



FCDO Services

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FCDO Services Framework Document

September 2020

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This framework document has been drawn up by the Foreign, Commonwealth and Development Office (FCDO) in consultation with FCDO Services. This document sets out the broad framework within which FCDO Services will operate. The aim of this document is to outline the terms of the partnership between the FCDO and FCDO Services and how the two organisations work together. It details the purpose, governance and strategic direction of FCDO Services.

The document does not convey any legal powers or responsibilities. It is signed and dated by the FCDO and FCDO Services. Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on FCDO Services' website.

1 STATUS, PURPOSE AND AMBITION

1.1 Status

With effect from 2nd September 2020, the Foreign and Commonwealth Office became the Foreign, Commonwealth and Development Office (FCDO) and FCO Services became FCDO Services. FCDO Services is an Executive Agency of the FCDO and has operated as a Trading Fund under its former name of FCO Services from April 2008 until 1st September 2020 and under its new name of FCDO Services from 2nd September 2020. The FCO Services Trading Fund Order 2008 and the FCO Services Trading Fund (Variation) Order 2009 can be found at Annex A and Annex B respectively.

FCO Services was established as a Trading Fund under The Government Trading Funds Act 1973¹. The constitution of FCO Services is set out in The FCO Services Trading Fund Order 2008 dated 3 March 2008.

The Transfer of Functions (Secretary of State for Foreign, Commonwealth and Development Affairs) Order dated made 2nd September 2020 and coming into force 30th September 2020 amends the FCO Services Trading Fund Order, substituting FCDO Services in replacement of FCO Services and transferring all functions of the FCO to FCDO.

FCDO Services is an Agency that provides the support necessary for British Government offices in the UK and overseas to operate effectively and seeks to provide services to other Wider Market customers in the UK and overseas.

¹ <http://www.legislation.gov.uk/ukpga/1973/63>

1.2 Background

As a Trading Fund, FCDO Services is responsible for generating its own revenues by charging customers for services delivered.

FCDO Services is part of the FCDO and conducts its operational affairs independently from the FCDO but within the following framework:

- (a) legislative and regulatory requirements for Trading Funds of Government;
- (b) the scheme of delegations granted by HM Treasury;
- (c) the accountability requirements for use of public money;
- (d) the supervisory remit of the FCDO in its role as Owner and Customer of FCDO Services;
- (e) in line with the FCDO Services' Corporate Plan.

FCDO Services is a prime strategic partner to the FCDO, essential in enabling it to deliver its key objectives. FCDO Services delivers a combination of secure services to the FCDO, other UK public bodies and foreign governments and institutions, by providing secure working environments, secure logistics and secure IT solutions in the UK and to customers overseas.

1.3 Purpose and Ambition

Subject to the FCO Services' Trading Fund Order, FCDO Services' purpose is to deliver trusted, agile, global services to the FCDO and other government customers, enabling them to meet their operational objectives and fulfil their responsibilities

FCDO Services' ambition is to be a world-class provider of operational support services across the globe

1.4 Three Strategic Objectives

FCDO Services consults with the FCDO on the objectives of the Trading Fund and the FCDO priorities with which they are linked. These strategic objectives are:

- Win the trust and mandate of the FCDO and one HMG partners to become the Operational Support Service for the Diplomatic and Development Platforms;
- Invest in our people, our ways of working and our tools to become a world class government-owned business; and
- Deliver a sustainable global business, by providing excellent customer service and demonstrating value and agility.

2 RESPONSIBILITIES AND ACCOUNTABILITY

2.1 Secretary of State for Foreign and Commonwealth Affairs

Responsibility for FCDO Services rests with the Secretary of State for Foreign, Commonwealth and Development Affairs (SOSFCDA). This includes determining the policy, resources framework, delegations, and freedoms within which FCDO Services operates. The SOSFCDA may delegate these responsibilities to an FCDO Minister.

The FCDO is both owner and principal customer of FCDO Services. Both of these roles are represented in the advice that is provided to the Minister.

2.2 The Minister

The Minister is responsible to the SOSFCDA for setting the strategic direction of FCDO Services.

On behalf of the SOSFCDA, the Minister:

- Determines the policy and financial framework within which FCDO Services operates;
- Approves its Corporate Plan;
- Sets its goals, key performance indicators and targets; and
- Monitors and assesses its overall performance.

The Minister and the Chief Executive Officer have regular dialogue and also meet at least once a year to discuss strategy, and performance and risk management.

2.3 The Chief Executive and Accounting Officer

The Chief Executive Officer (CEO) has sole responsibility for the day to day management of FCDO Services in accordance with this Framework Document and the Corporate and Business Plans that may, from time to time, be agreed.

The CEO, as its Accounting Officer, is also personally responsible and accountable to Parliament for the management and organisation of FCDO Services, including the use of public money and the stewardship of its assets.

The CEO has direct access to the SOSFCDA and the Minister, to whom he/she is accountable for FCDO Services' performance against key targets. The CEO is also accountable to the SOSFCDA on matters relating to the management of FCDO Services.

