

FOREIGN AND COMMONWEALTH OFFICE

SCRUTINY ON OUTPUT MEASUREMENT IN
THE FOREIGN AND COMMONWEALTH OFFICE (DIPLOMATIC WING)
AND AT OVERSEAS POSTS

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SUMMARY AND MAIN RECOMMENDATIONS

1. The scrutiny looks at output measurement in the FCO (excluding the ODA) and at overseas posts to see whether it can be usefully applied more widely (paras. 1-2; terms of reference at Annex A).

2. The FCO is a relatively small government department with little programme expenditure. 65% of its work at 207 posts takes the form of services to business and the public (paras. 3-4).

3. Output is what a department produces - advice to Ministers, services to the public, etc. It can often be quantified and measured in terms of effectiveness, efficiency and economy. Intermediate outputs can be monitored by performance indicators (paras. 5-6). Output measurement, a standard tool of management in the private sector, can help government departments better to task themselves, achieve defined objectives, allocate resources, etc. (paras. 7-9).

4. Output measurement is widely used in the FCO and its overseas posts, particularly in process work - pay, accounts, registry, to some extent in commercial and consular casework, but scarcely at all in policy work. Statistics collected tend to show activity rather than results and do not fully reflect costs; and objectives are often imprecise (paras. 10-14).

5. Policy work in the FCO is generally "one-off", volatile, responsive, largely unquantifiable in its outputs, and in pursuit of national or wider objectives to whose achievement departments contribute rather than exclusively determine. They are accountable for the "value added" they contribute. Ways of counting aspects of policy work are considered but found wanting (paras.

15-21). Policy departments (and Chanceries) should set specific, where possible quantified, time-related objectives with progress "milestones", in priority order, reviewing and updating them constantly. Results and performance should be evaluated rigorously once a year. Subjective evaluation is valid and useful. Feedback between overseas posts and the FCO should be improved and an experimental system of rating incoming reports tried (paras. 22-30).

6. Commercial work, an important service, is analysed. It is difficult to measure its ultimate objectives of increasing gross domestic product, creating additional exports and company profits and to link these causally with the efforts of the DTI and overseas posts. Cost/impact analysis, however, points the way. The attempt should be made to establish, market by market, the value of additional exports which can be associated with each £1 spent on official export promotion services. Overseas posts doing commercial work should set specific objectives and evaluate results with the help of performance indicators, and obtain better feedback on results from British firms. Sampling techniques should be employed to determine time and cost expended on export promotion activities (paras 31-41).

7. Information work (including the BBC External Services) and Central Office of Information support for the FCO, plays an important role. Its outputs - informing and influencing other governments and people - cannot generally be quantified. Intermediate outputs (e.g. size of BBC audiences, number of articles placed in overseas journals) and costs can be estimated. Existing public opinion polls could be used more widely to identify targets and priorities, and sponsored visits to the UK should be evaluated (paras. 42-53).

8. Consular documentary work - issue of passports etc. -

should be better monitored by performance indicators (paras. 54-59). The effectiveness of consular assistance, another important service, can be evaluated subjectively and casework and costs monitored by the use of worksheets and sampling (paras. 60-64).

9. Entry clearance casework for settlement in and visits to the UK lends itself to output measurement. Norms should be set for interviews, reports and the issuing of visas. Soundness and accuracy of decisions can be improved by better feedback on adjudication and Tribunal results, etc. (paras. 65-73).

10. The relative costs of administration should be monitored closely. Administrative departments in their casework - recruitment, posting, payment, training of staff - should use performance indicators more widely to monitor and evaluate results and improve process control (paras. 74-84). Performance indicators can assist Registry work too. Budgeting and expenditure on the overseas estate is targetted. The same goes for capital projects in the Communications Division which must be completed according to specification, within budget and on time (paras. 85-96).

11. Specialist advisers - legal, economic, technical, research, etc - provide a service to Ministers and line departments who are well placed to comment on quality and timeliness. Cost/impact analysis could usefully be applied to defence sales (paras. 87-102).

12. Conclusions and Main Recommendations (paras. 103-120):

- (a) output measurement is a useful, additional tool of management, shifting the emphasis from inputs, tightly controlled these days by central departments, to outputs;

- (b) more rigorous and systematic use of objectives, incorporating performance indicators where possible, in a hierarchy ranging from overall FCO objectives to those of individuals, is a key to better management, will help motivate staff and will assist the Top Management Round in resource allocation;
- (c) policy and performance should be evaluated rigorously and continually at all levels and formally once a year. Subjective evaluation of unquantifiable policy work is valid and useful;
- (d) cost/impact analysis - identifying "extra" exports - should be pursued in commercial work and defence sales;
- (e) performance indicators should be used more widely in commercial, consular, entry clearance and administrative casework;
- (f) feedback between overseas posts and Whitehall should be improved;
- (g) cost-consciousness should be raised. Sampling will help monitor the pattern, time and costs of work while limiting the costs of output measurement;
- (h) computers will help and ease output measurement. Training in output measurement techniques should be improved.

SCRUTINY ON OUTPUT MEASUREMENT IN THE FOREIGN AND
COMMONWEALTH OFFICE AND OVERSEAS POSTS

"A man's reach should exceed his grasp or what's a heaven
for?"

(Robert Browning)

CHAPTER I

INTRODUCTION

1. For many years the Foreign and Commonwealth Office has set policy objectives through so-called Country Assessment papers. More recently, as part of the Government's Financial Management Initiative of 1982, FCO departments and overseas posts have defined long and short-term objectives. These and the "Top Management System" since introduced provide the framework for advising Ministers on foreign policy priorities worldwide, for evaluating performance and for allocating resources. The difficulty in setting objectives in the often nebulous and volatile area of foreign policy and the inherent problem of "measuring" or evaluating whether those objectives have been achieved are well recognised. It was with a view to helping the Diplomatic Service in this task that in July 1985 Mr Richard Samuel together with Mr Tesoriere embarked upon a scrutiny of output measurement. Owing to illness Mr Samuel was unable to complete the study. This I have now done. I am indebted to him and to Mr Tesoriere for all the ground work they undertook and to the many people within and outside the FCO and at overseas posts visited by Messrs. Samuel and Tesoriere who have

contributed to the scrutiny. I am particularly grateful to the Cabinet Office Efficiency Unit for their constructive criticism and to my Personal Assistant, Caroline Mann. The names of organisations and people consulted are listed at Annex B. The Trade Union Side has been consulted but has not yet had the opportunity to offer other than preliminary comments.

TERMS OF REFERENCE

2. The full terms of reference for the scrutiny, which is limited to the Diplomatic Wing of the FCO (i.e. it excludes the Overseas Development Administration and aid work overseas) are at Annex A. In essence I was asked to look at existing output measures and to see to what extent they could be improved and applied systematically to the work of the FCO at home and overseas.

FCO WORK AND RESOURCES

3. Before considering the extent to which output measurement might usefully apply to FCO work it may be worth briefly looking at the size, shape and cost of the FCO and its overseas posts. Among government departments the FCO is small, employing at home and abroad some 6,600 UK staff, 1,800 fewer than in 1965. In addition, some 6,800 locally engaged staff - from senior commercial officers and pro-consuls to drivers and cleaners are employed at overseas posts. Excluding expenditure on the ODA and grants to the BBC External Services, British Council and other "outside" bodies, the annual budget for running the Diplomatic Service is around £320 million, less than 0.3% of central government expenditure. Nearly all of it goes on manpower: the FCO has very little programme expenditure. About 3,900 staff work at home,

mainly in the headquarters buildings in Whitehall. 2,700 are stationed overseas at 207 Embassies, High Commissions, Missions to international organisations and Consular posts. 131 posts are manned by six UK based staff or less.

4. Some general comments: following staff reductions in accordance with government policy, Diplomatic Service manpower is stretched tight. If output measurement can lead to better results and better use of resources this will be welcome. If it makes a net increase in workload, it will not. FCO work particularly at overseas posts, varies greatly according to political and economic circumstances and the size of UK interests. It is conducted in greatly varying conditions some congenial, some unpleasant and unsafe. Output measures relevant to mass production are of no value. In terms of numbers and costs most overseas posts are providing a service to UK industry or the public - around 65% of work falls in this category while a relatively small number of people advise on foreign policy-making.

WHAT IS OUTPUT MEASUREMENT: DEFINITIONS?

5. FCO departments and overseas posts have broad policy aims e.g. maintaining the cohesion of the North Atlantic Alliance, which are both an expression of UK national interests and of the purpose for which a department or post exists. They also set long-term and short-term objectives, the latter being a sort of action plan for the next year. I comment in detail on this hierarchy of objectives later.

6. Output (in the FCO) can be the same as an objective, e.g. the conclusion of an agreement with China on nuclear export controls which meets defined UK needs, or advice on policy or a service such as consular assistance undertaken

to meet an objective. Output can often be measured in terms of quantity (e.g. number of visas issued each year). Such figures have more meaning if they are relative, comparing, for example, the number of visas issued a year by a post with the number issued the previous year or by another post or against a target (a performance measure). Performance indicators are a proxy or substitute for output measures and are used when outputs (and this applies to most foreign policy objectives) cannot be fully quantified or where only intermediate objectives can be quantified. They may indicate quality (e.g. accuracy and timeliness). Output measures and performance indicators demonstrate effectiveness - to what extent objectives are achieved; efficiency - a comparison of output with the input (manpower or costs) required to produce it; and economy - whether output (services) can be obtained more cheaply than planned. They can point up other factors, for example, accessibility - whether a consulate adequately serves an area frequented by British tourists.

WHY OUTPUT MEASUREMENT?

7. Output measurement is not a new concept. It has for long been a standard tool of management in the private sector where profit, return on capital, turnover, sales per square metre are all objective, measurable tests of success. It reduces but certainly does not remove the need for subjective judgement in management - in forecasting demand, predicting market forces and in investment decisions. Particularly since the launch of the Financial Management Initiative, output measures, or more commonly performance indicators, have been increasingly employed in the public sector. Quality of service and productivity in the National Health Service - length of queues, response times, throughput of patients, number of surgeons to each operating theatre, etc. are monitored, results evaluated and resources redeployed.

The policy outputs of many government departments - jobs created, new businesses set up, plans approved, tanks produced, grants awarded are similarly quantified and assessed. In general, and as we shall see in the FCO, process work (repetitive clerical tasks), straightforward casework and project work have measurable outputs and inputs and lend themselves readily to this approach whereas policy and advisory work lends itself only with great difficulty, if at all.

8. In a government department a system of objectives, performance indicators and policy evaluation is extremely useful at all levels. It helps Ministers and the department to know whether the department is:

- (a) tasking itself properly for the purpose for which it was set up and making its contribution to overall government strategy;
- (b) achieving its specific objectives;
- (c) doing so in the most efficient manner and looking for ways to improve performance;
- (d) allocating resources to best effect;
- (e) adhering to cost and manpower constraints;
- (f) explaining and accounting for itself adequately to Ministers, Parliament and the public;

9. Two misconceptions need to be dispelled. While output measurement can say much about value for money and comes under the aegis of the Financial Management Initiative, its main purpose, and particularly in the FCO, is as an additional tool to improve the quality of management at all levels. It is not an annual ritual

inspired by the Administration but a modest tool to be used by all members of the Service in their daily work. Secondly, output measurement is not management by numbers or a substitute for the subjective judgements which policy makers who are also managers are called upon and are uniquely qualified to make. It informs decision making by widening the objective basis for judgement.

CAN OUTPUT MEASUREMENT BE USEFULLY EMPLOYED IN THE FCO AND AT OVERSEAS POSTS?

10. The FCO takes justifiable pride in the rigour of its inspection system which has always been more comprehensive and searching than mere staff complementing even though control of manpower, the FCO's main, almost sole resource, is a principal regulator. In between inspections managers employ Self-Inspection Questionnaires to review their systems, procedures and resources. As an aid to inspections and as a means of monitoring progress functional departments of the FCO - Trade Relations and Exports, Information, Consular, Migration and Visa, Library and Records Departments etc.) together with Administration Departments call for periodic returns from overseas posts and other FCO departments. These returns show, for example, the number of British and foreign business visitors calling on overseas posts, the number of visits paid by commercial officers to local firms, the number of agents and distributors found for UK companies; the number and nature of serious Consular cases; the number and type of entry clearances granted; the number of articles publicising British products and techniques placed in foreign journals; the number of telegrams received by overseas posts and a mass of information on internal expenditure. Output measurement thus already plays a prominent part in managing FCO business.

11. A first look across the broad spectrum of Diplomatic

Service work suggests that some areas lend themselves readily to output measurement, some with difficulty and others scarcely at all in a strictly quantifiable sense. At one end of the spectrum typing, pay, accounts, issuing of visas, registration of papers and similar tasks can be and are all counted. While there are other factors to assess, norms can be set, productivity measured and more or less staff deployed as necessary. Error rates and other quality controls can be introduced too. Chapters VI and VII look briefly at these and other administrative jobs.

12. In the middle are important services to government, business and the public - export promotion, consular assistance, long-term entry clearance and information work. Chapters III-VI analyse this work in some detail. Most of it is casework and demand led: more does not equal better. Outputs, or rather their benefits are difficult to quantify, for example company profits and extra exports which are specifically attributable to advice given by commercial staff; the satisfaction of a British citizen who, robbed of her passport and money on the Costa del Sol, is helped to complete her holiday; the frustration of a foreign businessman who fails to get a visa in time to visit the UK; an editorial in a foreign newspaper sympathetic to British Government policy which might derive from material put out by an Information Officer overseas.

13. At the other end of the spectrum is policy work, much of it "political" work carried out mainly by geographical and functional departments in the FCO and Chanceries and to a smaller extent other sections in overseas post. The range is wide: European Community business - assisting Whitehall departments to get the best deal possible in Brussels; defence and arms control - negotiating with the Soviet Union; bilateral diplomacy over a spread of security, territorial, economic, aid,

technological, cultural and other issues; UN affairs etc. I saw it as my main task to analyse this work and to see whether, unquantifiable though most of its outputs appeared to be, some methodology could not be developed to assist in setting more measurable objectives and in evaluating the outcome of policy work. Chapter II is devoted to this. Prima facie the same or greater problems are evident in attempting to measure the outputs of advisory work - by Legal, Economic and technical advisers and Research Department who are tasked by and serve Ministers and line departments. Chapter VIII concerns the work of specialist advisers. Some areas of FCO work, e.g. cultural and claims, I have not been able to study. General principles on policy and casework outlined in this report will apply.

14. Having taken an initial look at existing output measures, I have three preliminary observations, which are pursued further in this report. First, much of the information collected is about activity rather than results. Secondly, it does not always reflect resource costs (time and money). Thus we know how many UK store promotions and outward missions of British businessmen happened in France last year, but we do not know what additional exports resulted or how much time and cost the Commercial Section in Paris expended on them. Thirdly, objectives set by departments and overseas posts often lack precision.

CHAPTER II

POLICY WORK

15. Policy work - advising Ministers on the making and carrying out of foreign policy - is done by some 20 geographical departments, each responsible for bilateral relations with one or a group of countries, and some 15 functional departments which deal with multilateral issues such as economic relations, trade and exports, the European Community, defence, arms control, the Commonwealth, cultural and consular affairs etc. Other departments, for example, those of the Administration are concerned with policy-making too, but are largely supportive of "line departments". Departments are supervised by Assistant Under-Secretaries who report through Deputy Under-Secretaries and the Permanent Under-Secretary to Ministers. Overseas, Chanceries (the 'political' section of an embassy), Commercial, Information, Consular and other sections make an input to policy by reporting and advising on action, and they carry out policy. The customary process of problem solving - gathering information, analysing, developing and costing options, deciding, implementing, evaluating results, applies just as much in the FCO as in other organisations. Work takes the form of preparing policy papers (submissions), advice, briefs for Ministers and senior officials in their dealings with foreign governments; instructions, advice, requests by telegram or letter to overseas posts; meetings, correspondence with FCO and other government departments, outside bodies, private individuals; draft speeches and answers to Parliamentary Questions and MP's letters; dealings with foreign embassies in London; press guidance etc. A geographical department's work content will range over defence, constitutional, economic, technological, commercial, cultural, aid, environmental, consular issues reflecting the broad spectrum of modern intergovernmental business.

