

Title: Proposed closure of an IPS Application Processing Centre Lead department or agency: Identity and Passport Agency Other departments or agencies: Sponsor Department: Home Office	Impact Assessment (IA)
	IA No:
	Date: 09/Mar/2011
	Stage: Final
	Source intervention: Domestic
	Type of measure: Other
Contact for enquiries: Andrew Park, IPS Director of Change	

Summary: Intervention and Options

What is the problem under consideration? Why is government intervention necessary?

The Identity and Passport Service (IPS) carried out a review of existing capacity within its regional and local office network. In a regional passport processing operation we have been able to demonstrate increasing productivity over a number of years and have plans to improve productivity still further. The cancellation of the National Identity Scheme has also reduced IPS functions. This will lead to increased levels of excess capacity by 2013 of around 350 staff (Full Time Equivalents). In terms of physical estate, IPS estimates over-capacity of 24.1% by 2012.

What are the policy objectives and the intended effects?

The policy objective is to maintain the existing high levels of quality in service delivery and customer satisfaction, maintaining the integrity of the passport, whilst at the same time removing the excess capacity from passport operations. This will ensure that the income from passport fees is expended only on the delivery of a passport service at an economic cost to the customer and in the best interests of the UK taxpayer. The effect will be to maximise efficiency and value for money in IPS.

What policy options have been considered? Please justify preferred option (further details in Evidence Base)

1. Do nothing.
2. Make reductions across each of the passport Application Processing Centres (APCs)
3. Close the Belfast APC
4. Close the Durham APC
5. Close the Liverpool APC
6. Close the Newport APC
7. Close the Peterborough APC

An IPS assessment of the five regional passport APC closure options, using the Multi Criteria Analysis (MCA) method, showed that closure of the Newport APC scored highest (see page 23). This in conjunction with the evidence (supplied in the table on page 22 and which shows Newport has one of the highest NPVs, has the lowest social cost and has the lowest one-off financial costs to IPS), supports the IPS proposal to close Newport.

When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved? It will not be reviewed

Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review? Yes

Chief Executive's Sign-off For final stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Chief Executive: Date:

Summary: Analysis and Evidence

Policy Option 6

Description:

Close the passport application processing centre at Newport

Price Base Year	PV Base Year 2010	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: n/a	High: n/a	Best Estimate: £45.9m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	n/a	n/a	Optional
High	n/a	n/a	Optional
Best Estimate	£1.6m	£0.7m	£6.9m

Description and scale of key monetised costs by 'main affected groups'

Major one off costs comprise setting up a counter service (£0.4m), early termination of the lease (£0.7m) and the transition project (£0.5m). In terms of those made redundant, data for Wales from the ONS suggests the foregone earnings of unemployment over the 10 years might total £5.3m at present value (an annual average of £0.7m).

Other key non-monetised costs by 'main affected groups'

The office closure will have an impact on other businesses in Newport. However, the number of people visiting to get their passport will be unaffected by the office closure (as they will visit the new CSC site instead), so this impact is limited to the lost trade from those people that we make redundant. Accordingly, the impact is expected to be small, is difficult to quantify reliably and is likely to be comparable whichever office is closed, so has been excluded from our analysis.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low		Optional	Optional
High	Optional	Optional	Optional
Best Estimate	0	£7.8m	£52.8m

Description and scale of key monetised benefits by 'main affected groups'

Key benefits from improved efficiency allow reductions in staffing and office space. These produce average annual savings (over an 8 year period) of £6.3m staff costs and £1.5m non-staff costs (see table on page 5).

Other key non-monetised benefits by 'main affected groups'

We have discussed in our non-monetised costs the lost trade by other Newport businesses as a result of the redundancies that we plan to make. However, we will also pay £3m redundancy to those individuals that we make redundant, which may create a short term boost in trade for the local economy. However, given the difficulty in forecasting the propensity to spend this money and where it would be spent, it has been excluded from our analysis.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5

Most staff will be paid redundancy terms based on a minimum salary of £23k and a maximum payment equivalent to 21 months salary.

Capital cost of setting up a counter service will be £0.4m and the new service will require up to 33 of the existing staff.

Foregone earnings are based on the current average salary in the Newport office. Average re-employment rates of 24% in each 6 month period for Wales (ONS).

Impact on admin burden (AB) (£m):	Impact on policy cost savings (£m):	In scope
New AB:	Policy cost savings:	No
AB savings:	Net:	

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?	Wales				
From what date will the policy be implemented?	31/03/2012				
Which organisation(s) will enforce the policy?	IPS				
What is the total annual cost (£m) of enforcement for these organisations?	n/a				
Does enforcement comply with Hampton principles?	Yes				
Does implementation go beyond minimum EU requirements?	N/A				
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)	Traded: tbc		Non-traded: tbc		
Does the proposal have an impact on competition?	No				
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?	Costs: n/a		Benefits: n/a		
Annual cost (£m) per organisation (excl. Transition) (Constant Price)	Micro	< 20	Small	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...	Impact	Page ref within IA
Statutory equality duties¹? <u>Equality and Human Rights Commission: General guidance</u>	Yes	Annex 2
Economic impacts		
Competition? <u>Competition Impact Assessment</u>	No	
Small firms? <u>Small Firms Impact Test</u>	No	
Environmental impacts		
Greenhouse gas assessment? <u>http://www.defra.gov.uk/environment/index.htm</u>	No	
Wider environmental issues? <u>Guidance has been created on the Defra site</u>	No	
Social impacts		
Health and well-being? <u>Health: Health Impact Assessment</u>	No	
Human rights? <u>Ministry of Justice: Human Rights</u>	No	
Justice?	No	
Rural proofing? <u>Commission for Rural Communities</u>	Yes	Annex 2
Sustainability? <u>Defra: Think sustainable</u>	No	

¹ Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Implementation).