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The CEO is specifically responsible for:

- (a) Formulating and proposing the direction of FCDO Services through its Corporate Plan, and defining immediate objectives through an in-year Business Plan;
- (b) Implementing FCDO Services' approved Corporate and Business Plans, including the achievement of objectives and performance targets;
- (c) Delivery of the agreed output to prescribed standards of quality, time and cost;
- (d) Efficient and effective management of FCDO Services' assets and resources;
- (e) Ensuring that effective procedures for handling complaints about FCDO Services are established and publicised; this includes replying to complaints personally if they cannot be resolved satisfactorily at local level;
- (f) Advises Ministers quarterly on their response to strategic performance information and on their performance reports, including against Ministerial targets;
- (g) Reporting to Ministers and Parliament as appropriate, on issues concerning FCDO Services; and
- (h) Informing the Minister and the Permanent Under-Secretary (PUS) - the Principal Accounting Officer of the FCDO - of anything material that may be inhibiting the effective and efficient performance of FCDO Services.

The CEO is appointed by HM Treasury as the Accounting Officer for FCDO Services. The CEO's responsibilities as an Accounting Officer are set out in the Accounting Officer Memorandum.

The CEO is personally responsible for the propriety and regularity with which the resources allocated to FCDO Services are used within the terms of this Framework Document, and for prudent and economical administration of the organisation.

The CEO is liable to be summoned to appear before the Public Accounts Committee to account for these responsibilities, and will normally give evidence to Parliamentary Select Committees when such affairs are to be discussed.

In addition, the CEO is responsible for ensuring that the requirements of HM Treasury guidance, "Managing Public Money", are met, and that the organisation observes any general guidance issued by HM Treasury and the Cabinet Office. The CEO will put into effect any recommendations accepted by Government of the Public Accounts Committee, other Parliamentary Select Committees or parliamentary authorities.

The CEO should seek advice and assistance from the FCDO on issues that may be novel, contentious, or could have wider implications for the FCDO.

The CEO is not responsible for the propriety and regularity of FCDO customer requirements and expenditure proposals, which properly remain the responsibility of the PUS.

2.4 Governance, Risk and Internal Control

The CEO is responsible for establishing an appropriate framework for governance, risk management, and internal control. Within this framework, the CEO will ensure that FCDO Services operates continuous governance, risk management, and control processes that are subject to internal management review. These processes should:

- Support the achievement of FCDO Services' policies, aims and objectives whilst safeguarding the resources for which the CEO is responsible;
- Provide an assurance on control, governance and risk management, to enable the CEO to discharge their responsibilities as both CEO and Accounting Officer.

2.5 FCDO Sponsor

The Sponsor provides an important link between FCDO Services and the FCDO. Through responsibilities delegated to them by the PUS, the Sponsor works closely with the CEO and receives copies of all relevant FCDO Services' submissions to FCDO Ministers. In addition the Sponsor:

- (a) Agrees the framework for performance management with FCDO Services and the Minister;
- (b) Advises the Minister on the strategic direction of FCDO Services in the context of wider departmental or cross-governmental objectives and on annual targets;
- (c) Provides a report to the FCDO Board, at least annually, on their oversight of FCDO Services;
- (d) Advises the CEO on steering the organisation's activities to ensure that it most effectively supports the delivery of the FCDO's objectives; and
- (e) Ensures that FCDO Services has the delegations and authorities necessary for effective delivery and continuous improvement.

The Sponsor is supported in these responsibilities by:

- a Partnership Board, which is the senior governance forum for the FCDO/FCDO Services' relationship. It oversees the relationship between the FCDO, as departmental owner, and FCDO Services, as Arm's-Length Body (ALB). This Board replaced the Owner Board and Customer Board and provides oversight, contributes to the strategic direction and assesses the risk appetite for the activities carried out by FCDO Services;
- Annual Report and Accounts to ministers up to and including ministers and parliament; and
- Corp plan – up to PB.

2.6 FCDO Services Board

The FCDO Services Board is responsible for the strategic management of the organisation. It is chaired by a non-executive director and comprises of the Chief Executive, Chief Finance Officer, the Chief Operating Officer, the Managing Director of Global Digital Technology and five part-time non-executive directors, of which a minimum of one Non-Executive Directors shall be appointed from within FCDO and a minimum of two Non-Executive Directors shall be independent.

The primary responsibility of the Board is to review strategic options, set corporate policy and monitor performance at a corporate level. The Board supports the CEO by providing strategic oversight over the organisation's performance. In so doing, the Board principally advises the CEO on the management and controls required to ensure effective governance. This involves:

- (a) Developing FCDO Services' strategic aims and objectives;
- (b) Oversight of the broad allocation of resources;
- (c) The establishment and future development of standards and values;
- (d) Maintaining a transparent system of prudent and effective controls;
- (e) The assessment and management of risk; and
- (f) Oversight of the process of change, encouraging innovation, and where appropriate, enterprise to enhance FCDO Services' capacity to deliver.

In the conduct of its duties, the Board aims to act in accordance with the consensus achieved between the Directors. However, should the CEO believe that a particular conclusion by the Board is in conflict with their responsibilities as Accounting Officer, he/she in the first instance may seek to remedy this in discussion at the Board with fellow Board Members.

Ultimately, any difference of view between the Board and the CEO should be referred initially to the FCDO (specifically, the Sponsor) and if necessary, the Minister, who will decide whether to give the CEO a Direction.

2.7 Chair of the Board

The Chair of the Board will be a Non-Executive Director, whose role is to chair meetings and set the Board's agenda. The Chair is responsible for ensuring that the Board discharges its responsibilities effectively, and that it and its sub-committees operate in a way that is consistent with corporate governance best practice.

The Sponsor will appoint the Chair following a recommendation from the CEO.