Analysis of FCO Policy Work

16. Distinguishing features of FCO policy work are that much of it is one-off - problems come up in new form or circumstances calling for custom-made responses; it is volatile, calling for quick response times; it is often reactive, undermining well-laid plans; it is multilateral, calling for complex balances and trade offs; it may be preventive - frustrating terrorism, forestalling hostile propaganda; the information base on which decisions are taken is rarely solid, complete and quantified; decisions have a greater element of subjectivity and depend more on analysis of motive.

17. Other, similar features are particularly relevant to, and pose intractable problems for output measurement. Policy work is often and largely:

unmeasurable and unquantifiable in its outputs (and virtually no programme expenditure is involved);

unpredictable and hence events are not always controllable: objectives frequently change;

inextricable: objectives are often contributions to wider national objectives, or objectives of other government departments or industry.

demand related: the volume and tempo of work fluctuate greatly.

18. While serving the twin overall aims of promoting greater security and prosperity, UK foreign policy objectives are as wide in scope as they are often unquantifiable in nature. For example, UK Western hemisphere objectives might include helping to ensure that the United States considers the freedom and prosperity of Western Europe to be of continuing importance; encouraging the Canadian government to support UK positions on the Falklands and Northern Ireland, helping Venezuela to be a

stable, democratic and pro-Western country; encouraging Chile to improve its human rights record; urging more governments to sign the Non-Proliferation Treaty. All these objectives have a value, more perceptible perhaps if events turn against UK interests, but not a wholly quantifiable value, if quantifiable at all. It might prove possible to measure the consequences of failing to achieve an objective, for example, the loss of a stable market for UK exports if political problems supervene or the financial savings if an East-West forces reduction agreement were to permit the disbanding or redeployment of a British battalion in West Germany, but the measurable parts usually fall well short of the whole.

Departments' Outputs

19. What would be the geographical departments' contribution to the achievement of these objectives, i.e. their outputs? It might take the form of a brief for FCO Ministers' talks with the Canadian government about a UN resolution on the Falklands or advice on how best to handle discussions with the Chilean Foreign Minister on the vexed issue of human rights. Each exchange would have a specific objective but an unquantified one, just as no measure could be put on the value of the brief. The department might contribute in a way which solely or largely determines the achievement of an objective. For example, the FCO's role in the resolution of colonial problems such as Rhodesia and Hong Kong was crucial. More often it is but a contribution to attaining an objective in which other government departments or industry play the greater part, e.g. advising on the political and tactical aspects of bidding for a nuclear power station contract overseas. The department's output is the "value added" it imparts to the project; and it can be held responsible or accountable only for this, the value of its contribution not for the achievement of the overall objective which lies beyond its power.

20. In the absence of quantifiable objectives and outputs how can an FCO department or Chancery overseas know to what extent it is achieving its objectives, whether its performance is as good as it should be and whether it is deploying its resources to best effect? Perhaps it would be as well to discount three possibilities which I believe do not themselves offer a complete answer. The first would be to count what is countable, e.g. the number of telegrams received and issued, numbers of PQ, MPs' letters, briefs etc. Such a count, best done on a sampling basis of which more later, is useful as a crude indicator of workload if, and only if, like is compared with like, i.e. the same Department's product over several years or a comparison between two departments with very similar tasks. Such a method, useful to Inspectors, however, gives no reliable guide to effectiveness and results. More paper does not always mean better results. Secondly, the hours spent on specific tasks can be costed and hence a value placed on advice given, just as a solicitor charges clients. Once again the method has its uses in showing how the FCO deploys its resources, but it is essentially a measure of input rather than output.

21. Thirdly, it can be argued that the only true measure of an FCO department's output is the degree of customer satisfaction, i.e. whether it meets the needs of Ministers and others served by the department. It would be possible to record the proportion of policy recommendations approved or rejected by Ministers together with an assessment of soundness, relevance, timeliness, etc. As I see it, Ministers' satisfaction is a necessary measure of a department's or Chancery's performance, but probably not a sufficient one. It would not in itself reflect whether objectives had been achieved and whether the department's contribution to those objectives was effective as it should be or say much about quantity and efficiency.

Setting Objectives and Priorities

22. Faute de mieux the right approach would seem to lie in a more methodical approach to the setting of objectives coupled with a more systematic, subjective evaluation of results and of performance in pursuit of objectives. Foreign policy aims enshrined in County Assessment Papers and long-term objectives, which I envisage being one and the same and amended only every three or four years are necessarily general and largely unquantifiable. Short-term objectives, to be achieved over the coming year, should be specific and quantified, where possible. For example, the conclusion of an agreement with China on nuclear export controls on specified terms, a satisfactory result in terms of votes on a UN General Assembly resolution, the achievement on specified and satisfactory terms of an EC fisheries regime, a major arms sales contract or a commercial contract using aid funds - all could be expressed in discrete terms. As a guide and spur it might be useful to specify steps or "milestones" on the way towards objectives, e.g. convene a meeting of German, Italian and Spanish Defence Ministers to agree a share of work on an advanced fighter aircraft; and deadlines - (e.g. by 31 October) should be used wherever possible.

23. Short-term objectives should be put in priority order by categories. I am recommending more generally that Categories A, B and C would signify respectively A=essential: must be pursued at the cost of all other activities; B=highly desirable, to be pursued if at all possible; C= desirable, to be pursued, other commitments and resources permitting. Priorities, if they are to be useful should cut across country and functional divisions, e.g. in Western European Department's list of objectives, a political objective in Italy might rank higher than a commercial objective in France.

24. Depending upon the number of countries handled by the department a dozen short-term objectives should be the

limit. To add more would complicate and descend into too great detail. There is, moreover, another reason: to allow room for the unforeseen. A main obstacle and objection to setting objectives and to the general concept of planning in the FCO is that painful experience has shown that a department may spend the bulk of its time doing things which it had not predicted and could not predict. (Nuclear Energy Department would have been more prescient than the Soviet Politburo had it foreseen that a large part of 1986 would be taken up with the international ramifications of the Chernobyl disaster.) Such responsive, unpredictable tasks should be within or consistent with departmental aims and long-term objectives, if adequately drafted, or why else do them, but they may well be a digression from listed, short-term objectives. In practice they should become an addition to or replacement for stated commitments. If, as I conceive it, the setting of objectives is not an annual ritual but a continuous guide to business, to be discussed at monthly or weekly departmental meetings, objectives will clearly have to be amended and added to as the year progresses. Their value is in prompting a conscious decision to dump low-priority tasks when higher demands supervene and as a guide to what remains to be done when crises have subsided. Such a decision may well need the approval of Ministers or senior officials who should certainly be informed. At the end of this Chapter, I have ventured a list of departmental objectives. It is no more than illustrative and goes little beyond what some departments are already doing. As recommended in Chapter IX, I believe that Assistant Under-Secretaries should formulate regional and functional objectives consistent with overall FCO objectives and those developed by Departments and overseas posts.

Policy Evaluation

25. Specific, quantified and time-related objectives provide a better basis for policy evaluation. The latter,

like the review and revision of objectives, should be a continuous process, but once a year departments should make a formal evaluation of results and performance. In essence a department should ask itself (reporting to its Under-Secretary) to what extent listed objectives have been achieved and if not why not, whether the department's contribution to wider objectives, for which it cannot be solely accountable, was as full and effective as it should have been and whether its activities in pursuit of objectives - rendering advice, dealing with public and Parliamentary angles, etc. were as sound, original, accurate and timely as they should have been. To concentrate the mind, I suggest that departments should award themselves a percentage mark for the achievement of each objective and a further percentage mark for their performance in pursuit of it. At the end of this chapter is a checklist of questions which I suggest departments should bear in mind when evaluating results. From time to time a major policy evaluation will be justified. As an example of this, Annex D contains a preliminary evaluation, needing further refinement, made by South East Asian Department of a programme to assist Indo-Chinese refugees in Thailand.

26. In conclusion I would say that it does not matter over much that the objectives and output of FCO policy work cannot for the most part be "measured". Usually it is easy to know whether or not an objective has been achieved and a hard look will say much about performance. Subjective evaluation is a valid, respectable and essential tool of management. It can be much improved by framing good objectives and by being searching and methodical in evaluating results and performance.

POLICY WORK AT OVERSEAS POSTS

27. Much of the above can usefully be followed by Chanceries and other sections in overseas posts concerned

with policy work. Their objectives - an illustrative list is again attached - might also include tasks such as examining or improving the posts' knowledge of a particular problem, e.g. the influence of an ethnic minority, or ensuring adequate and timely reporting on a problem which, although arguably an activity rather than an aim, is a legitimate objective for a post. Posts' objectives could usefully include performance indicators, e.g. to show the proportion of 'leading personalities' contacted during the year. Above all, overseas posts' objectives must be consistent with departmental objectives. Departments should annually review posts' objectives and agree them. While it is probably convenient for Chanceries and other sections of an Embassy each to keep separate lists of objectives, the Head of Post should ensure that the objectives for which he is responsible are ranked loosely in priority order overall, by categories A-C.

Feedback

28. In my conclusions (Chapter X) I have commented generally on the need for better and more frequent feedback between overseas posts and the FCO. Too often posts are imprecisely tasked giving emphasis to issues in which the FCO is less or no longer interested or failing to cover adequately new concerns. To test the extent of this problem and assess whether there is value in doing more about it, I recommend that on an experimental basis the telegrams, teleletters and letters from a batch of overseas posts be rated for importance and usefulness. It would be wasteful of resources and break down under its own weight if all reports from all posts were evaluated. Moreover, any evaluation system has its drawbacks. Who should appraise reports when the main beneficiary is not always the relevant geographical department? A report's value may vary over time: a report of seemingly marginal worth may turn out to be vital early warning of an impending crisis. Despite such limitations I recommend an

experimental scheme. Three geographical departments might each evaluate the output of say, three roughly comparable posts, rating in the case of big posts one telegram in ten (each one with a number ending in 0) and of small posts one in five. A similar evaluation should be made of teleletters and letters. I suggest a simple scale:

important	3	action taken on it	3
useful	2	used in briefing or as background	2
unimportant	1	not used	1

29. It would probably be advisable to rate incoming papers about two weeks after receipt. The two marks should be multiplied together giving a maximum score of 9 for each report. At the end of say, two months, or after 100 reports the scores could be converted to a percentage and evaluated. A low score overall would suggest that the department should discuss with the post whether it was being tasked adequately, whether the problem was of quality or quantity (some Ambassadors are more prolific than others) and whether it had the right resources. Such a rating system is not a new idea and I am sure different and probably better methods could be devised. My belief is that something of this kind should be given a fair trial. It should be kept simple and employ sampling.

Summary of Recommendations

30. To sum up my recommendations on policy work: Heads of all Departments and Heads of Chancery and heads of other sections in overseas posts concerned with policy work should draw up (not more than 12), short-term, specific, where possible quantified, time-related objectives with progress "milestones", putting them in priority order. They should be regularly reviewed and updated. Once a year, in consultation with supervising Under-Secretaries, results and performance should be

formally evaluated against objectives (see checklist of questions) and new objectives set. Overseas posts' objectives should be agreed with departments and Under Secretaries. Feedback between posts and departments should be improved where necessary and a sample of incoming reports rated on an experimental basis.

SOUTHERN DEPARTMENT OBJECTIVES: 1986

Short-Term Objectives

Priority

Objective

- | | |
|---|--|
| A | 1. To encourage Southland to settle its border dispute with Midland and withdraw support for guerillas without involving UK in the dispute. Urge International Red Cross to visit area. Visit by FCO Minister in June. |
| A | 2. To persuade Eastland to accept British nuclear capable ships. Promote visit to Eastland by CNS. |
| A | 3. To improve cooperation with Midland in combatting illegal drugs trade by obtaining acceptance of 2 UK Drugs Liaison Officers. Assist Home Office in gaining funds for £1m customs training programme. |
| A | 4. To assist DTI and industry in its efforts to increase UK exports to Norland to £500m.p.a. FCO Minister to address London Chamber of Commerce Delegation, January. |
| A | 5. To persuade Southland to improve its human rights record by releasing 35 remaining political prisoners. |

Renew offer of £100m credit line contingent on progress.

- B 6. To encourage Midland government to take a more understanding public line on Northern Ireland. Invite Parliamentary delegation to visit Belfast in June.
- B 7. To persuade Southland to sign the Non- Proliferation Treaty. Visit to Norland by FCO Minister in June.
- C 8. To assist MOD in concluding £300 m. arms sale agreement with Eastland. Invite Eastland CDS to visit Sandhurst in March.
- C 9. To conclude claims agreement with Eastland by 31 October on basis of 20p in £1 or better. Submit final claims list by 31 March.
- C 10. To conclude technology agreement with Midland, identify areas for mutual cooperation to include visits by UK machine-tool delegation and Midland computer software experts. Draft agreement by 31 July.

Footnote

Each short-term objective is followed by the action or means to be adopted, or "milestone".

BRITISH EMBASSY, SOUTHLAND
CHANCERY/POLITICAL OBJECTIVES

Long-Term Objectives (as in Country Assessment Paper)

1. To keep Southland non-aligned but sympathetic to the West as a force for regional stability.
2. To protect UK investments and promote UK exports.
3. To maintain and, where possible, increase UK influence by widening contacts with Southland Government and Parliament.
4. To report fully, accurately and in a timely manner on issues relevant to UK interests, particularly the border dispute and human rights.

Short-Term Objectives

Priority

Objective

- | | |
|---|---|
| A | Southland's border dispute with Midland: advise FCO by 31 March on elements of humanitarian aid package; look for evidence of alleged use of chemical weapons. |
| A | 2. To persuade, together with EC Embassies, the Southland Government to release remaining 31 political prisoners: lobby Foreign and Finance Ministries about conditional line of credit; report fully on individual cases (without getting involved). |
| A | 3. To ensure continued Southland abstention on UN General Assembly resolution on Falklands: lobby |

Foreign and Defence Ministries,
Parliamentary Select Committee.

- B 4. To exercise greater influence on Southland Parliament and widen contacts with Opposition: invite Parliamentary delegation to visit UK in October; invitation to Speaker by 31 March.
- B 5. To discourage the Southland Government from taking an extreme position on sanctions against Eastland: FCO Minister's visit in June; lobby President of Confederation of Southland Industries.
- B 6. To improve prospects for defence sales by increasing cultivation of Southland armed forces. Propose visit by UK CGS in July.
- B 7. To persuade the Southland Government to sign the Non-Proliferation Treaty: FCO Minister's visit in June; invite Head of Norland Energy Institute to visit UK as Category I Sponsored Visitor.
- B 8. To promote greater understanding for UK and European ideals and policy by broadening contacts with Eastland intellectuals and explore prospects for Anglo-Southland Round Table. British Council exhibition of 20th Century UK art in October.

- C 9. To maximise results of Chancery local travel programme. Priority: widen contacts with Burobat minority; visits to Burobat in March and October.
- C 10. To revise list of Leading Personalities by 31 March and analyse contacts with leading personalities last year, cf. local travel programme.
- C 11. To improve Chancery's linguistic skills. All members to have reached Intermediate level this year.

POLICY WORK: CHECKLIST OF QUESTIONS FOR POLICY AND
PERFORMANCE EVALUATION

1. Was the choice of ultimate objective (policy) right and worthy of achievement?
2. Was the ultimate objective fully, over or underachieved in terms of quality, quantity and time?
3. Was the Department's planned contribution the best way it could contribute to the achievement of the ultimate objective, or were there other, better or cheaper means?
4. Was the Department's contribution ("value added") over, under, fulfilled in terms of quality (soundness, originality, accuracy, relevance), quantity and time?
5. Did the Department's contribution have a greater or lesser impact than planned on the achievement of the ultimate objective?
6. How does the Department know whether the ultimate objective was achieved and whether its own contribution was as planned in terms of objective indicators and subjective evidence (bouquets/brickbats)?
7. Was the Department's contribution made at the expense of failing to achieve other, higher priority or more valuable objectives?
8. If the Department failed in part or whole to make its planned contribution, was it for internal reasons (insufficient or maldeployment of resources) or external reasons? If the latter, should they have been predicted and prevented?

9. Was the right quantity, quality and mix of resources employed? Did manpower and money exceed or fall short of planned deployment?

10. Should the objective have been achieved or contribution made with less resources or should the resources deployed have achieved more?

Footnote (a) The ultimate objective may be one exclusively for the Department or, more often, one to whose achievement the Department makes a contribution.

(b) Questions 1 and 2, which relate to ultimate objectives, are concerned primarily with policy evaluation. The remaining questions are about performance evaluation.

