



Foreign &
Commonwealth
Office

Mid Year Report to Parliament
Foreign & Commonwealth Office
1 April to 30 September 2014

Issued by:
Simon Fraser, Permanent Under-Secretary



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December 2014

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Executive Summary

Introduction

The Mid Year Report (MYR) describes the performance of the Foreign & Commonwealth Office (FCO) between 1 April and 30 September 2014. It summarises our corporate data and tracks the progress made against the Coalition Priorities as set out in our Business Plan.

These six months have seen multiple crises, most prominently Ukraine, Ebola, ISIL, Gaza and Libya. Our crisis response has been tested repeatedly. It has performed well, with positive feedback from Ministers.

In this period we have also successfully delivered two high profile events: a **Global Summit to end sexual violence in conflict** (June 2014), which agreed action to tackle impunity for the use of rape as a weapon of war (further details on page 9); and the **NATO summit** in Wales (September 2014), which was the biggest international summit ever staged in the UK and agreed ambitious outcomes on Ukraine, Afghanistan, ISIL and a commitment on defence spending and NATO readiness.

We have performed less well against our specific actions in the Coalition Priorities in the last six months, completing one action and increasing the number of overdue actions to five. In the sections below we have reported the outcomes on all of these indicators, including those where we have been less successful.

The indicators are grouped in the following manner:

1. The three Coalition Priorities:
 - a) Build Britain's prosperity;
 - b) Safeguard Britain's National Security;
 - c) Support British Nationals.
2. A Diplomatic Excellence indicator.
3. Other key data covering expenditure and costs.

The MYR reports in later sections on the financial performance of FCO, along with a review of our Major Projects and People Strategy.

1. Progress against the FCO Departmental Business Plan Coalition Priorities

The FCO Departmental Business Plans can be found on the [Number 10 website](#).

In 2011, the FCO agreed a series of input and impact indicators to help the public assess the effects of policies and reforms on the cost and impact of public services. These indicators, along with other data specified in our Open Data Strategy, are regularly published online. The full set of indicators is included in Annex A. The indicators show how public money is being directed and which resources are being invested into delivering specific outcomes. They are designed to reflect the quality and effectiveness of the programmes against priorities set out in our business plan, and to provide a broad picture of our performance during the period.

There are 33 Coalition policy actions due for completion between now and 2016. We are confident that we will complete a further 22 actions by the end of the current financial year.

As of 30 September 2014, of the **eighteen actions due in 2014-15, we have completed one and have five overdue, including two carried over from 2013-14.** These are set out in the narrative below.

| Coalition Priority | Total no. of actions in Plan 2014-16 | Total no. of actions in Plan 2014-15 | No. of actions met on time 2014-15 at 30 Sep 2014 | No. of actions missed by >3 months |
|--|--------------------------------------|--------------------------------------|---|------------------------------------|
| Build Britain's prosperity: Increase exports and investment, open markets, ensure access to resources, and promote sustainable global growth | 18 | 9 | 1 | 3 |
| Safeguard Britain's National Security: Counter terrorism and weapons proliferation, and work to reduce conflict | 13 | 7 | 0 | 2 |
| Support British Nationals around the world through modern and efficient consular services | 2 | 2 | 0 | 0 |

For specific timelines of each of the Coalition Priority actions please refer to The FCO Departmental Business Plans on the [Number 10 website](#).

Comments and explanation of missed deadlines for Mid Year 2014-15

a. Build Britain's prosperity:

Nine actions are due in 2014-15: 1.1.ii, 1.1.iii, 1.1.iv, 1.2.i, 1.2.iii, 1.3.i, 1.3.v, 1.5.i, 1.5.ii. One of these is completed (1.1iii) and three are overdue (1.1ii, 1.1iv and 1.3i). The remainder are due for completion by March 2015.

One completed action: 1.1.iii Use the Olympic and Paralympic legacy and GREAT campaign to promote the UK's values and increase trade, tourism and investment (due April 2014)

The UK has met a four year target to raise £11 billion worth of economic benefit from the London Olympic and Paralympic Games in just over a year through businesses securing contract wins, additional sales and new foreign investment. This includes £130 million of contracts won by UK companies for the Brazil 2014 World Cup and the Rio 2016 Olympic and Paralympic Games. The target was surpassed during the UK's biggest ever Export Week, which saw around 5,000 companies taking part in regional events to encourage UK companies to export.

Three actions are overdue:

1.1.ii. Secure the signature of EU free trade agreements with Canada and India, and launch negotiations with the USA (due April 2014)

This has mostly been achieved, with the **exception of India**. The change of government in India in May 2014 put negotiations for a trade agreement between the EU and India on hold. Negotiations for a Transatlantic Trade & Investment Partnership (TTIP) with the United States of America commenced in July 2013. We have played an important advocacy role but the negotiations have made only limited progress against the mobilisation of the anti-TTIP groups. The EU Comprehensive Economic Trade Agreement (CETA) negotiations with Canada concluded at the end of September.

1.1.iv. Make measurable progress through economic diplomacy towards the government's trade and investment targets, including through strengthening UK Chambers of Commerce overseas, reducing trade barriers and improved understanding of the UK visa regime (due April 2014)

This has mostly been achieved. We have helped deliver numerous trade and investment agreements and have seen progress in reducing trade barriers, in particular on health care projects in China and the Singapore OECD agreement on tax cooperation. We worked with the Home Office to improve our visa service at ten posts resulting in a 39% rise in applicants from China. We are using the GREAT brand to tackle misconceptions about the visa services. However, the Chambers of Commerce initiative has delivered mixed results in terms of trade benefits and, whilst we achieved the World Trade Organisation (WTO) Bali deal, the new Indian Government have presented a challenge to further progress.

1.3.i Deepen and widen the single market, removing unnecessary EU regulations (due March 2014)

This has been partly achieved. In the final phase of the 2009-2014 EU Commission we had some success in deepening the single market. The EU institutional changes over the last year have pushed against significant deepening, but the UK has a strategy that is ready to deliver. We have signed more member states up to our regulation agenda and have cut unnecessary regulation through identifying existing EU legislation from which our smallest businesses could be exempted. However, we continue to face challenges due to perceptions of the UK position.

b. Safeguard Britain's National Security

Seven actions are due in 2014-15: 2.3.iii, 2.4.i, 2.6.i, 2.6.vi, 2.6.viii, 2.7.iii, 2.8.i.

