

Foreign & Commonwealth Office Departmental Improvement Plan

June 2013

Foreword

Foreword by the Departmental Board

“... the Foreign and Commonwealth Office rests on foundations that are as old as modern Britain, and it is one of our greatest assets as a nation. And ... when a country has built up a vital institution in this way over centuries, we have a responsibility to strengthen its skills and capabilities all the time and to use it properly within government.”¹

Who we are and what we do

The Foreign and Commonwealth Office leads the Government's efforts to protect and promote the UK's interests and values overseas, building alliances, networks and connections across the world. We aim to provide the best possible service, value and return to the British taxpayer.

Our mission is to promote UK growth, defend our security, and protect British nationals overseas, in support of UK values. Under this Government, the Foreign and Commonwealth Office has been reinvigorated. It has a renewed sense of purpose, a stronger grip of its finances, and transformed relationships with other Government Departments and the Intelligence Agencies. At home and abroad, the FCO is using its skills and influence to advance the efforts of the whole of Government.

How we do it

There are three strands. The first is ensuring we are producing and implementing, through our diplomacy, first class foreign policy with British interests at its heart. The second is having the right people, UK Civil Servants and staff recruited locally, with the right skills to do their jobs who understand their role and give of their best. The third is through our worldwide network of embassies and consulates - making sure we are operating as cost effectively as possible, in the right places, with the right IT and security.

Our vision

By 2015 we aim to be the best diplomatic service in the world, recognised as ambitious, confident, proud of what we do and highly rated for our **policy analysis** and for creative and action-oriented delivery.

Our **staff will be highly regarded for their** expertise in languages, local affairs and cultures, sought after for their diplomatic skills in influencing and negotiation. We will continue to attract, retain and invest in exceptional people with diverse backgrounds, skills and views.

We will recognise and reward great work that develops our organisational capability and advances our national interest. We will work together effectively with a wide range of partners to make a difference for the UK. Our strong, agile global **network of Diplomatic Missions** will serve all of HMG. Our modern efficient estate will be supported by ICT and knowledge networks that enable us to excel in our core business of information, analysis, advice and diplomacy.

¹ Foreign Secretary's speech, 18 December 2012, Speaker's lecture Series

Foreword

Diplomatic Excellence

We are working to deliver these aims through Diplomatic Excellence, our continuous improvement strategy, launched in 2011, and aligning fully with Civil Service Reform. Our vision is supported by three aspirational values for our staff: taking responsibility, encouraging innovation and working together.

This Departmental Improvement Plan is an integral part of Diplomatic Excellence, enabling us to identify what is working and where we need to focus more effort.

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Assessment

Our key challenges

The FCO's Spending Review 2010 (SR10) commitments require us to make 10% real terms efficiency savings by 2015. Together with subsequent funding cuts, high overseas inflation and reductions in income from other Departments on the FCO platform, we need to deliver annual cost reductions of at least £169m by the end of the SR period, 19% of our non-ODA spending at that point. This is challenging but we will continue to look for further innovative ways to deliver Value For Money for the UK tax payer.

At the same time, we are striving to be the best Diplomatic Service in the world and increasing the reach of our network overseas. We want our Missions overseas and the FCO in London to be recognised as Centres of Excellence, bringing together and supporting the whole of Government in pursuing international priorities and doing more to promote the UK's domestic agenda. We have made significant advances since 2010 in the objectives of Diplomatic Excellence but it remains a work in progress.

We have had many successes and made significant improvements but to become the best we need to focus on our long term capabilities and that means improving in these ways:

- Ensure our policy advice is of always of the highest standard and do still more to store, retrieve and share information to ensure policy is formulated using all pre-existing evidence, and to maintain the public record.
- Know what Management Information we need to support high level decision making and ensure it is available for, and used by, the right people.
- Be clear on the scale, nature and characteristics of the workforce that we are likely to need in the longer term (post 2020), have a genuinely long term operating model and understand the workforce implications of the changes we are making now.
- Ensure that our IT is easy to use, reliable and mobile.
- Do more to recruit, retain and advance the most talented people from all backgrounds
- Encourage staff to offer constructive challenge to the way things are done in the organisation.
- Do the best we can for staff in terms of remuneration and the totality of the offer to them, despite the difficult economic environment.

Assessment

Assessment of performance

Summary

In foreign policy in F.Y. 2012-13 we have fully achieved seven of the eighteen priority outcomes we set and made partial progress on all but one of the others.

We continue to improve the way in which we measure our impact, through internal and external evaluation.

