



Foreign, Commonwealth & Development Office

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Rt Hon Alicia Kearns MP
Chair, Foreign Affairs Select Committee
House of Commons
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30 August 2023

Dear Alicia,

QUARTERLY CORPORATE UPDATE: MAY – JULY 2023

This third quarterly corporate update informs the Committee on developments during May, June and July 2023 in a number of areas, including: leadership of the FCDO; project delivery; agility and crisis response; workforce policy; IT and cyber security; and estates work.

Our corporate work is central to our ability to deliver the Foreign Secretary's objectives and HMG's wider international agenda as set out in the Integrated Review Refresh (IRR). This thread runs through the updates I have provided below.

Our work to become more agile as an organization is vital in preparing for and managing our response to a range of future scenarios, including those arising from the deteriorating and less certain international security environment identified in the IRR. The recent creation of Fx – the FCDO's new innovation capability – responds to the IRR's identification of accelerating technological competition. Similarly, the Foreign Secretary's goal of reinvigorating UK leadership on international development is reflected in our return to publishing full ODA allocations in the Annual Report and Accounts. This consistent focus on delivering for HMG and the British people shapes our activity across the corporate space.

Corporate Updates

In a change to the FCDO's **senior leadership**, Nick Dyer was appointed to the new role of Second Permanent Under-Secretary and took up the position on 3 July. The

Second Permanent Under-Secretary will lead the UK's international development effort and accelerate progress towards the UN Sustainable Development goals.

On **delivery**, the FCDO's internal 2023/24 Outcome Delivery Plan (ODP) has been agreed by FCDO Ministers. It sets out how the department will deliver the objectives within the IRR. The 2023/24 ODP will be the basis for internal quarterly reporting required by HMT, No10 and the Cabinet Office. These reports will be scrutinised by the FCDO Management Board and assess how well we are delivering HMG strategic objectives and achieving real world impact for British nationals.

To support this, an organisation-wide exercise saw UK Directorates and overseas Posts finalise their Business and Country Plans (BCP) for 2023/24 and 2024/25. These plans detail how Directorates and Posts will deliver the ODP, IRR and Foreign Secretary priorities, while maintaining value for money, improving agility and promoting HMG international alignment.

July saw a key milestone in the **delivery of the merger**: the Infrastructure and Projects Authority Review Team completed a thorough evaluation of the FCDO's Integration Portfolio and rated the programme as "Green" (succeeding / successful). The Integration Portfolio has now exited the GMPP as a completed programme. The Review Team acknowledged the hard work of FCDO colleagues in delivering integration in a challenging environment, especially following the initial Red rating.

The department is now moving into a new phase of continuous improvement. To reflect this, a new and permanent Organisational Improvement Directorate (OID) has been established to support the FCDO's long-term, continuous improvement in areas such as agility, corporate services and lesson-learning.

Work continues to strengthen our **workforce agility** and ensure we can react effectively to a variety of disruptive events and crises. Drawing from our Afghanistan Lessons Learned Review, the FCDO has refined internal processes to surge or pivot staff towards priority work and improved the readiness of leadership and staff to act in an agile fashion.

In May, the Executive Committee scrutinised staffing plans against one of the FCDO's top risks, which would require a whole-of-organisation response if it emerged. It also assessed our capacity to deliver FCDO priorities while meeting new and unplanned pressures.

In June, the **Ukraine Recovery Conference (URC)** capitalised on the synergies of the FCDO merger and our agility capabilities. The lead policy and conference delivery teams harnessed the expertise and skills of development, humanitarian and foreign policy experts to maximise the impact of the conference.

Using the FCDO's convening power, we brought together over 1,000 public and private sector decision makers, representing 59 states, 32 international organisations

and over 500 businesses. The URC raised over \$60 billion towards meeting the immediate recovery and reconstruction needs of Ukraine. Over 600 global businesses, from 42 countries and 21 sectors, worth more than \$5.2tn have signed the Ukraine Business Compact. We also demonstrated our leadership in humanitarian assistance: the URC delivered \$500m of humanitarian assistance and early recovery support for Ukraine, including pledges for the Kahoka Dam response. The URC unit which led on the conference grew to 15 staff and volunteers surged in during the final few weeks to facilitate event delivery.

The **Coronation** of HM The King on 6 May provided another occasion to demonstrate the FCDO's agile approach to high priority work: 450 staff pivoted to deliver 848 engagements with representatives of 184 countries, while the FCDO responded simultaneously to the escalating conflict in Sudan.