Two actions are overdue (one from 2013-14):

2.3.iii. Support the Finnish facilitator ahead of the Middle East WMD Free Zone Conference as soon as possible in 2013, working with the US, Russia and others, provided political conditions in the region allow it (due September 2013)

Work continues to try and build the confidence necessary among all regional players to move forward the process to ensure the Middle East is free of Weapons of Mass Destruction (WMD).

The UK is committed to convening a Conference on a Middle East WMD Free Zone, but this has not yet been possible as regional states cannot agree arrangements. The UK has actively supported a series of informal consultations between regional states since October 2013, which have been encouraging; we hope that those will continue and allow a Conference to be convened as soon as possible.

2.4.i. Accelerate political transition in Syria and prepare for the aftermath; prevent chemical and biological weapon proliferation; provide humanitarian support and minimise the impact on the region (due April 2014)

Fighting in Syria continues to worsen and ISIL has expanded risks beyond Syria to Iraq. However, we played an important and, given the constraints, successful role on the removal of declared chemical weapons, humanitarian assistance and regional support. The UK has now committed £700 million to help those affected by the conflict. This is the UK's largest ever response to a humanitarian crisis.

c. Support British Nationals

There are **two actions** due for completion by the end 2014-15: 3.1.i, 3.1.ii.

Consular Directorate have published a one year update on the strategy on Gov UK:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/313178/consular_1yupdate2014_2.pdf

2. Diplomatic Excellence

Diplomatic Excellence is the FCO's reform and modernisation programme with the ambition of being the best Diplomatic Service in the world. We aim to achieve first Class Foreign Policy and Diplomacy supported by a strong and skilled workforce and strong global network. Working with the Office of National Statistics, we developed a measuring framework in March 2012 to assess our progress internally on three key work strands: Policy, People and Network. We measure our progress both *internally* twice a year and *externally* through a Diplomatic Excellence external panel of senior

partners and opinion formers. This measuring framework, which includes weighted scores from across the key themes, gives us a single score out of 10

At the mid-way point in the 2014-2015 financial year, our internal weighted assessment of Diplomatic Excellence is 7.3, representing a very marginal improvement on the full year score for 2013-14 of 7.2. Both internal and external scores since the inception of the measurement framework are given in the table below.

| Reporting period | FCO overall Internal score out of 10 | FCO overall External panel score out of 10 |
|----------------------------|---|---|
| Full Year 2011/2012 | 6.15 (Baseline score) | 6.8 |
| Mid-Year 2012/2013 | 7.3 | Available at Full Year end only |
| Full Year 2012/2013 | 7.2 | 7.1 |
| Full Year 2013/2014 | 7.2 | 6.9 |
| Mid-Year 2014/2015 | 7.3 (Latest score) | Available at Full Year end only |

We have identified three strands of work to help us achieve our target of 8+ out of 10:

- Ensuring we capture robust feedback (via surveys or other sources) so that our scores are as accurate as possible;
- Engaging staff on our collective achievements under Diplomatic Excellence and on developing a vision for the future of the FCO;
- Engaging more at a senior level with external panel members.

3. Other key data covering expenditure and costs

In addition to the metrics outlined above, there are two key financial metrics that the FCO reports against. These are:

- Average cost of a UK diplomatic mission/embassy
- Total FCO expenditure on Overseas Development Assistance (ODA) and percentage of total UK ODA contributed by the FCO

Results for these two metrics are reported in the table below, along with results for those other indicators that have produced results at the time of publication. Of the other indicators a number are reported annually only. Indicators may be published some time after the end of the financial period to which they apply - in some cases this can be up to twelve months later. Results for these are published on line as they become available.

| RESULTS | | |
|--|--|--|
| Input Indicators | 2014-15 | 2013-14 |
| 1. Average cost (£) of a UK diplomatic mission/embassy | £2.3m (provisional) | £2.5m |
| 2. Total cost of delivering consular assistance to British nationals and total costs for providing official documents (notarial and documentary services) | Results for 2014-15 will be available July 2015. | £90.8m |
| 3. Total FCO expenditure on Official Development Assistance (ODA) | £343m (provisional) | £312m ¹ |
| 4. Average Unit Cost (£) per Foreign Direct Investment Project attracted to the UK with UKTI involvement | 2014-15 results will be available in September 2015 | £59,768 |
| 5. Average Unit Cost (£) per UK Business helped to improve their performance overseas through internationalisation | 2014-15 results will be available in September 2015 | £5,826 |
| Impact Indicators | 2014-15 | 2013-14 |
| 1. Number of Foreign Direct Investment projects attracted to the UK with UKTI involvement | 2014-15 results will be available in September 2015 | 1,464 |
| 2. Number of UK Businesses helped to improve their performance through internationalisation | 2014-15 results will be available in September 2015 | 47,960 |
| 3 Trend in the gap between currently anticipated low carbon investment, and the low carbon investment required to meet the 2°C target, measured in \$ trillion source: Bloomberg New Energy Finance / World Economic Outlook | Results for 2014-15 will be available at the end of 2014 | Estimated investment gap \$16 trillion (WEO June 2013 report) – no change on 2012. |
| 4. Progress toward a stable and secure Afghanistan (as indicated by the Government Effectiveness Worldwide Governance Indicator published in September, in addition to monthly written updates to Parliament, this is an annual indicator) | * see below | * see below |
| 5. More effective, joined-up international system to prevent conflict and build capacity in fragile states (this is an annual indicator). | ** see below | ** see below |
| 6. Better consular service to British nationals abroad, as indicated by meeting public service targets (new measure for 2014-15) | 84% | 84% |

*** Impact Indicator 4:**

The World Bank has changed its methodology and so no longer produces a single figure for Government Effectiveness on its Worldwide Governance Indicator. Significant progress was made in 2013-14 and 2014-15 towards a stable and secure Afghanistan with the transition of lead responsibility for security passing from ISAF to the Afghan National Security Forces and successful preparations for the first round of Presidential elections held in April 2014. The Presidential election was marred by fraud, which delayed the result, but on 29 September Ashraf Ghani Ahmadzai was inaugurated as President and Dr Abdullah was appointed as Chief Executive. On 30

¹ OECD rules require ODA reporting to be on a Calendar Year basis so final confirmation will be when the OECD sign off the 2014 ODA numbers, in October 2015

September, Afghanistan and the US agreed a Bilateral Security Agreement (BSA) and Afghanistan and NATO agreed a Status of Forces Agreement (SOFA).