Our 2012/13 Priorities

The FCO pursues UK interests through both bilateral and multilateral relationships, reflecting the realities of a networked world. We play an active and influential role in international institutions such as the United Nations, European Union and Commonwealth, and work to make them more effective. We have reinvigorated our relationships with longstanding partners, and are working with all government departments to elevate relationships with the emerging powers of the world. We are also using networks of states to promote UK interests and values. As well as working with other Governments, we are increasingly using new forms of engagement to influence citizens and public opinion around the world.

In FY2012/13 we set ourselves eighteen priority outcomes under our three foreign policy headings of security, prosperity and consular. These do not represent the totality of our work around the world. They were intended to help us focus on practical outcomes in key areas:

Security

- To keep the political settlement in Afghanistan on track and agree a sufficient and sustainable size, shape and funding for the Afghan National Security Forces.
- Support peaceful transitions in the Middle East and North Africa, establishing the UK as a trusted partner, well placed to support and benefit from change.
- Lead international diplomatic efforts to resolve concerns about Iran's nuclear programme, avoiding conflict in the Gulf.
- Support the Falkland Islanders' right to self determination.
- Support conflict resolution in fragile states.
- With other Departments substantially increase enforced returns of foreign national offenders and failed asylum seekers to priority countries.
- Reform the European Court of Human Rights.
- Promote stability through the Western Balkans.

Prosperity

- Support business to help double the UK's exports to £1trn by 2020 and attract inward investment worth £1bn in UK priority infrastructure projects this year.
- Promote a strong open rules based global trading system, strengthening the economic conditions for sustainable growth.
- Lead the diplomatic effort to launch negotiations this year on a new and legally binding treaty to tackle climate change.
- Strengthen UK relationships with emerging powers to support UK prosperity and security.
- Lead pro-growth policies in the EU.
- Organise successful visits of 120+ Heads of State and Government to the London Olympics and Paralympics.

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Consular

- Deliver excellent consular assistance to British nationals, focussed on doing more for the most vulnerable.
- Develop more modern and flexible ways of delivering our services to match customers' needs, including online, by telephone, through contact centres or in partnership with others.
- Strengthen structures and processes to improve the FCO's consular crisis management.
- Continue to deliver effective and efficient overseas passport services.

How do we measure our impact against our priorities?

A monthly dashboard provides a view of the impact we have in these priority areas, based on evidence showing what we have done and what has changed as a result. These judgements are subject to review and challenge at the Management Board, which includes Non Executive Directors. The FCO impact in any action or event is scored on a scale from 0-5.

Impact Score

- 5 - of strategic importance where FCO contribution was vital
- 4 - of strategic importance where FCO contribution was significant
- 3 - of tactical importance where FCO contribution was vital
- 2 - of tactical importance where FCO contribution was significant
- 0- no FCO input or no significant impact on outcome

Measuring impact in foreign policy can never be an exact science. We base our judgements of performance on metrics and hard evidence where possible, and where this is difficult we make informed judgements subject to independent and external scrutiny and review. From 2013/14 evidence on impact and outcomes will be supported by Key Performance Indicators on issues such as staff engagement, security and budget management.

Our 2012/13 achievements

Security

On security, we fully achieved three of the identified priority outcomes. We protected the rights and promoted the wishes of the Falkland Islanders, supporting them during a campaign of intense Argentine pressure on their economy and transport links. The FCO worked with the Ministry of Justice and other government departments to achieve reform of the European Court of Human Rights, as part of our Chairmanship of the Council of Europe. This culminated in the adoption of the Brighton Declaration in April 2012. The reforms will make the Court more efficient, reduce the backlog of cases and ensure it focuses on the most important cases. Reforms are now being implemented, and the number of cases in the backlog has fallen. Diplomatic engagement worldwide has helped increase removals from the UK of those with no legal right to remain and has enabled the return of more high-harm individuals. We partially delivered the other security outcomes. In the absence of concrete action by Iran to address international concerns, the UK and our partners have increased the pressure on Iran significantly, agreeing an unprecedented range of new sanctions in 2012, including an EU oil embargo.

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Prosperity

We fully achieved two of our priority outcomes: on climate change and the Olympics and Paralympic Games. The FCO played a vital role, in partnership with Department of Energy and Climate Change, in not only keeping the United Nations Framework Convention on Climate Change (UNFCCC) Doha conference on track to commit to achieving the necessary legally binding global deal in 2015, but also helping to make the economic case for a transition to a low carbon economy. On climate legislation, 18 of 33 countries involved in FCO-funded outreach have made progress towards national climate laws. We successfully handled 125 Head of State level visits for the Games, and supported the British Business Embassy which is forecast to bring in £4bn of additional business from High Value Opportunities, and £6bn of additional foreign direct investment. We partially delivered the other four prosperity outcomes; the FCO network created the opportunities and conditions for growth overseas, creating space for UKTI to deliver support to British business. Our work on opening markets has included capacity-building in free trade and public private partnerships; promoting transparency and intellectual property rights; improving Foreign Direct Investment conditions; supporting reform in business-enabling sectors like finance and infrastructure; and tackling corruption and improving governance in both the public and private sector. In Europe we have made progress towards a UK-friendly outcome in the EU Banking Union negotiations and secured an unprecedented cut in the EU budget.