No. Legislation or publication

- 1 Full data Pack for closure of Newport Application Processing Centre – (this will be published on the IPS website in due course)
- 2 Ministerial Evidence to Welsh Affairs Committee (this will be published on the IPS website in due course)
- 3 IPS Annual Report and Accounts 2009-2010
- 4 Coalition Government Agreement

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs	0.1	1.5								
Annual recurring cost			2.5	1.5	0.8	0.5	0.3	0.2	0.1	0.1
Total annual costs	0.1	1.5	2.5	1.5	0.8	0.5	0.3	0.2	0.1	0.1
Transition benefits										
Annual recurring benefits			7.7	7.7	7.7	7.7	7.9	8.4	7.9	7.9
Total annual benefits			7.7	7.7	7.7	7.7	7.9	8.4	7.9	7.9

* For non-monetised benefits please see summary pages and main evidence base section

Evidence Base (for summary sheets)

A. Strategic Overview

A.1 Background

The Identity and Passport Service (IPS) has been an executive agency of the Home Office since April 2006. It is responsible for issuing UK passports and for the registration of births, marriages and deaths in England and Wales. IPS took responsibility on 1 April 2008 for the work of the General Register Office (GRO) for England and Wales from the Office of National Statistics (ONS) and the Chief Executive was appointed Registrar General for England and Wales. The functions of IPS at the beginning of 2009–10 were to:

- provide passport services for British nationals in the United Kingdom;
- begin providing identity cards for UK citizens; and
- continue to put in place the framework for the wider National Identity Service (NIS) and to provide the civil registration services of GRO.

On 20 May 2010, the Coalition Government set out in the Coalition Agreement their commitment to scrap Identity Cards, the National Identity Register and to halt the next generation of biometric passports. The Identity Documents Bill was introduced to Parliament on 26 June 2010 and completed Third Reading in the Lords on 24 November 2010 having completed its passage through the Commons.

IPS activities are funded in a number of ways:

- passport services are funded by passport fees;
- identity cards are/were part funded by identity card fees with any shortfall funded by central Home Office funds;
- development of the NIS was funded by central Home Office funds; and
- GRO activities are funded by a combination of fees for certificates and other civil registration services and central funds for the statutory responsibilities of the Registrar General for which a fee is not chargeable.

IPS provides a UK wide operation dealing with on average 5.5 million applications each year. It has a network of offices based at regional and local level. The regional offices are located at Belfast, Durham, Glasgow, Liverpool, London, Newport and Peterborough and there are 56 local interview offices throughout the country. The latter are known as the Interview Office Network (ION) and were set up in 2007 to provide a network of offices to interview all first-time applicants for passports and to facilitate the full roll out of the ID card scheme.

IPS conducted a detailed analysis using the Multi Criteria Analysis method to establish objectively from an IPS perspective which Application Processing Centre represents the best option for closure. The criteria used fall into groups of Cost, Affordability, Estates, People, Customers and Partners, Performance and Operational feasibility. The MCA scores for each option are shown on page 23 of this document and the MCA approach used (which is a standard Treasury methodology), is described in more detail in Annex 4.

A.2 Groups Affected

The decision to close a passport application processing centre (APC) does not impact on the delivery of counter services in that location as it is planned that a front-office facility providing this service will continue there. The group affected by this proposal are the IPS employees made redundant as a result of closing an APC.

A.3 Consultation

The need to rationalise current capacity levels within IPS is an operational decision based on the need to operate primarily within fee income. The proposals do not impact on the high standards of customer service and do not impact on the level of fee charged for the passport. Therefore, the proposals do not require a formal public consultation.

Formal consultation has taken place with the trade unions and the required 90-day period commenced on 19th October 2010. Since the announcement was made public, discussions have taken place at Ministerial level with Members of Parliament representing local constituencies. Written evidence has been provided to the Welsh Affairs Committee and oral evidence given at Ministerial and IPS Chief Executive level in response to their inquiry into the future of the Newport office.

B. Rationale

The passport fee covers the cost of the domestic passport service and consular services overseas for British citizens. Passports have to be delivered within the fee structure and be available to the public at an economic rate. That is why IPS keeps its business operation under review against the key aims of delivering a secure, high quality service at an economic cost to the customer and the UK economy. For example:

- In 2008, the passport application processing centre in Glasgow was closed with the loss of 124 posts. The processing work was re-distributed to the other centres at Durham, Liverpool, Newport and Peterborough; and
- In 2009, IPS closed 10 interview offices to reduce their future cost base whilst not materially impacting on the quality of service to customers.

The current programme of restructuring is more fundamental. IPS currently has excess capacity in our application processing and interview office networks. Ongoing and planned improvements in productivity and efficiency mean that we will have:

- Excess staff capacity of around 350 full time equivalents by 2013 and excess physical capacity of 24.1% across our application processing estate.
- Excess staff capacity of around 150 staff and 39 local offices across our Interview Office Network, although this excess capacity is part of a separate assessment so has not been included in this analysis

IPS therefore needs to reduce both our headcount and estate. The only way to make an appreciable saving in the amount of physical estate occupied by IPS passport operations, as well as to reduce overall staffing, is to close a passport Application Processing Centre and significantly reduce the number of interview offices. There are no expected costs associated with other sites taking over the workload of a closing APC, as the Passport operation is assumed to be at excess capacity of 350 FTE by 2013 and therefore able to absorb the work.