**** Impact Indicator 5:**

In the UN, UK engagement and funding has supported more effective and efficient peacekeeping and peace-building to help prevent and respond to conflict. The UK has funded areas such as Protection of Civilians, Women, Peace and Security, Children and Armed Conflict, Conflict Related Sexual Violence, Security Sector Reform, Disarmament, Demobilisation and Reintegration, Planning and Transitions. UK lobbying and funding enabled the UN to deploy mediation and technical support to South Sudan, Ukraine, Afghanistan, and Syria. In June, the UK hosted the Global Summit to End Sexual Violence in Conflict, bringing together 128 country delegations and over 80 ministers, pioneering a new model of diplomacy. This summit achieved its two primary objectives of agreeing practical action to tackle impunity for the use of rape as a weapon of war and changing global attitudes. We are helping to mitigate the risk of violence and conflict associated with legitimate and important commercial activity through our Chairmanship of the Voluntary Principles on Security and Human Rights, and our membership of the international oversight mechanism for private security companies. We continue to support responsible sourcing of minerals, working closely with EU partners on EU support for OECD due diligence guidance, and helping to ensure the Kimberley Process Certification Scheme for rough diamonds remains a strong and responsive conflict prevention tool.

The Conflict Pool, managed jointly by the FCO, MOD and DFID, brings together diplomatic, defence and development resources into an integrated, cross-government response to instability and conflict overseas and continues to develop a more rigorous approach to conflict analysis and programme design and appraisal. With clear strategic guidance from the National Security Council, a new £1 billion Conflict, Stability and Security Fund will build on the success of the existing Conflict Pool by bringing together more resources for these activities. This will ensure a strong cross-government approach that draws on the most effective combination of defence, diplomacy, development and security assistance to tackle the causes and manifestations of conflict and instability abroad, as set out in the National Security and Building Stability Overseas Strategies.

Quarterly Data Summary

As part of the Government's transparency agenda, the Department publishes its performance using a variety of measures in the Business Plan and also in the Quarterly Data Summaries (QDS) The FCO's QDS results, along with those of other government departments can be found at: <http://www.gist.cabinetoffice.gov.uk/qds/>

The QDS gives a snapshot of our performance against budget, common areas of spend, financial indicators, major projects, and workforce size, comparing it to the previous year. The QDS does not, however, report on input and impact indicators.

Financial Performance

Government departments are allocated, via the Estimate process, amounts to spend; this allocation is known as the Departmental Expenditure Limit (DEL). This is set in Spending Rounds, the last one being the 2010 spending round (SR2010) – which covered the five year period 2010 to 2015. In 2013 this was extended to cover financial year 2015-16.

Money granted by parliament for DEL spending is subject to control limits to cap expenditure. The main control limits are on resource and capital expenditure, giving caps on resource spending (RDEL) and capital spending (CDEL).

The other control total relates to spend on administration costs as a whole (both cash and non-cash elements). There is a ring-fenced budget for non-cash (expenditure where there is no directly related cash transaction but which reflects resources used, e.g. depreciation and impairments). Additionally the FCO has a ring-fenced budget for Peacekeeping and Conflict prevention.

Annually Managed Expenditure (AME) is allocated to departments for spend on programmes which are demand-led. It is spent on items that may be unpredictable or not easily controlled by departments, e.g. foreign currency payments for peacekeeping missions.

The table below shows the FCO expenditure for the first six months of 2014-15 and the forecast spend for the whole financial year. Totals for Admin and Programme do not reflect the reclassification of admin cost to programme that will be made at year end. Consequently control totals relating to parliament and HM Treasury are measurable for the totals for RDEL, CDEL and AME only.

| Resource | Budget | YTD | F'cast | Var | % |
|-----------------|----------------|------------|----------------|--------------|-------------|
| Admin | 740.3 | 55% | 744.4 | (4.1) | 101% |
| Programme | 377.9 | 47% | 374.1 | 3.7 | 99% |
| Depreciation | 124.0 | 45% | 124.0 | (0.0) | 100% |
| Subtotal | 1,242.2 | 51% | 1,242.5 | (0.4) | 100% |
| Conflict Pool | 142.0 | 42% | 140.9 | 1.0 | 99% |
| Peacekeeping | 358.3 | 64% | 358.3 | (0.0) | 100% |
| RDEL | 1,742.4 | 53% | 1,741.8 | 0.7 | 100% |

| | | | | | |
|---------------------|-------------|------------|-------------|--------------|-------------|
| Capital Expenditure | 145.5 | 24% | 135.5 | 10.0 | 93% |
| Capital Receipts | (73.8) | 3% | (74.1) | 0.4 | 100% |
| Capital Grants | 26.2 | 44% | 37.4 | (11.2) | 143% |
| CDEL | 98.0 | 45% | 98.8 | (0.8) | 101% |

| | | | | | |
|------------|-------------|-----------|-------------|--------------|-------------|
| AME | 75.0 | 4% | 75.0 | (0.0) | 100% |
|------------|-------------|-----------|-------------|--------------|-------------|

The budget for the financial year 2014-15 excludes any additional budget which might be received through the Supplementary Estimate.

Resource DEL

Our year to date spend (53% RDEL) is broadly in line with expectation. Our year end position anticipates Supplementary Estimate transfers for international subscriptions, the portion of passport fees received to support consular activities and other Inter-Departmental transfers.