We adopted an integrated approach in our response to the **Sudan conflict**. Our diplomatic engagement supported regional and international efforts to bring about a cessation of violence, while promoting the role of Sudanese civilians in any peace talks. Simultaneously, we have used our development levers to shape the international humanitarian response, including coordinating on measures to improve access to lifesaving humanitarian aid and deploying technical expertise on atrocity prevention. Since the outbreak of hostilities, we have announced £21.7 million in humanitarian aid for Sudan as well as £5 million to help meet the urgent needs of refugees and returnees in South Sudan and Chad.

Our diplomatic and consular expertise helped us facilitate the evacuation of 2,450 people from Sudan. This included the departure of 1,243 British Nationals and 1,207 other nationals on 24 evacuation flights out of Sudan. Hundreds of FCDO officials worked around the clock in our crisis response centre, alongside colleagues across government, to coordinate our response to the outbreak of conflict on 15 April. An Evacuation Handling Centre was set up in a matter of hours by staff from the FCDO and the Border Force who deployed overnight night to work alongside UK armed forces.

On **workforce and people policy**, the FCDO has paid UK-based staff in delegated grades an additional £1,500 payment as permitted under the addendum to the Civil Service Pay Remit Guidance. We expect to announce the annual pay award shortly. Discussions with the Cabinet Office continue on SCS pay.

The FCDO also announced 2023/4 pay uplifts for Country Based Staff in late July, which will vary by geographic region. Heads of Mission have been given supporting guidance to consider in the design of their pay award.

Reward and recognition is an important element of our people policies. The winners of the inaugural FCDO Staff Awards in May reflected the breadth of the Department's expertise. Awards were made for work on new trade deals; the provision of consular

assistance in acutely challenging circumstances; and the delivery of Her Late Majesty Queen Elizabeth's funeral.

The FCDO has also developed high-quality analysis of diversity data to inform the design of our people policies. Recent figures show that 10.3% of FCDO SCS employees are from an ethnic minority background, up from 7% in 2020. This is at parity with the Civil Service SCS average.

In the **innovation, technology and data** sphere, work continues to improve our cyber security and the reliability of our IT system. A new cross-government Government Security Classification Policy will roll out with an upgraded DipTel system in early autumn 2023. This will incorporate 'sensitivity' labels in line with recommendation in the Foreign Affairs Committee's 'Stemming the Flow' report.

Following further pilot programmes in June and July, all remaining FCDO and wider HMG staff on the FCDO platform overseas will begin to receive faster and more secure **Osprey devices**. These will be delivered from September 2023 for those in the UK, and from October for those overseas, and will help to protect the FCDO from increasingly sophisticated offensive cyber capabilities.

The FCDO's Echo 2 programme will upgrade our global IT network from September, providing on average double the bandwidth at half the current cost, while secure Gov Wi-Fi is being extended to 130 remaining Posts from August, improving the reliability and speed for our IT service.

Adjustments to the Hera Programme – the FCDO's HR and finance management system – are ongoing. During the past three months, we have improved procedures to log expenses and delivered new 10-year programme budgeting tools. Work continues on the deployment of Hera Learn, a new program to replace the current learning platform Global Learning Opportunities.

Finally, the FCDO has now launched a new innovation capability **Fx** to experiment with emerging technologies, including artificial intelligence, to enhance our work.

A key corporate milestone for the **Finance** Directorate and the wider FCDO with the finalisation of the FCDO's Annual Report and Accounts 2022/23, which were laid in Parliament on 17 July. These set out the final position for the last financial year and include ODA allocations for 2023/24 and 2024/25. Through Quarter 2 (July – September), the Finance Directorate will continue to review and update financial forecasts, ensuring these reflect the known pressures across the FCDO. Our return to publishing ODA allocations after last year's pause was an important step in improving confidence in the UK's development strategy and providing clarity to our development partners.

In the area of the FCDO's **estates**, the refurbishment of our Washington DC embassy and ambassador's residence is on track for completion during the second quarter of FY 23/24. Improvements to the King Charles Street Quad and to the new High

Commission office in Ottawa are anticipated to follow shortly afterwards. A two year forward planning process performed by the Estates Directorate will help address historical underinvestment across our network and reduce our backlog of maintenance work.

On **security**, the FCDO continues to build its resilience against growing state actor threats. A new Overseas Security Course for staff being posted abroad was piloted to reduce the risk of avoidable security incidents.

The FCDO continues to embed **sustainability** in all aspects of our thinking and policies. Progress against our sustainability objectives, including the Greening Government Commitments, is reviewed at our quarterly Sustainable Operations and Programme Board. As part of its autumn agenda, the FCDO Management Board will be discussing our net-zero plans. This will include considering the carbon targets and financial investments needed to achieve carbon reductions throughout our UK and global estate.

I am copying this letter to the International Development Committee and the International Relations and Defence Committee.

Yours sincerely,

Philip Barton

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