C. Objectives

The objective is to ensure that the passport fee is used for its intended purpose of delivering a safe, secure and high quality service to the public at optimal economic cost. The proposals will mean delivering the same for less.

D. Options

Option 1 is to make no changes at all (our 'do nothing' option). This would mean that we continue to have a regional office processing centre and front office counter service in all five of our existing regional offices at Belfast, Durham, Liverpool, Newport and Peterborough and that we maintain our existing full time equivalent staffing level into the future.

Accordingly, this option does not address our core objectives of:

- Reducing the physical estate capacity, 24.1% of which is currently under-utilised;
- Reducing our excess staffing levels; and
- Delivering value for money to the passport fee and meeting our obligations under our Comprehensive Spending Review settlement with the Home Office.

Option 2 would look to reduce the overall excess capacity by making staff reductions in each of the existing five regional passport application processing centres based in Belfast, Durham, Liverpool, Newport and Peterborough. We assume that redundancies would be made in proportion to the size of each of the existing offices; accordingly Belfast would have the smallest number of redundancies and Durham the greatest. Under this option, all five regional offices would remain open, with all HQ staff and management based at those locations remaining in post.

While this would spread the impact of job losses across different geographical areas, it would not deal with our existing estates over-capacity and the costs associated with this. Moreover, by making staff reductions across all sites, this will free further office space up which in turn would actually worsen our estates overcapacity issue.

Modelling of HQ Staff - Subsequent options need to make an assumption about what happens to HQ staff if their host APC closed. Presently this is difficult to assess given the current Home Office VER scheme and the ongoing IPS consultation on HQ posts. For the purposes of this Impact Assessment the base assumption is that all HQ staff located in the APC covered by the option are made surplus and that the work is relocated to another IPS office. This is for modelling purposes only.

Option 3 assumes that the existing counter and local printing currently in Law Society House (LSH) would be co-located with all the Interview Offices in Northern Ireland to form a Customer Service Centre (CSC), to ensure that the people of Northern Ireland continue to have access to a priority passport service. IPS would retain some operational staff to run this CSC. The intention would be to sub-let upper floors in LSH to recover as much of our contractually committed lease costs as possible albeit this could be difficult to achieve in the short-term.

Headquarter functions currently carried out by the Belfast office would be absorbed by HQ staff in our other offices, but HQ staff in Belfast would be made surplus. As Belfast is a small office, it would not be necessary to recruit either processing or HQ staff elsewhere in the business if this office was closed. Furthermore, closing only the Belfast office would leave us with surplus staff elsewhere in the network. When modelling, we have not assumed that we would make further redundancies in other offices to bring us down to the level of operational staff we need in the business. Operationally we would have to consider downsizing another office to remove surplus capacity, if we chose to close the Belfast office.

Option 4 assumes that the entire Durham regional office would close after the 2011 peak, handing over the estate by the lease break in October 2012. The counter would operate until the end of August 2011 and postal applications would be accepted for processing until the end of July 2011, subject to sufficient staff remaining. The assumption is that IPS would create a CSC in Durham by combining Premium and Fastrack service provision with Interview Office functions. This would require IPS to retain some operational staff from the Durham regional office.

This option would result in IPS having a shortage of service delivery staff and would require IPS to recruit in other offices to maintain our service delivery. Furthermore, head-quarter functions currently carried out by the Durham office would be relocated, but HQ staff currently based in Durham would be made surplus. Given the large number of HQ staff based in Durham, the HQ staff based in other regional offices and at headquarters could not absorb their work. Accordingly, the closure of the Durham office would require IPS to recruit some staff in other offices to fulfil the roles of those HQ staff previously based in Durham.

Option 5 assumes that the entire Liverpool regional office would close by the end of FY 2011-12. The counter would remain operational until the end of August 2011 and postal processing until at least June 2011, although longer might be desirable to give contingency for rollout of the

replacement passport issuing system. The assumption is that IPS would create a CSC in Liverpool by combining Premium and Fastrack service provision with Interviews Office functions. This would require IPS to retain some operational staff from the Liverpool regional office.

As with Option 4, closing the Liverpool office would result in us having a shortage of processing staff and so recruitment of staff in other offices would be required to enable us to maintain service delivery.

Headquarter functions currently carried out by the Liverpool office would be relocated, but HQ staff in Liverpool would be made surplus. As with Option 4, IPS would need to recruit HQ staff in other parts of the business to fulfil the roles of those previously based in Liverpool.

Option 6 assumes that the existing Newport office would close by the end of the FY 2011-12. IPS would create a Customer Services Centre to combine Premium and Fastrack service provision and Interview Office functions. The CSC service would become operational at the end of 2011/12 financial year, requiring IPS to retain some operational staff from the Newport Office. This option assumes Wales continues to have a Passport Office, providing exactly the same service as is offered in Scotland and Northern Ireland.

Headquarter functions carried out at Newport would be relocated, but HQ staff currently based in Newport would be made surplus.