Consular

We achieved two out of our four of our consular priority outcomes: delivering excellent consular assistance, with 87% of customers rating our service as excellent or good, and 93% of our customers being satisfied with the service we provided (up from 85% in 2011); and strengthening our crisis management, improving preparedness and capacity, and responding to numerous crises during the year. We partially achieved modernising our consular services, and delivering and handing over overseas passport production, meeting some of our PSA targets, but with continued close monitoring needed.

Our Consular performance is measured through detailed management information related to the number and types of cases we deal with and customer satisfaction surveys. In 2012 we dealt with 29,700 assistance cases (down 7% on 2011); dealt with 30,000 Emergency Passport/Emergency Travel Document applications (up 3%), 1.05 million general enquiries (down 23%); 27,500 lost or stolen passports (up 7%); and 10,000 recovered passports (up 12%).

Assessment

Assessment of Strategic Risk and Leadership of Change

Summary

There is a clear mechanism for managing foreign policy and operational risk.

Knowledge management is a longstanding weakness and presents a strategic risk to the Department.

The majority of staff remain dissatisfied with their pay and benefits package.

The FCO scores significantly above the Civil Service in staff survey scores on engagement, including leadership and management of change. But many staff feel unable to challenge decisions and want to be involved more in decision making. They are also looking for stronger leadership on prioritisation.

How the Department assesses risk

Every month the FCO Management Board reviews the organisation's Top Risk Register (TRR) to ensure governance and oversight of the top foreign policy and operational risks facing the organisation. Risks are highlighted in both Country and Directorate business plans and Directors escalate the most significant risks to the TRR. Deep reviews of individual risks are led each month by the Policy Unit. The Board considers the system effective. The Audit and Risk Committee also reviews the management of operational risk.

Longstanding Risks

Knowledge and Information Management

Knowledge and information management was highlighted as an organisational weakness in the 2011 Capability Review, echoing findings from The National Archives (TNA) in 2010. A TNA follow-up report in February 2012 commended structural and governance changes but identified training and staff understanding as remaining areas of weakness. **These are still of significant concern.** An Information Management Health Check in February 2013 found that 89% of staff surveyed were not using our electronic registry system (iRecords), 55% were unaware of the need to register corporate records and 70% had not received iRecords training. The gaps in our record keeping are becoming apparent causing reputational and financial risk for the FCO. We are likely to attract criticism in the Chilcott Inquiry report.

As part of the IT vision agreed by the Board in October 2012 we are introducing a Knowledge Excellence Programme to improve the way we use, share, store and access information to enhance our knowledge and expertise. Technological barriers to good knowledge management should be addressed by phases one and two of this programme. But efforts so far to promote behavioural change **have had limited impact. An Information Strategy (Information Excellence) is now being developed** which focuses on the human dimension of Knowledge and Information Management. We are in the process of appointing a new Chief Information Officer with the strong remit to take work forward in this area. **We will measure the impact of these initiatives.**

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Emerging Risk

Remuneration

In the 2012 staff survey, only 33% of staff felt that their pay adequately reflected their performance, and only 34% were satisfied with the total benefits package. Only 27% felt that, compared to people doing a similar job in other organisations, their pay was reasonable. This is already highlighted in our Top Risk Register as a risk to morale and **the Board is preparing proposals on the remuneration package and will continue to monitor staff morale.**

Leadership of Change

Our staff engagement index from the 2012 People Survey is 67%. This is the first increase in four years. It is 10 points above the Civil Service average. Set against the challenging internal and external factors facing colleagues in the UK and overseas this is positive news.

