
Nineteenth Special Report of Session 2017–19

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The Foreign Affairs Committee

The Foreign Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Foreign and Commonwealth Office and its associated public bodies.

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The current staff of the Committee are Tom Goldsmith and Hannah Bryce (Clerks), Dr Ariella Huff and Ashlee Godwin (Senior Committee Specialists), Dr Matthew Harries, Emma Makey, Dr Eoin Martin and Hannah Stone (Committee Specialists), Ffion Morgan (Committee Researcher), Clare Genis (Senior Committee Assistant), Zara Emmett (Committee Assistant) and Estelle Currie (Media Officer).

Contacts

All correspondence should be addressed to the Clerk of the Foreign Affairs Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 6105; the Committee’s email address is fac@parliament.uk.

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Nineteenth Special Report

On 28 November 2018, the Foreign Affairs Committee published its Fourteenth Report of Session 2017–19, on Delivering Global Britain: FCO Skills (HC 1254). The response was received on 29 January 2019 and is appended below.

Appendix


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

Introduction

The FCO is prioritising expertise as part of our change programme Diplomacy 20:20 and we are working to ensure our staff have the skills they need to operate effectively in an increasingly complex world. We are committed to improving our offer and we are proud of the expertise that we have developed amongst our local as well as UK-based staff, including specialists and members of Professions. As a department, we also work with partners across government to coordinate international work and further develop the skills needed to deliver our shared objectives.

Our learning and development offer includes professional training that draws on internal expertise within our network, including that of historians and research analysts, as well as masterclasses offered by both experienced and former diplomats, and external academic partners.

Our officers are encouraged to join professional cadres which enable them share their expertise, past experiences, and continually develop language and geographical skills whether they are currently working in their anchored region or not.

What is the FCO for? Skills and the purpose of diplomacy

1. We are concerned that a lack of clarity over the FCO’s purpose and its role in government, and the FCO’s continuing failure to prioritise among its objectives, could have detrimental effects on the skills of its staff. A lack of clarity and sense of purpose makes it harder to set priorities for skills development. In the long term, it also threatens the prestige of the FCO as an employer, potentially making it harder to attract and retain highly skilled staff. Continued reference to the concept of Global Britain without a clear sense of what Global Britain is, and why the FCO is uniquely placed to deliver it, is likely to exacerbate these risks. The fragmentation of government responsibilities relating to international affairs compounds the problem. Without a clear sense of what the FCO exists to do, a proper assessment of the skills it needs is impossible. We again urge the Government to set out full and detailed responses to the
The FCO has a clear set of departmental strategic objectives as well as clear policy priority outcomes. We are currently reviewing the latter to ensure they remain relevant to the work we will do through withdrawal from the EU, transition and our future relationships. These priority outcomes reflect the complexity and breadth of the FCO’s departmental work. Our skills framework is broad for the same reasons. But complexity is not the same as confusion and we have a structured approach to Global Britain working across the whole of government, including early work to develop international skills and capability across Whitehall.

Global Britain represents the UK’s intent to maximise our presence, influence and impact as we leave the European Union. At its core is a determination that the UK is recognised as a champion of the Rules Based International System, a leading soft power, one of the most open, and attractive places to visit, work, and invest, and able and willing when necessary to deploy hard power. Global Britain involves being an innovative and inviting economy and helping to set global standards that uphold our values while supporting our security and prosperity objectives.

Work towards achieving our ambition for Global Britain is underway with policy goals, work streams and campaigns being coordinated across Whitehall. We are strengthening and expanding our network by appointing officials to positions across the world as part of the Global Britain vision. The Foreign Secretary announced 12 new posts and nearly 1,000 more personnel in October 2018. As we expand, the FCO will continue to strengthen our skills and expertise.

2. The FCO’s Priority Skills Statement and Skills Framework are good first steps towards developing a system that helps ensure the FCO has the full range of skills it needs for modern diplomacy. However, a list of 20 or more separate skills is not a clear guide to where the FCO should concentrate its limited resources. We believe that in order for the FCO’s effort in defining priority skills to be truly meaningful, the FCO must have an accurate and systematic understanding of the skills its staff hold and the areas where there are shortcomings. The challenges currently facing the FCO are significant and, in many ways, unprecedented—which makes it all the more imperative that the FCO knows what skills are already available to it, and where there are gaps. We recommend that a skills audit be carried out as soon as possible once the Atlas Enterprise Resource Planning system is introduced, and by no later than the end of 2019. This audit should be used to identify those priority skills in which it is judged the FCO particularly lacks capacity, and where resources should be concentrated. (Paragraph 17)