2.8 Individual Board Members

All board members should:

- Comply at all times with the Code of Conduct for Board Members of Public Bodies and with the rules relating to the use of public funds and to conflicts of interest;
- Maintain FCDO Services' reputation as a neutral convenor and facilitator of dialogue;
- Not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- Comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments; and
- Act in good faith and in the best interests of FCDO Services.

2.9 Audit and Risk Assurance Committee

The Board has established an Audit and Risk Assurance Committee (ARAC) whose purpose is to support the Board and CEO/Accounting Officer in their respective responsibilities for the control, governance and assurance of risk. The ARAC consists of up to three Non-Executive Directors who provide independent advice. One member of the ARAC, who is suitably financially qualified and experienced, will Chair the Committee.

FCDO Services' Chief Executive, other members of the senior management team, and representatives from the FCDO, FCDO Internal Audit and the NAO will be invited to attend as appropriate in accordance with best practice.

The Committee will be run in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook. The ARAC will meet at least three times a year. The Chair may convene additional meetings as necessary.

The role of the ARAC is to:

- Review the comprehensiveness of assurances in meeting the Board / Accounting Officer's assurance needs;
- Review the reliability and integrity of these assurances, including reports from the NAO, FCDO Internal Audit Department and FCDO Services' business continuity plans;
- Provide an opinion on how well the Board and the Accounting Officer are supported in decision making, and in discharging their accountability obligations (particularly in respect of Financial Reporting); and
- Scrutinise FCDO Services' financial reporting and business and financial plans.

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The Chair of the ARAC can be remunerated with a proportionate honorarium agreed by the Chair of the Board and the CEO. This honorarium should be reviewed on new appointments, extension of appointments or any wider reviews of FCDO Services.

2.10 Relationships with Other Bodies.

The CEO will deal directly with other bodies on questions relating to the operation and management of FCDO Services as and when appropriate.

2.11 Parliamentary Business

The SOSFCDA is answerable to Parliament for all matters concerning FCDO Services and deals with questions of policy and enquiries from Members of Parliament who specifically seek a Ministerial response. MPs will, however, be encouraged to communicate directly with the CEO on day-to-day matters keeping the Minister informed as appropriate.

The SOSFCDA retains the right to intervene in the operations of FCDO Services.

The CEO will provide Ministers and the FCDO with any information needed to respond to parliamentary business concerning FCDO Services, including Parliamentary Questions.

The SOSFCDA decides which officials should represent them at hearings of Parliamentary Committees, but will normally ask the CEO to represent them and answer on their behalf when FCDO Services' affairs are discussed.

2.12 Parliamentary Commissioner for Administration

FCDO Services is subject to the jurisdiction of the Parliamentary Commissioner for Administration. The organisation operates in accordance with a published complaints procedure that is clear and accessible to all users.

The CEO is given the opportunity to comment on reports by the Commissioner(s) affecting FCDO Services. The CEO will respond to requests from the Parliamentary Commissioner for Administration for information on matters delegated to FCDO Services under this Framework Document.

Members of Parliament have the right to refer complaints from the public to the Parliamentary Commissioner for Administration where an individual claims to have suffered injustice through maladministration.

3 FINANCIAL STRATEGY AND ASSETS

3.1 Extent of Delegations

Financial and contractual delegations are set out at Annex B. The Accounting Officer cannot sub-delegate their Accounting Officer responsibilities. Decisions which require authority above the delegated limit of the FCDO Services' Accounting Officer will be referred to the Sponsor prior to any commitment being entered into.

3.2 Annual Report and Accounts

The CEO, as Accounting Officer, shall prepare and publish each year FCDO Services' audited Annual Report and Accounts in accordance with Cabinet Office guidance and directions issued by HM Treasury.

The Accounting Officer is responsible for ensuring that the Annual Report and Accounts are properly authorised and signed and that appropriate arrangements are made for them to be laid before Parliament in accordance with HM Treasury timescales².

3.3 Management Accounts

FCDO Services will ensure that comprehensive, timely and accurate management accounts are produced for internal review by the FCDO Services Executive Board and the FCDO Services main Board, on a periodic basis to enable informed decisions on the strategic direction and the operational effectiveness of its business to be made.

3.4 Income and Expenditure

FCDO Services will normally earn income through payments made by customers for the supply of goods and services and by the exploitation of assets, data and intellectual property.

Like all Trading Funds, FCDO Services' minimum requirement is to break even taking one year with another after allowing for operating costs, loan and dividend repayments, and taking account of the need to generate sufficient funds to meet working capital and investment needs. However, this is against the background of the organisation achieving its long term financial and investment targets. To realise this, FCDO Services takes into account the following factors:

² <https://www.fcodoservices.gov.uk/our-organisation/governance/annual-reports/>

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- (a) The need to ensure longer term financial stability and thus provide security of supply to the FCDO; and
- (b) Producing appropriate value to the FCDO through a combination of price stability and dividend payments, achieved through returns on wider market business and internal efficiencies.

FCDO Services is committed to promoting efficiency in its operations through the elimination of waste, increases in productivity, effective procurement and the provision of value-for-money services.

3.5 Pricing Policy

FCDO Services' pricing policy will reflect the need for the Trading Fund to achieve its long term financial and investment targets. Prices for FCDO Services products and services are determined by taking into account a number of factors, including:

- Providing value to its customers;
- Competitive forces and existing pricing structures in the marketplace;
- Generating a return on its assets; and
- Government fees and charges guidelines.