Option 7 is that the entire Peterborough regional office would close by the end of FY 2011-12. The counter would remain operational until the end of August 2011 and postal processing until at least July 2011. The assumption is that IPS would create a CSC in Peterborough to combine the Premium and Fast Track service provision and the Interview Office functions. This would require IPS to retain some operational staff from the Peterborough office.

As with Options 4 and 5, closing the Peterborough office would result in IPS having a shortage of processing staff and so recruitment of staff in other offices would be required to enable IPS to maintain service delivery.

Headquarter functions currently carried out by the Peterborough office would be relocated, but HQ staff in Peterborough would be made surplus. As with Option 4, IPS would need to recruit HQ staff in other parts of the business to fulfil the roles of those previously based in Peterborough.

E. Appraisal (Costs and Benefits)

General Assumptions and Data

Social Costs and Benefits:

- Foregone earnings:
 - The re-employment rate is sourced from either StatsWales or the Office for National Statistics (as applicable) and is used to forecast how many of those that we make redundant will remain unemployed in one to ten years after we close an office.
 - The foregone earnings rate for a given office are based on the current average gross staff cost for that office, less on-costs (national insurance and pension contributions).
 - Foregone earnings are calculated as the number of employees that remain redundant in a given year multiplied by the foregone earnings rate.
- Benefits gained include:
 - Job seekers allowance: Assumed to be the full rate of £65.45 a week (DWP);
 - Council tax benefit: This is based on the average house price in the city in which an office is based and the rate of council tax applicable to houses of that value. In all cases, other than Belfast (where a different rating system applies), it was found that the average house price equated to a Band D property. The house prices have been obtained from the Land Registry Office and the local rates of Council tax from the respective Council websites;

- Housing benefit costs are based on the average local authority rental price in a region, which is sourced from the CLG website. We have assumed that the unemployed individuals will be entitled to housing benefit for the full cost of their rent.
- It is not possible to model with any reliability the extent to which individuals would be entitled to any of the benefits above. For example, those co-habiting with individuals in full time employment would not be entitled to full council tax or housing benefit. However, for modelling purposes we have made the simplifying assumption that all those made redundant would be entitled to the full benefits to calculate the most prudent estimate of the cost to the state. Furthermore, we have assumed that individuals will be entitled to JSA into perpetuity. In reality JSA is only available for a limited period however the assumption is that an alternative benefit would be paid thereafter of similar value.
- Benefit costs are calculated as the number of employees that remain unemployed in a given year multiplied the propensity to claim benefits in that area and by the total annual cost of housing, council tax and job seekers benefits.
- Benefits paid are also treated as a benefit to the individuals receiving them, so are netted off against the forgone earnings in calculating the private social impact on those individuals that we make redundant.

Financial Costs and Benefits for IPS:

- One off costs included are:
 - The cost of redundancies, which are calculated using the latest assumptions for the terms and conditions of a voluntary redundancy scheme:
 - Minimum of £23k as the 'reckonable salary' in the redundancy calculation;
 - One month pay for each year of service;
 - Maximum redundancy payment is capped at 21 months salary; and
 - These terms have been applied to the staff actually working in each of the regional offices and based on each individual's length of service, age and salary.
 - The costs of relocation and project management, which have been based on internal knowledge and experience of the cost of fitting out counter service premises and of managing projects of this nature; and
 - The costs of onerous leases, which are the brought forward rental costs that have to be accounted for in our financial statements when we decide to close an office and we have an ongoing liability to pay the landlord rent beyond the date of closure.
- The ongoing benefits included are:
 - The reduced rental and maintenance costs of having a smaller counter only service relative to having a full scale regional office operation, including back office application processing functions; and
 - The reduced salary costs, as a counter service requires significantly fewer FTE to staff it than a full regional office with back office application processing functions. The calculation of the benefit to IPS includes the following:
 - The benefit of no longer having to pay the staff in an office that is closed;
 - Less the cost of employing staff in the counter service that replaces the closed regional office. We have assumed that the counter staff would be retained regional office employees and so would be employed at the same salary as the current average salary for that office;
 - Less (in the cases of Durham, Liverpool and Peterborough closure options) the cost of employing backfill staff. The number of backfill staff required for each closure option is shown in **Table 1**. In addition, we assume that backfill staff would be new to the organisation and so would come in lower on the pay ranges than those staff that we make redundant. Accordingly, we have also factored in a saving to IPS of employing less expensive staff than those that they have replaced.

'Proportional redundancy' option specific assumptions:

- The proportional redundancy option uses the assumptions and costs and benefits described above, as appropriate. However, there are further assumptions that we have made to enable us to model the costs and benefits of this option as follows:

- We assume that the required operational FTE reduction would be achieved by making people redundant in each office. When modelling, we have assumed that the reduction in FTEs would be achieved by making redundancies in proportion to the size of the existing offices. Accordingly Durham would have the highest number of redundancies and Belfast the lowest. We have used a weighted average of the cost unemployment related benefits per region in calculating the social costs and benefits associated with this option.
- The option assumes that all 5 offices would remain open and that we would not reduce the number of HQ and management staff based in our regional offices. Accordingly, our model for this option does not factor in any estates or non-operational staff savings.

Other notes:

- It is important to note that for each of the Belfast, Durham, Liverpool, Newport and Peterborough closure options, we have not shown the 'costs' and 'benefits' of the four offices that remain open in our analysis. These net to £nil and have no impact on the NPVs calculated in our analysis, nor the outcome of the decision on which office to close.