5 questions which make up the Employee Engagement Index	2012	Diff from FCO 2011	Diff from Civil Service 2012
I am proud when I tell others I am part of the FCO	79%	+ 2	+25
I would recommend the FCO as a great place to work	60%	+ 3	+14
I feel a strong personal attachment to the FCO	61%	+ 2	+16
The FCO Inspires me to do the best job	59%	+ 2	+18
The FCO motivates me to help it achieve its objectives	55%	+ 3	+17

The FCO Board has put renewed focus on leadership of change, and these scores continue on a positive trajectory, up 2 points (from 48% to 50%) on 2011. 54% of staff have confidence in the Board's vision for the future of the FCO, 14 points above the Civil Service average. 59% of staff feel that senior staff are sufficiently visible, 11 points above the Civil Service average. The results, however, also show that **staff want to be involved more in the decision making process. About half of them feel unable to challenge decisions.** Staff are also showing concern around work life balance and are looking for stronger leadership on prioritisation. Work to tackle these issues is underway and should result not only in better decision making, but in even greater confidence in the organisation's ability to manage change. **The impact of this work will be monitored through future People Surveys.**

Selected statements from Leadership & managing change theme	Year	Year	Change
	2012	2011	+ / -
<i>I believe that the FCO Board has a clear vision for the future of the FCO</i>	54%	51%	+3%
<i>I believe the actions of senior managers are consistent with the FCO's values</i>	55%	52%	+3%
<i>Senior managers in the FCO are sufficiently visible</i>	59%	56%	+3%
<i>Overall, I have confidence in senior manager's decisions</i>	50%	47%	+3%

Assessment

Assessment of Efficiency and Innovation

Summary

We are on track to deliver our efficiency savings through new ways of providing services and managing our operations. We are doing what we can to make a virtue of austerity through the introduction of innovative practices to deliver efficiencies and reduce bureaucracy. However these savings are placing real pressure on our capacity to operate to maximum effect around the world. Nevertheless we will continue to look for further ways to deliver Value For Money for the UK taxpayer.

The newly introduced Medium Term Financial Planning process should ensure that we better align resources to priorities. This is supported by an improved Management Information reporting system, which should provide senior managers with the financial detail they need to make robust decisions.

Efficiency Savings - headlines

We are delivering the cost reductions required by the SR10 settlement by making cuts in IT and Programme spending of around £69 million, supplemented by a programme to reduce administration costs by £100m, per year by 2015. We are doing this through:

- reshaping our workforce, including by reducing the number of junior UK Based staff being posted overseas, saving £23 million per year;
- restructuring our estate, reducing the costs of office and residential accommodation, saving £31 million per year;
- more efficient procurement, saving £10 million per year; and
- restructuring our corporate services by consolidating finance, HR and purchasing functions into global or regional hubs and replacing UK-based staff with local staff where it is cost-effective to do so, saving £36m per year.

Detail of efficiency programmes

Working Differently

Our Working Differently programme will change the way we deliver mission critical support to the overseas network, and support the changes to our workforce structure. The programme has focused on adjusting rules and procedures, greater use of locally engaged staff, maximising information and automation technologies, and implementing a new Regional Technical Support Service supplied by FCO Services which will re-engineer the delivery of technical security.

Modernising Our Consular and Corporate Services

We will establish four consular contact centres at our Posts in Ottawa, Malaga, Dubai and Hong Kong. By March 2014 we should be able to handle all consular first contact by telephone and digital means through these four centres, with the overall goal to increase our resilience and improve the quality of the services we provide to British Nationals.

We are moving all of our Corporate Services transactional processing to two hubs in Milton Keynes and Manila as well as developing regional delivery hubs - centres of excellence - to provide those HR, finance and procurement functions that can efficiently be regionalised e.g. the administration of recruitment processes, PRISM HR data management, budget analysis and regional procurement.

Anti Bureaucracy Charter

We have introduced an anti-bureaucracy charter which promises staff that processes will follow best practice in design and control: there will be fewer, clearer rules with better adherence, balancing the organisational needs with demands placed on staff. The FCO will follow the Government's 'one in two out' rule: if a new rule or process is introduced then at least two have to be deleted. Any member of FCO staff has the right to challenge existing bureaucratic practices and suggest innovations and alternatives on a dedicated site on our intranet. The Board is giving direct leadership to this work through the Chief Operating Officer.

Innovations in the way we work

One HMG Team Overseas

Our vision is to establish the FCO platform as the **single platform** for the UK Government overseas, with a single Head of Mission representing the whole of Government. We have made progress on this since the "HMG Overseas Joint Platform MoU" was signed in early 2011, with DFID joining our platform in 2 countries, British Council in 5 and Visit Britain in 15. But we want to go further, faster to drive the benefits of genuine one-team working and to make efficiency savings. We are continuing to work with other Government Departments to take this forward and are pursuing a five-pronged approach involving:

- **Collaboration** - everyone in a post working as one team, supporting each other to achieve both their own departmental objectives and those of the Government as a whole, led in each country by the Head of Mission.
- **Co-location** - all parts of HMG in the same building or compound.
- **Regionalisation** - through our consular and corporate services hubs.
- **Consolidation** - establishing a single corporate services team in every post, reducing duplication and costs.
- **Harmonisation** - of terms and conditions for UK-based staff serving overseas as well as for locally engaged staff. Departments are working together on identifying further areas for harmonisation to build on what has already been achieved, such as single HMG policies on residential accommodation for UK-based staff and duty of care for all staff.