3. By the time a skills audit has been carried out, the FCO will be near the end of the original lifespan, set at 2020, of the Priority Skills Statement. The effort expended in developing the original Priority Skills Statement should not be a one-off. We recommend that by 2020 the FCO should be ready to produce a Priority Skills Statement for 2025 (or an equivalent, forward-looking, FCO-specific document under the technical element of the Civil Service Success Profile). Internal consultations to identify new skills that might
A skills audit will take place as soon as possible once the Atlas Enterprise Resource Planning System is in place. This will help identify existing core skills linked to specific roles and any potential gaps within the organisation. Currently, the FCO considers that it should be possible to complete an audit by the end of 2020.

The FCO is committed to refreshing our Priority Skills Statement. The timing for this will depend on various factors, including Atlas rollout. We will consult a range of external and internal stakeholders, including members of the FAC, and we will continue to seek to learn from best practice in other diplomatic services, and share our own experience with others.

**Career paths: is the FCO an employer that values skills?**

4. The FCO’s evidence to this inquiry makes clear that low pay is affecting staff morale and retention, and that similarly qualified staff are offered considerably higher pay at other government departments. This is alarming. The FCO’s future as a home for the best that the Civil Service has to offer is at stake. We agree with the FCO that this situation is unsustainable if we are to retain the quality of people needed to deliver effective foreign policy, and while we welcome the Treasury’s decision to approve the FCO’s pay flexibility case, pay at the FCO is a long-term problem with deep roots. The FCO cannot expect indefinitely to attract Premiership talent if it consistently offers Championship salaries. This is especially the case at a time when the FCO’s fundamental purpose is under question. We urge the Government to look at further options for improving the pay offer at the FCO, both for centrally contracted staff and for local hires abroad. In addition, a specific exercise led by external consultants should compare the reward package of officials doing similar jobs at the FCO and DFID—and the Government should commit to keeping these closely in line in future. (Paragraph 21)

We do not have a problem as an organisation with retaining staff. In certain posts, where pay is low compared to local employers, there is a problem. But we agree that pay is an issue at home and overseas, for UK based and local staff. We make our case persistently and patiently with the Treasury, acknowledging that pay is an issue for much of the public service. We are grateful to the Committee for its support.

We have no plans for external consultants to compare UK based salaries in the FCO with DfID. Our One HMG strategy relies on closer alignment and we already take into account comparative pay data from our key international partner departments.

5. We welcome the efforts the FCO has made to emphasise skills in performance measurement and promotion. However, the FCO does not yet appear to have the ability to track accurately the progress that its staff are making against the targets set out for skills development, which increases the risk that priorities will be established but not enforced. We are also concerned that the FCO is yet to define what an expert looks like in the majority of its priority skills. We recommend that the FCO measure the proportion of its staff reaching the expected attainment in Foundation and Practitioner-level skills as soon as is practical once the Atlas system is in place, and that it set out a
plan for ensuring that staff not yet at the expected level reach it promptly. We call on the FCO to set a specific time scale for this work, and to commit to reporting the figures to us once they are available. The FCO should also produce a definition of expert-level attainment in core diplomatic skills, and should add this to the criteria used by the Senior Appointments Board. (Paragraph 25)

The Atlas System will improve information management but we do not currently have plans to set targets for particular skills. We continue to focus on improving Foundation and Practitioner level offers to benefit the widest group of FCO staff. Nonetheless, a number of Faculties have already developed Expert level offers including Trade Policy and Negotiations Faculty, States and Societies, and Languages. 33 officers are working towards a Masters in Global Diplomacy in either South Asia or the Middle East and North Africa (MENA) and there are currently 53 officers at C2 level in a foreign language in speaker slots, including 30 Heads of Missions. Officers are encouraged to share the expertise they develop by joining active professional cadres, delivering masterclasses and workshops to enable others as well as entrenching their own skills.

The Senior Appointments Board takes into account a full range of expertise, skill and experience in its appointment decisions. All Professions - with the exception of the Internal Audit Profession who ask for qualifications available from different providers in each field – already have Expert level descriptors.

