretary on sharing overseas premises with other Government departments and publicly-funded bodies. We believe that there is significant scope in this area to generate savings for the taxpayer and to strengthen the UK's identity locally by concentrating representation of different arms of Government in shared premises overseas. (Paragraph 24)

The Government welcomes the Committee's endorsement of this policy. The FCO's global network currently provides a platform for around 3,500 staff from 24 other Government Departments, Arms Length Bodies and Devolved Administrations in 156 of our 267 Posts around the world. We agreed a Memorandum of Understanding with other Departments in 2011 aimed at encouraging co-location on the overseas platform. Since then, we have made significant progress. We agree with the Committee that co-location with other government departments has the potential to generate significant savings for the taxpayer, but would note that the majority of these savings flow to the budgets of the other departments, rather than the FCO.

8. The original estimate by the FCO that asset sales of £240 million could be achieved between 2011 and 2015 was poorly founded: there were forecasting failures within the FCO, and lessons should be learnt. We recommend that the FCO, in its response to this Report, should summarise the action which it has taken to improve its procedures for assessing future needs across the estate and its forecasting of local property markets. (Paragraph 34)

As part of its SR10 settlement, the FCO may fund capital investment in its Estate through a programme of asset sales, and is allowed to recycle up to £100m per annum in this recycling programme. In 2010-11 our assessment was that we might need to sell up to £240m of assets over the 2011-15 period in order to fund the necessary investment. We keep this assessment under constant review through our Global Asset Management Plan. A number of factors have changed over the last two-year period, and as a result, we have amended our estimates. To give two examples: firstly, in 2010-11, we anticipated that we might have to construct a new Embassy in Kabul once existing lease arrangements began to run out in 2013. In practice, we have sought to extend these arrangements. It is now likely that we will be able to do so, meaning that no capital investment is necessary during this Spending Round period. Secondly, in 2010-11, our assumption was that all capital investment in the estate would have to be funded by asset sales. In practice, we have made use of some of the wider FCO capital allocation for estates investment.

Taking all the developments together, we have revised downwards our estimate of the total estates capital investment we will need to make from £240m to £200m, and of this we have

been able to find £60m from elsewhere. We have therefore revised downwards our forecast of the capital required from estates asset sales over 2011-15 period from £240m to £140m. This revision does not mean the FCO is unable to sell sufficient assets, or that it has had to scale back its level of ambition. It means the FCO does not need to raise as much capital from asset sales as originally thought. We regard this as good financial management, adapting to changing circumstances.

To date, we have sold assets to the value of £116m. This includes the recent sale of our compound in Kuala Lumpur for £62m. So we are on track to meet our capital investment plans. To comply with Treasury rules, we have to invest the cash proceeds of sales in the same financial year as they are received, which means we have to pace the disposal of assets carefully in order to be able to recycle the monies realised. We only sell properties that are over-scale or surplus-to-requirement and in accordance with our wider strategy of adapting our estate to meet our requirements.

Disposition of staff

9. We recommend that the FCO, in confidence and on an annual basis, supply the Committee with exact numbers of staff at each post, broken down between UK-based and locally engaged staff. We recommend that rounded figures for each post should be published each year in the Department's Annual Report and Accounts. We further recommend that the FCO should be prepared to supply the Committee, on request and in confidence, with a breakdown of staffing at each post in any specified country, by function, currently and for each of the preceding ten years. The Committee would expect to make such requests in respect of any country which is the subject of an inquiry. We also request that the FCO supply us with a current figure for the proportion of locally engaged staff globally who are engaged in diplomatic or policy work, rather than administrative work. (Paragraph 39)

The Government notes the Committee's interest in the deployment of the FCO's UK-based staff overseas and the activities carried out by both UK-based and locally engaged staff. As we have previously stated, there are a number of operational and security considerations that limit our ability to present to the Committee precise information on our staffing position overseas. Therefore, we are not able to supply a breakdown of staff in each post by function to the Committee, even in confidence, for the current and previous ten years. We are able to offer the Committee a private and confidential briefing as to why this is the case, and have already corresponded with the Chairman. In addition, information is not currently stored in such a way as to allow searches by specific job function or role. Despite these constraints, we are committed to being as open and transparent as possible with our workforce management information. Work is currently underway to see how we can present a more complete picture of our overseas workforce, including the distribution of staff engaged in the delivery of Foreign Policy Priorities, to be published within our Annual Report and Accounts in the summer.