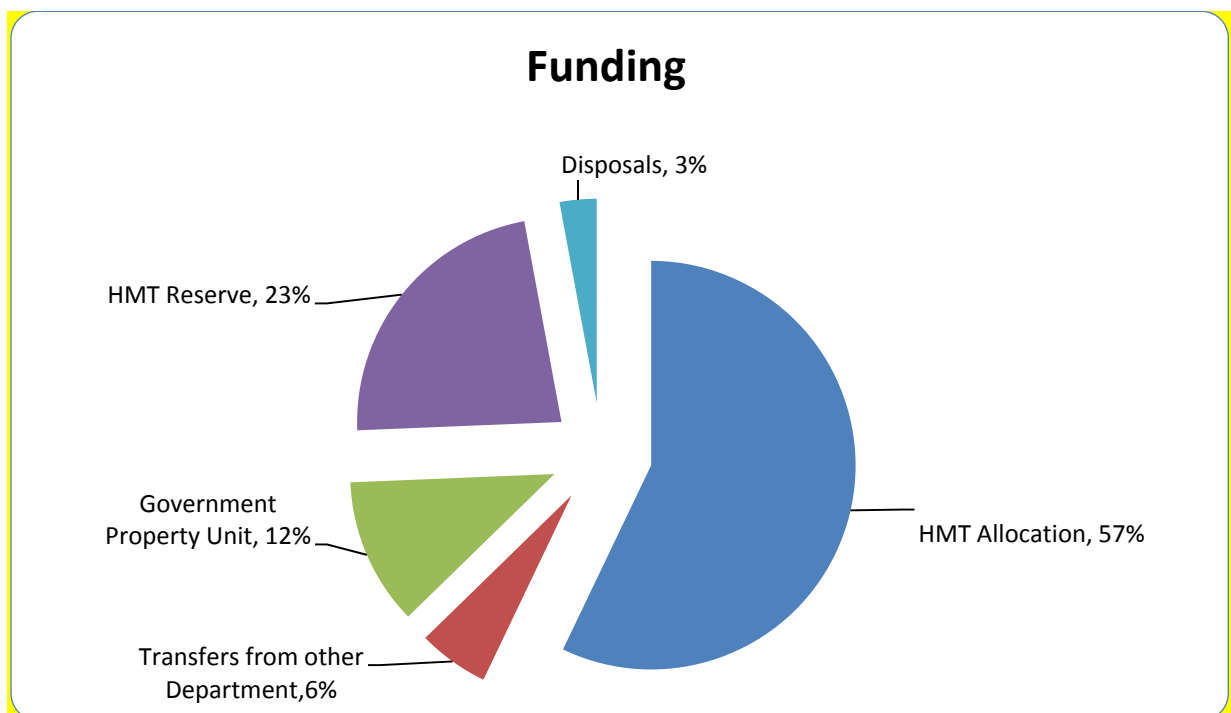
Capital DEL

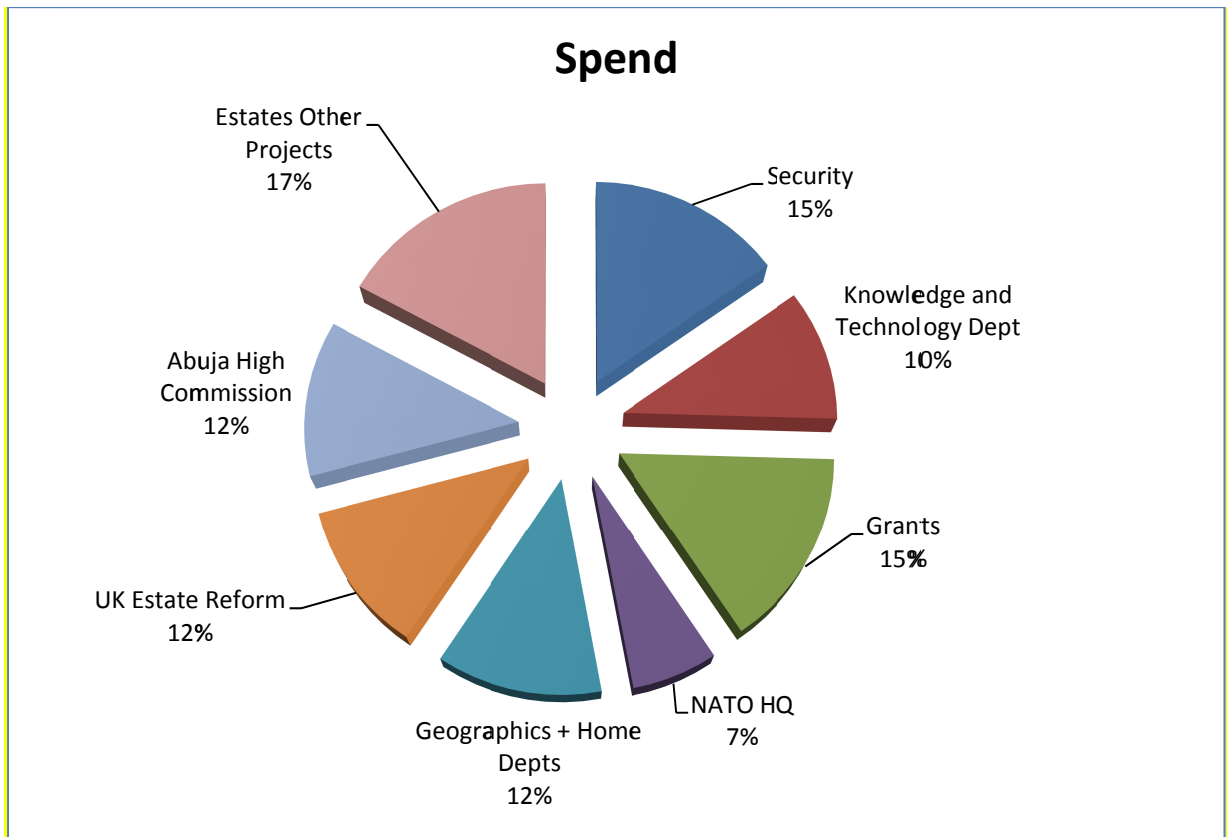
Our year-to-date capital expenditure is low. This is mainly due to two major Capital projects, a new High Commission in Abuja and the rationalisation of the FCO estate in London (UK Estate Reform), both of which anticipate increased expenditure in the second half of the year.