6. Although the announcement of external appointments to Ambassadorial positions gained considerable media attention, we agree with the Foreign Secretary that it does not represent a significant change in FCO recruitment policy. If the FCO is serious about opening itself up to external talent, reforms will have to go much further—and there is no obvious reason why this should be limited to heads of mission. We are concerned that too few posts are to be subjected to open competition. Further, in sticking rigidly to a recruitment procedure which values traditional public-sector skills, and with which existing FCO staff are familiar, we fear that external candidates will face a formidably high barrier to appointment. (Paragraph 27)

7. The FCO needs to be more ambitious in seeking to recruit high-quality external candidates to complement its undoubtedly high-calibre existing workforce. To that end, we recommend that it produces plans to extend open recruitment to a wider tranche of roles, including those at deputy head of mission level, and that it reports those plans to us within six months. Further, it should require external, expert recruiters to review its plans for the three open competitions to be held next year, with a view to making them as accessible as possible to external candidates. Finally, a full review of those competitions should be conducted after they are completed, looking at the number and quality of external candidates; that review should seek the feedback of external candidates to identify any challenges and barriers encountered in the recruitment process. We will expect to receive a full copy of that review. The FCO has made a tentative step in a positive direction but it needs to go further faster if it is to have the fullest range of talent at its disposal. (Paragraph 28)

We disagree with the thrust of the Committee’s argument. We would expect most senior jobs to be best filled by candidates with appropriate diplomatic experience. To open up top jobs by default would decrease the attractiveness of a career in the Diplomatic Service. We therefore have no plans and see no reason as a matter of course to open up jobs, such as
Deputy Heads of Mission, to external candidates. Many such jobs are, however, advertised across the Civil Service and we are one of the leading departments in Whitehall taking this approach.

We regularly evaluate the effectiveness of our wider recruitment activity and this will include a review of the three planned open competitions. We will share these with the FAC in due course.

8. We welcome the steps that the FCO has taken to reduce the impact of churn, including increasing some tour lengths. However, it is important that a systematic effort is made to ensure that expertise, once acquired, is not wasted, and that as far as possible there is continuity in the expertise the FCO can apply to a subject, and the networks that its staff have built up. The FCO should now act on the recommendation that a formal two-week training margin for all staff entering new roles be introduced, and commit to do so within the next year. The FCO should also assess whether the handover procedures it describes as “customary practice” adequately transfer the expertise that outgoing staff have built up, and should issue formal guidance on handover practices incorporating any changes deemed necessary following this assessment. (Paragraph 31)

We agree with the recommendation to review our approach to the customary practice of handovers. It is vital that we retain and reuse expertise, including language skills, acquired in the FCO.

Since we already work hard to ensure staff begin roles with adequate skills and expertise, we have no current plans to implement a mandatory two-week training margin for all staff entering new roles. Timing of departures and arrivals to new roles can vary for officers according to individual and operational needs, and any such requirement for compulsory training would come at significant cost.

Skills for Global Britain

9. We note that the Diplomatic Academy’s target for training 240 cross-government staff to expert level in trade policy and negotiations by March 2019 is a challenging one, and based on progress so far, it seems probable that the target will not be met in time. In its response to this report, the FCO should tell us whether it expects that target to be met, and if not, what impact it believes this will have on cross-government capability in trade policy and negotiations after March 2019, and how it intends to fill the gap. (Paragraph 35)

The FCO had trained 258 HMG trade officials up to expert level to be ‘negotiation-ready’ at December 2018, exceeding our target of 240, and we expect numbers to rise to over 400 by March 2019.

Internationally, our Trade Policy Faculty is introducing an overseas capability programme for all government staff. With the support of Her Majesty’s Trade Commissioners, we aim to improve knowledge of trade policy overseas to help overcome barriers to trade.

10. We continue to believe, as we concluded in our previous report, that the FCO faces a considerable challenge to ensure that its European network can cope with the increased demands of maintaining effective diplomatic relationships with the EU27, without the level of automatic and regular access to the EU27 governments that
came with EU membership. In its response to this report, the FCO should set out the assessment it has made of the new skills relating to European diplomacy its staff will need after the UK leaves the EU, its plan for ensuring that its staff have those skills, and the changes it has made to the process for developing cross-FCO Europe expertise since the referendum. (Paragraph 38)

While the context in which we engage with EU27 will have changed, most of the skills will not have. The skills required for European and internationally focussed roles, and the learning and development required to meet these needs, can be delivered through the Diplomatic Academy. Europe Faculty is currently engaged with key stakeholders - Europe Directorate, Partners Across Government, other Faculties within the Diplomatic Academy, and learning suppliers - to ensure our Europe learning material remains relevant and current for developing the skills required for our future relationship with Europe and the European Union.