The Network Board oversees the effective functioning of the global diplomatic network, and includes members from other Departments and Agencies.

A high level FCO/UKTI Board was established in 2012 to address weaknesses in our relationship identified in the 2011 Capability Review. An MOU has been agreed covering the financial and policy relationship between the two organisations.

Co-location with other Diplomatic Missions

We consider co-location with other like minded countries wherever it makes sense to do so. We are now temporarily or permanently co-located with partners in over 20 locations, including with Canada, Australia, New Zealand, Germany, France and our European partners.

Digital By Default

We published the FCO's Digital Strategy in December 2012, which sets out how we will take advantage of digital opportunities to enhance every element of our work. The strategy sets out how we will move to providing our services digitally by default, delivering the more effective services envisaged in the government digital strategy while continuing to provide face to face support to British Nationals most in need. It also sets out how we will embed the use of digital

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tools in every element of policy formulation, including to deliver more open policy and transparency. We have put in place a Board level champion for digital, adopted revised social media guidance, provided access to social media on FCO IT and increased our consular customer service online. We are establishing a digital transformation unit to provide increased digital skills and take forward the Digital Strategy implementation plan.

How we align resources to priorities and monitor expenditure

We have identified £40m of lower priority spending and reprioritised this to high priority activity that delivers more foreign policy impact – for example putting more staff, skills and resources into our front line activities in high growth areas such as Asia-Pacific, Latin America and Africa, and strengthening our links with future leaders through increased Chevening Scholarships and a new visitors programme. We have embedded the shift towards matching priorities and resources through our new approach of '*Medium Term Financial Planning*' which links budget allocations to plans for delivering the Foreign Policy Priorities.

This responds to the concern highlighted in the 2011 Capability Review that accountability for delivery was not always aligned with responsibility for resources. By asking major budget holders to plan and justify their expenditure in advance, we are creating the conditions for better accountability for delivery. For 2014/15 we plan to allocate resources on the basis of a fully integrated Business Planning and Medium Term Financial Planning (MTFP) process. Plans will be developed on a four year rolling basis, updated annually.

We have improved the reports available on our Management Information reporting system and these new dashboards being introduced across the organisation during the first half of 2013-14, combined with information from our Financial Planning and Compliance Indicators, should provide senior managers with the financial detail they need to make robust decisions.

We will monitor the impact of these changes and ensure they provide the Department with the right information to aid high level decision making. We will also take a cross Departmental view of MI more generally to ensure there are no gaps in our knowledge which might contribute to poor decision making.

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Assessment of Capability

Summary

Diplomatic Excellence is our campaign to improve continually our capability in terms of our policy, people and network, through which we deliver our security, prosperity and consular priorities.

On policy we have refocused our efforts on delivering First Class Foreign Policy (FCFP), with more still to do.

On people we have a strategy in place to ensure we develop and use to the full the diverse skills and experience of all of our staff but we are changing the way we work and therefore need to do more analysis on the shape and characteristics of the post 2020 workforce. We must also reinvigorate efforts to promote diversity.

On the network we are deploying more staff to the emerging powers and fastest growing regions, upgrading existing posts and opening new ones. Our IT needs to be better.

We should refresh and update Diplomatic Excellence to make it as good as it can be to help us deliver our priorities.

First Class Foreign Policy

The **International Policy Framework** is at the heart of delivering 'first class foreign policy'. It gives us a powerful but flexible way of approaching each decision that we take in our work and a context for our daily tasks. In addition, we are focusing on three other areas to help us deliver policy excellence:

- **Harnessing the full range of expertise available:** internally, we are developing the use of Knowledge Groups which help retain the experience and expertise of internal alumni who are still serving and those have left the FCO. We will be increasing our focus on ensuring wider input from across Whitehall and outside government, in line with the principles of open policy making, to get the best possible input on which to base our policy.
- **Challenge Sessions**, usually run by the FCO's Policy Unit, for which we invite a panel of experts and non-experts in to challenge a specific policy.
- **Creative Policy Making:** training staff to use creative thinking techniques to improve their policy making.