CHAPTER III

COMMERCIAL WORK

31. Commercial work has for long been a prime task of the Diplomatic Service both at home and overseas. Some 30% (the largest proportion) of operational or "teeth" staff at overseas posts are engaged on it. Commercial work is also a significant concern of the geographical departments in the FCO and particularly of Trade Relations and Exports Department, which has the central management function within the FCO. TRED participates with the Department of Trade and Industry (the Whitehall department responsible for commercial policy) in formulating export promotion policy. It transmits instructions and guidelines to overseas posts and assists the Inspectors and Personnel Departments in allocating commercial staff. For these purposes the department collates "operational data" on the activities of posts. Commercial Departments overseas (and Heads of Mission) undertake economic reporting, advise on commercial policy and protection, and, where appropriate, promote inward investment to the UK. However the main effort (86%) is directed towards export promotion. Much of the work (some 78%) is demand related, responding to requests direct from British firms, public authorities and government departments or through the DTI. The balance is self initiated-"initiative" work: commercial officers visit local firms to pick up useful information or learn of export opportunities which they pass to British industry. The table below shows the scale and pattern of commercial work overseas.

	1983	1984	1985
No. of British business visitors using FCO's services	78,685	79,703	82,652
- per man year	131	137	145
No. of firms taking part in outward missions	6,739	7,183	6,912
No. of market information enquiries	60,999	58,703	60,512
No. of trade fairs sponsored	398	399	364
No. of EIS notices	33,419	36,902	35,174
No. of initiative visits by commercial officers	39,550	37,754	34,484
- per man year	66	65	60
UK-based & locally-engaged staff engaged on commercial work*	599	583	570

* excluding support staff and including staff engaged on inward investment

32. It is not my job to assess the effectiveness of export promotion work but to help provide a better or additional means by which the FCO and overseas posts can manage and evaluate it. I should not, however, pass on without mentioning that there is a great deal of anecdotal evidence from British firms, trade associations, Chambers of Commerce, CBI etc. as well as from Parliamentary Committees which suggests that the job is well done and is managed well by the DTI and TRED. The problem is to judge how well and whether it could be done better when there is usually no observable correlation at aggregate level between changes in the UK's share of an overseas market and the efforts of Commercial Departments.

33. The ultimate objective of commercial work is an increment in UK Gross National Product through increased exports and also through increased foreign investment and import substitution. In turn, the output of the DTI and Commercial Departments will be their contribution by way of information, advice and help to achieving additional exports or additional profits for firms active in or entering a market, and greater inward investment.

34. Once again the main difficulty is in quantifying outputs, i.e. "additionality". What the DTI and FCO would like to know is what each £1 spent on export promotion work in each overseas market generates by way of additional exports. A start has been made. The DTI, with TRED, recently completed a cost/impact study of several major BOTB services (the Trade Fair Support Programme, the Outward Missions Programme, the Export Marketing Research Scheme, the Market Entry Guarantee Scheme and the Technical Help to Exporters) together with two main services which draw heavily on the expertise of overseas posts (the Export Intelligence Service and the Market Prospects Service and Export Representative Service). The costs of these services incurred by the DTI, Regional Offices, Divisions of the DTI and overseas posts were

calculated and a sample of participating British firms were asked about additional export business deriving from them. The overall conclusion was that each £1 spent by the Government could be associated with £50 of new export business, a total of £2 billion a year. (A previous study by consultants had concluded that the Export Intelligence Service generated export orders worth some £1,085 million per annum.) It is generally accepted that the margin of error in this kind of survey is wide. Technical difficulties in extracting costs are considerable. Even greater are the problems in estimating extra business attained, particularly in quantifying what business would have resulted in the absence of BOTB promotional activities. As was recognised by the DTI, there are other limitations: first, the exercise was conducted on a global basis and did not analyse additional exports by country; secondly it was not a comprehensive test of the effectiveness of Diplomatic posts overseas as these BOTB services accounted for only some 25% of the total work of commercial departments; thirdly it was a study of past performance and not of market potential.

35. I was pleased to learn that the DTI are already widening the scope of the study to include other BOTB services, e.g. store promotions. Time, cost and technical difficulties impede what I believe to be the most useful tool - cost/impact analysis market by market. Ideally, such an analysis might show that against a global ratio of 1:50 for all or some BOTB services, £1 spent could be associated with £30 of additional exports to, say, Turkey and £70 to the Netherlands. Knowledge of such a gearing would encourage exporters to use BOTB services and discourage critics; and it would motivate DTI staff and commercial departments frustrated at never knowing the fruits of their labours. It would be helpful in deciding how to deploy effort and staff, although other factors have also to be weighed.

36. I am sure that the DTI and FCO are right to persevere with cost/impact analysis, although it is expensive and, just like the services analysed, such studies must themselves be cost effective. One problem is that Regional Offices and DTI functional divisions would have to try to identify to which market their advice or help to British firms was addressed. If it is too difficult to analyse costs retrospectively, perhaps records could be kept on a forward basis, using sampling techniques. Another problem is that unless the analysis delves deeper into business behaviour, benefits cannot be assessed with much confidence. Independent consultants, familiar with business methods, might usefully examine by random sample "additionality" of exports and profits from current users of BOTB services, from past users in order to evaluate longer term effects, and also the business of non-users. I recommend that the FCO and DTI press on with cost/impact analysis with a view to enlarging the objective basis for decision making, recognising that judgements on market prospects, provision of services and deployment of staff will unavoidably be subjective, and that other important factors such as demand from businessmen, particularly in difficult markets, the need to take a long view of some markets, exchange rate fluctuations, etc. must also be weighed. I recommend also that overseas posts, in consultation with the DTI and TRED, increase their feedback from British firms on the outcome of missions, promotions etc, (relating benefits to costs) where these ventures are not analysed in larger DTI exercises.

37. According to a recent FCO survey, much (47%) of commercial departments' work overseas consists not of providing the BOTB services described above but of responding to ad hoc requests for advice from British firms, British business visitors and local businessmen. Undoubtedly this leads to additional exports, but businessmen would be hard put to identify just how much extra business was derived directly and exclusively from a

particular tip or piece of information. For that matter, negative advice - not to explore an unpromising market can be just as valuable. At present I see no obvious way around this problem. Charging for advice is one test and charges are currently levied for a range of BOTB services, e.g. EIS notice subscriptions. If a charge were made for advice to the point that the fee exceeded anticipated extra profit and demand fell away, it would provide an index of the value of the information. This approach has attractions but is contrary to current philosophy that basic advice and information to businessmen calling at posts should be free of charge. It bristles with other difficulties. Would a fee deter newcomers to the market? What should be charged for political advice? Businessmen often give Commercial Departments much useful information. I suspect that the trend is nonetheless towards widening the scope of fee paying services be it by way of a consultation fee or subscription based on turnover with preferential rates for newcomers in difficult markets.

38. Unless and until cost/impact analysis by market bears fruit, overseas posts will have to be tasked and to evaluate performance mainly by other means. The framework for this will be the annual Market Assessments Programme run jointly by the DTI and FCO the aim of which is to set out the main features of individual markets and the government's approach to export promotion in each of them, to review the level of resources including commercial staff overseas and to redeploy as necessary. Consistent with the Market Assessments Programme and in consultation with the DTI and FCO, commercial departments should set their objectives and priorities for the year having evaluated their previous year's performance. Objectives should be as specific, time-related and measurable as possible providing a clear guide to progress and a solid basis for evaluation. They should include the principal tasks of the year such as store promotions, inward and outward missions. Where possible, targets should be set

for additional exports to be gained by these measures and failing that, targets set for the number and type of local firms involved. "Milestones" to plot progress could also usefully be set. While major objectives agreed with London are fixed annually and results evaluated at the same time, posts should assess performance and amend and add to objectives at frequent intervals throughout the year using them as a tool of management to guide and motivate staff. As an illustration (and no more than that) I have drawn up a set of objectives for a post in a developed market. I recommend that overseas posts examine their commercial objectives and try to develop them in the way suggested above.

39. The most valuable performance indicators of commercial work would be those, unhappily not available, which measured effectiveness derived from cost/impact analysis by market and by BOTB service. Performance indicators based on intermediate objectives also have their place. For example, if the proportion of agents found compared with EIS enquiries received exceeds say, 60% (previous year's figure), conclusions can be drawn about the state of the market and commercial staff's performance. The speed with which ERS and other enquiries are processed, e.g. aim to complete 90% of enquiries within 5 weeks, is a measure of efficiency. It may be helpful to link the number of EIS notices issued to the number of Commercial Officers' visits to local firms, e.g. aiming at a strike rate of one EIS notice per visit. Dangers lurk here. If too much emphasis is given to numerical indicators it may encourage or compel staff to produce EIS notices which they know are likely to be fruitless in an effort to justify their own productivity. I have listed in the annex and incorporated in the model objectives a variety of possible indicators. I recommend that they be used sparingly. They are an additional aid to and not a substitute for judgement in management. Heads of Commercial Departments in State controlled and

similar markets must devise their own indicators based primarily on feedback from British firms. I recommend that it should be standard practice for commercial departments when doing a major market survey or suggesting agents to ask British firms to let the post know what additional business results. While performance indicators should be set by and reflect the peculiar market conditions of each post, TRED and DTI should ensure a degree of consistency so that they can themselves draw useful inferences from them.

40. Overseas posts send TRED commercial work statistics, which are collated by computer, under more than 40 headings. They show the number of visitors, interviews, telephone calls, missions, EIS notices etc. While this information has its use, it is deficient in that it cannot show effectiveness in terms of additional exports/profits generated and it is of limited value in resource allocation as it does not show time spent on each commercial activity. Cost/impact analysis and feedback will help determine effectiveness. Sampling can reveal how time and resources are spent both to assist resource allocation and allow managers to monitor progress. It is not necessary to ask that worksheets be kept by all commercial staff at all times. Once an initial and wide-ranging survey has been made to establish the pattern of work and assumptions have been verified, it may suffice to monitor work but one day a month throughout the year. For small posts with irregular "lumpy" demands, sampling might have to be a little more frequent. I recommend that, as necessary, professional help e.g. from the Government Statisticians be sought in devising a means of sampling time and costs of commercial work overseas. I also recommend that TRED and DTI review the need for current commercial work statistics and prune the list heavily.

41. Most of the above recommendations - amendment of

objectives, use of performance indicators, monitoring of time and activity by sampling lend themselves to computers and could form part of a standard package for commercial departments overseas. I recommend that Information Technology give this priority.

COMMERCIAL DEPARTMENT OBJECTIVES FOR 1986

LONG TERM OBJECTIVES		SHORT TERM OBJECTIVES: ANNUAL WORK PLAN FOR 1986
OBJECTIVES	PRIORITY	OBJECTIVES
<p>1. Help achieve a 3% p.a. growth in British exports and a 0.1% p.a. increase in market share.</p> <p>2. Provide an increasingly effective, efficient and economic service to British exporters.</p>	<p>A</p> <p>C</p>	<p>1. DTI Minister's Visit: arrange optimum programme for visit of DTI Minister in September to include meetings with local Trade Minister, Chairman of the Central Bank, Director of Chamber of Commerce, 150 leading importers, 30 UK subsidiaries. Programme to be completed by 31 July. Conclusion of preparatory talks on export credit limits with Trade Ministry by 1 September.</p> <p>2. Official Calls: call on Heads of Department in Trade Ministry, Director of Federation of Industry and President of Importers' Association at least twice a year.</p>
<p>3. Help achieve a 3% p.a. growth in inward investment in the UK.</p>	<p>B</p> <p>A</p> <p>A</p>	<p>3. Market Analysis: complete analysis of machine tool sector by 31 March; medical equipment sector by 31 July and knitwear market by 31 December.</p> <p>4. Inward Missions: arrange mission of 6 leading department store fashion buyers to Britain in September. Invitations to issue by 31 March. Arrange mission of chief municipal engineers in November. Invitations to issue by 31 May. Select 3 sectors for inward missions next year - by 30 June.</p> <p>5. Outward Missions: agree objectives, names of local firms to be visited and attend Embassy receptions 6 months in advance of planned missions by Birmingham Chamber of Commerce in July, British Toy Manufacturers Association in September and Scientific Instruments Manufacturers Association in December. Advise on selection of outward mission for next year - by 30 September.</p>

SHORT TERM OBJECTIVES: ANNUAL WORK PLAN FOR 1986

LONG TERM OBJECTIVES		
OBJECTIVES	PRIORITY	OBJECTIVES
	A	<p>6. British Trade Week 7-14 December: assist in further planning and organisation. Names of UK participants to be agreed by 31 March. Space to be booked at exhibition centre by 30 April.</p>
	B	<p>7. Inward Investment: target, 10 promotions a year; target, visit or interview 90% enquirers within 2 weeks; target, 50% of enquirers to visit the UK within 3 months of interview.</p>
	A	<p>8. Visits Programme: Target of 900 initiative visits, 300 to local firms not visited before, 100 British subsidiaries. Programme to be drawn up by 15 January identifying sectors (e.g. office equipment) and geographic areas (e.g. South East) of concentration.</p>
	A	<p>9. Export Representative Service: target to find agents for 60% of applicants; target to complete 90% of enquiries within 5 weeks.</p>
	A	<p>10. Export Intelligence Service: target to issue 750 EIS notices (10% more than last year) sub-targets for each category of EIS notices; target to issue 90% of EIS notices within 1 week; target to achieve an average of 1 EIS notice per initiative visits; target to improve accuracy and completeness of notices so that no more than 10 are queried by the DTI.</p>
	B	<p>11. Market Information Enquiries: target to acknowledge (or complete) all enquiries within 1 week of receipt and complete 90% of all enquiries within 5 weeks.</p>

SHORT TERM OBJECTIVES: ANNUAL WORK PLAN FOR 1986

LONG TERM OBJECTIVES

OBJECTIVES

PRIORITY

OBJECTIVES

12. Filing System: complete overhaul of filing system and installation of computer system of 30 September.

C

13. Local Knowledge: increase Department's knowledge of selling methods of German and Swiss pharmaceutical exporters; and of local regulations and practice concerning import of meat products.

C

14. Training; ensure that all UK Commercial Officers improve knowledge of local language to Intermediate level; 2 Locally Engaged Commercial Officers to attend UK training courses.