Capital receipts will increase if we request the release of more of the income from the 2013 sale of property in Kuala Lumpur (subject to Parliamentary approval). Other departments may also be required to make contributions to fund work being carried out on our overseas estate.

Expenditure on Capital Grants relates to contributions to third parties, namely the UN and NATO.

A breakdown of Capital spend by category compared to the funding sources available is shown below:





There are still a number of financial uncertainties regarding our Capital position:

- The process for the sale of an Embassy compound has begun and there is a possibility that the sale could fall into this financial year. This could add £26m to our Capital receipts.
- There are similar timing issues regarding the sale of two small properties totalling £5m.
- Contribution to the International Criminal Court building amounting to £10m is included in the Peacekeeping forecast. If however, there are other calls on this budget, this contribution would become a capital pressure.
- NATO HQ capital payment of £11m has been factored in. However, if the payment is not agreed this financial year, then this could be a risk.

We are actively monitoring these risks and will take necessary actions to minimise the impact.

Peacekeeping and Conflict Prevention

Peacekeeping and Conflict Prevention are the ring fenced element of our Resource DEL. Forecast outturn for the Peacekeeping Budget is in line with the current allocation of £358.3m.

The forecast includes a one-off payment of £10m at current exchange rates for construction of the new International Criminal Court (ICC) building in The Hague, subject to Ministerial approval, which would save the UK £1.6m compared to the

alternative option of paying in instalments over a 30-year period. This expenditure is Capital in nature and would require HM Treasury approval to transfer to Capital.

We also have a number of known risks and potential variances to the Peacekeeping budget: our currency requirement exceeds our contracted purchases for this financial year, resulting in US\$7.7m and €12m being exposed to a spot rate purchase in the fourth quarter. Five UN Peacekeeping budgets totalling £40m are to be agreed in December at the UN General Assembly (UNGA); and uncertainties remain around new peacekeeping mandates and extra resources for existing activities. Conflict Department is actively managing these risks.

Savings Programme

At the beginning of SR2010, we committed ourselves to make £100m of efficiency savings within the Spending Review period. We have achieved £92.3m of savings so far and are on track to meet our target. £5.8m of savings have been agreed with the budget holders and are expected to be delivered by the end of the spending period. A further £2.7m of savings have been identified but to date delivery has not been agreed with the budget holders.

Annually Managed Expenditure (AME)

This is by nature volatile and demand led. We have a small budget, currently £75m. Of this £25m is for the reimbursement of claims from diplomatic missions and international organisation for taxes already collected by HMRC at the point of sale.

The rest of the AME budget will cover any provisions, impairments and unrealised loss and gain on peacekeeping foreign currency contracts.

Expenditure by Foreign Policy Priorities

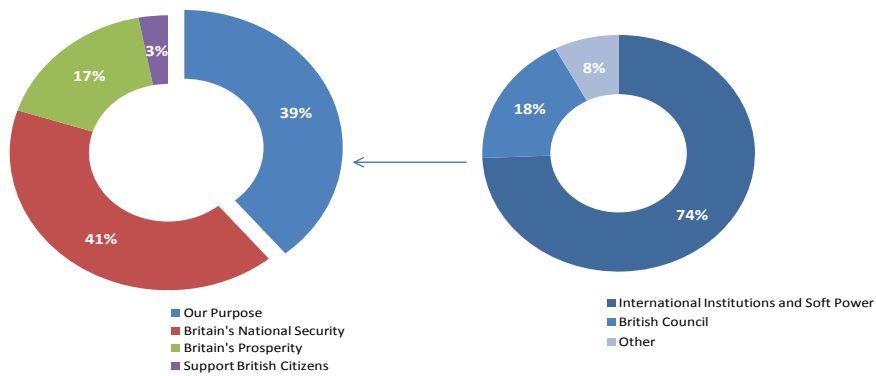
The FCO uses Foreign Policy Priorities (FPPs) for reporting purposes. The FPPs underpin business planning and prioritisation and frame policy decisions. The main priorities are:

- **Safeguarding the UK's National Security** by countering terrorism and weapons proliferation and working to reduce conflict. Spend has increased from 34% in 2013-14 to 41% in 2014-15, primarily due to the hosting of the NATO summit in September 2014 and tackling turmoil in the Middle East and Eastern Europe.
- **Building the UK's Prosperity** by increasing exports and investment, opening markets, ensuring access to resources and promoting sustainable growth. Spend has risen 1% from last year to 17%.
- **Supporting British nationals** around the world through modern and efficient consular activities. Spend has remained unchanged at 3%.

- **Our purpose** is an overarching policy priority, which includes expenditure on international institutions and soft power and the British Council. It covers pursuit of an activist foreign policy, working with other countries and strengthening the rules-based international system in support of our values. The expenditure on Our Purpose has decreased by 8% to 39%. This is mainly because BBC World Service is now funded by the BBC through the licence fee rather than by the FCO.

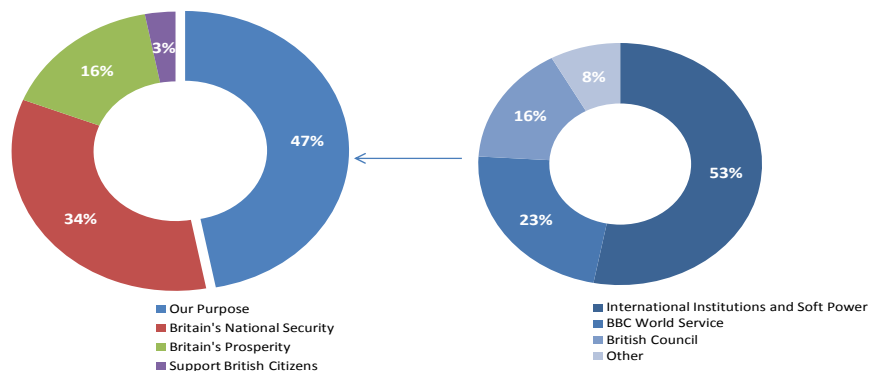
The charts show our performance by the FPPs for 2013-14 and at the mid-year point of 2014-15.