Evidence from a 6 month survey and follow up interviews with key customers of policy advice shows that they consider our policy-making to be logical, well structured and clearly presented but **inconsistent. We need to do more to drive improvements in our policy capability and to introduce boldness and challenge into our thinking.** We also need to get better at understanding and reflecting HMG's long term goals. A September 2012 report by Government Office for Science on how effectively we use science and engineering in our decision-making, policy development and strategy said that **scientific evidence and advice should be more visible** at senior levels both overseas and in London, and that we need to do more to effectively exploit both the Senior Scientific Advisor and the Science and Innovation Network in delivery of our objectives. Our recently appointed Chief Scientific Advisor is preparing an action plan to

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respond to these concerns. We have in the last two years significantly enhanced the capacity of our economics unit and the role of economics in our policy making.

The 2011 Capability Review said that we needed to do more to balance long term priorities against shorter term pressures. We have partially achieved this through our strategic focus on Emerging Powers and economic diplomacy. Since then we have made two further changes:

- **We are building the flexibility of our policy staffing, by moving increasingly towards project working. In 2012, we launched a new Projects Task Force to provide flexible resource to policy teams to deliver priority projects; we have recently increased the size of the Task Force to 60 people.**
- **We have also transformed the FCO's core work on Economic and Commercial Diplomacy and Climate Change and Energy into a Programme supported by a set of projects, allowing the FCO to focus more clearly on delivering Ministerial priorities.**

A strong and skilled workforce

The 2011 Capability Review identified that our aspiration to develop and use to the full the diverse experience of all of our staff was not adequately reflected in staff planning, systems and resources. **We launched the 'Excellence through People: One Global Workforce' initiative in December 2012 to address those concerns.** The programme will make a number of changes to our HR policies and processes by 2015, with a strong focus on performance and talent management. It aims to strengthen our performance across the organisation, based on Civil Service HR frameworks, reduce the financial and human resources spent on HR processes, and improve performance management. The programme also aims to give more value, voice and visibility to locally engaged staff, through the adoption of a single grading structure; greater development support for senior staff; and greater representation in corporate decision making bodies.

We are committed to recruiting and supporting the most talented people from all backgrounds. Effectively harnessing and deploying that diversity will improve our effectiveness. We have made progress, but the representation of Black and Minority Ethnic (BME) staff in our fast stream recruitment is still too low and there is still work to be done to meet our targets of 28% women, 5% BME and 5% staff with disabilities in the SMS. We have appointed a Board Diversity Champion to help reinvigorate efforts. A network of SMS Sponsors also work closely with Staff Associations and Human Resources Directorate to offer support, practical advice and give visibility to different groups of staff. The Board regularly reviews progress.

We have a Strategic Workforce Plan, reviewed annually and updated quarterly to manage and monitor supply and demand of staff through the SR10 period. Progress in implementing the Strategic Workforce Plan to reduce headcount and ensure that we have the right workforce, with the right people in the right place at the right time at the right cost has been slower than originally planned, given the decisions of Ministers to expand our network and the sustained pressure to deliver an ambitious policy agenda. The Board has chosen to respond to overstretch concern by temporarily increasing the supply of staff to fill gaps in some Bands. As a result we are not on track to reduce our UK-based headcount by 10% by 2015 and are reviewing policy in this area. **There remains a gap between the increasing demand for staff, the supply options available and the eventual shape and structure of the organisation we envisage for SR10. The Board of Management is already considering this.**

We have recently appointed an HR MI expert to ensure we develop the right HR MI to inform future workforce decisions.

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A strong global network

Network shift

The FCO is deploying more staff to the emerging powers and fastest growing regions, upgrading existing posts and opening new ones. In total we plan to open or upgrade at least 15 Embassies, consulates or trade offices in India, Brazil, El Salvador, Paraguay, Liberia, Haiti, Laos, South Sudan, Madagascar, Cote D'Ivoire, and Somalia.

By 2015 the FCO will have deployed up to 300 extra staff in more than 20 countries. The cost of this network shift will be offset partly by savings the FCO will make as we reduce our diplomatic footprint in Iraq and Afghanistan, and partly by the restructuring of the FCO's subordinate post network and the delivery of efficiencies from the largest sovereign posts in Europe.

We have stepped up our assessment of the impact of our new Posts and expanded resources where they have had time to bed in and have seen significant achievements as a result of our network strengthening.

Improvements in managing our overseas Estate

The last Capability Review noted that our business models across the organisation were varied, complicated and not always understood. Since then we have developed a Global Asset Management Plan for our estate which helps ensure our estate enables front line delivery of HMGs international objectives within the parameters of our SR settlement and which seeks to increase co-location of HMG overseas as well as with friendly foreign missions. We have implemented new Integrated Approvals and Assurance Procedures in line with Major Projects Authority best practice and we have completed estates projects in Tel Aviv, San Salvador and Brussels. We have also developed professional planned and preventative maintenance regimes for our buildings and have improved transparency of performance, for example through Corporate Services benchmarking.