C

FW4AAC

Export Representative Service

Data Collected

No of ERS Enquiries Received
No of Agents Found
No of Commercial Officers at post
Total Time Spent on ERS
Total Cost of ERS

Performance Indicators

Success Rate per Enquiry Compared with Target	= $\frac{\text{No of Agents Found}}{\text{No of Enquiries Received}}$	Compared with target %
Success Rate for Each CO	$\frac{\text{No of Agents Found by Each CO}}{\text{No of Enquiries Received by Each CO}}$	Compared with target %
Average Success Rate per CO	$\frac{\text{No of Agents Found}}{\text{No of Cos}}$	Compared with target %
Processing Time Compared with Target (say 90% of Enquiries Completed within 5 weeks)	$\frac{\text{No. of Enquiries Completedwithin 5 weeks}}{\text{No. of Enquiries Received}}$	Compared with Target %
Average Time per Enquiry	$\frac{\text{Total Time Spent on ERS}}{\text{No of Enquiries Received}}$	
Average Time per Agent Found	$\frac{\text{Total Time Spent on ERS}}{\text{No of Agents Found}}$	Compared with target
Average Time per CO on ERS	$\frac{\text{Total Time Spent on ERS}}{\text{No of Cos}}$	(1 man/ month)
Average Cost per Enquiry	$\frac{\text{Total Cost of ERS}}{\text{No of Enquiries}}$	
Average Cost per Successful Enquiry/Agent Found	$\frac{\text{Total Cost of ERS}}{\text{No of Agents Found}}$	

Export Intelligence Service

Data Collected

No of EIS Notices Issued
No of Initiative Visits to Local Firms
No of Commercial Officers
Total Time Spent on EIS
Total Cost of EIS

Performance Indicators

EIS Success Rate of Initiative Visits	$\frac{\text{No of EIS Notices Issued}}{\text{No of Initiative Visits}}$	Compared with target (1:1)
Success Rate for Each CO	$\frac{\text{No of EIS Notices for Each CO}}{\text{No of Initiative Visits by Each CO}}$	"
Average Time per EIS Notice	$\frac{\text{Total Time Spent on EIS}}{\text{No of EIS Notices Issued}}$	
Average Time per CO on EIS	$\frac{\text{Total Time Spent on EIS}}{\text{No of Cos}}$	
Processing Time for Issue of EIS Notices compared with Target (90% within 1 week)	$\frac{\text{No. of EIS Notices Issued within 1 week}}{\text{No. of EIS Notices Issued}}$	Compared with target
Average Cost per EIS Notice	$\frac{\text{Total Cost of EIS}}{\text{No. of EIS Notices Issued}}$	

(Written) Market Information Enquiries

Data Collected

No. of enquiries received (say 1 Jan-30 September)
No. of enquiries completed (" " " ")
No. of enquiries outstanding on 30 September
No. of Commercial Officers
Total Time Spent on enquiries
Total Cost of enquiries

Performance Indicators

(a) Average no. of enquiries completed per month	$\frac{\text{Total enquiries completed}}{\text{No. of months (9)}}$
(b) Length of time (months) needed to clear current backlog	$\frac{\text{No. of enquiries outstanding}}{\text{Average no. of enquiries completed per month}}$
(c) No. of enquiries completed against target (say 90% within 5 weeks)	$\frac{\text{No. of enquiries completed within 5 weeks}}{\text{No. of enquiries received target}}$ compared with
Performance of each Commercial Officer	As for (a), (b) & (c) above
Average Time per Enquiry	$\frac{\text{Total Time spent on Enquiries}}{\text{No. of Enquiries Completed}}$
Average Cost per Enquiry	$\frac{\text{Total Cost of Enquiries}}{\text{No. of Enquiries}}$

Visits to Local Firms

Data Collected

No of Local Importers/Distributors
No of Responsive Visits
No of Initiative Visits
No of Commercial Officers
Total Time Spent on Responsive Visits
Total Time Spent on Initiative Visits
Total Cost of Responsive Visits
Total Cost of Initiative Visits

Performance Indicators

Market Coverage each
Year Compared with
Target (5%)

$$\frac{\text{No of Responsive \& Initiative Visits}}{\text{No of Local Importers/Distributors}}$$

Compared
with target

Ratio Initiative/
Responsive Visits

$$\frac{\text{No of Initiative Visits}}{\text{No of Responsive Visits}}$$

Average No of Responsive
or Initiative Visits by
COs

$$\frac{\text{No of Responsive or Initiative Visits}}{\text{No of COs}}$$

Comparison with Best
Practice

$$\frac{\text{No of Responsive or Initiative Visits}}{\text{by each CO}}$$

$$\frac{\text{No of Responsive or Initiative Visits}}{\text{by the most active CO}}$$

No. of Initiative Visits
compared with Target (and
for each Commercial
Officer)

$$\frac{\text{No of Initiative Visits}}{\text{Target No of Initiative Visits}}$$

Ratio: Time Spent on
Responsive and Initiative
Visits (including
Preparation and reporting)
Ratio: Cost of Responsive
and Initiative Visits

$$\frac{\text{Time Spent on Initiative Visits}}{\text{Time Spent on Responsive Visits}}$$

$$\frac{\text{Cost of Initiative Visits}}{\text{Cost of Responsive Visits}}$$

CHAPTER IV

INFORMATION WORK

42. At no time was the vital role of information work better demonstrated than during the Falklands crisis when heads of mission overseas, notably the British Ambassador in the United States, appeared repeatedly on television to explain British Government policies. This - gaining understanding of and support for British policies and interests worldwide - is the main purpose of FCO information work at home and overseas. Much effort goes also into supporting the export drive and into promoting more generally British achievements, culture, way of life and the English language. Information objectives are a reflection or projection of UK political, commercial and other objectives.

43. Information work takes several forms and employs several tools:

<u>Activity</u>	<u>Provided by</u>
Radio broadcasts overseas. Taped broadcasts sent to overseas radio stations.	BBC External Services Central Office of Information (COI)
Press, radio, television briefings in the UK (British and London-based foreign correspondents).	Ministers, FCO News Department COI facilities for London-based foreign correspondents.
Press, radio, television briefing overseas.	Visiting Ministers, Heads of Mission, Information Officers in overseas posts, supported by FCO Information Department and COI.

Exhibitions (general,
commercial, cultural
etc.)

Information, Commercial and
Cultural Officers overseas
supported by Information
Dept., DTI, COI and British
Council.

Conferences and seminars
at Wilton Park Conference
Centre and elsewhere

Wilton Park staff.
Information Dept. and COI.

Sponsored visits to the UK
by foreign Ministers,
officials, leading
businessmen, journalists
etc.

Chosen by overseas posts,
arranged by Information
Dept., COI.

44. Total expenditure on information work (excluding the British Council, the cultural arm) is of the order of £132 million a year. The BBC External Services (independent of the FCO in determining programme content, but in reporting news and analysis influential portrayals of British views and attitudes), cost some £110 million a year.

Information Department funds the External Services and prescribes the hours and languages of broadcasts. In 1985-86 about 730 hours a week were broadcast in 37 languages to an estimated audience of 120 million. Other FCO information work cost some £20 million in 1985/86. Nearly all of it goes to the COI (the "information workshop") which assists the FCO by arranging sponsored visits and programmes for foreign correspondents, by providing briefing and reference material reflecting UK Government policies for overseas posts and the media as well as vernacular magazines, support for commercial and prestige exhibitions, films etc. Cuts in Diplomatic Service manpower and resources have disproportionately affected information work: there are but a handful of full-time UK Information Officers at overseas posts.

Output Measurement

45. "Selling" government policies is an integral part of diplomacy in which all members of the Diplomatic Service are directly or indirectly engaged. The impact or "ultimate output" on the "customer"-foreign governments, Parliament, press and public at home and abroad - can be observed but measured if at all only approximately through opinion polls and market research. An analytical tree of output measures might look like this:

OUTPUT

OUTPUT MEASURES

INITIAL

No. of BBC hours broadcast
No. and length of articles distributed to press
No. and area of exhibits
No. of sponsored visitors invited to the UK.



INTERMEDIATE

No. of BBC listeners x hours listened.
No. and length of articles placed in foreign press x no. of readers.
No. of visitors to exhibitions.
No. of sponsored visitors to UK.



ULTIMATE

No. of foreign government decisions "favourable" to HMG.
No. and value of "additional" exports/inward investments.
Percentage "favourable" change in public opinion in foreign countries. Percentage "favourable" change in opinion of sponsored visitors to the UK.

46. Starting at the top in this simplistic analysis, the number of hours broadcast, articles distributed, exhibits mounted and visitors invited can be, and largely already are, counted. In turn, the intermediate outputs fed (input) by these initial outputs can also be measured. Considerable resources (£700,000 in 1984/85) are devoted by the BBC External Services to research in gauging the size of audiences in open societies; a careful monitoring of the foreign press together with audited counts of readership give a measure of press coverage of both news and commercial material distributed by Information Officers overseas; exhibitors customarily make estimates of the number of callers at their stands overseas (although the "seriousness" of the enquiry matters more) and Information Department keeps a tally of sponsored visitors. This is to quantify the quantifiable.

47. Measuring the ultimate outputs of information work, however, presents formidable if not impossible problems, for the link between cause and effect is tenuous. We may observe that a foreign government has changed its policy in a way favourable to the UK, for example, has voted for a UN resolution sponsored by Britain, but to what extent have the speeches of British ministers publicised by Information Officers overseas determined that decision? Any evaluation of the results must be subjective and incomplete. Free publicity, a "puff" in the main local trade journal may do wonders for sales of a British product, but will it be possible to disentangle the salutary effect of that puff from the impact of commercial advertising of the product? If opinion polls reveal that public attitudes in another country have moved in a way favourable to the UK, it may in part be due to assiduous cultivation by British Information Officers of foreign journalists whose influential editorials have helped mould opinion, but to what extent when other powerful influences are at work? Or, if the response is poor, is it the policy which is "wrong" or has it been badly "sold"?

Sponsored visitors to the UK may well be impressed by Windsor Castle, the law courts or electronic wizardry and if asked, be quick to respond that their horizons have been widened and perceptions sharpened, but such favourable impressions cannot be easily measured. Yet, in each of these areas, Information, Political and Commercial Officers in overseas missions with good contacts in the field are capable of forming a subjective judgement of the extent to which their efforts and those of the BBC external service have influenced opinion - imprecise and speculative perhaps but nonetheless valid - and the best measure we shall get.

48. With so many million pounds invested in information work management, primarily Information Department, must and commendably does have means of assessing effectiveness, efficiency and economy. The BBC External Services have over the years developed techniques for gauging audience size and response in open societies and compare the ratings with those of competitors such as Voice of America, Radio Moscow, Deutsche Welle etc. Anecdotal evidence from letters shows beyond doubt that the impact of BBC External Services broadcasts to "closed societies" such as the Soviet Union and China, priority targets for such broadcasts, is considerable, but size of audience and influence can only be estimated. Rolling three-year reviews are made by the BBC and Information Department when assessments are discussed, agreed and any necessary changes of priority decided.

49. The considerable flow of COI material - video and radio tapes, articles, photographs, exhibits - commissioned by Information Department and sent to overseas posts for their own and external use is regularly monitored and its impact appraised by the COI and the Department. Annual Information Reviews made by Information Officers submitted to their Head of Post and the Department provide an overall assessment of

objectives, results and changing priorities in each country. Annual Reports on Central Office of Information Services (ARCOIS), give a comprehensive item by item record of each service, provide an objective measure of the proportion of such material used by the local media (usually on a 1-5 scale), and a subjective assessment of its value.

50. Except in some developing countries where it is occasionally published verbatim, most political material is used by foreign media only for background purposes. Feedback from editors gives an indication of value. By contrast, in many countries articles and photographs on industrial, agricultural and commercial subjects are frequently carried by technical journals. Posts monitor numbers thus placed, as far as possible. In some countries, e.g. Switzerland, it has proved possible to put a value, based on commercial rates, on the free advertising obtained. (£1/4m. a year is the calculated value of free advertising in each of several markets.) Posts also monitor the number of commercial enquiries elicited by such articles. A particularly successful venture has been the "New Products" series. COI Regional Offices have invited British firms to provide material on new products and techniques which has been worked up into articles and placed by Information Officers in the local press, free of charge. A survey of response showed that some £15 million of extra business was obtained by British firms in the first year of this venture and £12 million in the second. While I make no specific recommendation, there is a case for (and against) recovering the costs of this service by means of a charge on British industry. The same might apply to publicity in support of commercial exhibitions, although it would be counter-productive to reduce the supply of good stories which reflect on the UK as a whole.

51. By means of ARCOIS and ad hoc reviews COI and Information Department are able to get a feel of whether they obtain value for money at least in terms of specific services if not article by article. The effectiveness and efficiency of the information services provided by COI are currently under scrutiny by Mr Clift and lest I be thought to be prejudicing the outcome I will go no further. More generally, I would comment that while it might prove poor value for money to commission public opinion polls overseas to assess the impact of FCO information work except in rare instances, the results of market research published in many Western countries bears more study than at present by Chanceries, Information Sections and the Department in London. If surveys offer little clue to the determinants of changing attitudes, they can provide an otherwise unobtainable measure of whether local opinion is sympathetic or unsympathetic to UK policies on such central issues as defence, disarmament, sanctions against South Africa etc., which ought to help in identifying targets and priorities for information work overseas. I recommend that the Department exploit such surveys.

52. The sponsored visitors' scheme is widely regarded as one of the best long-term investments of information funds. To spot future leaders and opinion formers in order to bring them to the UK and show them the best we have to offer calls for a good knowledge of the local scene and a shrewd assessment of character and potential. Overseas posts tend to cultivate previous sponsored visitors but not in a very systematic way. Indeed many posts do not have records going back more than 3 years. I recommend that Information Department invite a selection of posts to trace sponsored visitors over the past decade or that a random sample of, say, 100 sponsored visitors from whatever country they hail be traced. Such a survey might identify whether the visitors currently hold positions of power or influence, whether the overseas post has sought to capitalise on the sponsored visit and

whether there has been any discernible return from it. Such a survey might suggest a more systematic follow-up to sponsored visits. (A similar, computer-aided, survey is being made of overseas students whose studies in the UK have been financed by the government.)

53. It is not easy to give an illustrative set of objectives for Information Sections overseas when they must reflect differing political and commercial objectives from country to country. A few suggestions follow, which I recommend should guide Information Sections overseas. The aim must be to frame objectives in such a way that while realistic they present a challenge and that they are sufficiently specific and time-related as to allow results to be assessed.

INFORMATION SECTION OBJECTIVES 1986

SHORT TERM: ANNUAL WORK PLAN FOR 1986

LONG TERM OBJECTIVES

OBJECTIVES	PRIORITY	OBJECTIVES
<p>1. Ensure that government, media and public are fully aware of British policies in areas where British national security, political and economic interests are at stake.</p>	<p>A</p>	<p>1. Promote a more sympathetic understanding of British government policies on priority issues: Southern Africa, N. Ireland, arms control, Falklands and Afghanistan.</p>
<p>2. Provide effective support for the Post's export promotion work and aid work.</p>	<p>A</p>	<p>2. Visit editors and foreign editors of all major newspapers and journals at least twice a year.</p>
<p>3. Report in a timely and effective way on local media coverage of issues of concern to the UK.</p>	<p>B</p>	<p>3. Set up public speaking engagements for Ambassador and staff at [specified] universities, special interest groups.</p>
	<p>B</p>	<p>4. Achieve 60% success rate in placing commercial material.</p>
	<p>B</p>	<p>5. Assist Commercial Section in arranging video shows, e.g. of British medical instruments</p>
	<p>B</p>	<p>6. Increase publicity for and circulation of Embassy library films/videos by 20%.</p>
	<p>B</p>	<p>7. Select 3 Category I and 12 Category III sponsored visitors and improve effectiveness by better targetting of provincial figures.</p>

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SHORT TERM: ANNUAL WORK PLAN FOR 1986

LONG TERM OBJECTIVES

OBJECTIVES	PRIORITY	OBJECTIVES
	C	8. Monitor and report regularly on audibility and impact of BBC External Services broadcasts.
	C	9. Increase the Post's knowledge of the local technical press and women's magazines with a view to improving targetting.
	C	10. Reorganise and improve the video/film library and make target plan for its use.

CHAPTER V

CONSULAR WORK

54. Consular work is a shop window of the Diplomatic Service and attracts a fair measure of public and Parliamentary attention. With the great increase in overseas travel (the number of British nationals travelling abroad rose from 5.4 million in 1967 to nearly 22 million in 1985), the demand for consular services has risen sharply (as have public expectations) at a time when FCO manpower has fallen. Diplomatic Service staff are thinly spread (120 manyears in mid-1986) over the 129 Embassies and High Commissions and 60 Consulates-General and Consulates overseas and rely greatly on locally engaged staff (486 manyears) to assist with casework.

55. In the FCO, Consular Department advises Ministers on policy and handles the UK end of consular protection casework generally. Nationality and Treaty Department has a similar role with nationality, passport and certain documentary work. The Departments advise the Inspectors and Personnel Departments on the deployment of Consuls overseas. Consuls-General and Consuls assist Chanceries with political and economic reporting and some do mainly or exclusively commercial work outside capitals or combine consular duties with administration. Consular work per se can conveniently be described as documentary or protection/assistance.

56. Documentary work includes such statutory functions as the registering of births and deaths, solemnization and registration of marriages, notarial acts, service of documents and taking evidence and duties under the Merchant Shipping Acts. Non-statutory documentary work includes the issuing of passports as well as visas and entry certificates. (Visa and immigration work is dealt with in Chapter VI).

57. Passport work aside, protecting and assisting UK nationals overseas constitutes the bulk of consular work. Consuls help British subjects in the event of death, illness, arrest, proposed deportation as well as with the relief and repatriation of distressed nationals and with routine requests for certificates of residence etc. required by local authorities. Emergency assistance may also be given to other Commonwealth and European Community citizens in some countries. Other Consular tasks include help in child custody cases, dealing with football hooligans, the transfer of prisoners, electoral registration and contingency planning for emergencies. In all of this consuls have a responsibility for and must maintain close and good relations with the British community. Some of the main categories of consular work are shown in the table below.

	1983	1984	1985
No. of British nationals travelling abroad	21m	22m	21.5m
No. of registrations of births and deaths	12,532	14,192	15,020
No. of British nationals repatriated	653	468	487
No. of British nationals given financial assistance	n/a	1,524	1,653
No. of passports issued	224,097	228,561	245,109
No. of UK based man years employed on consular work	143	133	128

Output Measures

Statutory Document Work

58. The registration of births, deaths, marriages etc. follows a standard form, although owing to local circumstances the amount of time spent on each activity will vary from country to country. Much the same applies to notarial acts, the service of documents and taking evidence. Time spent can be measured and I have recommended at the end of this Chapter one or two simple Performance Indicators, which posts might consider in devising indicators to reflect local conditions. It is probably worth employing these only in Consulates which handle a sufficiently large number of such cases as to provide a solid basis of comparison. Consular Department should monitor results.