3.6 Dividend Policy

Unless otherwise specifically agreed, FCDO Services will (as a minimum) aim to cover through interest and a dividend to the FCDO the cost of capital charges to the FCDO budget on the net assets of the Trading Fund.

3.7 Retained Earnings

As soon as practicable at the end of each trading year, FCDO Services will calculate its net operating surplus after allowing for exceptional costs and interest charges.

FCDO Services may retain surpluses over and above those necessary to meet its interest and dividend charges, for example to finance its investment plans as set out in its Annual Report and Accounts and Corporate Plan.

Sums that are retained in the business but which are surplus to immediate requirements may be deposited in an interest bearing account as approved by HM Treasury or invested in Government Securities in accordance with FCDO Services' investment policy.

The FCDO may agree with FCDO Services the payment of additional dividend payments if the cash position and business circumstances of the Trading Fund so permit.

3.8 Capital Structure and Loan Funding

The net assets of FCO Services at vesting day (1st April 2008) were financed in their entirety by a combination of loans and public dividend capital (PDC). Thereafter, FCO Services and subsequently FCDO Services will establish its own internal reserves through its day-to-day trading operations.

The provider of loans to FCO Services and subsequently FCDO Services for working capital needs or for capital investment is set out in the FCO Services Trading Fund Order 2008 (Annex A). Loans will be made in accordance with HM Treasury guidelines but where such a loan is used to finance commercial services or activities, the expectation is that such a loan will be made on arm's-length commercial terms.

Loans will be repayable over a term, and with conditions to be agreed by both parties before such loans are granted. The maximum amount of any loans shall not exceed the amount stated in the Trading Fund Order.

FCDO Services reviews its capital structure annually as part of its corporate planning framework.

3.9 Assets and Capital Expenditure

FCDO Services will retain, maintain and renew only those assets needed for its operations and will dispose of any surplus land, buildings or equipment to achieve economy in its operations. Proposals to significantly amend its asset base will be addressed through the corporate planning process.

Capital expenditure requirements will be set out each year in its annual Business Plan and reviewed by the FCDO Services Board. Before incurring capital expenditure on individual items, the Accounting Officer shall satisfy themselves that an appropriate appraisal has been undertaken and documented in accordance with HM Treasury guidance.

Where these plans require FCDO Services to request capital resources in the form of a loan, that request will be supported by a business case and will be subject to scrutiny and approval by the Sponsor.

3.10 Intellectual Property

Intellectual property rights (IPR) generated by FCDO Services remain vested in the SOSFCDA and are administered in accordance with the IPR Concordat agreed between the FCDO and FCDO Services. The IPR (except copyright) in all work done by FCDO Services shall be held in the name of the SOSFCDA under the administrative and managerial control of FCDO Services. FCDO Services will exploit this intellectual property, in line with FCDO and Government policy, in order to generate value-for-money for the taxpayer; for example through developing equity in joint ventures and income through licensing.

3.11 Liabilities

FCDO Services is responsible for all liabilities arising on the FCO Services' vesting day and for the effective management of its third-party arrangements including suppliers.

3.12 Audit Arrangements

As Accounting Officer, the CEO is responsible for establishing and maintaining arrangements for internal audit in accordance with HM Treasury Government Internal Audit Standards, including periodic quality assurance reviews.

The FCDO's Internal Audit Department also has a right of access to all documents prepared by the Trading Fund's internal auditor, including where the service is contracted out. The audit strategy, periodic audit plans and annual audit report, including the Trading Fund internal auditor's opinion on risk management, control and governance should be forwarded as soon as possible to the FCDO Head of Internal Audit.

As enacted by the National Audit Act 1983³, FCDO Services is subject to external audit by the Comptroller and Auditor General (CA&G) who will certify the annual accounts and who may conduct value-for-money or other studies from time to time.

The C&AG:

- Will consult the FCDO sponsor and FCDO Services on whom – the NAO or a commercial auditor – shall undertake the audit on their behalf, though the final decision rests with the C&AG;
- Has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000⁴, held by another party in receipt of payments from FCDO Services;
- Will share with the sponsor Department information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within FCDO Services; and
- Will, where asked, provide Departments and other relevant bodies with Regulatory Compliance reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

The C&AG may carry out examinations into the economy, efficiency and effectiveness with which FCDO Services has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, FCDO Services shall provide, in conditions to contracts, for the C&AG to exercise such access to documents held by contractors and sub-contractors as may be required for these examinations; and shall use its

³ <http://www.legislation.gov.uk/ukpga/1983/44/contents>

⁴ <http://www.legislation.gov.uk/ukpga/2000/20/contents>

best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

3.13 Risk Management

The CEO will establish an internal audit service, which will provide assurance on risk management, control and governance. He/she will develop a comprehensive Risk Management Plan, which will be made available to the FCDO. Risk Management is a core element of FCDO Services' control framework and it will maintain an appropriate process which follows HM Government best practice. This includes a commitment to the embedding of risk management at all levels of the organisation and risk registers in place at Board, business group and project levels.

Regular reporting and review of risks will take place at all levels including the documentation of mitigating actions.

3.14 Subordinate Companies and Joint Ventures

The Accounting Officer shall seek prior HM Treasury approval before entering into any arrangements of any kind which could be viewed as 'novel or contentious'.

Any proposals to create subordinate legal entities, including joint venture companies, which could give rise to liabilities for the FCDO must receive the prior approval of the Sponsor and Ministers.