IT

Our IT needs to be better. There have been some significant temporary dips in our IT performance. The FCO Board has set out a clear vision that by 2015 we want our IT to be easy to use, mobile and reliable. Staff will make the best use of it (including social media) to deliver foreign policy. The challenge is balancing users' expectations and perceptions with our need to deliver a secure and reliable service throughout a complex global network. Implementation of the main elements of the Vision will start in early 2014 with the introduction of our new Service Management Integrator (SMI). This will improve VFM by reducing our IT running costs and will bring improved integration of the delivery of all future IT programmes. A new overseas laptop connection system will soon be rolled out (the UK roll out has increased laptop reliability) and later in the year we will be upgrading to Microsoft Office 2010 and Google Chrome. Since the end of April 2013 staff have had access to social media through Firecrest. All these measures should greatly improve the user experience and address many of the issues that have caused user dissatisfaction. The FCO Board has set up new Customer Board to acts as a bridge between IT users and to provide a forum to judge progress in delivering the vision. **We will measure the impact of future IT improvements on both IT performance and staff perceptions of performance.**

Assessment

Measuring our capability

In setting an ambition to be the best Diplomatic Service in the world, we needed to determine how to evaluate our current performance, measure our progress and know when we have achieved our goal. Our measurement framework, agreed with the Office of National Statistics, comes in two parts:

An internal performance measuring process assessing both quantitatively (a mark out of 10) and qualitatively on how well we are doing on the different strands of our Diplomatic Excellence programme. These work strands are weighted and combined under each of the three core themes of Policy, People and Network. The results are then consolidated into a single composite mark (out of 10) and a qualitative summary of our overall performance.

A Diplomatic Excellence External Panel (to give an external view of our performance), which lets us know how we are perceived by a group of some 70 important senior partners and opinion formers for the FCO. They validate our own evaluation, give an assessment of our international ranking with our peers and provide feedback on how we can improve.

In 2012 the organisation assessed itself at around 6.5, while the External Panel judged our performance at 6.8 and gave us an indicative ranking of second best Diplomatic Service in the World. In April 2013, our internal assessment had moved to 7.1 which just exceeds our FY 12/13 target of 7.0 and is in line with our 2015 target of 8.0 or above. In May this year the External panel also judged our performance at 7.1. We should use feedback on Diplomatic Excellence to help us improve the Diplomatic Excellence framework to ensure it remains fit for purpose and helps us deliver the continuous improvements we seek.

Improvement planning

As a result of this DIP, the FCO will focus on improving the following seven things as part of Diplomatic Excellence:

- Managing knowledge to support the development of first class foreign policy through the rollout of IT solutions and implementation of an Information Excellence strategy.
- Our management information to support high level decision making.
- Developing a comprehensive plan for delivering our future workforce.
- Ensuring our IT is fit for purpose and helps us fulfil our ambition.
- Do more to recruit, retain and advance the most talented people from all backgrounds
- Enabling staff to challenge the way things are done in the organisation.
- Maintaining staff morale despite their concerns about remuneration.

Metrics to Measure Improvement

Improvement being made	Metric used to measure progress	Date to review metric and details of who undertakes them	Trigger that will signal mitigating action needs to be taken
Knowledge and Information Management			
Higher quality analysis and improved evidence-based advice for Ministers and other key stakeholders	Delivery of Knowledge Excellence phase 1 by autumn 2013	To be delivered by KE Programme Unit	If delivery of key milestone slip by more than one month
Improved access for staff across the network to FCO in-house knowledge and expertise	Delivery of Knowledge Excellence phase 2 by 2014/15	To be delivered by KE Programme Unit	If delivery of key milestone slip by more than one month
A more robust and authoritative FCO record (including public record)	25% increase in number of documents registered in iRecords year on year	To be reviewed quarterly by IMD and statistics published on FCONet	If 10% increase not achieved by end 2013
FCO better able to respond swiftly and efficiently to public enquiries, judicial reviews and Fol requests.	Chief Scientific Adviser's action plan metrics (to be confirmed)	CSA	
	Feedback from the GCSA and other relevant Heads of Profession e.g. Head of Economic Profession, indicating year-on-year improvement in quality of evidence –based advice	Annually Chief Scientific Adviser	Feedback indicated no improvement or deterioration in quality of evidence based advice
	10% year on year reduction in email traffic as a result of SharePoint site usage by May 2014	Live Services will provide numbers monthly to IMD to monitor	If 5% reduction not achieved by end 2013
	80% of all staff to have completed Information management CSL e-learning module by April 2014	To be monitored by IMD through the Annual Consolidated Certificate of Assurance	If ACCA 2014 returns show fewer than 80% have completed the e-learning