FCO Expenditure by Foreign Policy Priority (FPPs)
FY 2014-15 September YTD



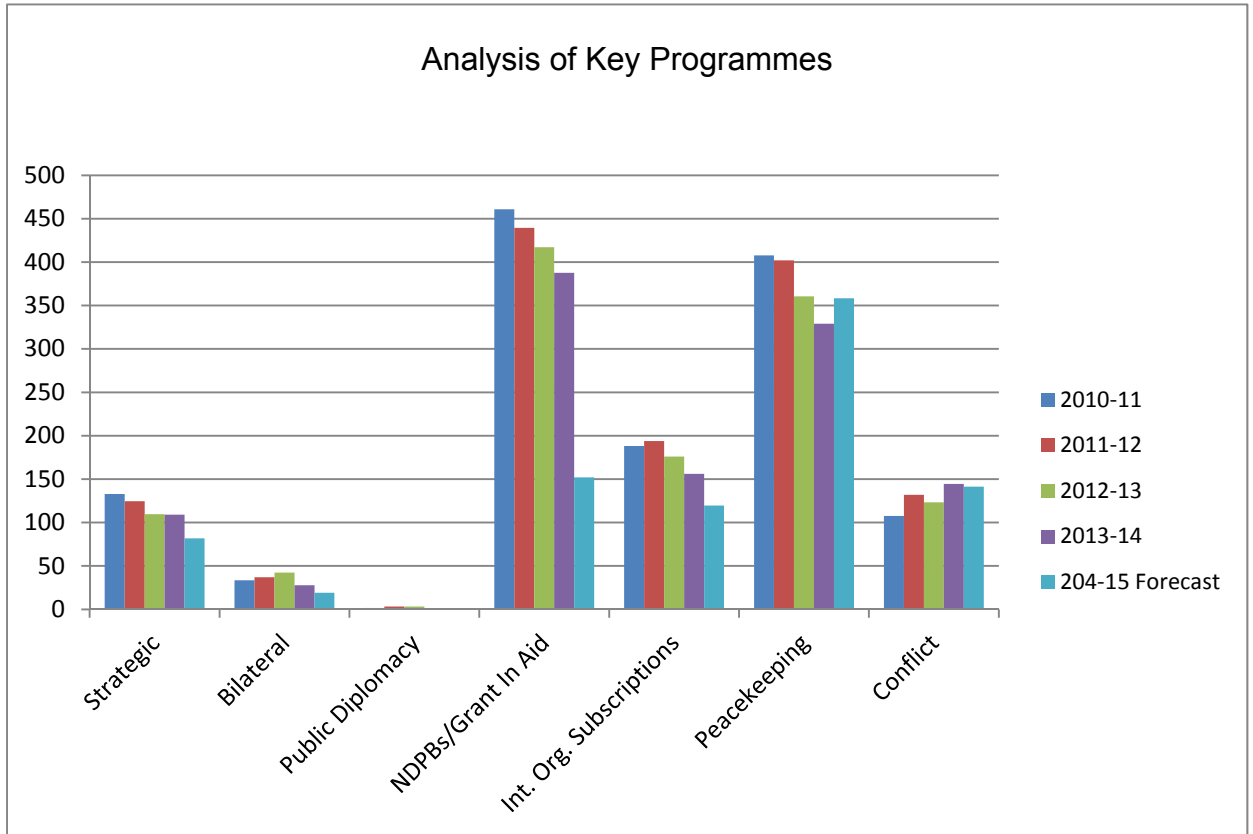
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FCO Expenditure by Foreign Policy Priority (FPPs)
FY 2013-14



5

Analysis of Key Programme and Major Policy Spending Patterns 2010-11 to 2014-15 (Forecast)



The FCO's Strategic Programmes directly support the delivery of two of our Foreign Policy Priorities, Safeguarding the UK's National Security and Building the UK's Prosperity, and our important work to promote the UK's values. Our Programmes allow for dynamic and targeted interventions, working alongside host governments and civil society around the world to deliver projects which enhance our bilateral relationships and strengthen the UK's position internationally.

Our strategic programmes also include promoting democracy and human rights, and exercising soft power through scholarships. The total Strategic Programme allocation for 2014-15 was £100.9m (including Bilateral), of which £76.5m was to be spent on Official Development Assistance. At the mid-year stage, our Programmes have spent a total of £31.42 million (31%). It is customary for the majority of Programme spend to take place in the second half of the Financial Year, in line with planned activities. Our Programmes are predicting 100% spend by the end of the Financial Year and will meet the ODA target. We are also expecting additional funding from other Departments through the Supplementary Estimate

Expenditure on Non-Departmental Public Bodies (NDPBs) through Grant in Aid in the financial year 2014-15 relates mainly to funding for British Council. Significant reduction in expenditure in this financial year is due to BBC World Service no

longer receiving funding from the FCO. It is now part of the BBC and funded through TV licence fees. The gradual reduction in expenditure from 2010-11 to 2013-14 represents the impact of the SR2010 reduction in funding.

Expenditure on International Subscription relates to memberships of various international bodies, more particularly contribution to the UN Regular budget and NATO Civil budget. The contributions vary based on the budget requirements of the organisations and the scale at which we are charged. We are expecting additional funding to be requested through the Supplementary Estimate.

Expenditure on Peacekeeping and Conflict Prevention programmes are a ring-fenced element of the FCO budget. Whilst there has been a steady reduction in peacekeeping costs since 2010, there has been a rise in the costs in 2014/15. The key factors in the increase are escalating costs for peacekeepers on the ground, and the launch of a new UN peacekeeping mission, Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA) in September 2014. However the UK and our allies secured \$220m (£138m) in savings below the UN Secretary General's proposed 2014/15 budget level and negotiated troop reimbursement rates well below the level sought by major troop contributing countries in June. We are continuing to push for efficiency savings from budgets for five peacekeeping missions, including MINUSCA, in the UN General Assembly. This continues to be an area where pressures exist and potentially require additional funding via the Supplementary Estimate due to the ring-fence nature of the budget.

Conflict Prevention expenditure is managed tri-departmentally between the FCO, DFID and MOD. SR2010 increased the budget annually from 2011-12 to 2014-15. The budget is then distributed amongst the three departments based on the anticipated need. The cross-government Conflict, Stability and Security Fund will replace the tri-departmental Conflict Pool from 2015-16.