Staffing at overseas posts

10. The FCO's career development offer for staff at administrative grades is not as attractive as it used to be. Despite efforts being made by the FCO to improve the situation, there is a risk of widespread demotivation, which could have long-term consequences for the pool of experience for administrative work overseas. We are particularly concerned that the majority of FCO staff do not believe that promotion within the department is made on merit. (Paragraph 48)

The FCO has worked hard to address the understandable concerns of staff in Bands A and B over the reduction in opportunities for overseas postings at these grades. We are committed to doing the best we can for our staff.

In June 2011, we launched the Diplomatic Skills Foundation Programme (DSFP), a dedicated learning and development programme for A and B Band staff to learn more about diplomacy, overseas work and the FCO network. The programme has two strands. The first aims to support staff in building their skills and competences for current and future jobs, through both formal FCO and Civil Service Learning courses, and informal learning including coaching and mentoring programmes. The second looks to widen their experience, knowledge and understanding of the FCO through initiatives such as the Short Term Attachment (STA) scheme. This offers three-week long placements in overseas Posts, allowing staff to gain exposure to new environments and types of work. Since August 2011, around 160 STAs have been undertaken, with 95% of participants reporting a positive experience.

The DSFP Board includes A and B Band representatives, Directorates, overseas Posts, HR Directorate and Trade Unions. The scheme had a budget of £350,000 in financial year 2012/13.

Our latest staff survey shows a slight rise in the level of engagement at Bands A and B from 2011 to 2012, from 61% to 67% for A1s; 54% to 57% for A2s; and 54% to 56% for B band. This suggests staff in these grades are reacting positively to the initiatives taken, and the value attached to their work by managers and leaders across the Office. We recognise however that this represents a rise over one year only. FCO Board members have held detailed feedback sessions with A and B Band staff which highlighted a need to provide more clarity about the future roles and career structures for staff in these grades. We will be examining the overall career picture for A and B Bands, taking account of the changes to overseas postings, as well as other future changes to the FCO and Civil Service. Any recommendations will be developed through engagement with staff at these Bands.

With regards to promotion within the FCO, over the past several years the proportion of staff who consider that promotion is based on merit has steadily increased (in 2012, 44% of staff thought this was the case compared with 35% in 2007). The number of staff who disagree with this has likewise fallen (from 29% in 2007 to 25% in 2012). However, almost one in three members of staff remain neutral on this issue.

The FCO is keen to ensure fairness and transparency in all its processes. This was a fundamental principle within HR Directorate's review of processes and policies during 2012,

including promotion. Consultation with staff indicated that above all fairness should be at the heart of promotion systems. We have therefore reviewed our policies and streamlined procedures to move away from restrictive eligibility criteria and to allow staff to apply to sit for promotion when they demonstrate they are ready to perform in a range of roles at the next grade. An integral part of this change is to involve line managers and countersigning officers far more closely in the process.

11. We recommend that the FCO give an undertaking that the 70% threshold for locally engaged staff will not be breached. (Paragraph 49)

The FCO has to deploy its UK-based resources globally to meet changing business objectives and priorities efficiently and flexibly, while ensuring the right workforce and skills are in the right place within the parameters of an affordable headcount. The FCO's main tool for delivering this is its Strategic Workforce Planning initiative (SWP).

Localisation is a key element of our Strategic Workforce Planning. Positions are reviewed as they become vacant, and a business case made when localisation or recruitment of additional staff is considered. Although the FCO aims to rationalise local staff resources under its Corporate Services Programme, e.g. through creating regional hubs of professionalism and expertise to consolidate service delivery and transactional functions (HR, Procurement and Finance), the ratio of local staff to UK-based staff may increase as the FCO manages its headcount through SWP.

The FCO does not have a policy to increase beyond 70% the proportion of our total global workforce who are locally engaged, and we recognise that there must be a limit to the appropriate extent of localisation. However we need to be able to make decisions on this in the light of our overall resource position and our business needs.

12. There will always be areas of the world where staff employed by the FCO are at risk of attempts at coercion, threat or intimidation. The FCO has a duty of care to all of its staff, and we are encouraged to see evidence that it is prepared to try to secure diplomatic immunity for certain locally engaged staff. However, the FCO should consider whether the undeniable demand for parity of treatment between locally engaged and UK-based staff (which is likely to become more pronounced if locally engaged staff increasingly take on diplomatic work) may over time erode the projected savings from 'localisation'. (Paragraph 52)

The FCO is continuing to address the potential exposure to coercion, threat or intimidation of its local staff. Revised Duty of Care guidance will include this aspect. We continue to find ways to mitigate these risks when recruiting, for example Hiring Managers take this into consideration when drawing up job descriptions to ensure activities do not put local staff into positions of vulnerability. Parity of treatment is focused on aligning organisational values, standards and competence benchmarks between local and UK-based staff and is mainly cost neutral. Actual Terms and Conditions of Service of the two will remain different. Where there are cost implications, these will be managed from within existing resources as we find

more efficient and cost effective ways of working, such as the use of shared services and the application of common standards with partners across Government.