Passports

59. Consulates overseas issue, renew and amend passports referring tricky decisions on nationality to Nationality and Treaty Department. At one extreme some 51,600 passports are processed a year by the British High Commission in Canberra while at the other a handful are issued each year in places where there are few British residents or tourists. The most useful Performance Indicators for passport work are timeliness, accuracy and efficiency. Most Consulates issuing large numbers already set their own targets, for example, to issue 90% of passports within one week or two weeks in high season. They need to keep an eye on backlogs so that additional staff can be moved in when necessary. Accuracy can in theory be monitored in terms of passports spoilt, but the proportion is very small and scarcely worth recording. I have suggested in an Annex to this Chapter a few obvious Performance Indicators which I recommend that Consulates issuing large numbers of passports should employ. Targets, set in consultation with Nationality and Treaty Department will necessarily vary according to local

conditions and capabilities but still provide a fixed point at which to aim.

Consular Protection Work

60. The output or value of assistance to British citizens in difficulty overseas cannot readily be measured. The consul advises UK nationals how to obtain assistance where it is available, e.g. from banks, and by virtue of his status under international law and his own experience can provide or invoke local help where it is otherwise not available. The pattern of Consular protection work is difficult to discern for its attraction and challenge lie in its variability. No two cases are identical or take the same length of time. Helping granny to find the passport she has hidden under the mattress, visiting British football hooligans in gaol and assisting a drug smuggler facing the gallows place great demands upon Consuls but not all of the same order of magnitude. Nearly all protection work is responsive. Consuls do not go out looking for business.

61. Consular staff maintain logs (number and description) of all substantive cases. Details of serious cases - death, accident, etc. are sent immediately to Consular Department which arranges for next of kin to be informed. In this way and through constant feedback from posts the Department can feel the pulse of consular work overseas. Last year the Department did an exercise categorising and ranking Consular posts according to volume of work and difficulty, e.g. ease of communications within the country and with the UK, availability of local agencies such as banks and travel bureaux, together with a subjective assessment based on the Department's collective experience of the treatment of British nationals by local authorities. This was a revealing and useful study, but was rightly recognised to have limitations in quantifying the unquantifiable. "Difficulty" is an indicator of time spent on each case, but a subjective evaluation is no

substitute for measuring just how long Consuls spend on each type of protective case work. Understandably, the Department shrank from inflicting a comprehensive survey. The effort involved in asking Consular staff throughout the world to keep a permanent work sheet of all their activities and time spent on each, particularly when they are handling several cases simultaneously, outweighs the usefulness of such a tidal wave of information.

62. However, in managing a business of this size, which it does very well, the Department needs a better system than it has now. In advising the Inspectorate and Top Management on allocating manpower, in detecting trends in casework, in comparing "productivity" from year to year and place to place, the Department needs a record of how time is spent on consular work. It needs one also for determining fees, as fee-bearing services (excluding passports) are meant to be self-sufficient and the cost of other services covered by passport fees. The Department have recognised this and asking a representative selection of consular posts to keep a record of how time is spent over a four week period. A more refined version of this worksheet, identifying consular protection activities by category, is appended to this Chapter and should, I recommend, form the basis for a survey of Consular work. Sampling techniques will ensure that this is not onerous and a distraction from casework. In larger posts it may suffice to sample time spent for only one day a month. It may take a little longer for a representative pattern to emerge at smaller posts. (Perhaps I should add that worksheets are not intended to assess how industriously and how well an individual performs.)

63. Although Consular work is intended to be financially self-supporting a fee specifically related to assistance provided is not charged. Citizens in distress (e.g. prisoners) are often in no position to pay fees and the cost of collection subsequently in the UK might well

exceed revenue. In the absence of a demand related fee, the main criterion of effectiveness must be customer satisfaction - exceptionally difficult to gauge. Those who are assisted tend not to go out of their way to express gratitude while those with apparent grievances make their comments known volubly, often through their MPs. Some grievances are justified, others may stem from exaggerated expectations of what Consuls can offer. Many posts keep a note of bouquets and brickbats which might usefully be recorded in worksheets.

64. I have drawn up an illustrative list of objectives for a consular post. It is not prescriptive or intended to apply to all posts in all aspects. Posts should, I recommend use it as a general guide. I have recommended some targets or standards for prison visits which might serve as performance indicators, but more generally the diverse nature of Consular protection work defies numerical measurement of effectiveness: hence the need for systematic subjective evaluation of results against objectives. A good Consulate will devise objectives to improve its knowledge of the conditions under which UK residents live and try to identify threats to UK nationals be they from muggers, property speculators or hurricanes and take measures to prevent or mitigate damage. Such objectives should also reflect the need to cultivate influential local officials upon whom the Consulate will depend in carrying out its work, particularly in the event of an emergency.

CONSULAR SECTION OBJECTIVES FOR 1986

LONG TERM OBJECTIVES	SHORT TERM OBJECTIVES: ANNUAL WORK PLAN FOR 1986
OBJECTIVES	OBJECTIVES
PRIORITY	
<p>1. Give prompt and effective advice and assistance to British nationals in distress.</p> <p>2. Provide a timely and efficient documentary service.</p> <p>3. Achieve the greatest possible degree of cooperation from local authorities on consular cases and ensure they observe Article 36 of the Vienna Convention on Consular Relations.</p>	<p>1. Visit 90% of British nationals awaiting trial within 3 days.</p> <p>2. Visit 90% of British nationals under detention at least twice a year.</p> <p>3. Complete 90% of Passport applications within 1 week.</p>
<p>4. Ensure that no. of Passports spoilt and no. of issues queried by Passport Office does not exceed 5%.</p> <p>5. Complete 90% of Statutory Documentary Work within 1 week.</p>	<p>4. Ensure that no. of Passports spoilt and no. of issues queried by Passport Office does not exceed 5%.</p> <p>5. Complete 90% of Statutory Documentary Work within 1 week.</p>
<p>6. Monitor trends in Consular Protection Work redeploying staff as necessary.</p> <p>7. Negotiate a satisfactory bilateral agreement on the transfer of sentenced prisoners by 31 October. Put draft to local authorities by 30 April.</p>	<p>6. Monitor trends in Consular Protection Work redeploying staff as necessary.</p> <p>7. Negotiate a satisfactory bilateral agreement on the transfer of sentenced prisoners by 31 October. Put draft to local authorities by 30 April.</p>
<p>8. Report monthly and <u>ad hoc</u> on local drug scene.</p>	<p>8. Report monthly and <u>ad hoc</u> on local drug scene.</p>

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LONG TERM OBJECTIVES: ANNUAL WORK PLAN FOR 1986

LONG TERM OBJECTIVES

OBJECTIVES

PRIORITY

OBJECTIVES

- 9. Ensure all regular returns to FCO departments and Registrar-General are accurate and on time. B
- 10. Complete annual review of evacuation plans on time. B
- 11. Repeat advice to British nationals to register with Consulate. Target: 75% of nationals registered. B
- 12. Improve contacts with key local officials, e.g. MFA Consular Dept., Interior Ministry and Police. Contact with Heads of Departments at least quarterly. C
- 13. Training: Improve local language ability of UK consular staff up to Intermediate level. Arrange training in handling documents of UK electors wishing to vote in British elections. Ensure great interchangeability of staff. C

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CONSULAR WORK

STATUTORY DOCUMENTARY WORK

registration of births and deaths
solemnization and registration of marriages
notarial acts
service of documents and taking evidence

Output Measures

no. of cases in each category
total time spent on cases in each category
total cost of cases in each category
total cost of fees collected in each category
no. of "bouquets"
no. of "brickbats"
no. of cases queried by FCO and Registrar

Performance Indicators (by Category)

Average Time per case	$\frac{\text{Total Time}}{\text{No. of Cases}}$	
Processing Rate against Target	$\frac{\text{No. of cases completed in 1 week}}{\text{No. of Cases}}$	90%
Quality and Accuracy against Target	$\frac{\text{No. of bouquets; brickbats; queries}}{\text{No. of Cases}}$	5%
Costs/Fees	$\frac{\text{Average cost per case}}{\text{Fee per case}}$	

PASSPORTS

Output Measures

No. of Passports: Issued
Renewed
Amended
Spoilt

Total Time Spent on Passport Work - Issues and Amendments
Total Cost of Passport Work - Issues and Amendments
Total Fees Collected - Issues and Amendments

Performance Indicators

Timeliness against Target (per Consular Officer, if appropriate)	No. of Passports (by type) issued within 1 week of receiving complete application 90% <u>No. of Passports Issued</u>
Timeliness against Target Average Output per Manday	No. of Passports (by type) Issued in a week <u>No. of working days (5)</u>
Timeliness: Backlog	No. of Passport Applications Awaiting Process on given date Average no. processed monthly
Average Times	<u>Total Time: Issues and Amendments</u> No. of Passports Issued and Amended
Unit Costs	<u>Total Cost: Issues and Amendments</u> No. of Passports Issued and Amended
Unit Costs/Fees	<u>Average Cost: Issues and Amendments</u> Fees: Issues and Amendments

1	NAME OF CLIENT		
2	REPATRIATION		
3	REQUEST FOR FUNDS		
4	(a) H C RELIEF (b) PENSIONS		
5	DRUGS	(a) Arrest	
		(b) Deportation	
	OTHER	(c) Prison Visit	
6	(a) DEPORTATION (b) EXPULSION (c) REFUSED ENTRY		
7	DEATH		
8	(a) ACCIDENT (b) ILLNESS		
9	PROTECTION OF MINORS		
10	GENERAL ADVICE - SEE FOOTNOTE		
11	OTHER		
12	(a) COMPLAINT (b) BOUQUET		
13	(a) THEFT (b) MUGGING		
14	VISAS/EC		
15	PASSPORTS		
16	INTERPRETING		
17	FEE NO		
18	TIME TAKEN IN MINUTES		

FOOTNOTE
COLUMN

A Settlement

B Property

C Travel

D Complain
about
Police

E Complain
about
airlines
holidays
hotels

F Complain
about
hotels

G For Post
to
designate

H etc

F
G
H } For Post
to
designate
etc

Headed: Consular daily worksheets

COUNTRY

NAME

FULL TIME/PART TIME

SHEET NO

GRADE

Please tick appropriate box

DESIGNATION

CHAPTER VI

MIGRATION AND VISA WORK

65. Everyone coming to the United Kingdom for settlement, or for marriage leading to settlement, must first apply for entry clearance at a diplomatic or consular post abroad. People from many countries, notably Eastern Europe and the non-Commonwealth Third World, intending to make a short stay in Britain must first obtain a visa from an overseas post; and Commonwealth citizens visiting the UK can ease their entry at British ports by getting an entry certificate from an overseas post. 606,349 entry clearances were issued for the UK in 1985. Last year 55,400 immigrants were accepted for settlement in the UK about a third of them from the Indian Sub-Continent.

66. Some 150 members of the Diplomatic Service together with 30 Home Office and 300 locally engaged staff handle entry clearance overseas. They are responsible to the head of post and work to the Immigration Rules, guidelines laid down by the Home Office and DSP. Migration and Visa Department (MVD) is the FCO functional department concerned with entry clearances. It serves as a conduit for visa applications referred to the Home Office and other departments, assists and advises posts and handles the substantial number of Parliamentary enquiries.

Output Measures

Settlement

67. Entry clearance is basically casework of a kind which lends itself to output measurement. Immigration from the Sub-Continent presents the greatest management problem: the level of settlement applications has for long surpassed the available capacity to handle them quickly and queues at Dhaka, New Delhi, Bombay, Islamabad and Karachi although now receding, vary, according to

category, from a couple of months to nearly 2 years. The queues are divided into (a) those with a claim to a right of abode; (b) spouses and children; (c) fiancé(e)s; (d) reapplicants.

68. Last year in an effort to reduce and even out the length of queues in each category at the four main posts on the Sub-Continent MVD proposed that they should aim at handling each year no less than a minimum number of cases. This proposal did not find favour and each post has continued to set its own standards for number and length of case in the light of local conditions. I recognise that output measurement cannot be applied arbitrarily. Entry Clearance Officers must not feel under such time pressure that unsound and unjust decisions are taken which lead to more and successful appeals. No two cases are quite the same. Changing immigration rules and local differences over interpretation, presentation of documents and evidence and the mix of seasoned and inexperienced staff all militate against fair comparison. Yet such problems are not unique in the public sector. Doctors in the NHS doubtless find that no two broken arms appear quite the same anymore than income tax inspectors conclude that assessments are identical. During the course of the year the time taken on immigration cases of the same category or sub-category evens out such that standard times based on good practice for preparation, interview and report can with some confidence be set. The fact that these posts do not have queues on their doorsteps but plan their interviews some months ahead and can call up applicants in a regulated flow or in batches of predictable difficulty and duration eases the control problem. I thus find it surprising that common performance indicators for the Sub-Continent have not been agreed between the Home Office, MVD and posts. The purpose would, of course, not be to compel ECOs to cut short interviews or skimp reports but to provide a continuing and objective basis of comparison which would

allow managers at posts and in London to ask questions about apparent blockages and disparities from one year and one post to another. It would above all permit better manpower resource allocation, particularly in providing seasonal temporary staff. I recommend that MVD in consultation with the Management Review Staff, the Home Office and overseas posts introduce a system of quantitative targets for the number of cases dealt with and these be applied to all posts handling large numbers of applications for settlement. While I see virtue in posts on the Sub-Continent observing the same norms, the nature and difficulty of cases in, say, Lagos, are altogether different from those in Dhaka and thus local managers in consultation with London must set their own standards. Targets should be implicitly "stretching", e.g. they might aim to reduce current average casework times by 10%. Performance should be monitored regularly and, where necessary, casework times adjusted.

69. Quality control is of no less importance. The soundness of decisions, scrupulous application of the rules, courtesy of interviews, completeness and accuracy of reports are criteria which, I recommend, local and London managers should continue to monitor. (Conversely, the admittance or refusal rate is not an acceptable criterion of performance, although these rates should be monitored.) Other relevant indicators of quality are the number or proportion of potential immigrants granted clearance by posts who are refused entry at ports and the percentage of applications which adjudicators find were wrongly rejected on application on the basis of evidence then supplied. That an appeal succeeds is not necessarily proof of error by an ECO. Increasingly applicants withhold evidence until the appeal stage which rightly or wrongly they believe to be less rigorous. It should be possible however, for the adjudicator to determine whether the initial decision by the ECO was sound. I recommend that the Home Office monitor adjudication and Tribunal

decisions more systematically and feed back the results to posts through MVD. I recommend also that current efforts to standardise and reduce the length of referral reports and explanatory statements (the production of which takes far longer than the interviews) be intensified.

Short term Visitors: Visas and Entry Certificates

70. A similar, systematic approach should, I believe, be adopted towards the generally more straightforward task of handling visa and entry certificate applications at overseas posts. The volume and pattern vary enormously. Jedda and Riyadh together issue 55,000 visas annually while some posts grant but a handful. Kuala Lumpur, Nairobi and Wellington each issue between 4,000 and 7,000 entry certificates a year. Posts have discretion to give out some visas and entry certificates except to nationals of communist and certain other countries all of whose applications are referred to London. Statistics provided annually to MVD show remarkable differences in productivity which can largely be explained by language problems, differing levels of education among applicants, etc. Even so, variations between what might be thought to be comparable posts, such as Paris and Dusseldorf, are marked. (The Management Review Staff are examining this aspect).

71. Most overseas posts set targets for visa and entry certificate work, e.g. all visa applications must be processed within, say, 48 hours or within 5 working days. As there will always be difficult cases, a more realistic target would be to issue, say 90% of visas or entry certificates within 5 working days. I so recommend. Supervising officers at posts will maintain quality control of accuracy and conformity to the rules while feedback from MVD of errors and omissions detected at ports of entry and afterwards (e.g. convicted terrorists and drug smugglers) would provide an additional means of maintaining and improving standards. I recommend that

this be pursued altogether more systematically than at present.