Major Projects

The Government's transparency policy, which was agreed by Cabinet, governs the publication of data relating to major project delivery performance. It requires departments to publish the Major Projects Authority's delivery confidence assessments for Government's major projects, accompanied by the department's project narrative every 12 months, six months in arrears. The Major Projects Authority publishes its Annual Report at the same time (the latest Major Projects Authority Annual Report was published in May 2014 and can be found at <https://www.gov.uk/government/collections/major-projects-data>.)

Information on major project performance more recent than that published in the annual report is not permitted to be released into the public domain. The transparency policy and exemptions guidance is published at:

<https://www.gov.uk/government/publications/major-projects-transparency-policy-and-exemptions-guidance>.

The next publication of the Major Projects Authority Annual Report will be in May 2015, and will report on Q2 2014/15 data. This will be published on www.gov.uk.

The FCO has four major projects that are underway at the time of this Report:

Abuja new office and residence – this aims to provide fit for purpose and secure offices for the British High Commission in Abuja, Nigeria. The existing buildings are located in split locations, and were opened in 1991 as a 'temporary' solution. Since then Abuja has become established as the administrative capital of Nigeria and it is the FCO's intention to have offices that are fit for purpose for the next thirty years, and which provide an effective platform for a wide cross-section of UK government departments.

Jakarta new Embassy - Following a security review the FCO decided in 2004 to move to a new site, acquired in 2009. In October 2010 Treasury approved an earlier FCO decision to provide new offices at a cost of £29.5m. Following a delay in the local permit process work started in June 2011. There are forecast proceeds of £11m upon sale of current Embassy and Residence.

ICT Re-procurement – This provides continuity of business critical ICT services as the existing contracts expire by procuring replacement contracts through tender processes.

UK Estate Reform (UKERP) - The FCO wants to maximise the efficiency of its London estate by consolidating its core activities into the Main Building on King Charles Street (KCS). This will support the wider Cabinet Office strategy of consolidating the HMG Estate in Central London. It will free up the Old Admiralty Building (OAB) freehold for other Government Department use. There are significant savings for the FCO on operating costs and for the wider Government on lease rentals.

The previously reported Echo project to roll out a new global network for voice and data services has been successfully completed and consequently is not included here.

People

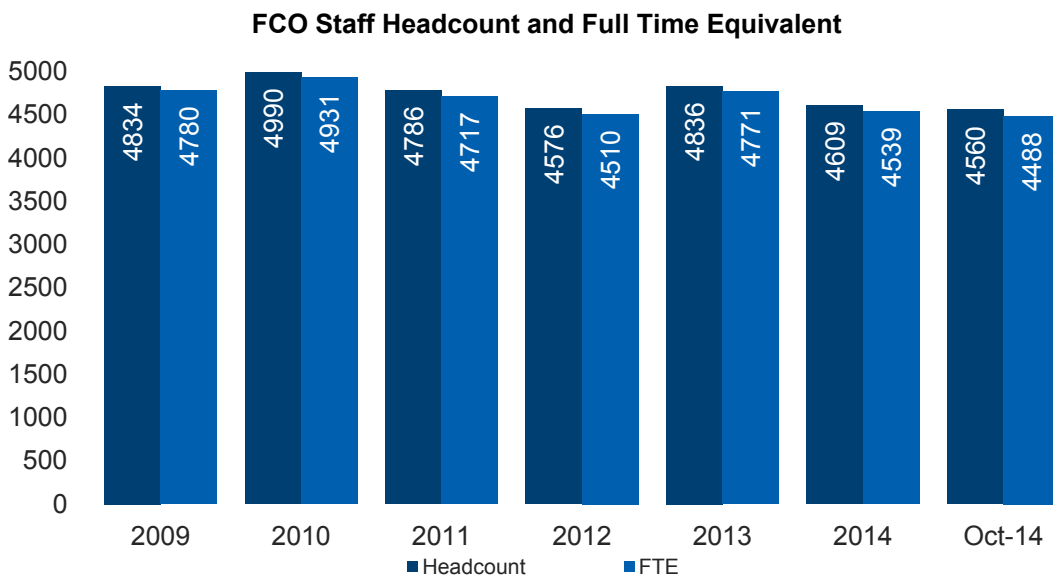
Introduction

The People strand of Diplomatic Excellence is focused on achieving the right workforce with the right skills. The FCO's Strategic Workforce Plan is aimed at reducing the size of the workforce whilst increasing flexibility to help ensure that the FCO is able to keep pace with events in an ever changing world. In order to create more front line positions in priority areas for the UK, the number of staff in corporate/support functions will decrease, and low priority work will be reduced.

Overall staffing levels

Our UK based staff

Since April 2014, we have continued to see a reduction in the size of our UK based workforce: as at 30 September 2014 our UK Based workforce stood at 4,488 Full Time Equivalent (FTE) and 4,560 headcount. The chart below illustrates staffing trends since 2010.



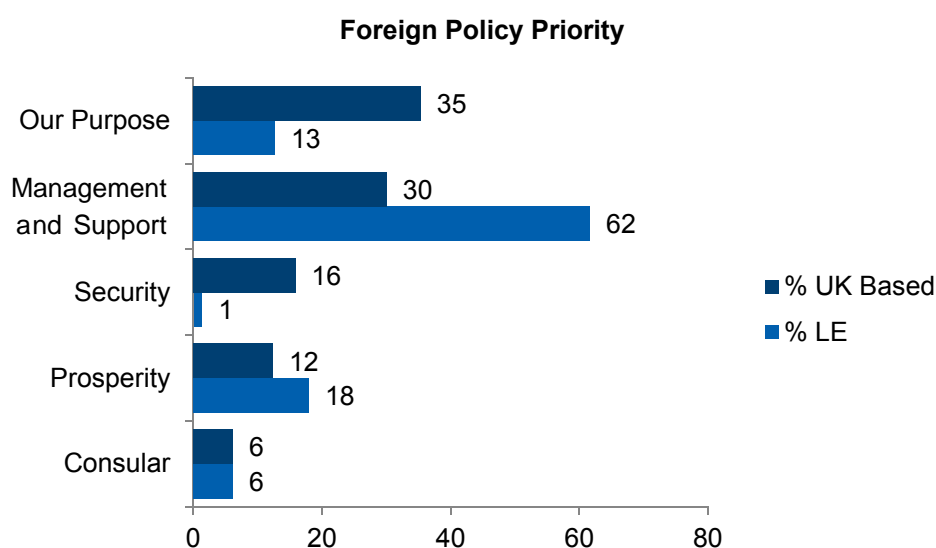
We are committed to reducing the size of our UK based workforce further, delivering on our ambition of a leaner, more flexible and affordable FCO. Our staffing reductions will be achieved primarily through a combination of natural wastage and targeted early exits