Career development and promotion

13. Given that the language allowance is a key incentive for language training, we invite the FCO to increase the size of the allowance. (Paragraph 58)

Language allowances are paid to all officers in ‘speaker slots’ overseas (positions where the ability to communicate effectively in the local language is considered essential) who have passed an FCO examination at the level required.

To encourage officers to maintain their language skills, particularly in priority languages during their ‘home postings’, language allowances are also paid to officers in the UK who have re-qualified in a ‘hard’ language, such as Mandarin, Arabic or Russian.

The rates paid for each allowance depend on the degree of difficulty of the language and the officer’s level of proficiency in it and we recognise that these rates and qualifying criteria have not been revised for some time. The FCO is currently reviewing its policy and language allowances as part of our wider work to strengthen our language capability. The aim of the review is to ensure that language allowances are fair, consistent, effectively targeted in support of HMG objectives and ensure best value for money at a time of resource constraints. We will report to the Committee in due course.

14. We accept that the Department needs to promote people who have proven managerial and leadership skills. We do not accept, however, that a framework for promotion should entirely neglect an essential skill in many FCO postings at different grades: facility in a foreign language. For some posts, a lack of fluency in the local language will limit the credibility of the postholder. The risk in relying upon promotion by general competency, which excludes technical competencies such as language skills, is that it may not provide the upper echelons of the Diplomatic Service with an adequate supply of staff who have all of the skills and credibility needed to command respect in key diplomatic postings. We endorse the Foreign Secretary's vision in this field; but we believe that the FCO should make changes to the criteria for promotion in order to achieve it. (Paragraph 61)

The Government welcomes the Committee’s comments about the importance of language skills in the FCO and its support of our work to strengthen further our language training. As the Foreign Secretary has set out, increasing our expertise in language skills is a key part of our Diplomatic Excellence initiative. We have significantly increased the resources for language training and will be opening a new language school in the FCO this summer.

We agree that it is essential for staff in certain roles overseas to have fluent language skills alongside a range of other skills and competences. Decisions about appointments to specific roles therefore put strong emphasis on the language skills and other factors which are

required to do the job well. However, decisions about promotion require us to make judgements about whether a member of staff is widely deployable to do a range of roles at the next grade up, and therefore to focus on transferable skills and competences, and the ability of the individual to perform at the next level of responsibility.

For these reasons, our processes balance our appointment and promotion needs.

On appointment, language skills and aptitude are key factors in selecting officers for speaker posts overseas. Staff applying for these positions provide detailed information about their existing language skills and aptitude, and this will be thoroughly considered by the appointments panel. As a result, 96% of our Heads of Mission and 87% of our other officers now working in speaker slots overseas have proficiency in the local language. We are also now offering more opportunities for other staff, not yet bidding for a speaker slot overseas, to develop and maintain their language skills between postings, including with part-time language classes in London.

On promotion, we focus more on the competences needed to be an excellent diplomat in a range of roles at the next level, including the ability to think and act strategically, communicate and influence, lead other people and deliver results in an international policy context.

Security at overseas posts

15. We endorse the approach taken by the FCO in treating the safety of staff as paramount and removing them from a mission or residence if there appears to be a serious risk from civil unrest. (Paragraph 64)

16. We strongly welcome the indication by the Permanent Under-Secretary that the FCO would be willing to seek extra funding from the Treasury if there were to be a new threat to security which emerged rapidly, was systemic, and needed to be addressed across the overseas estate without delay. (Paragraph 65)

We are grateful to the Committee for the endorsement of our approach. We have written separately to the Committee about our review of our security regime in the light of last year's tragic attacks in Benghazi. We have also revisited our policy on defending against mob attacks, as well as benchmarking our guidance against other organisations and foreign services. This has reaffirmed our general policy to remove staff in advance of civil unrest wherever possible. In some cases this may mean we need to sacrifice physical assets rather than put staff in danger. We are also enhancing the training provided to staff on what to do if they get caught up in a mob situation.