Metrics to Measure Improvement

	<p>3 Information Managers embedded in Departments on a rolling basis by end of 2013. At least 25% of all Departments receives additional IM support annually thereafter.</p> <p>50% of Information Management Health Check RAG ratings moved from Red/Amber to Green as a result of IM work by 2015</p> <p>Benchmarking survey for staff, Board members and Ministers (April 2013, and 2014)</p> <p>Improved scores in The National Archives (TNA) Information Management Assessment in September 2013 (compared to 2009)</p>	<p>By end 2013; IMD lead</p> <p>IMD audit team will provide annual summary to MSG</p> <p>IMD to circulate results in May 2013 and 2014</p> <p>TNA will issue a report to the PUS after completing the Assessment.</p>	<p>Information Managers not ready to be deployed by end 2013 or departments unwilling to work with them</p> <p>Fewer than 25% improved by May 2014</p> <p>Insufficient responses to provide a baseline by end May 2013</p> <p>Any areas still assessed as "Development Needed"</p> <p>NB Any of the above issues would be escalated to the MSG</p>
Improved MI			
Improved MI to support high level decision making	<p>Appointment of SMS Head of MI by 31 May 2013</p> <p>Cross Department MI Team working to establish organisational MI needs by September 2013.</p> <p>Develop MI action plan which includes step change to predictive analysis, by December 2013</p> <p>Agreed delivery and</p>	<p>End May 2013 COO</p> <p>Procurement Department</p> <p>Procurement Department</p> <p>Twice yearly</p>	<p>No appointment by specified date</p> <p>Requirements not identified by date</p> <p>Action plan not prepared by date.</p> <p>More that 25% of the time</p>

Metrics to Measure Improvement

	<p>response times met for MI requests (internal and external).</p> <p>Positive customer feedback on quality and usefulness of FCO MI.</p> <p>NAO reports</p> <p>Internal Audit Department reports</p>	<p>Lead Department</p> <p>Twice yearly pulse surveys SMS Head of MI</p> <p>When published SMS Head of MI</p> <p>When published SMS Head of MI</p>	<p>delivery and response times not met.</p> <p>Negative feedback</p> <p>Report identifies weaknesses</p> <p>Report identified weaknesses</p>
Post 2020 Workforce Modelling			
A skilled, professional and affordable workforce for 2020	<p>A revised SWP for 2013-15, aligned with the FCO Business Plan.</p> <p>Headcount milestones and caps re-introduced, actively managed and met.</p> <p>Workforce demand met within caps; gaps consistently below 2%.</p> <p>Use of talent management and prioritisation tools to match high performing staff to business critical roles.</p> <p>Corporate pool deployment at 92%</p>	<p>Full SWP reviewed at the same time as the FCO Business Plan HR Directorate</p> <p>Headcount, demand and corporate pool usage reviewed monthly. HR Directorate</p> <p>Monthly approval process for new positions, headcount trading and prioritisation HR Directorate</p> <p>Monthly HR Directorate</p>	<p>Disconnect between corporate and operational requirements</p> <p>Headcount and gaps remain above agreed targets</p> <p>Business critical roles unfilled</p> <p>Corporate pool usage drops below 85%</p>

Metrics to Measure Improvement

	Diversity strategy to be reviewed by the Board of Management in July 2013	Diversity targets to be agreed by the Board of Management in July and monitored annually by HR Directorate	
Ensuring IT is fit for purpose			
Ensuring our IT is fit for purpose	Dip Ex stand 6 /ITCB: pulse surveys on reliability, ease of mobile working and information management	Six-monthly	Worsening perceptions identified by pulse survey
	Other ITCB feedback	Quarterly	Negative feedback
	Staff Survey result QB34 increases year on year	Annually Communications Directorate	Decline in QB34 results
	Further metrics to be discussed and agreed by the IT Customer Board in May		
Staff Challenge			
More staff feel able to challenge the way things are done in the FCO resulting in more support for leadership of FCO	Staff survey results show year on year increase in leadership and managing change metrics QB40-49	Annually Communications Directorate	Decline in positive responses to QB40-49
Remuneration			
Implementation of 21 st Century lifestyle recommendations	Positive customer feedback	Human Resources Directorate	Continued consultations and discussions with the 21 st Century Working Group
Better comparative data with Other Government Departments pay levels.	Production of independent pay comparison paper	Initial report produced by June 2013. Discussion at the supervisory board later in 2013	Insufficient responses to provide a baseline by end May 2013
Pay and reward package seen as acceptable by more staff	No decline in Staff Survey results on pay and reward	Annually Human Resources Directorate	Decline in number of staff responding positively to B37-39 in SS 2013

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