Primary Sources of Internal Data/Estimates:

- IPS HR System & Payroll data for costs of employing staff and calculation of redundancy costs
- IPS Project Closure report for previous restructure projects (Glasgow in 2008-09 and ION in 2009-10) to inform project management costs and also likely timeline from start to finish.
- IPS Estates for all estates costs, rents, dilapidations, lease breaks and exit costs associated with each of the offices.

Data Table

The table below summarises the key data used in compiling our financial and economic costs and benefits:

Table 1: Data table (as at Jan 2011)

Office	Belfast <i>Northern Ireland</i>	Durham <i>Rest of North East</i>	Liverpool <i>Merseyside</i>	Newport <i>Wales</i>	P'boro <i>East of England</i>
<i>Government Regions</i>					
Current Average Salary (inc. NI/Pension)	£25,525	£21,005	£25,689	£21,984	£21,442
Current Average Gross Salary Costs	£20,165	£16,594	£20,294	£17,367	£16,939
<i>Existing FTE (a)</i>	156	629	363	313	463
<i>Counter Service FTE Requirement (b)</i>	14	30	61	33	52
FTE made redundant (a-b)	142	599	302	280	411
<i>Backfill (Processing) (c)</i>	0	281	3	0	122
<i>Backfill (HQ staff) (d)</i>	0	40	43	0	13
Total Backfill (c+d)	0	321	46	0	135
Proportion assumed inactive immediately (proportion >60 years of age)	3%	6%	5%	10%	9%
Re-employment Rate	11%	25%	20%	24%	30%
Proportion Claiming Benefits	67%	67%	65%	60%	54%
<i>Annual Rent 2010 (e)</i>	£2,695	£2,829	£2,950	£3,071	£3,551
<i>JSA (f)</i>	£3,403	£3,403	£3,403	£3,403	£3,403
<i>Council Tax (g)</i>	£864	£1,550	£1,519	£954	£1,350
TOTAL (Benefits) (e+f+g)	£6,962	£7,782	£7,873	£7,428	£8,304
Floor Space per FTE (square metre)	8	8	8	8	8
Fit out cost per square metre	£1,333	£1,333	£1,333	£1,333	£1,333

Note: Our proportional redundancy option uses a weighted average of the data above.

Option 1 – Do Nothing

This option simply includes the full costs of running the existing offices as they are (an implicit assumption is that all leases will be extended as they expire or that the office move to a similar sized and priced location nearby), including excess staff and estates capacity. Accordingly there are no additional costs or benefits and the Net Present Value of the option is £nil.

Option 2 – Proportional Redundancies

Policy Costs (Public Sector)

The costs to the public sector would be the one off costs of redundancy (£2.3m) and benefits paid to individuals that we make redundant through this option.

Administrative Burdens (Public Sector)

There would be an initial project management cost of £0.2m for this option, representing the IPS board and management time required to manage the change process. The project management would be completed within existing management capacity, so the cost represents only the opportunity cost of their time.

The only other public sector admin burden is the cost to DWP/Local Authorities of processing the applications for job seekers, housing and council tax benefits. However, we do not have the data necessary to model such additional costs accurately, nor can we estimate to what extent the claims could be managed within existing capacity. We do not expect that such costs would be significant.

Policy Costs (Private and Third Sector)

The cost to the private individuals is their loss of income as a result of being made redundant. We estimate this to be £3.3m in present value terms (£0.4m annual average).

Administrative Burdens (Private and Third Sector)

n/a

Policy Benefits (Public Sector)

The benefits to the public sector are the savings of £21.8m (£2.7m annual average) in salary costs as a result of no longer employing more staff than needed to meet demand.

Administrative Savings (Public Sector)

n/a

Policy Benefits (Private and Third Sector)

We included in our 'policy costs to private individuals' the costs to individuals of their loss of income as a result of being made redundant. However, the £0.9m (<£0.1m annual average) of benefits received by these individuals will net off against their lost income, so has been included as a benefit to private individuals (as well as being a cost to the public sector).

Administrative Savings (Private and Third Sector)

n/a

Table 2: Costs and benefits of Option 2

Costs and Benefits of proportional redundancies						
£m	Resource			Transfer		
	One-off	Annual Average	10 Year PV	One-off	Annual Average	Present Values
Costs						
Project Management cost	0.2	-	0.2	-	-	-
Foregone earnings (by individuals)	-	0.4	3.3	-	-	-
Redundancy payments (paid by State)	-	-	-	2.3	-	2.3
Unemployment benefit payments (paid by State)	-	-	-	-	0.1	0.9
Benefits						
Resources released						
Pay	-	2.7	21.8	-	-	-
Redundancy payments (received by individual)	-	-	-	2.3	-	2.3
Unemployment and benefit payments (received by individual)	-	-	-	-	0.1	0.9
Net Total (benefits less costs)	-0.2	2.3	18.3	0	0	0

Option 3 – Belfast Office Closure**Policy Costs (Public Sector)**

The costs to the public sector would be the £5.3m cost of vacating the office (high due to the long remaining lease), one off costs of redundancy and benefits paid to individuals made redundant through the closure of the Belfast office.

Administrative Burdens (Public Sector)

There would be an initial project management cost of £0.2m for this option, representing the IPS board and management time required to manage the change process. The project management would be completed within existing management capacity, so the cost represents only the opportunity cost of their time.