Our staff overseas

Just over 37% of our FCO UK based workforce is in our posts overseas, where they work alongside around 9,200 FCO local staff in delivering on our range of challenging foreign policy priorities. At the end of September 2014 our local staff represented 67% of our total workforce.

Delivering on our priorities

The percentage of UK based and local staff involved in the delivery of each of the FCO Foreign Policy Priorities is shown in the chart below.



Diversity and Inclusion

Strengthening diversity and inclusion continues to be a priority for the FCO and we are driving this agenda from the top. Deborah Bronnert, the FCO's new Chief Operating Officer has been appointed as 'Board Diversity Champion' and is working closely with the PUS in his role as 'Civil Service Diversity Champion.' She is leading the implementation of the new Civil Service diversity strategy; the "Talent Action Plan: Removing Barriers to Success", which was published in September.

The FCO is, by its very nature, a very diverse organisation with about two thirds of our 14,000 staff being locally employed (i.e. not UK civil servants) and working across the 160 countries where we have a presence. However, we are also keen to diversify our UK work force.

We have made progress against our 2008 'fairness for all' targets, which were to have 28% women and 5% BME staff in the SMS. We have increased the numbers of women in our senior structure from 17% in 2008 to 25.4% today. At the end of September 2014, 36 of our approximately 200 Heads of Mission/Post were women. In addition, five out of eleven members of our Management Board are female. 12 out of 409 SMS staff have declared themselves BME.

Our focus has been on taking forward activity in the following areas:

- Our University Roadshow, part of our BME Campaign, was highly commended at the 'Race for Opportunity' Awards in September. The Roadshow aimed to increase recruitment of Black and Minority Ethnic staff by sending FCO staff to schools and universities with a proactive approach to diversity, in order to promote a career in the FCO to a diverse range of people. To increase the numbers of BME staff in the SMS, we have developed a leadership programme for staff at D band (Grade 6 and 7), which is supporting twelve staff members prepare for the step-up to our Senior Management Structure. We are also taking forward a more structured mentoring scheme for more junior BME staff.

- We are continuing to support staff with disabilities through an ongoing focus on improving the working environment as well as the delivery of timely 'reasonable adjustments'. The FCO has submitted its Stonewall (LGBT) benchmark entry in September; with results due in January 2015. We have continued our work on the retention and progression of women e.g. through programmes of sponsorship, mentoring, and by promoting more flexible working models. We have also focussed on addressing structural barriers that may be preventing underrepresented groups from progressing – including investigating why some groups were not applying, or withdrawing from, overseas Head of Mission appointments.
- We recently conducted a wide consultation exercise, which included FCO Staff Associations and the FCO's Local Staff Advisory Group, to identify further opportunities to boost diversity in the FCO. Our Executive Committee have now agreed to implement several of those proposals including allowing disabled staff to remain in home jobs for five years, and encouraging more diverse interview panels (including by lifting the bar on junior panel members).

We recognise that we need to continue to stretch ourselves on setting more ambitious, but achievable, diversity targets; and are looking at what other impactful action can be agreed and implemented as part of Board discussions on diversity.

Sickness absence

There has been a general downward trend in reported absence in the FCO over recent years and the latest available figures for the year ending 30 June 2014 show 3.2 average working days were lost due to sickness absence in the FCO - this is around half the rate seen in the Civil Service as a whole. About half of our absences are longer term, similar to levels seen in the Civil Service.

Annex A

Impact and Input Indicators and other key data

The Department has adopted the following annual input and impact indicators to help the public assess the effects of policies and reforms on the cost and impact of public services.

| Description | Type of data |
|---|------------------|
| General | |
| The FCO has developed a system of metrics for Diplomatic Excellence to help assess progress towards its vision of being the best diplomatic service in the world by 2015. | Impact indicator |
| Total FCO expenditure on Official Development Assistance (ODA) and percentage of total UK ODA contributed by the FCO (annual figure Apr-Mar) | Other Key Data |
| Average cost of a UK diplomatic mission/embassy | Other Key Data |
| Safeguard Britain's national security by countering terrorism and weapons proliferation and working to reduce conflict | |
| Progress toward a stable and secure Afghanistan (as indicated by the Government Effectiveness Worldwide Governance Indicator, in addition to monthly written updates to Parliament) (annual data) | Impact indicator |
| More effective, joined-up international system to prevent conflict and build capacity in fragile states (annual data) | Impact indicator |
| Build Britain's prosperity by increasing exports and investment, opening markets, ensuring access to resources, and promoting sustainable global growth | |
| Average Unit Cost per Foreign Direct Investment Project attracted to the UK with UKTI involvement (annual data) £ thousands | Input indicator |
| Average Unit Cost per UK Business helped to improve their performance overseas through internationalisation (Annual data) | Input indicator |
| Number of Foreign Direct Investment projects attracted to the UK with UKTI involvement (annual data) | Impact indicator |
| Number of UK Businesses helped to improve their performance through internationalisation (annual data) | Impact indicator |
| Trend in the gap between currently anticipated low carbon investment, and the low carbon investment required to meet the 2°C target measured in \$ trillion (annual data) | Impact indicator |
| Support British nationals around the world through modern and efficient consular services | |
| Total cost of delivering consular assistance to British nationals and total costs for providing official documents (notarial and documentary services) (annual indicator £ millions) | Input indicator |
| Better consular service to British nationals abroad as indicated by customer satisfaction | Impact indicator |