A key piece of learning for Practitioners is the 5-day ‘Understanding, Working with and influencing the EU’ course. Since 2016, over 401 staff have attended these courses and around 3000 have participated in Europe Faculty Masterclasses. Moreover, the Trade Faculty runs a Chief Negotiators club for HMG staff who lead on Trade negotiations.

11. As March 2019 approaches, the urgency of having a clear and detailed plan for the future of the UK’s Representation to the EU (UKRep) is increasing sharply. It is essential that UKRep is ready on 30 March 2019 to manage the demands of the proposed implementation period, when the UK will remain bound by EU law but will no longer be present in the rooms where decisions are made. In its response to this report, the Government should set out the results of its consultations on the future of UKRep, and its plan for UKRep’s future role, shape and functions, particularly in the transition period when our ability to influence decisions will have a direct impact on UK national interests. The FCO should also set out a precise timetable for implementing this plan. We reiterate our recommendation that the Government Delivering Global Britain: FCO Skills should consider creating a dedicated Minister for Europe, who would focus solely on the UK's relationship with the EU and its Member States, and would be resident in Brussels, with lead responsibility for the FCO’s European network. (Paragraph 39)

29 March is the deadline for implementing changes to the Mission in advance of the implementation period. The size, structure and work of the future Mission will however, continue to evolve as we embed the UK’s future relationship with the EU. UKRep has already increased in size from over 120 to over 150, and will exceed 180 people.

UKRep has already consulted widely with Third Country Missions in Brussels. As a result, we have carried out work including a robust business planning process for the implementation period and beyond, a programme to ensure staff have the specialist skills needed to deliver in the new working environment, and created a dedicated Public Diplomacy function to support new ways of working. Whilst UKRep will be a Third Country Mission, it will be in a unique position with its experience of, and relationships in, the EU Institutions providing a platform to promote UK interests.
We note the Committee’s recommendation for a dedicated Minister for Europe. As the Government said in its response to the Committee’s report on “The future of Britain’s diplomatic relationship with Europe”, decisions for Ministerial portfolios and their location are a matter for the Prime Minister to make at the appropriate time.

12. **Languages are the foundation of diplomacy, and failure to excel in foreign languages undermines whatever other skills our diplomats may develop.** We welcome the improvement made in the past few years in foreign language skills at the FCO, but there is a long way to go. We are encouraged by the FCO’s relatively high attainment in Mandarin and concerned by the lower figures for Russian and Arabic. The FCO cannot allow under-resourcing to mean that operational demands result in officers being sent on postings before they have met the required language proficiency. The FCO’s goal of having 80% of officers in speaker slots at their target-level language attainment (TLA) by 2020, while a significant improvement over past performance is still conservative in absolute terms. Yet, based on the current track record, even this goal will be challenging to reach. The Foreign Secretary’s commitment to double the number of FCO language speakers and increase the number of languages taught is laudable, but it is clear to us that this will require considerable additional resources, and sustained, senior-level attention to achieve. (Paragraph 42)

13. **The FCO must, as a matter of urgency, determine and report to us clear and realistic figures for the additional budgetary resources required to deliver on the Foreign Secretary’s goals for expanding the FCO’s languages capacity. In its response to this report, the Government should also outline any resourcing or operational issues it believes could prevent the 80% TLA goal from being reached by 2020 or which could hinder improvement thereafter, and provide details of its plan for addressing those issues. The FCO’s goals should not be achieved by simply lowering the standards of language proficiency that officers are expected to reach. We expect the Permanent Under-Secretary regularly to report progress to us on language attainment, against a consistent set of metrics, in the quarterly operational update he provides.** (Paragraph 43)

We are currently assessing how best to increase the number of FCO language speakers and the number of languages taught to meet the Foreign Secretary’s goals. We are working to identify posts with the greatest potential for utilising further language skills, at the appropriate level, to best project UK influence. The results will inform our bid for extra resources in the forthcoming Spending Review.

TLA figures in December 2018 reached 58% for all staff and 76% for Heads of Mission. The Foreign Secretary wrote to all Heads of Missions in November asking them to ensure that all officers in speaker slots have either already reached their target level or have a credible plan in place to do so. We are working with Directorates in London and we will put proposals to ExCo in March 2019 to improve our TLA further. The Permanent Under-Secretary will continue to report regularly on progress in language attainment as part of his quarterly operational update.