72. Entry clearance work is demand led. Fees charged for each service are intended to cover costs but in practice fall far short. If productivity were increased, revenue would rise towards expenditure and/or the savings could be passed on by way of reduced fees. The Management Information System analyses the costs of entry clearance work at each overseas post (although the results need greater refinement). It would, I recommend be useful to work out the unit cost of granting entry clearance at each post and the marginal cost and revenue of deploying an additional ECO. While demand must be met and waiting times kept to an acceptable minimum, MVD and Top Management should have a means whereby relative costs can be compared. Thus if the marginal cost of deploying an ECO in Cairo were half that of Lagos it might make sense at a time of manpower or cash shortage to allow queues to lengthen in Lagos. (I recognise that other factors, including the diversionary effects, must also be weighed.) Alternatively, differential rates of fee could be considered, although this could raise legal and other problems.

73. The monitoring of entry clearance work lends itself readily to the computers on which numbers, duration, errors, costs and revenue can easily be recorded and analysed. I have suggested a variety of performance indicators above. The basic ones are:

Quantity No. of entry clearance cases a month (by
Target no. a month category)

Quality No. of entry clearances refused entry at ports
No. of entry clearances issued

Refusals allowed on appeal
No. of refusals

Cost Average unit cost of entry clearance applications
Fee

CHAPTER VII

ADMINISTRATION: PERSONNEL, TRAINING, OVERSEAS ESTATE, REGISTRY AND COMMUNICATIONS

74. 17 Departments in the FCO comprise the Administration and provide support services for the Diplomatic Wing of the FCO in London and for posts overseas. They cover recruitment, personnel, training, inspection, finance, accommodation, office services, transport, security and communications. Overseas, each post has administration and communications sections appropriate to its size. The wide geographical spread, often difficult conditions of service, frequent rotation of staff, changing patterns of work and constrained resources add greatly to the complexity and size of the administrative load.

75. Regulations and procedures laid down by successive governments, central departments and the Diplomatic Service itself provide guidelines and standards for administrative work. Feedback from line departments and overseas posts enables the Administration to know whether it supports the Service adequately. Like other parts of the FCO, the Administration reviews its performance by Self Inspection Questionnaires and is examined by the Management Review Services. Much of the work, including some casework, is quantifiable and targets and performance indicators are set in several departments. In the paragraphs which follow I have suggested various targets and indicators which should be seen as illustrative only. I have concentrated on those areas of work which can be measured and ignored other, important areas. It is for departments themselves to devise indicators which will help show them whether they are achieving their objectives.

76. I should add that the number of staff and amount of money devoted to administration at home and abroad as a proportion of total FCO manpower and budget are key performance indicators and I recommend that trends should be monitored closely.

PERSONNEL DEPARTMENTS

77. Personnel Policy Department in drawing up plans for redeploying a shrinking work force, in considering options for opening and closing posts and in devising structural models for the Diplomatic Service, can set clear and to some extent quantifiable objectives for its policy work, even though those objectives have had to be frequently modified in the light of Government manpower policy. Manpower Planning and Structure Section works within the overall constraints of manpower provision targets agreed with the Treasury. Constant monitoring is needed to achieve targets by 1 April 1988. Recruitment of Grades DS10 and above is shared with the Civil Service Commission. Clerical staff and secretaries are recruited direct by PPD, who collect data from each competition, response to advertisement, test success rates, ultimate placements etc. Time permitting, Recruitment Section plan to be more systematic in the use made of this information drawing inferences to improve recruitment methods. The very high failure rate in the secretarial test is a case in point now being explored. PPD could usefully employ a few performance ratios such as no. of secretaries interviewed: no. of applicants and no. of secretaries offered employment: no. interviewed and compare results with previous years and perhaps with those of other government departments. The unit cost of each secretary recruited is an important performance indicator as are, of course, "wastage" rates from resignations. PPD's objectives should specify the range of schools and universities to be visited. PPD should strive to evaluate the effectiveness of visits, FCO "open days", recruitment publicity by recording and comparing size of audience and

response and relating this to the number of applicants.

78. Personnel Operations Department in selecting and posting staff must strike a balance between the needs of the Service, the development of each individual's career and his or her wishes. Appropriateness and timeliness matter. Effectiveness can be gauged mainly by subjective evaluation based on feedback from line managers and from individuals. Performance indicators are used and could be employed more extensively. Details of jobs in Grades 5 and 9 are circulated and bids invited. The proportion of staff whose preferences are met is an indicator (but not a sufficient one) of success; the proportion of postings ended prematurely, other than as a result of external factors, is a negative indicator (requiring careful interpretation). Adequate notice of posting is important. POD could set itself a target of giving, say, 90% of staff at least 3 months notice of posting. Too many simultaneous changes in the same area disrupts work and erodes effectiveness. While circumstances differ, it might be useful to set a guideline of moving, say, no more than 25% of staff in the same section/Department during any three month period and account for any exceptions. Jobs left unfilled is an important indicator both of POD's efficiency and of external causes. POD set targets for interchange with the Home Civil Service and for staff worthy of accelerated promotion. A record should be kept and results analysed of the proportion of staff who are unable to complete their training programmes before posting. Welfare Section in its preventive work should systematically monitor trends in days off through sickness and the incidence of disease among DS staff at home and abroad (when this can be done by computer). Prediction, planning and prevention save lives, time and money.

79. In carrying out, reviewing and revising the regulations for allowances and entitlements of DS staff so as to achieve better value for money and fairness to

individuals, Personnel Services Department sets objectives which are usually quantitative. Such reviews, which take account of good practice in the private sector have led to the contracting out of travel arrangements and the freight of personal effects and to the delegation of responsibility to Under Secretaries at home and Heads of Mission abroad of blocks of expenditure. The aims of better value for money and fairness to or improved terms for the individual need not conflict. They can often be achieved through better use of resources and greater efficiency freeing funds for redeployment to areas of greatest need. Sections of PSD which do casework such as briefing staff going abroad, authorising transfer grants and travel and freight should set themselves targets of, say, completing formalities (once authority and medical clearance is given) for 90% of individuals within 3 working days. Starting Pay Sections and others could usefully follow suit. Accuracy is monitored by PSD as well as by the Internal Audit Unit and the National Audit Office.

FINANCE

80. Senior members of Finance Department, in addition to managing a large department, are engaged in strengthening and revising financial control mechanisms, for example, by greater delegation to overseas posts of responsibility for local staff pay and accommodation and by devising with the Treasury better arrangements for handling adjustments in overseas prices. Objectives and deadlines are set and performance evaluated.

81. Most of Finance Department is engaged on process work - pay, travel accounts, overseas accounts etc. In an admirably structured set of objectives Finance Department has incorporated performance indicators of timeliness (payments to be made within one working day) and accuracy (2% error factor). Where volume is great, sampling is employed. Other aspects of the Department's work, e.g.

estimates and overall expenditure, are expressed in terms of objectives both positive (deadlines met, cash limits respected) and negative (errors, complaints, delays). Results are assessed subjectively on a percentage scale. Success and failures are detected on a continuing basis. Control systems can be strengthened and staff redeployed or retrained as necessary. I recommend that targets and indicators be employed more widely, where useful.

TRAINING

82. Training Department provides or arranges elsewhere (including at the Civil Service College) a wide variety of functional and developmental training - consular, commercial, administration, management, etc. - as well as tuition in 36 languages on a regular basis. It also administers the language allowance system. Shortage of funds has impeded the development of computer records which would, and must, provide basic and comprehensive information on the linguistic and functional requirements of each job in the Service and equally of the current language skills, work experience and training record of each member of it. I recommend that this be given priority.

83. In setting its objectives, which include tasks such as evaluating courses, arranging new ones in response to changing demands, Training Department must have means for assessing and comparing in house and out house costs, use of teachers, equipment and rooms as well as the effectiveness of training. Performance indicators for each type of training (which with present resources are looked at occasionally but not regularly monitored) include:

Unit cost per student hour	$\frac{\text{Cost of teacher and overheads}}{\text{Student hours}}$
Teacher utilisation	$\frac{\text{Hours spent teaching}}{\text{Total hours employed}}$
Coverage of target population	$\frac{\text{Numbers trained}}{\text{Numbers needing training}}$ (number involved in relevant work minus number with adequate experience/training)

I recommend more systematic use of such indicators.

84. The effectiveness of training must for the most part be assessed subjectively, though for language training examination results provide a useful objective measure. Training Department rightly asks students to complete questionnaires at the end of courses which provide feedback on relevance and teacher performance. If a course gets less than an average 4.5 marking overall on a 6 point scale, corrective action will be considered. For more substantial courses, such a feedback is also sought from students 6 months later. An experiment to seek feedback from line managers was not successful because of the frequency of postings but should, I recommend be tried against sometime on a sample basis.

OVERSEAS ESTATE

85. Since April 1983 the FCO has itself managed its overseas estate - more than 4,000 office and residential properties in 132 countries. Total budget for capital and current expenditure in 1986/87 is £87.9 m., (20% of FCO expenditure). In the Overseas Estate Department 120 professional staff on loan from the Property Services Agency work with 40 DS staff in administering the estate.

86. OED's primary objective is to provide a cost-effective service: cost equals value for money and economy, effectiveness means enough property of the right kind to allow the Diplomatic Service to function adequately and securely overseas and achieve its overall objectives. Effectiveness can be assessed only subjectively through feedback from posts, inspections, etc. OED's work comprises policy-making - devising a strategy, determining the mix of owned and rented property, space guidelines, the balance of work to be done by OED itself and contracted out, etc.; project work on buying and selling properties, refurbishing old and building new offices and houses; casework - for example, furnishing individual residences; and process work - control of expenditure, payments, receipts. Much of OED's project and casework is contracted out to the private sector but is tasked and controlled by the Department.

87. Considerable progress has been made recently with forward planning of OED's Capital Programme. Option/investment appraisal has been taken further and is now used in assessing priorities for investment. Targets are set for reducing running costs (£4-6m a year by 1995-96 in 1985-86 cost terms) and results reviewed annually with the Treasury. An additional performance measure should I recommend be the volume of the capital programme actually achieved. OED has taken a responsibility for furnishing properties and targets have

been set for reducing staff and travel costs (£525,000) and in current purchasing funds (£526,000) over 4 years. These savings, if achieved, will be ploughed back into the furnishing programme - a good incentive.

88. OED uses a variety of measures in controlling work and expenditure. It sets targets for property acquisitions and sales, controls (with the aid of computerised returns) building projects in terms of expenditure, specification and time. OED employs professional standards of quality in planning and architecture, space standards and guidelines for new construction, property purchases and rentals and time limits for regular returns on e.g. furniture audit, overseas visit reports and decisions on requests from posts to lease property. These measures and controls will be further refined as the Department gains experience. While much has been done, there is room for improvement in OED's speed of response to correspondence and in decision making. I recommend that OED's objective should be to reply substantively to correspondence from overseas posts within 1 week of receipt.

89. While staff costs can be compared only with difficulty when projects differ greatly in size, complexity and in the influence of local factors overseas, it is important that in considering how best to tackle new projects OED should know whether the unit costs of its own architects, surveyors etc. exceed those of competent firms in the private sector. OED's Major Projects Group follow the long-standing PSA practice of using a simplified system of comparison with scale fees and for the time being this system will suffice.

REGISTRY

90. All FCO departments and overseas posts have registries where incoming papers are filed, indexed and retained. Increasingly, indexes and records will be computerised and retrieval made easier and faster. There is a wide variation in the content and type of files maintained, but use of standard registry procedures allows a degree of output measurement.

91. The Registrar, Management Review Services and Inspectorate include a count of papers registered when considering registry staffing, although allowance is made for other tasks such as making up diplomatic bags, cypher work, courier runs which fall to the registry clerks overseas. Timeliness is of particular importance in busy departments and missions. Heads of Chancery or Assistants in FCO Departments may set explicit or implicit norms such as that all incoming papers must be registered and returned with references as soon as possible and within 24 hours of receipt. They should also monitor errors in registering and indexing papers using sampling techniques. The time it takes for a Registry clerk to locate a random sample of explicitly described papers could be used to check on speed of response. The extent to which papers are returned to desk officers with all the essential references (without being asked) is a perennial indicator of the quality and experience of registry staff. I recommend that these measures and methods be followed where they are not already in use.

COMMUNICATIONS

92. I have not had time to look in detail at how output measurement is or might be applied to the Communications Division. It is, however, self-evident that the outputs, be they operations, capital projects or maintenance, can

be quantified and measured to a large degree. The Division should, I recommend, develop useful performance indicators, additional to those described below, to manage its work.

Operations

93. Performance measurement has for long been applied by Communications Operations Department to its global telecommunications network. Records are kept of traffic in terms of numbers of telegrams and groupage. Automation - the Message Handling Switch in the FCO - and the introduction of smarter, but simpler and more reliable radio and cypher equipment overseas have increased productivity and will progressively lead to the employment of fewer full-time communications officers overseas. Transmission time - particularly where the public communications systems are used (private wire and telex and telephone) - is an important indicator of and determinant of cost. A watch is kept of "outages" on private wires and of difficulties in contacting overseas posts using telex. Line managers and COD ensure that the error rate is acceptable.

94. The trend in costs, frequency of service and incidence of delays are measures of the effectiveness of the diplomatic bag services monitored by COD. Rationalisation of Queen's Messenger and courier services has allowed substantial economies in costs even though air fares have risen. A Rayner Scrutiny led to economies in the internal messenger service. Frequency and coverage of service is monitored. Random samples are taken to check speed of delivery, and complaints provide a subjective indicator of effectiveness.

Capital Projects

95. In designing, developing, testing and installing new communications equipment, be they transmitters, the Message Handling Switch, radio receivers, cypher machines,

the Communications Planning, Engineering and Technical Services Departments manage projects in much the same way as the Overseas Estate Department controls progress and expenditure on house building. Completion within budget, according to specification and on time are the universal criteria.

Maintenance

96. For reasons of security, communications equipment and alarm systems at overseas posts are maintained by resident or visiting members of the Communications Technical Services Department. Frequency of breakdown and fault, speed of fault detection, time out of operation and cost of repairs are all performance indicators, although they will be measures of the age and condition of the equipment and of the operating methods of the communicator as much as of the performance of CTSD maintenance staff themselves.

CHAPTER VIII

SPECIALIST FUNCTIONS

97. Around 25% of FCO manpower (excluding communications) is devoted to specialist functions. In London the largest units are Research Department, Library and Records Department, Legal Advisers and Economic Advisers. Technical specialists are scattered throughout the Communications Division, Information Technology Department, Training Department and Security Department and the Police and Labour Advisers' offices. Defence, agricultural, labour, scientific and a few other technical attachés work single-handed or in small teams in important missions overseas.

Specialist Advisers in the FCO

98. Advice to Ministers and line departments is the primary purpose of specialist staff in the FCO. While advisers must update their knowledge, attend conferences at home and abroad etc., most of their time is spent on responsive work at the specific request of FCO departments, other government departments and posts, or agreed with them when initiated by advisers. The difficulty and length of time spent on each task varies widely from a brief answer on the telephone to a study lasting several weeks or months. Possible though it would be to count the number of pieces of advice or pages typed, an output measure of this kind would have little meaning. A better quantitative measure would be the amount of time spent on each piece. Just as solicitors and other professionals in private practice keep a worksheet to charge their clients, so advisers in the public sector could log their work. In this way the Legal Adviser, Head of Research Department, etc. would know the pattern of demand line departments place upon advisers. While I think that worksheets would serve a useful purpose in preparing for inspections and reviews and in justifying

claims for additional manpower, they are of limited value in predicting future workload, which is what every manager needs to know. I recommend therefore that they be used only for these limited purposes.

99. Quality control is essential in advisory work both to managers and to client departments. Performance indicators will include soundness, originality, accuracy and timeliness. Advisers and their managers in the FCO are for the most part healthily self-critical, but feedback from Ministers and line departments will be the prime measure of success of which they should take account in evaluating results against objectives. This will necessarily be subjective but if done systematically and in consultation with client departments is a worthwhile discipline.

100. The classified nature of most FCO work, fast response times, familiarisation with FCO work methods and cost militate against contracting out most advisory work to the private sector. In the Overseas Estate Department and the Communications Division and perhaps elsewhere there may, however, be specialist or advisory work which could be done effectively outside. It is up to the heads of these departments to devise output measures for such work, using worksheets as necessary, so that the performance of civil servants and their cost can be compared with those of outside contractors and decisions taken accordingly.

Specialist Advisers in Overseas Posts

101. Specialist advisers overseas are managed by heads of post and are tasked by government departments other than the FCO (labour, agriculture, technology etc) as well as by FCO functional departments. Much the same criteria as apply to advisory work in the FCO can be used to assess the value of their work which may also have a useful spin-off in terms of the contribution it makes to the

achievement of the posts' overall political and economic objectives.