The only other public sector admin burden is the cost to DWP/Local Authorities of processing the applications for job seekers, housing and council tax benefits. However, we do not have the data necessary to model such additional costs accurately, nor can we estimate to what extent the claims could be managed within existing capacity. We do not expect that such costs would be significant.

Policy Costs (Private and Third Sector)

The cost to the private individuals is their loss of income as a result of being made redundant. We estimate this to be £7.9m in present value terms (£1.2m annual average).

The office closure will have an impact on other businesses in Belfast. However, the number of people visiting to get their passport will be unaffected by the office closure (as they will visit the new CSC site instead), so this impact is limited to the lost trade from those people that we make

redundant. Accordingly, the impact is expected to be small, is difficult to quantify reliably and is likely to be comparable whichever office is closed, so has been excluded from our analysis.

Administrative Burdens (Private and Third Sector)

n/a

Policy Benefits (Public Sector)

The benefits to the public sector are the savings of £30.2m (£4.6m annual average) in salary and estates costs as a result of closing the Belfast office.

Administrative Savings (Public Sector)

n/a

Policy Benefits (Private and Third Sector)

We included in our 'policy costs to private individuals' the costs to individuals of their loss of income as a result of being made redundant. However, the £1.8m (£0.2m annual average) of benefits received by these individuals will net off against their lost income, so has been included as a benefit to private individuals (as well as being a cost to the public sector).

We have discussed in our non-monetised costs the lost trade by other Belfast businesses as a result of the redundancies that we plan to make. However, we will also pay £1.7m redundancy to those individuals that we make redundant, which may create a short term boost in trade for the local economy. However, this is difficult to quantify, so has been excluded from our analysis.

Administrative Savings (Private and Third Sector) n/a

Table 3: Costs and benefits of Option 3

Costs and Benefits of Closing Belfast						
£m	Resource			Transfer		
	One-off	Annual Average	10 Year PV	One-off	Annual Average	Present Values
Costs						
Project Management cost	0.2	-	0.2	-	-	-
Office closure (decommissioning, rent, refurbishment)	5.3	-	5.3	-	-	-
Foregone earnings (by individuals)	-	1.2	7.9	-	-	-
Redundancy payments (paid by State)	-	-	-	1.7	-	1.7
Unemployment benefit payments (paid by State)	-	-	-	-	0.2	1.8
Benefits						
Resources released						
Pay	-	3.6	24.0	-	-	-
Rental etc	-	1.0	6.2	-	-	-
Redundancy payments (received by individual)	-	-	-	1.7	-	1.7
Unemployment and benefit payments (received by individual)	-	-	-	-	0.2	1.8

Net Total (benefits less costs)	-5.5	3.4	16.8	0	0	0
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Option 4 – Durham Office Closure

Policy Costs (Public Sector)

The costs to the public sector would be the £1.7m cost of vacating the office, the one off costs of redundancy and benefits paid to individuals made redundant through the closure of the Durham office.

Administrative Burdens (Public Sector)

There would be an initial project management cost of £0.2 m for this option, representing the IPS board and management time required to manage the change process. The project management would be completed within existing management capacity, so the cost represents only the opportunity cost of their time.

The only other public sector admin burden is the cost to DWP/Local Authorities of processing the applications for job seekers, housing and council tax benefits. However, we do not have the data necessary to model such additional costs accurately, nor can we estimate to what extent the claims could be managed within existing capacity. We do not expect that such costs would be significant, although they would be greater than for the other options, given that such a large number of staff would be made redundant.

Policy Costs (Private and Third Sector)

The cost to the private individuals is their loss of income as a result of being made redundant. We estimate this to be £10.7m in present value terms (£1.5m annual average).

The office closure will have an impact on other businesses in Durham. However, the number of people visiting to get their passport will be unaffected by the office closure (as they will visit the new Customer Service Centre site instead), so this impact is limited to the lost trade from those people that we make redundant. Accordingly, the impact is expected to be small, is difficult to quantify reliably and is likely to be comparable whichever office is closed, so has been excluded from our analysis.

Administrative Burdens (Private and Third Sector)

n/a

Policy Benefits (Public Sector)

The benefits to the public sector are the savings of £43.2m (£6.5m annual average) in salary and estates costs as a result of closing the Durham office

Administrative Savings (Public Sector)

n/a

Policy Benefits (Private and Third Sector)

We included in our 'policy costs to private individuals' the costs to individuals of their loss of income as a result of being made redundant. However, the £3.3m (£0.4m annual average) of benefits received by these individuals will net off against their lost income, so has been included as a benefit to private individuals (as well as being a cost to the public sector).

We have discussed in our non-monetised costs the lost trade by other Durham businesses as a result of the redundancies that we plan to make. However, we will also pay £7.1m redundancy to those individuals that we make redundant, which may create a short term boost in trade for the local economy. However, this is difficult to quantify, so has been excluded from our analysis.