14. **The challenge to the UK from Russia has increased yet further in just 18 months since our predecessor Committee’s report.** We welcome the priority the FCO has placed on dealing with this challenge, and the FCO’s diplomatic success in responding to the Salisbury attack. However, we note that the EECADRE, established in 2015,
is a recent development, and we do not have sufficient evidence from this inquiry to judge whether its achievements and ambition match the scale of the challenge at hand. We welcome the progress made in Russian language skills since 2016, but note that overall attainment remains troublingly low. We also note that a potential side-effect of Russia’s expulsion of UK diplomats is to make it more difficult for FCO officers to improve their first-hand understanding of Russia. **In its response to this report, the FCO should set out its plans for mitigating the effects of Russia’s diplomatic expulsions on the FCO’s Russian expertise and language skills. The FCO should also confirm that it expects Russian TLA to reach 80% by 2020, in line with the target set for overall attainment.** (Paragraph 45)

The Eastern Europe and Central Asia (EECAD) Practitioner Curriculum is designed to build the skills of new members of staff and expand the expertise of existing staff in London and the network. It is complemented by Directorate-led events to share knowledge and expertise within the cross-HMG Russia community. Following the expulsion of FCO staff from our Embassy in Moscow, HR worked with individuals to ensure that their expertise and language skills could continue to be utilised in future roles where possible. The Eastern Europe and Central Asia Cadre (EECADRE), a cross-HMG network of people with expertise in the region, encourages staff to continue or return to work in the region and deepen their expertise.

Our approach to Russian language training is targeted to meet 80% language attainment by 2020. This has included more tuition hours, better recruitment planning, and better management support for staff on full-time Russian language training. As a result, we have already increased the number of Russian speakers to 45 in the EECAD network as of 31 May 2018.

15. **We plan to return to the question of the FCO’s expertise in this area as part of our separate inquiry into China and the international rules-based system. However, in advance of the completion of that work it is already evident to us that the geopolitical importance of China means it needs to be consistently highlighted as a priority for the FCO, and we are surprised, given the Foreign Secretary’s personal recognition of its importance, that it is not specifically named as such in the FCO’s objectives. Generating and maintaining deep expertise on China, its foreign-policy approach and its role in the world will be increasingly important for the FCO in the years ahead, across a wide range of policy areas. In its response, the FCO needs convincingly to counter the impression given in its objectives and priority outcomes that the UK’s approach to China is not being treated with the urgency and focus it merits. The FCO should commit to specifically highlighting the need to deal with the rise of China in its objectives and priority outcomes for 2019–20.** (Paragraph 47)

We agree with the Committee that our relationship with China is one of the most important for the rest of this century. Our network in mainland China is one of the largest in the world, with nearly 700 UK government staff nationwide and 18 government departments represented. China is already a part of the FCO Strategic Objective on global influence, as well as the FCO’s Priority Outcomes on Conflict and Stability, Promoting UK Interests and Values, and Economic Diplomacy, amongst others. China’s strategic global importance will be taken into account when drawing up the next set of FCO Objectives and Priority Outcomes.
We are piloting new methods of delivering Mandarin language training, which includes increasing the opportunities for and length of time spent on ‘immersion’ training, as well as trialling the internationally recognised Hanyu Shuiping Kaoshi (HSK) examination to assess language proficiency levels. We also established a new Mandarin Talent Group for speakers to continue developing their expertise after their overseas posting. Recently we have worked with the Great Britain China Centre to develop a training course on China for a range of Government Departments, delivered training to a number of posts around the world, and developed a digital training package that is accessible across government.

16. We welcome the FCO’s recognition that digital communication, including social media, is now a core aspect of diplomacy. The appointment of a head of the Diplomatic Academy with a strong personal track record in digital diplomacy is also a valuable implicit signal from the FCO of the importance of this skill. We encourage FCO ministers and senior officials to set a tone for digital diplomacy—leading by the example of their own social media activity—that encourages calculated risk taking and promotes creativity and innovation. (Paragraph 50)

The FCO welcomes the Committee’s conclusion that digital communication is a core aspect of diplomacy and recognition of the FCO’s work to equip diplomats with the skills needed to undertake this work. The FCO has a Head of Digital and a Digital Transformation Unit whose targeted digital communications training programme will continue to upskill diplomats and locally engaged officials to take full advantage of the opportunities digital diplomacy provides.

Ministers, led by the Foreign Secretary, are active in using social media for public diplomacy, engaging in discussion about current and topical areas of UK foreign policy. The Foreign Secretary sets the tone by publishing innovative and creative digital content on his channels.