4 PLANNING, PERFORMANCE REVIEW AND BUSINESS RELATIONSHIP

4.1 Corporate Planning

The CEO is responsible for preparing a multi-year Corporate Plan for approval by the Minister. When approved, the plans are the authority for the CEO to conduct FCDO Services' business accordingly.

The plans provide a common understanding of the expected development of FCDO Services and a policy and resource framework within which its performance can be measured.

The Corporate Plan will be rolled forward and updated each year. It will include:

- FCDO Services' main strategic goals and objectives and the means of achieving them;
- Key performance indicators;

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- Assumptions about demand and other external factors influencing FCDO Services' business activities; and
- A summary of its financial projections, including forecast projections of trading performance and capital investment proposals.

The Corporate Plan will be submitted to the Minister for approval prior to the start of each financial year, allowing sufficient time for them to set FCDO Services' formal targets. The FCDO will assist FCDO Services with its planning by providing information on likely policy developments or changes that will impact on FCDO Services.

4.2 FCDO Customers and the TOBA

The Terms of Business Arrangement (TOBA) details the terms under which business between FCDO Services and the FCDO is conducted. The Minister is the final arbiter in any dispute between FCDO customers and FCDO Services which cannot be resolved under the disputes procedure in the TOBA or supporting Agreements.

4.3 Tasking Forms

Exact requirements for the services to be provided will be laid out in relevant tasking forms. Where an emergency response is required outside the circumstances covered in tasking forms, the CEO will present to the Sponsor, the cost (direct and indirect) of that response including, if appropriate, the impact on FCDO Services' wider business. The Sponsor, will decide whether FCDO Services should undertake the response and will ensure that FCDO Services are reimbursed the full economic cost.

The provision of services by the FCDO to FCDO Services will be governed by FCDO Services' Engagement Documentation that describes and defines the specific product, service or project information. This will be reviewed from time to time to ensure that it continues to meet the needs of both the FCDO and FCDO Services.

4.4 Other Customers

FCDO Services will form appropriate commercial agreements with other customers, based on negotiated agreements, contracts or memorandums of understanding.

4.5 Complaints Procedure

FCDO Services shall operate a published complaints procedure, which is available to all customers.

4.6 Performance Review

Key performance indicators and associated targets covering the organisation's performance are agreed each year between the Minister and the CEO as a fundamental element of the Corporate Plan.

The agreed targets will be announced each year by means of a Ministerial Statement.

The performance indicators will be used to demonstrate to stakeholders that FCDO Services provides value-for-money and is delivering efficient, effective service in line with customer requirements. The indicators will be used as long-term measures of success so that comparison between reporting periods can be made.

The specific nature of individual indicators may change over time. Targets may include:

- Financial return;
- Customer satisfaction;
- Quality;
- Staff engagement;
- Wider markets business volume; and
- Efficiency.

Independent evaluation will be undertaken as required by the National Audit Office.

5 PEOPLE MANAGEMENT

5.1 General

FCDO Services' employees are civil servants working for the SOSFCDA within the FCDO Services' Trading Fund. All employees who are Home Civil Servants or Officers of the Diplomatic Service shall be subject to the applicable Civil Service Codes of conduct.

In addition, FCDO Services engages contractor and agency staff workers on an interim basis to provide the skills and capabilities to support the delivery of its aims and objectives.

FCDO Services will develop and maintain a Human Resources strategy that ensures its policies, procedures and practices enable it to recruit, develop, motivate and retain staff from all parts of the community in the numbers and with the skills and expertise required to meet its aims and objectives.

5.2 Status of Staff and Conditions of Service

The CEO of FCDO Services has full authority for the management of all staff working within FCDO Services.

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The CEO's authority includes responsibility for changes to the terms and conditions of Civil Servants employed in FCDO Services, subject to consultation and/or negotiation with FCDO Services' Trade Unions. It excludes responsibility for setting and changing the terms and conditions (including pay) of members of the Senior Management Structure (SMS) and/or Senior Civil Service (SCS).

In exercising their authority for staff, the CEO has regard to guidance from the Cabinet Office, HM Treasury, the Civil Service Commissioners and best practice and developments within the wider Civil Service, including the FCDO. To that end, staff in FCDO Services will continue to work closely with colleagues in the FCDO.

Whilst the majority of employees are members of the Home Civil Service, some, as part of the FCDO, may be members of the Diplomatic Service either through reserved rights, interchange with the FCDO or by postings to role with diplomatic terms and conditions. Appropriate protocols have been agreed with the FCDO to cover the terms and conditions of Diplomatic Service Staff in FCDO Services in accordance with the Diplomatic Service Order in Council.

5.3 Pay, Benefits, Grading and Workforce Strategy

The CEO has authority for pay bargaining under statutory delegation and is responsible for setting all terms and conditions of employment for FCDO Services' employees below the SMS/SCS. This is carried out in accordance with HM Treasury and Cabinet Office pay remit policy and guidance, and under the provisions of the Civil Service (Management Functions) Act 1992⁵. FCDO Services' employees are covered by the Principal Civil Service Pension Scheme (PCSPS). FCDO Services is responsible for developing its own workforce strategy and for implementing appropriate headcount controls.

5.4 Movement of Civil Servants between the FCDO and FCDO Services (Permeability)

Both the FCDO and FCDO Services are committed to the movement (permeability) of Civil Servants between the two organisations. Employees may, where they have the requisite skills, apply for posts in either organisation.