102. The work of defence attachés in gathering and sifting information and developing local contacts is analogous to that of Chancery and in identifying opportunities for and promoting defence sales is related to civil commercial work. Similar output measurement techniques, to the extent that they are practicable, will apply. In evaluating the performance of MOD defence sales staff and defence attachés overseas, the causal link between their activities and contracts signed should, I recommend, be explored and likewise cost/impact studies should be made of defence sales promotions overseas.

CHAPTER IX

OBJECTIVES

103. The setting of objectives is regarded by some in the FCO (and, I suspect, in other Whitehall departments) as a chore having little connexion with the reality of daily work and having no pay-off. This need not and should not be so if managers purposively look upon objectives as a guide to work, set them with this in mind and update them as circumstances and demands change, as they do so frequently in the FCO. (The departments dealing with European Community, whose business fluctuates considerably, do this very well already, evaluating results.) Whether there is a pay off depends in part upon overall resource constraints, but major shifts in priorities should certainly be achieved through the Top Management Round or machinery and not ad hoc.

104. Objectives should form a hierarchy. At the top it may be useful to have, as at present, a statement of aims and a description of activities for which purpose the FCO exists (see Annex D.) They will vary little over the years. Overall, but short-term objectives, to be set by Ministers, which reflect changing needs and government priorities are rather different. They should, I recommend, be drafted and put in priority order by The Top Management Support Unit and Planning Staff and revised each year. They should be based upon a collation of broad, regional and functional, short-term objectives drawn up annually by the 14 Assistant Under Secretaries, who will consult, as necessary, Deputy Under Secretaries. To be manageable, each set of AUS's objectives should be about six in number, "peeled off" from departments and posts' objectives. I do not see this as much of an

additional task for AUSs who will in any case be involved with departments' and posts' performance evaluation and objectives and who will have to prepare for the examination which the Chief Clerk and a "neutral" Deputy Under Secretary make of AUSs' resource bids. I have described in Chapter II how policy departments and Chanceries should evaluate results and performance and reset objectives and the same holds good for other FCO departments and other sections of overseas posts. Posts' evaluations should be studied by their parent departments and revised objectives agreed, consulting AUSs as necessary. This dialogue is an essential part of tasking. (As mentioned earlier, departments' and posts' long-term objectives would be the same as, subsumed in or replace the aims of the Country Assessment Papers, revised every 3-4 years.)

105. Ideally, there should be a separation between evaluation/objective setting and the annual Top Management Round with its interrogation of expenditure and resource allocation. For most departments and embassies a suitable occasion to review objectives would be the end of the year when heads of post are writing their annual review. Indeed, I recommend that the list of objectives for the year under review be attached. Objectives and evaluation do, however, impinge on resource allocation and it would probably be convenient to conduct the two exercises at the same time towards the end of each year. I recommend this, but would urge that the two be disconnected presentationally. Evaluation and objective setting are, moreover, a continuous process.

106. Objectives for individuals are the bottom layer in the hierarchy. Personnel Operations Department are developing (as are other government departments) a procedure whereby annual confidential reports will include a section, to be agreed between manager and individual, setting out the individual's personal objectives for the

coming year. These will include a segment of the Department's or Section's short-term objectives plus some personal objectives such as increasing knowledge of a specific subject, improving functional skills, e.g. drafting, and linguistic skills. Results would be evaluated each year and new goals set. I recommend that POD give this work priority.

Organisation of the Top Management Support Unit

107. I make no recommendations for organisational changes. It is axiomatic that the Top Management Support Unit must possess or have access to sufficient intellectual resources to enable it to fulfil its role. Convenience may continue to argue for placing it within Finance Department where it can draw upon the Department's clerical and other support without formality and upon (as well as influence) the Management Information System. In cyclical troughs members of the Unit can help Finance Department with the Public Expenditure Survey, etc.

CHAPTER X

CONCLUSIONS

Scope for Output Measurement

108. This scrutiny has revealed that the FCO employs a wide range of output measures in managing its business. The volatile and intractable nature of much of its policy work and its widely scattered operations increase both the need for a well coordinated system of objectives and evaluation to assist central management and the difficulty of devising and maintaining such a system. There is scope, I am sure, for wider application of output measures in the several services provided by the FCO where it is worth going to trouble and expense to determine effectiveness and how time is spent. In policy work, subjective evaluation of results and performance is valid and necessary: the unquantifiable can be given a grading (just like a sixth form essay).

Purposes of Output Measurement

109. I see the main purpose of output measurement to be to help line management in its daily work and to guide and motivate staff. I cannot prove it, but my hunch is that departments and posts with clear and well-considered objectives suffer fewer unpleasant surprises. Pressure of time, brevity of formal training and the presumption of some managers that bright new entrants (and not only new entrants) must surely know what to do without need to be told, leads to poor tasking. Clear objectives for individuals, who have been involved in the devising of those objectives and of performance indicators, and the satisfaction of knowing through evaluation that the result is achieved and the performance good are excellent motivators. It amounts to a cultural shift towards a greater awareness of cause and effect and a greater cost-consciousness. Such a shift should be felt as coming from within the organisation and not as an arbitrary

imposition from the Administration or central departments - another fashionable chore which if borne or ignored will soon pass away.

110. The secondary purpose is to help Top Management in its task of framing overall objectives, according priorities, evaluating results and redeploying resources. Where the latter are shrinking in real terms, it should be particularly helpful to narrow the area of political judgement by having quantitative assessment of some areas of work and systematic, subjective evaluation of others. Cost/impact studies by market, such as I have urged for commercial work, should assist together with evaluation of priorities and results in comparing the importance of the proverbial "apples" of, say, commercial work in the Lyons area of France and the "oranges" of political representation in Papua New Guinea. It should help too in ensuring that the ablest staff are in the areas of highest priority.

Limitations of Output Measurement

111. Output measurement has its limitations. It is tempting but wrong to give undue weight to what is measurable if the most important objectives cannot be quantified. The results of output measurement present questions to be answered not answers in themselves. Results must not be treated in isolation but interpreted in context. Data collection and analysis is time-consuming and expensive. Any system of measuring cost-effectiveness must itself be cost-effective.

Sampling

112. This leads naturally to sampling which offers the key to what otherwise would be unacceptably onerous methods of monitoring the time, cost and results of FCO activities. I have recommended that commercial and consular staff keep worksheets. It may prove unavoidable to begin with for worksheets to be maintained for a month

or so, particularly in small posts where work is "lumpy". However, once a system is in operation, assumptions proved valid and like compared with like, a sample taken on one day, say the 3rd of each month, could suffice adequately to depict the work pattern. Sampling has its part to play in detection of errors, e.g. with pay, accounts and registry and in analysing the pattern of business decisions and consequential value of additional exports and profits. Professional help is available from the FCO Economic Advisers and central departments.

Feedback

113. Feedback is an essential mechanism in management and one which could be improved in the Diplomatic Service. Some geographical departments have an excellent rapport with overseas posts which are well tuned to the FCO's needs. Others are not. Posts, particularly outside Western Europe and the United States, can easily lose touch with the changing needs of London departments. Modern communications provide the means, but it requires a leap of imagination by departments to ensure that posts are adequately tasked. Frequent, small touches on the tiller are better than large shifts. I have recommended an experimental rating system for reports from overseas posts, but see this as a means of measuring the extent of the problem and not a substitute for a constant dialogue between posts and headquarters.

Other Applications of Output Measurement

114. Some years ago the Planning Staff attempted to rank countries in terms of importance and UK interests. The result was unsatisfactory and the exercise abandoned largely because it provided an objective measure of each country's size - population, g.d.p., etc. - and the extent of UK commercial interests, but did not adequately rate "importance" to the UK, i.e. intangible factors such as the power of another country and its capacity to cause trouble and work, "demand" from Ministers, other

government departments, business and the public on posts, and the usefulness of overseas posts in terms of access to local leaders and their ability to influence policy and events. I would not pretend that output measurement in the present state of the art would justify attempting to revive this ranking table. Nonetheless, techniques such as cost/impact analysis plus more systematic assessment of demand and subjective evaluation of results do provide some of the constituents: a point, I recommend, to bear in mind.

115. These techniques also bear on thorny issues such as charging for (more) FCO services and also on contracting out work to the private sector. Problems of balance in the use and usefulness of resources can also be addressed, for example, the balance between staff at home and abroad, and the balance between the 1,118 strong Communications Division and the number of other UK staff (5,482) at home and abroad.

Computers

116. With the introduction next year of the FOLIOS system in the FCO and the expansion of computer programmes to serve Commercial and other sections of overseas posts, numerical record keeping, objectives, worksheets, performance indicators, sampling can much more easily be maintained. I recommend that in devising new systems and writing programmes, Information Technology Department work closely with Departments and posts so as to ensure that from the outset provision is made for systematically setting targets, monitoring progress and evaluating results in terms of the recommendations of this report.

Training

117. To write clear, concise, specific objectives, to assess priorities, to devise performance indicators and to evaluate results and performance are techniques to be learned and improved. While practice can be acquired only

on the job, these techniques should form part of the regular training programmes in management, commercial, consular, administration work, etc. arranged by Training Department. I so recommend.

Implementation

118. I have not suggested specific deadlines for carrying out each recommendation. I see the wider application of output measurement as a gradual, incremental process. By the end of 1987 when Assistant Under Secretaries, Departments and overseas posts formally evaluate results and performance and set new objectives, I would expect objectives to reflect the recommendations of this report, performance indicators to be more extensively applied, surveys of work patterns employing sampling to be in use and cost/impact analysis to be further developed. I recommend that in three years' time the results of this scrutiny be reviewed.

Costs of Scrutiny

119. The total costs of the scrutiny are about £22,120.

Epilogue

120. In a scrutiny of this kind covering the whole of the FCO's work, it is not always easy to keep a sense of proportion. I see output measurement not as a magic wand let alone as a substitute for judgement, but as a useful, additional tool of management, one which is already widely applied but which could be employed to greater effect. It shifts the emphasis from inputs, these days tightly controlled by central departments, to outputs.

LIST OF RECOMMENDATIONS

<u>No.</u>	<u>Para. No.</u>	<u>Recommendation</u>
1	30	FCO departments should set long-term and (up to 12) short-term objectives, which should be specific, where possible quantified, time-related with progress "milestones", and in priority order.
2	30	Departments should evaluate results and performance continuously using objectives as a regular guide. Objectives should be updated as necessary.
3	30 and Annex	Departments should formally evaluate results and performance (using the checklist of questions) towards the end of each year to coincide with the Top Management resource questionnaire, and reset objectives.
4	30	Supervising Assistant Under-Secretaries should review departments' results and performance and agree revised objectives.
5	30	Overseas posts should also follow recommendations 1-3 and, while grouping objectives by section (up to 12 a section for large posts, fewer for smaller posts), should rate them in priority order overall. Departments and Under-Secretaries should review posts' evaluations and agree revised objectives.
6	30	Departments should improve the tasking of overseas posts by better and more frequent feedback.
7	28-30	A selection of departments should rate a sample of incoming reports from overseas posts on an experimental basis.
8	36	FCO and DTI should persevere with cost/impact analysis, examining business methods in greater depth, with the aim of evaluating BOTB services at home and abroad (and, where possible, other assistance and advice to British industry also), market by market.

<u>No.</u>	<u>Para. No.</u>	<u>Recommendation</u>
9	36	Commercial Sections overseas, in consultation with DTI and TRED, should increase their feedback from British firms (relating benefits to costs), where posts' assistance and advice is not analysed by larger DTI exercises.
10	38	Commercial Sections overseas, in setting objectives, should be guided by the illustrative lists.
11	39	Commercial Sections overseas should employ performance indicators based on intermediate objectives where these can be shown to be useful in managing work, motivating staff and assessing results and performances: see examples. TRED and DTI should ensure a degree of consistency in the introduction of performance indicators, useful for their own purposes.
12	39	Commercial Sections overseas should ask British firms to let them know what additional exports result when undertaking major market surveys or suggesting agents.
13	40	TRED and DTI, using sampling methods, should monitor time spent by Commercial Sections on categories of activity, and costs.
14	40	TRED and DTI should review and prune heavily the current commercial work statistics.
15	51	Information Department and overseas posts should take greater advantage of existing public opinion surveys in identifying targets and priorities for information work overseas.
16	52	Information Department and sections overseas should evaluate the results of a sample of sponsored visits to the UK.
17	53	Information Sections overseas should be guided by the illustrative list of objectives.

<u>No.</u>	<u>Para. No.</u>	<u>Recommendation</u>
18	58	Consular posts overseas should devise and employ performance indicators for managing documentary work on the lines suggested and Consular Department should monitor progress.
19	59	Consular posts overseas should devise and employ performance indicators on lines suggested for managing the issue of passports. Nationality and Treaty Department should monitor results.
20	62	Consular Department should establish and systematically monitor the pattern and costs of consular protection work overseas by means of worksheets, employing sampling.
21	64	Consular posts should, where useful, devise and employ performance indicators for prison visiting and other activities which could better be managed by such methods.
22	64	Consular posts overseas, in setting objectives and evaluating results and performance, should be guided by the illustrative list of objectives.
23	68	Migration and Visa Department, in consultation with the Management Review Staff, the Home Office and overseas posts, should introduce a system of quantitative targets for the number of settlement cases handled over a defined period. Sub-Continent posts should work to the same "stretching" target. Posts and MVD should monitor performance.
24	69	Performance indicators, on lines suggested, should be employed by overseas posts to monitor entry clearance for settlement.
25	69	Migration and Visa Department should ensure that the Home office monitor adjudication and Tribunal decisions more systematically and feed back results to overseas posts.

<u>No.</u>	<u>Para. No.</u>	<u>Recommendation</u>
26	69	MVD and overseas posts should intensify current efforts to standardise and reduce the length of referral reports and explanatory statements for settlement cases.
27	71	MVD and overseas posts should set process targets for visa and entry certificate work, and monitor results.
28	72	MVD should systematically inform overseas posts of errors and omissions detected at ports of entry and afterwards (together with details of, e.g. convicted terrorists and drug smugglers granted entry clearance).
29	72	MVD should establish the relative unit cost of granting entry clearance at main posts and the marginal cost and revenue of deploying an additional Entry Clearance Officer.
30	74	The number of staff and amount of money devoted to administration at home and abroad as a proportion of total FCO manpower and budget are key performance indicators and should be monitored closely.
31	77	Personnel Policy Department should employ performance indicators to monitor progress in recruiting staff and to evaluate the effectiveness of its recruitment methods.
32	78	Personnel Operations should make more extensive use of performance indicators in evaluating results of casework in posting staff and in preventive Welfare work.
33	79	Personnel Services Department should make greater use of performance indicators in casework - briefing, travel, freight, pay, etc.
34	81	Finance Department should continue to set targets and performance indicators, employing these more widely where useful, in managing process and casework.

<u>No.</u>	<u>Para. No.</u>	<u>Recommendation</u>
35	82	Information Technology Department should give priority to developing a computer system which will record the linguistic and functional skills and training record of each officer and the training requirements of each job.
36	83	Training Department should more systematically employ performance indicators in evaluating the results and costs of training.
37	84	Training Department should try again to monitor, through sampling, the value of training courses by questioning line managers.
38	87	Overseas Estate Department should, as a performance measure, monitor trends in the volume of capital programme achieved.
39	88	Overseas Estate Department should aim to reply substantively to correspondence from overseas posts within 1 week of receipt.
40	91	Managers of registry staff should employ the suggested performance indicators in monitoring productivity and standards of registry work.
41	92	Communications Division should develop additional performance indicators better to manage its work.
42	98	Sampling, using worksheets, could be employed to assess the pattern, time and cost of specialist advisers' work but is justified only when preparing for inspections or reviews.
43	102	Defence Department should invite MOD to evaluate the work of defence attachés. Cost/impact studies could be made of defence sales promotions overseas.
44	104	The FCO's hierarchy of objectives should consist of: <ul style="list-style-type: none"> (1) a general (and unclassified) statement of aims and description of activities;

<u>No.</u>	<u>Para. No.</u>	<u>Recommendation</u>
		<ul style="list-style-type: none"> (2) overall short-term objectives, drafted by the TMSU and Planning Staff for approval by Ministers reflecting current government priorities, and drawing on: (3) broad, regional objectives prepared by Assistant Under-Secretaries, drawing on: (4) Departments' and overseas posts' objectives; (5) objectives for individuals to be included in annual confidential reports.
45	105	The annual evaluation of results and performance and revision of objectives should take place towards the end of the year to coincide with, but separately from, the Top Management Board.
46	105	A list of overseas posts' objectives for the past year should be attached to Annual Reviews.
47	106	Personnel Operations Department should give priority to modifying the Confidential Report form so as to include individuals' objectives.
48	114-115	The usefulness of output measurement techniques in addressing the FCO's structural problems, ranking of priorities of overseas posts, charging for services and contracting out should be borne in mind.
49	116 (and 41)	Information Technology Department should work closely with departments and overseas posts so as to provide at the outset means of setting targets, monitoring progress and evaluating results when devising new computer programmes.