Administrative Savings (Private and Third Sector)

n/a

Table 4: Costs and benefits of Option 4

Costs and Benefits of Closing Durham						
£m	Resource			Transfer		
	One-off	Annual Average	10 Year PV	One-off	Annual Average	Present Values
Costs						
Project Management cost	0.2	-	0.2	-	-	-
Office closure (decommissioning, rent, refurbishment)	1.7	-	1.7	-	-	-
Foregone earnings (by individuals)	-	1.5	10.7	-	-	-
Redundancy payments (paid by State)	-	-	-	7.1	-	7.1
Unemployment benefit payments (paid by State)	-	-	-	-	0.4	3.3
Benefits						
Resources released						
Pay	-	5.0	33.2	-	-	-
Rental etc	-	1.5	10.0	-	-	-
Redundancy payments (received by individual)	-	-	-	7.1	-	7.1
Unemployment and benefit payments (received by individual)	-	-	-	-	0.4	3.3
Net Total (benefits less costs)	-1.9	5.0	30.6	0	0	0

Option 5 – Liverpool Office Closure

Policy Costs (Public Sector)

The costs to the public sector would be the £4.7m cost of vacating the office (high due to the long remaining lease), the one off costs of redundancy and benefits paid to individuals made redundant through the closure of the Liverpool office.

Administrative Burdens (Public Sector)

There would be an initial project management cost of £0.2m for this option, representing the IPS board and management time required to manage the change process. The project management would be completed within existing management capacity, so the cost represents only the opportunity cost of their time.

The only other public sector admin burden is the cost to DWP/Local Authorities of processing the applications for job seekers, housing and council tax benefits. However, we do not have the data necessary to model such additional costs accurately, nor can we estimate to what extent the claims could be managed within existing capacity. We do not expect that such costs would be significant.

Policy Costs (Private and Third Sector)

The cost to the private individuals is their loss of income as a result of being made redundant. We estimate this to be £8.8m in present value terms (£1.2m annual average).

The office closure will have an impact on other businesses in Liverpool. However, the number of people visiting to get their passport will be unaffected by the office closure (as they will visit the new CSC site instead), so this impact is limited to the lost trade from those people that we make redundant. Accordingly, the impact is expected to be small, is difficult to quantify reliably and is likely to be comparable whichever office is closed, so has been excluded from our analysis.

Administrative Burdens (Private and Third Sector)

n/a

Policy Benefits (Public Sector)

The benefits to the public sector are the savings of £60.7m (£9.1m annual average) in salary and estates costs as a result of closing the Liverpool office

Administrative Savings (Public Sector)

n/a

Policy Benefits (Private and Third Sector)

We included in our 'policy costs to private individuals' the costs to individuals of their loss of income as a result of being made redundant. However, the £2.2m (£0.3m annual average) of benefits received by these individuals will net off against their lost income, so has been included as a benefit to private individuals (as well as being a cost to the public sector).

We have discussed in our non-monetised costs the lost trade by other Liverpool businesses as a result of the redundancies that we plan to make. However, we will also pay £4.6m redundancy to those individuals that we make redundant, which may create a short term boost in trade for the local economy. However, this is difficult to quantify, so has been excluded from our analysis.

Administrative Savings (Private and Third Sector) n/a

Table 5: Costs and benefits of Option 5

Costs and Benefits of Closing Liverpool						
£m	Resource			Transfer		
	One-off	Annual Average	10 Year PV	One-off	Annual Average	Present Values
Costs						
Project Management cost	0.2	-	0.2	-	-	-
Office closure (decommissioning, rent, refurbishment)	4.7	-	4.7	-	-	-
Foregone earnings (by individuals)	-	1.2	8.8	-	-	-
Redundancy payments (paid by State)	-	-	-	4.6	-	4.6
Unemployment benefit payments (paid by State)	-	-	-	-	0.3	2.2
Benefits						
Resources released						
Pay	-	6.7	44.8	-	-	-
Rental etc	-	2.4	15.9	-	-	-

Redundancy payments (received by individual)	-	-	-	4.6	-	4.6
Unemployment and benefit payments (received by individual)	-	-	-	-	0.3	2.2
Net Total (benefits less costs)	-4.9	7.9	47.0	0	0	0

Option 6 – Newport Office Closure

Policy Costs (Public Sector)

The costs to the public sector would be the £1.4m cost of vacating the office (lower due to the short remaining lease), the one off costs of redundancy and benefits paid to individuals made redundant through the closure of the Newport office.

Administrative Burdens (Public Sector)

There would be an initial project management cost of £0.2m for this option, representing the IPS board and management time required to manage the change process. The project management would be completed within existing management capacity, so the cost represents only the opportunity cost of their time.

The only other public sector admin burden is the cost to DWP/Local Authorities of processing the applications for job seekers, housing and council tax benefits. However, we do not have the data necessary to model such additional costs accurately, nor can we estimate to what extent the claims could be managed within existing capacity. We do not expect that such costs would be significant.

Policy Costs (Private and Third Sector)

The cost to the private individuals is their loss of income as a result of being made redundant. We estimate this to be £5.3m in present value terms (£0.7m annual average).

The office closure will have an impact on other businesses in Newport. However, the number of people visiting to get their passport will be unaffected by the office closure (as they will visit the new CSC site instead), so this impact is limited to the lost trade from those people that we make redundant. Accordingly, the impact is expected to be small, is difficult to quantify reliably and is likely to be comparable whichever office is closed, so has been excluded from our analysis.

Administrative Burdens (Private and Third Sector)

n/a

Policy Benefits (Public Sector)

The benefits to the public sector are the savings of £52.8m (£7.8m annual average) in salary and estates costs as a result of closing the Newport office.

Administrative Savings (Public Sector)

n/a

Policy Benefits (Private and Third Sector)

We included in our 'policy costs to private individuals' the costs to individuals of their loss of income as a result of being made redundant. However, the £1.4m (£0.2m annual average) of benefits received by these individuals will net off against their lost income, so has been included as a benefit to private individuals (as well as being a cost to the public sector).