The mechanism for moving staff between the two organisations may, depending on the circumstances, involve a number of arrangements including:

- Permanent transfers (using the host organisation's usual recruitment process);
- Temporary loans;
- Secondments; and
- Brokered moves.

⁵ <http://www.legislation.gov.uk/ukpga/1992/61/contents>

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Where employees move between the two organisations they will be required to fulfil the recruitment, promotion and/or progression requirements (e.g. meeting the core competencies) of the host organisation.

5.5 Recruitment and Promotion

The CEO will be appointed by the SOSFCDA following open competition. FCDO Services is responsible for all internal and external recruitment to jobs within FCDO Services, including the SMS/SCS. It will implement the recruitment policies, procedures and processes necessary to meet its business needs and in accordance with the requirements of the Civil Service Commissioners.

External recruitment will normally be through selection on merit on the basis of fair and open competition. Promotion will also be on merit.

Internal and external recruitment may be conducted simultaneously.

5.6 Employee Development and Performance Management

FCDO Services will develop and maintain a learning and development strategy to ensure that its employees have the appropriate skills necessary to ensure an efficient and cost-effective service to its customers. It will deploy a competency framework that is both in line with Professional Skills for Government and appropriate for its own business needs.

FCDO Services is responsible for ensuring that it has robust performance management systems in place that include objective setting, staff assessment and personal development processes for all employees, including SMS and SCS.

5.7 Employee Relations, Conduct and Discipline

FCDO Services is responsible for promoting and ensuring good employee relations. In exercising this responsibility it will ensure that appropriate arrangements exist for consultation and/or negotiation with staff representatives and the Trade Union Side, particularly on issues relating to their terms and conditions of service.

The CEO has full powers in matters relating to the fair treatment, conduct, discipline and complaints of all employees. The full range of disciplinary sanctions are at the CEO's disposal including dismissal, demotion, loss of seniority, loss of pay, reprimands and restrictions on postings.

FCDO Services is responsible for all its own employment policies, including grievance and appeal procedures that are consistent with the Civil Service Management Code and non-delegated policies and procedures.

5.8 Diversity

FCDO Services is committed to the principles of diversity and inclusion, promoting equality of opportunity and embracing difference in its widest sense, and to providing all staff and customers with a safe working environment that is free from bullying, harassment and discrimination.

5.9 Welfare and Healthcare

FCDO Services is committed to maintaining the wellbeing of its staff and will provide an efficient health and welfare service to meet their needs. It will support staff who are required to work overseas, including the provision of healthcare and emergency assistance. Where this is provided by the FCDO, then the service will be governed by an agreement between FCDO Services and the FCDO.

5.10 Provision of Services between FCDO Services and the FCDO

The provision of HR services by the FCDO to FCDO Services will be governed by agreements that set out both operating performance standards and costs. These will be reviewed from time to time to ensure that they continue to meet the needs of both the FCDO and FCDO Services.

6 HEALTH AND SAFETY

6.1 Statutory Duties

The CEO is responsible for ensuring that health and safety (H&S) statutory duties are met throughout FCDO Services. FCDO Services has an H&S Policy applicable to all staff, and operates an occupational health and safety management system to implement the policy effectively and appropriately in the organisation.

In particular FCDO Services has a process for the ongoing pro-active assessment of risks, arising out of its diverse work environments and work activities, and the implementation of effective precautions and their associated risk control systems.

6.2 Reporting

FCDO Services measures health and safety performance to judge the implementation and effectiveness of the arrangements for controlling risk. Health and Safety KPIs will be reported to the CEO, who will review the organisation's H&S management systems to ensure its continuing suitability, adequacy and effectiveness. FCDO Services will include, in its Annual Report and Accounts, a report on its health and safety performance.

7 SECURITY

FCDO Services will comply with the FCDO's security policy when operating within FCDO buildings or on the FCDO infrastructure.

FCDO Services will refer to the FCDO any security issues not covered by the FCDO's security policy.

8 FRAMEWORK DOCUMENT: REVIEW AND PUBLICATION

8.1 Review Arrangements

The Framework Document will be reviewed by the FCDO, in consultation with FCDO Services within a maximum of three years following the last review as suggested by HM Treasury and Cabinet Office. The date of the next review will be in 2023. However, the Minister and the CEO may agree, at any time, to amend the Framework Document.

The Minister is responsible for consulting with all those concerned and for obtaining the agreement of HM Treasury to any changes.

8.2 Publication

Copies of this Framework Document, together with any subsequent amendment or versions, will be published and placed in the libraries of the House of Lords and the House of Commons. Additional copies can be obtained from the office of the CEO, FCDO Services.

9 ARRANGEMENTS IN THE EVENT THAT FCDO SERVICES IS WOUND UP

If after a thorough review the FCDO consider that FCDO Services should be merged, transferred or wound up, it is the FCDO's responsibility to gain any applicable approvals from the Treasury and Cabinet Office.

In the event of the decision being made to wind up FCDO Services, FCDO Services will be required to wind-up its affairs in accordance with the timetable agreed with the FCDO and to put in place a plan for its closure. This will include arrangements for the handover of its residual business and assets and liabilities.

The wind-up plan should be agreed with the FCDO.