In general the FCO is able to absorb modest additional costs resulting from a deteriorating security situation through re-prioritisation. But of course if a new threat were to emerge, as the Committee postulated, which we could not address within the FCO's existing resources,

then we would certainly be prepared to go to the Treasury and make a case for exceptional funding.

BBC World Service

Overall Direction

17. We find it unacceptable that the BBC World Service will not know for certain either the priorities, targets or characteristics which have been set for it, or its budget from April 2014 onwards, until only a few months before the new arrangements for oversight and funding come into effect. We do not see how the BBC World Service can plan properly how to reflect its new priorities, pursue its new objectives or shape its output according to the Operating Licence given the short lead-in time. (Paragraph 68)

18. We recommend that a draft Operating Licence should be shared with the BBC World Service without delay and that the forthcoming consultation on the BBC World Service's Operating Licence should take place as early as possible—ideally before the summer—and should be on the basis of a published draft. (Paragraph 68)

19. We believe that the time for hints and aspirational statements is now past: it is in the interests of the public and of the World Service itself for the BBC Trust to announce as soon as possible what the funding for the BBC World Service will be from April 2014 onwards. (Paragraph 70)

The BBC Trust is leading on development of an Operating Licence which will come into force in April 2014 following the transfer of funding of the World Service to the Licence Fee. The Operating Licence will set out the objectives, targets and priorities for the World Service, the budget under the Licence Fee and the governance arrangements, as specified in the Framework Agreement agreed in 2011. The FCO has had constructive discussions with the BBC Trust and has been assured that the new Operating Licence will be ready in good time for the 1 April 2014 transfer.

The FCO continues to believe that separating funding decisions for the World Service from Government Spending Round decisions, and the resultant move to Licence Fee funding, will make it easier for the BBC Trust and the World Service to plan spending over the longer time frame and to realise service delivery improvements and efficiencies by integrating operations across the BBC.

The BBC Trust has informed the FCO that they intend to carry out a public consultation on the Operating Licence shortly. We anticipate that the consultation will help to inform the BBC's thinking on the post 2014 governance and control strategy, including on the relationship between the BBC Trust, the FCO and the World Service, and the BBC's global role ahead of the review of the BBC Charter (which expires on 31 December 2016).

The FCO agrees with the Committee on the importance of ensuring clarity of funding for the BBC World Service. The BBC Trust Chairman and the previous Director General (Mark

Thompson) have both previously given undertakings to ensure that the World Service is able to fulfil its important mission following the transfer of funding to the Licence Fee.

Delivery of services

20. We believe that the World Service must continue to take into account significant audiences in certain parts of the world, such as rural India and Africa, who currently rely on short-wave radio. (Paragraph 75)

The BBC World Service has editorial, managerial and operational independence. As such it is for the World Service to decide how and where their services are provided in line with changes in the ways their audiences access their services.

However, the FCO continues to be keenly interested in the geographic spread and reach of the World Service, and linkages with the FCO's foreign policy priorities. The Foreign Secretary will continue, post April 2014, to have a role in agreeing World Service objectives, targets and priorities and in the opening and closing of language services.

Recent BBC World Service performance reporting indicates that, although previous reductions to SW services in India resulted in some decline in audience numbers, the World Service has since increased the core Hindi audience on AM and via FM partner services. The World Service has also recently launched BBC Hindi bulletins with a number of TV partners.

BBC World Service reporting indicated also that mobile service use is increasing in Africa with WS Hausa mobile access growing by 80% year on year. In addition, the World Service has established new FM partnerships in Cameroon, Guinea and Liberia and TV partnerships in Cameroon and Niger.

21. The BBC World Service should take care that the practice of embedding its programming in the output of local partner stations does not lead to a dilution of the World Service brand and the standards which are associated with it. It should also be constantly alert to the risk of associating with a partner which subsequently turns out to be subject to political control or undue personal influence. (Paragraph 77)

The FCO remains fully committed to the global role and work of the BBC World Service and we have every confidence that the World Service will maintain the highest standards and will continue to demonstrate the BBC's enduring values of impartiality, accuracy, independence and authoritativeness.

Freedom of expression

22. We seek reassurance from the BBC World Service that it has in place measures to mitigate risks to BBC World Service reporters gathering video footage in the field. (Paragraph 78)

While recognising its independence, the FCO continues to stand ready to offer support and assistance on risks to BBC World Service reporters if and when this is requested.

The FCO raises concerns over harassment, intimidation and assassination of journalists, wherever they have taken place, and strongly condemns any such attacks. We call upon and encourage states to adhere to their obligations under international human rights law and to take the necessary measures to protect both local and international journalists.