<u>No.</u>	<u>Para. No.</u>	<u>Recommendation</u>
50	117	Training Department should include instruction in output measurement in their regular functional training programmes for FCO staff.
51	118	The results of this scrutiny should be reviewed in three years' time.

TERMS OF REFERENCE FOR FCO SCRUTINY ON OUTPUT MEASUREMENT

To identify and appraise critically the extent to which measures of output are currently used and can be developed further within the Diplomatic Wing of the FCO and to assess the achievement of plans and fulfilment of defined objectives with particular attention to:

- (a) the differing nature of measures need for political, consular, commercial, information, administration and specialist functions;
- (b) the measurement of output where the purpose of the activity is preventive, and negative measures generally;
- (c) the distinction between measures of output and measures of activity, including intermediate measures;
- (d) the differing standards and techniques of measurement required overseas.

To make recommendations on:

- (a) the value of output measures currently available;
- (b) the lines on which the development of output measures should proceed;
- (c) the machinery for the regular and systematic application of output measures to the assessment of achievement of objectives;
- (d) the acceptable cost of introducing such measures in terms of the time and resources devoted to applying them;
- (e) any necessary consequential organisational changes.

LIST OF ORGANISATIONS AND PEOPLE CONSULTED

FCO

The Rt. Hon. The Baroness Young, Minister of State
Sir Patrick Wright, Permanent Under-Secretary
Sir John Freeland, Legal Adviser
Sir John Whitehead, Chief Clerk
Mr R Q Braithwaite, DUS
Mr N J Barrington, AUS
Mr C W Long, AUS
Mr K G MacInnes, AUS
The Hon. Humphrey Maud, AUS

FCO DEPARTMENTS

Economic Advisers
Planning Staff
Research

East European
Far Eastern
Middle East
Nuclear Energy
Soviet
Western European

European Community (External)

Trade Relations and Exports

Maritime Aviation and Environment

Claims
Consular
Cultural Relations
Information
Library and Records

Migration and Visa
Nationality and Treaty
Parliamentary Relations Unit

Management Review Staff
Overseas Inspectorate
Personnel Operations
Personnel Policy
Personnel Services
Training

Communications Division
Information Technology

Finance
Office Services and Transport
Overseas Estate

Mexico and Central America
South Asian
South Pacific

Central African
East African
West African

Near East and North African

Defence
Service Advisers and Attaches

OVERSEAS POSTS

North America
Ottawa
Washington

Caribbean

Bridgetown
Port of Spain

South America

Bogota
Caracas

The Arab World

Amman
Tunis

Southern Europe

Athens
Madrid
Nicosia
Palma

OTHER GOVERNMENT DEPARTMENTS

Cabinet Office, Efficiency Unit: Sir R Ibbs, Ms K
Jenkins, Ms K Cairns, Mr C Chivers;
Joint Management Unit: Mr W St Clair, Mr C Talbot

Ministry of Defence: Mr M J V Bell, Director-General of
Management Audit and Mr B R Hawtin, Secretariat Policy
(NATO/UK)

Energy: Mr C C Wilcock, Establishment and Finance
Division, and panel

Environment: Miss F McConnell, Head of International
Division

Home Office: Mr G H Philips, Head of
Immigration and Nationality Department, and Mr J W Cane,

Finance and Manpower Department

Overseas Development Administration: Mr A Sutherland

Trade and Industry: Mr A Hunter, Mr N Pears, Mr A R
Titchener, Mr R Hobbs

Transport: Mr A Fortnam, Head of Division 2,
International Aviation Directorate

Treasury: Mr A Edwards

REPRESENTATIVES OF FOREIGN GOVERNMENTS

Department of External Affairs, Ottawa
State Department, Washington
French Embassy, London
Foreign Ministry, Bonn

OUTSIDE BODIES

Mr Malcolm Levitt, National Insititute for Economic and
Social Research
Mr Francis Plowden, Cooper Lybrand
Dr William Wallace and colleagues, Royal Institute for
International Affairs

POLICY EVALUATION : AID TO INDO-CHINESE REFUGEES IN THAILAND
(A preliminary and incomplete study)

Background

1. Since the Communist take-overs in Vietnam, Cambodia and Laos in 1975, some 1.7m Indo-Chinese have fled those countries. The exodus reached its peak in 1978, when 200,000 refugees arrived in Thailand alone.

2. In response to the crisis, a conference was held in Geneva in 1979 at which the international community resolved that there should be a world-wide sharing of the burden, covering both resettlement and support within the region. At that conference, the UK pledged £5 million, together with resettlement places for 10,000 Indo-Chinese refugees. Besides the UK's general commitment to the principles affirmed at the conference, British interests were directly involved through the burden placed on Hong Kong as a place of first asylum for Vietnamese fleeing by boat. Since 1979, the UK, in common with others, has kept up its efforts to help solve the problem of Indo-Chinese refugees through:
 - (a) financial support for international and voluntary organisations (total aid to date £12.5 million);
 - (b) help with the resettlement of refugees (20,000 up to 1986, with a further 14,500 displaced Indo-Chinese absorbed into Hong Kong); and
 - (c) maintaining pressure in search of an overall solution to the Indo-China problem, caused by Vietnam's oppressive policies and the illegal occupation of Cambodia.

3. Thailand has borne the brunt of the flood of refugees, with over 600,000 arrivals since 1975. Thailand is also the "front line state" in ASEAN's stand against Vietnamese expansionist policies. In 1984/85, the burden placed on Thailand was increased by the arrival of some 230,000

displaced Cambodians following the Vietnamese campaign against resistance bases near the Thai/Cambodian border. There are not normally classified as refugees and, hence, are not eligible for resettlement in third countries. Thailand currently has around 126,000 refugees and some 240,000 displaced persons on her territory. The United Nations Border Relief Organisation was set up in 1983 to assist Cambodians on the border. The United Nations High Commissioner for Refugees, International Red Cross and voluntary organisations run assistance, resettlement and voluntary repatriation programmes for Indo-Chinese refugees.

OBJECTIVES OF UK POLICY

Ultimate Objective

4. The ultimate objective of UK policy is a continuing favourable environment for UK (and Hong Kong) security and economic interests in South-East Asia, put at risk by Vietnamese expansionist policies and the unresolved refugee problem.

Intermediate Objectives (2)

5. Towards this ultimate objective intermediate objectives are:

- (a) helping to solve or relieve the refugee problem;
- (b) relieving any further pressure on Hong Kong to absorb more refugees;
- (c) being seen to be helping and hence gaining the approval of the Thailand, ASEAN and donor governments and avoiding the possible adverse consequences of failing to help;
- (d) contributing to a political solution to the Cambodian problem and to condemnation of Vietnamese policies;

Intermediate Objectives (1)

6. In turn to attain these intermediate objectives UK policy is aimed at:

achieving an appropriate balance of effort from the international community towards resolving the refugee problem and wider political problem.

Inputs by the UK (and Hong Kong)

7. UK and Hong Kong contributions (inputs) consist of (July 1979 - July 1986):

- (i) expenditure on relief and repatriation in SE Asia (£12.5m);
- (ii) expenditure on resettlement of 20,000 refugees in UK (£ m) and total costs to Hong Kong of displaced Indo-Chinese for 1979-1986, including the costs of temporary accommodation and integrating 14,500 (£ m);
- (iii) political support: staffing and related costs in FCO Diplomatic Wing and ODA and overseas posts (British Embassy, Bangkok, South East Asia Development Division, Bangkok, UK Missions to the United Nations in Geneva, etc) (£ m).

ASSUMPTIONS OF UK POLICY

8. These are:

- (a) helping to solve the refugee problem will serve the UK ultimate objective of a safe, stable and prosperous South-East Asia, consistent with UK interests; conversely a failure to help by the UK and other Western countries would have led to an unacceptable situation in human and security terms;
- (b) an appropriate UK contribution will favourably influence SE Asian and donor governments; conversely a failure to contribute risks adverse consequences;
- (c) a UK contribution is consistent with its obligations to assist refugees worldwide under the terms of its ratification of the 1951 UN Convention relating to the status of refugees and the 1967 Protocol;

- (d) a UK contribution will encourage other governments, notably those of Thailand and other countries of first asylum, to assist in solving or relieving the Indo-China refugee problem;
- (e) international efforts coordinated by UNBRO and UNHCR provide the most effective and efficient means of repatriating and providing relief to the refugees.

EFFECTIVENESS INDICATORS

9. Against the Ultimate Objective

- (a) security: balance of power maintained; no erosion of ASEAN unity; Vietnam isolated from the West politically, and receiving no assistance or technology;
- (b) Thailand and other South East Asian countries look favourably on British business.

Against Intermediate Objectives (2)

- 10. (a) following resettlement, the refugee problem has receded with only 126,000 refugees (25% of the total number seeking asylum) remaining in Thailand, albeit together with 240,000 displaced persons;
- (b) while the pressure on Hong Kong to absorb more Indo-Chinese has not diminished, there has been a reducing trend in the numbers of those seeking asylum;
- (c) Thailand and ASEAN governments have frequently expressed gratitude for UK support. UK commercial and investment interests have increased (£ m and £ m) between 1979 and 1986;
- (d) international condemnation of Vietnam's illegal occupation of Cambodia grows, viz United Nations General Assembly Resolution of 1985 condemning

Vietnam passed by a record 114 in favour - 21
against - 16 abstentions.

Against Intermediate Objectives (1)

11. (a) UK contribution to international effort to
resettle and relieve refugees amounts to %
of the total;
- (b) the UK, in accepting 20,000 refugees and Hong
Kong in absorbing 14,500, has taken % of
those for whom durable solutions have been found.
- (c) these proportions are broadly commensurate with
UK interests in SE Asia (% of market share,
% of foreign investment) and with our assessed
regular contribution to the United Nation's
budget (%).

Efficiency Indicators

12. (a) the cost per head of settling 20,000 refugees in
the UK is of the order of £ ;
- (b) the cost per head of responding to the arrival in
Hong Kong of 112,000 asylum seekers, including
the integration of 14,500 is of the order of
£ ;
- (c) the cost per head to the UK of relief to refugees
in Thailand is currently £ per annum;
- (d) of 20,000 refugees settled in the UK,
approximately % are now financially
self-supporting;
- (e) UK contribution of £12.5 million to UNBRO and
other international and voluntary organisations
has helped encourage total contributions of
£ million, a gearing of 1 : - ;
- (f) the British Embassy in Bangkok is able to ensure
that no bilateral aid reaches Khmer Rouge or
Vietnamese and to monitor UNBRO's operation
generally.

CONCLUSIONS

13. Although no overall political solution is in sight, Thailand continues to develop, along with other ASEAN countries, as a force for stability in the region. Vietnam's expansionism is checked, with a growing opportunity for Cambodian assistance to force further concessions upon the Vietnamese and its clients. Thailand is also continuing its contributions to efforts to find human solutions to the refugee burden. The UK's political concerns in the region are thus being met as are its trade interests. The refugee problem has been contained and, while consideration will have to be given to long-term solutions, the costs to the UK remain appropriate to its resources and its degree of involvement in the region, and in step with those of its allies.

South-East Asian Department
FCO

31 August 1986

FCO DIPLOMATIC WING: OBJECTIVES

General Objectives

1. The main strategic objectives of the Secretary of State for Foreign and Commonwealth Affairs are:
 - (a) to enhance the security and prosperity of the United Kingdom and the Dependent Territories;
 - (b) to promote and protect British interests overseas, including the interests of individual British citizens.

2. The implementation of these objectives involves the following tasks for the Foreign and Commonwealth Office*:
 - (a) to advise the Government on the formulation of their foreign policy in order to achieve these objectives;
 - (b) to implement the Government's foreign policy.

3. In order to fulfil these objectives, the FCO:
 - (a) conducts inter-governmental business and negotiations with foreign states through FCO posts overseas and foreign missions in London;

* in this document the Foreign and Commonwealth Office (FCO) is synonymous with the Diplomatic Service, i.e. it does not include the Overseas Development Administration (ODA).

(b) participates in the work of multilateral organisations;

(c) coordinates its activities with other Government Departments as appropriate to ensure consistency in the application of the Government's policies overseas;

(d) presents and explains the Government's foreign policy in the UK and overseas.

4. Specific Objectives

The specific objectives of the FCO are as follows:

5. Political Affairs

(i) To report on, analyse and advise on international political developments affecting government policy and British interests.

(ii) To conduct intergovernmental business and negotiations.

(iii) To identify and seek to forestall potentially damaging crises.

(iv) To work with like-minded countries, particularly through the political cooperation machinery of the European Community and with the Commonwealth and the United States, to strengthen democracy and stability across the world and to ensure the peaceful settlement of disputes based on the principles of freedom and justice.

6. International Security

In liaison with MOD and our allies to maintain and improve the effectiveness of NATO in ensuring the nation's defence; to work towards balanced and verifiable arms control and non-proliferation of nuclear weapons; to

combat international terrorism; to advise on arms sales, peace-keeping forces and military training for developing countries.

7. Commercial Affairs

(i) To promote and protect Britain's commercial interests overseas in coordination with DTI and ECGD. This is carried out through FCO posts overseas to discharge responsibility for export promotion including the provision of market and other information to businessmen, for the attraction of inward investment and for inter-governmental business in commercial affairs.

(ii) To ensure that the Government's commercial and export credit policies towards individual countries are consistent with its overall policies towards those countries.

8. Economic and Financial Affairs

(i) To contribute to advice on the Government's decisions concerning international economic and financial issues.

(ii) To help conduct inter-governmental business and negotiations in financial and economic affairs, including the settlement of claims.

9. Technical and Scientific Affairs

(i) To contribute information and advice for decisions on the overseas aspects of governmental involvement in technical and scientific matters (e.g. aviation, energy, space etc.).

(ii) To contribute to the conduct of

inter-governmental business (in technical and scientific affairs), both bilaterally and in the United Nations, its Specialised Agencies and other fora.

(iii) To ensure that the international aspects are given proper weight in the formulation of the government's technical and scientific policy.

10. Aid

(i) In cooperation with the ODA to ensure that the broad objectives of HMG's foreign policy are taken into account in the formulation of aid policy.

(ii) To contribute to the implementation of that policy overseas - especially when the ODA is not directly represented - by negotiating with the governments of aid recipients, reporting on relevant developments and participants in project management.

11. Consular Work

(i) To carry out the statutory requirements for assisting British citizens overseas: e.g. work under the Merchant Shipping Act; registration of births and deaths, carrying out certain notarial acts; and processing applications for citizenship.

(ii) To carry out certain non-statutory services for British citizens; e.g. the issue of passports; the relief and where necessary the repatriation of British citizens; and the provision of assistance or protection to UK nationals (including if necessary, plans for evacuation).

12. Immigration and Visa Work

(i) To participate in formulating policy on entry to the UK to ensure that the implications of visa and immigration decisions on HMG's relations with

foreign governments and its reputation abroad are given due weight.

(ii) To administer overseas the regulations relating to immigration and visas.

13. Information and Cultural Work

(i) To present the Government's policies with maximum effectiveness overseas.

(ii) To present the Government's foreign policy with maximum effectiveness in the UK.

(iii) To enhance Britain's image overseas and extend its influence.

(iv) To help publicise British goods and services and the possibilities of inward investment.

(v) To cooperate with the BBC External Services and the British Council in achieving 13 (i), (iii) and (iv).

14. Representational Work

To fulfil the representational aspects of inter-governmental relations including:

(i) to represent Britain and the British Government officially overseas;

(ii) to deal appropriately with the representatives of foreign powers and international organisations in the UK;

(iii) to provide briefing, hospitality and other services for distinguished inward and outward

visitors.

15. Administration Work

To provide in the most efficient and economic manner possible the services and facilities essential for the execution of the objectives outlined above.