The FCDO shall put in place arrangements to ensure that, when FCDO Services is wound up, this shall be done in an orderly manner taking due account of the staff and business commitments of FCDO Services. In particular the FCDO should ensure that where FCDO Services is wound up, the assets and liabilities of the body are passed to any successor organisation and accounted for properly. In the event that there is no successor organisation, the assets and liabilities should revert to the FCDO. To this end, the FCDO, in conjunction with FCDO Services, shall:

Ensure procedures are in place in FCDO Services to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residual body;

Specify the basis for the valuation and accounting treatment of FCDO Services' assets and liabilities;

Where FCDO Services is audited by the NAO; ensure arrangements are in place to prepare closing accounts and pass to the C&AG for external audit and that funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts; and

Arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB Accounting Officer should sign the closing accounts. In the event that the FCDO inherits the role, responsibilities, assets and liabilities, the PUS should sign.

FCDO Services shall provide the FCDO with full details of all agreements where FCDO Services or its successors have a right to share in the financial gains of developers. It should also pass to the department details of any other forms of claw-back due to the FCDO.

Similar arrangements should be made in the event of FCDO Services being merged with another body or transferred to the control of another department.

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LIST OF ANNEXES TO THE FRAMEWORK DOCUMENT

Annex A	The FCO Services Trading Fund Order 2008
Annex B	The FCO Services Trading Fund (Variation) Order 2009
Annex C	Financial and Contractual Delegations

Signed:



Name:

Philip Barton


Date:

06 November 2020

On behalf of:

The Foreign, Commonwealth
& Development Office

Signed:



Name:

Danny Payne

Date:

3 November 2020

On behalf
of:

FCDO Services

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ANNEX A:
The FCO Services Trading Fund Order 2008

STATUTORY INSTRUMENTS

2008 No. 590

GOVERNMENT TRADING FUNDS

The FCO Services Trading Fund Order 2008

Made - - - - *3rd March 2008*

Coming into force - - *1st April 2008*

Whereas:

- (1) It appears to the Secretary of State for Foreign and Commonwealth Affairs (“Secretary of State”) that—
- (a) the operations of the Foreign and Commonwealth Office that are referred to in article 2 of, and Schedule 1 to this Order, being operations for which he is responsible, are suitable to be financed by means of a fund established under the Government Trading Funds Act 1973⁽⁶⁾ (“the 1973 Act”) and, in particular, to be so managed that the revenue would consist principally of receipts in respect of goods or services provided in the course of the operations; and
 - (b) the financing of these operations by means of a trading fund would be in the interests of the improved efficiency and effectiveness of the management of the operations;
- (2) The Secretary of State has taken such steps as appear to him to be appropriate to give an opportunity to such persons as appear to him to be appropriate to make representations to him and has laid before Parliament a report about the representations received and his conclusions;
- (3) The Secretary of State has, in accordance with section 2 of the 1973 Act, with the concurrence of the Treasury, determined what Crown assets and liabilities are properly attributable to the operations and are suitable to be appropriated to the fund; and
- (4) In accordance with section 6(2) of the 1973 Act, a draft of this Order has been laid before the House of Commons and has been approved by a resolution of that House.

Accordingly, the Secretary of State in exercise of the powers conferred by sections 1, 2, 2AA(1) and (2), 2A(1) and 2C(1) of the 1973 Act, with the concurrence of the Treasury, makes the following Order:

⁶1973 c.63, as amended by the Government Trading Act 1990 (c.30). The 1973 Act, as amended, is set out in Schedule 1 to the 1990 Act. The 1973 Act was further amended by section 119 of the Finance Act 1991 (c. 31), Schedule 22 to the Finance Act 1993 (c.34), section 29 of the Government Resource and Accounts Act 2000 (c. 20), and by section 108 of the Finance Act 2001 (c. 9).

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Citation and commencement

1. This Order may be cited as the FCO Services Trading Fund Order 2008 and shall come into force on 1st April 2008.

Establishment of the Fund

2.— (1) A trading fund, to be known as the FCO Services Trading Fund (“the fund”), shall be established from 1st April 2008 for the operations of the Foreign and Commonwealth Office undertaken by FCO Services from that date.

(2) The operations of FCO Services described in Schedule 1 shall be financed by means of the fund.

Source of loans

3. The Secretary of State for Foreign and Commonwealth Affairs is designated as the source of issues to the fund by way of loan.

Assets, liabilities, reserves and public dividend capital

4.— (1) The Crown assets and liabilities set out in Schedule 2 shall be appropriated as assets and liabilities of the fund.

(2) The sum of £39,000, being part of the amount by which the values of those assets exceeds the amount of those liabilities, shall be treated as a revaluation reserve in the accounts of the fund, and the reserve so created shall be maintained as a revaluation reserve.

(3) The sum of £3,204,000, being part of the amount by which the value of those assets exceeds the amount of those liabilities shall be treated as public dividend capital.

Maximum borrowing etc.

5. The aggregate of the following shall not exceed £30,000,000—

- (a) the total outstanding at any given time in respect of amounts issued to the fund under section 2B of the Government Trading Funds Act 1973 (other than as originating debt); and
- (b) the total at that time constituting public dividend capital issued to the fund under section 2A(2A) of the Government Trading Funds Act 1973.