23. We urge the Foreign and Commonwealth Office to maintain pressure at the highest levels on those countries which deny media freedom and which block access to BBC World Service programmes and online content. Any relaxation of such pressure would be noted by the host country and would be interpreted as a softening of the UK's approach. (Paragraph 80)

The Government shares the Committee's concerns over restrictions to media freedom which block access to BBC World Service programmes and online content. We will continue to work with international partners, including the BBC World Service, to urge other countries to take action to remove restrictions and to protect the right to seek and receive information through any media platforms, as stipulated in Article 19 of the International Covenant on Civil and Political Rights.

The FCO fully supported the 14 November 2012 statement by the spokesperson of the EU High Representative, Baroness Ashton, on the deliberate Iranian jamming of international TV and radio satellite broadcasts which affected the BBC World Service and other international broadcasters. We also supported the BBC World Service's November 2012 'International Broadcasting Without Barriers' conference on satellite and internet jamming, at which the FCO's Director Cyber Security was a keynote speaker, alongside the Chair of the Foreign Affairs Committee.

Governance

24. We do not accept that the distinct interests of the BBC World Service will be fully represented at the BBC's Executive Board by the Director of News. (Paragraph 83)

25. We recommend that the BBC should allow for some form of direct representation from the BBC World Service at the BBC Executive Board, at least when key strategic and financial decisions are to be taken. (Paragraph 83)

The BBC and the BBC World Service are operationally, editorially and managerially independent. It is therefore for the BBC to determine the format and roles of the BBC's Executive Board, consulting as appropriate on governance issues with the BBC Trust.

However, the FCO fully endorses the vital role played by Lord Williams of Baglan in his work as International Trustee and Chair of the BBC Trust Committee which works to oversee the BBC's international public services, including the World Service.

The British Council

The 2010 Spending Review and the British Council

26. We urge the Council, and its trustees, to be continually vigilant in ensuring that it retains its good name and integrity as it becomes more financially dependent on earned income. (Paragraph 101)

The British Council's Board of Trustees takes its responsibility for protecting and promoting the British Council's mission and charitable objects very seriously. The FCO Permanent Under Secretary is a member of the Board of Trustees, and he and the other Trustees must agree the British Council's forward plans, ensuring the good name and integrity of the organisation are maintained. In addition, the British Council's Corporate Plans are endorsed by the FCO through the Foreign Secretary.

27. We urge the FCO to pay heed to the British Council's concerns about its future funding, after the current Spending Review period ends. The Council's main role is to promote British culture and education, which is an end in itself. In so doing, however, it both generates trust and deploys influence, from which the UK as a whole benefits. The UK currently performs well in the global contest for soft power, but that contest takes place in an increasingly crowded field, and against increasingly well-resourced competitors. Trading off the advantage the UK currently enjoys in that field- and all the benefits, tangible and intangible, that come with it- in exchange for relatively minor savings on the FCO balance sheet would be the worst sort of false economy. Accordingly, the Committee believes that the FCO should shield the British Council from the effect of any further cuts to the Department's budget in 2015-16. (Paragraph 102)

We acknowledge the British Council's and the Committee's concerns over future funding, and the potential impacts on its ability to promote English, arts, education and society.

The FCO fully recognises the significant contribution made by the British Council to the UK's strategic interests through its work in education, English and culture overseas and greatly values the collaboration between our two organisations internationally. We will continue to work closely with the British Council on future funding. Like all Government departments, we will need to assess the future scale of further HMT settlement reductions and make difficult choices across a wide range of competing policy priorities.

The Council's role in relation to higher and further education

28. The British Council's important work promoting tertiary education, and promoting the UK as a place to study in and to carry out research, gives it insight into the impact of the Government's student visa policy. It is therefore worrying to hear the Council warn that the policy is being interpreted in some parts of the world as a message that the UK does not welcome foreign students. The Government should consider this warning carefully. Whatever the merits of the policy, a revision of how it is being communicated is called for. (Paragraph 108)

As the Committee notes, UK visa policy is the responsibility of the Home Office. The FCO recognises the valuable work done by the British Council to promote the UK's tertiary education sector. The FCO recognises too the British Council's work to promote the UK as a destination of choice for both tertiary and higher education, with joint work with the Home

Office in China for example showing how collaboration between the Government and the British Council can deliver significant improvements in prospective students' perceptions of the UK. Through its network, the FCO assists in identifying potential areas of improvement in student visa services. We also engage with the Home Office, Universities UK and the British Council on efforts to improve perceptions of the UK visa offer to students.



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