One of Her Majesty’s Principal Secretaries of State

1st March 2008

David Miliband
Secretary of State for Foreign and Commonwealth Affairs

We concur

Steve McCabe
Dave Watts
3rd March 2008 Two of the Lords’ Commissioners of Her Majesty’s Treasury

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SCHEDULE 1

Article 2(2)

FUNDED OPERATIONS

The operations of FCO Services to be funded by the fund are—

- (a) the provision of any goods and services necessary to enable the operations of the Foreign and Commonwealth Office in the UK and overseas to function effectively, including the provision of technology and communication services, construction services, facility management, procurement and office administration services, consultancy, operations and maintenance services, logistics, technical material and advice, security and vetting services, translation and interpreting services and other goods and services as may be required;
- (b) the provision of these goods and services to other customers in the United Kingdom and overseas;
- (c) the carrying out of operations incidental, conducive, related or otherwise ancillary to the provision of the goods and services described above.

SCHEDULE 2

Article 4(1)

ASSETS AND LIABILITIES APPROPRIATED AS THOSE OF THE FUND

ASSETS

Information technology, communications and security equipment, office fittings and equipment, and vehicles, as at 1st April 2008, used or allocated for use in the funded operations.

Intangible assets, as at 1st April 2008, used or allocated for use in, or arising from, the funded operations.

Debtors, stocks and work in progress, as at 1st April 2008, in relation to the funded operations.

LIABILITIES

Creditors, provisions and accruals, as at 1st April 2008, in relation to the funded operations.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order provides for the setting up from 1st April 2008 of a fund with public money under the Government Trading Funds Act 1973 for the operations of the Foreign and Commonwealth Office undertaken by FCO Services. This agency currently provides support necessary for British Government offices in the UK and overseas to operate effectively and will also seek to provide services to other customers in the UK and overseas.

The Order designates the Secretary of State for Foreign and Commonwealth Affairs, as the authorised lender to the fund. The Order also requires £39,000 to be treated and maintained as a revaluation reserve. It also provides for £3,204,000 (being part of the difference in value between the assets and the amount of liabilities of the fund) to be treated as public dividend capital of the fund.

A report setting out the results of a consultation exercise and an impact assessment of the establishment of the FCO Services Trading Fund have been produced separately and published in accordance with Cabinet Office guidance.

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ANNEX B:
The FCO Services Trading Fund (Variation) Order
2009

STATUTORY INSTRUMENTS

2009 No. 1362

GOVERNMENT TRADING FUNDS

The FCO Services Trading Fund (Variation) Order 2009

<i>Made</i>	- - - -	<i>1st June 2009</i>
<i>Laid before the House of Commons</i>		<i>9th June 2009</i>
<i>Coming into force</i>	- -	<i>2nd July 2009</i>

The Secretary of State, in exercise of the powers conferred by sections 1, 2, 2AA(1) and (2), 2A(1) and 6(1) of the Government Trading Funds Act 1973(7), with the concurrence of the Treasury, makes the following Order:

Citation and commencement

This Order may be cited as the FCO Services Trading Fund (Variation) Order 2009 and shall come into force on 2nd July 2009.

Variation of the Principal Order

Article 4 of the FCO Services Trading Fund Order 2008(8) is varied as follows—

In paragraph (2), for “£39,000” substitute “£51,000”.

In paragraph (3), for “£3,204,000” substitute “£4,981,000”.

(7) 1973 c.63, as amended by the Government Trading Act 1990 (c.30). The 1973 Act was further amended by sections 119, 123 and Schedule 19, Part VIII of the Finance Act 1991 (c.31), section 210 and Schedule 22 to the Finance Act 1993 (c.34), section 29 and Schedule 1, paragraph 16 of the Government Resource and Accounts Act 2000 (c.20), and by section 108 of the Finance Act 2001 (c.9). The 1973 Act, as amended, is set out in Schedule 1 to the 1990 Act.

(8) S.I.2008/590.

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One of Her Majesty's Principal Secretaries of State

25th May 2009 *David Miliband*
Secretary of State for Foreign and Commonwealth Affairs

We concur

1st June 2009 *Tony Cunningham*
Frank Roy
Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE (This note is not part of the Order)

This Order varies the FCO Services Trading Fund Order 2008, which established the FCO Services Trading Fund with effect from 1st April 2008.

When the Trading Fund was established the valuation of the assets and liabilities was based upon an estimate. Consequently, the amounts attributed to the revaluation and government grant reserves and to public dividend capital were estimated amounts. A final valuation has now been carried out. The Order varies the 2008 Order to reflect that valuation in the following manner.

The amount treated as a revaluation reserve is increased from £39,000 to £51,000.

The amount treated as public dividend capital is increased from £3,204,000 to £4,981,000.

A full regulatory impact assessment has not been produced for this Order as no impact on the private or voluntary sectors is foreseen.

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ANNEX C: Financial and Contractual Delegations

The Chief Executive Officer has powers delegated to him by HM Treasury and may exercise the following delegations:

Commit expenditure including all contractual commitments	Unlimited
Certify expenditure	Unlimited
Authorise payments	Unlimited
Accept receipts	Unlimited
Approve guarantees, indemnities or letters / general statements of comfort which could create a contingent liability	Unlimited*
Authorise write-offs, losses and/or special payments	Unlimited *
Dispose of surplus assets	Unlimited *
Authorise claims and/or ex-gratia payments	Unlimited *
Authorise contractors' claims (extra contractual payments)	Unlimited *
Pay compensation for personal injury in respect of FCDO Services employees	Unlimited *
Incur capital expenditure (limit per project)	£5 million **
Borrowing limit	£30 million

All transactions must be within the delegated limits set out and within the terms of the Framework Document.

* Full delegation except in novel, contentious or repercussive cases under provisos set out in HM Treasury guidance "Managing Public Money".

** Subject either to internal funding being available or to an agreed loan.