We have discussed in our non-monetised costs the lost trade by other Newport businesses as a result of the redundancies that we plan to make. However, we will also pay £3m redundancy to those individuals that we make redundant, which may create a short term boost in trade for the local economy. However, this is difficult to quantify, so has been excluded from our analysis.

Administrative Savings (Private and Third Sector)

n/a

Table 6: Costs and benefits of Option 6

Costs and Benefits of Closing Newport						
£m	Resource			Transfer		
	One-off	Annual Average	10 Year PV	One-off	Annual Average	Present Values
Costs						
Project Management cost	0.2	-	0.2	-	-	-
Office closure (decommissioning, rent, refurbishment)	1.4	-	1.4	-	-	-
Foregone earnings (by individuals)	-	0.7	5.3	-	-	-
Redundancy payments (paid by State)	-	-	-	3.0	-	3.0
Unemployment benefit payments (paid by State)	-	-	-	-	0.2	1.4
Benefits						
Resources released						
Pay	-	6.3	42.1	-	-	-
Rental etc	-	1.5	10.7	-	-	-
Redundancy payments (received by individual)	-	-	-	3.0	-	3.0
Unemployment and benefit payments (received by individual)	-	-	-	-	0.2	1.4
Net Total (benefits less costs)	-1.6	7.1	45.9	0	0	0

Option 7 – Peterborough Office Closure**Policy Costs (Public Sector)**

The costs to the public sector would be the £2.6m cost of vacating the office, the one off costs of redundancy and benefits paid to individuals made redundant through the closure of the Peterborough office.

Administrative Burdens (Public Sector)

There would be an initial project management cost of £0.2m for this option, representing the IPS board and management time required to manage the change process. The project management would be completed within existing management capacity, so the cost represents only the opportunity cost of their time.

The only other public sector admin burden is the cost to DWP/Local Authorities of processing the applications for job seekers, housing and council tax benefits. However, we do not have the data necessary to model such additional costs accurately, nor can we estimate to what extent the claims could be managed within existing capacity. We do not expect that such costs would be significant.

Policy Costs (Private and Third Sector)

The cost to the private individuals is their loss of income as a result of being made redundant. We estimate this to be £5.6m in present value terms (£0.8m annual average).

The office closure will have an impact on other businesses in Peterborough. However, the number of people visiting to get their passport will be unaffected by the office closure (as they will visit the new CSC site instead), so this impact is limited to the lost trade from those people that we make redundant. Accordingly, the impact is expected to be small, is difficult to quantify reliably and is likely to be comparable whichever office is closed, so has been excluded from our analysis.

Administrative Burdens (Private and Third Sector)

n/a

Policy Benefits (Public Sector)

The benefits to the public sector are the savings of £54.2m (£8.2m annual average) in salary and estates costs as a result of closing the Peterborough office

Administrative Savings (Public Sector)

n/a

Policy Benefits (Private and Third Sector)

We included in our 'policy costs to private individuals' the costs to individuals of their loss of income as a result of being made redundant. However, the £1.5m (£0.2m annual average) of benefits received by these individuals will net off against their lost income, so has been included as a benefit to private individuals (as well as being a cost to the public sector).

We have discussed in our non-monetised costs the lost trade by other Peterborough businesses as a result of the redundancies that we plan to make. However, we will also pay £5.3m redundancy to those individuals that we make redundant, which may create a short term boost in trade for the local economy. However, this is difficult to quantify, so has been excluded from our analysis.

Administrative Savings (Private and Third Sector)

n/a

Table 7: Costs and benefits of Option 7

Costs and Benefits of Closing Peterborough						
£m	Resource			Transfer		
	One-off	Annual Average	10 Year PV	One-off	Annual Average	Present Values
Costs						
Project Management cost	0.2	-	0.2	-	-	-
Office closure (decommissioning, rent, refurbishment)	2.6	-	2.6	-	-	-
Foregone earnings (by individuals)	-	0.8	5.6	-	-	-
Redundancy payments (paid by State)	-	-	-	5.3	-	5.3
Unemployment benefit payments (paid by State)	-	-	-	-	0.2	1.5
Benefits						

Resources released						
Pay	-	6.2	41.0	-	-	-
Rental etc	-	2.0	13.2	-	-	-
Redundancy payments (received by individual)	-	-	-	5.3	-	5.3
Unemployment and benefit payments (received by individual)	-	-	-	-	0.2	1.5
Net Total (benefits less costs)	-2.8	7.4	45.8	0	0	0

F. Risks

The analysis set out in the previous sections deals exclusively with the flow of economic costs and benefits that arise as a result of each of our closure options. The risk with basing a decision solely on such a measure is that it does not take into account operational factors such as whether we can continue to meet customer demand without recruitment. Furthermore, the NPV analysis does not consider whether or not the upfront investment required for each of the closure options would be prohibitive under our Comprehensive Spending Review resource allocation.

Accordingly, in addition to the NPV analysis, IPS has undertaken detailed analysis, using the Multi Criteria Analysis method (MCA – see Annex 4 for more detailed explanation), to establish objectively which office provided the best option for closure. The broad outline of the Multi Criteria Analysis as described in the Treasury Green book is as follows:

- Identify policy options for analysis
- Identify criteria against which options will be assessed
- Assess options against criteria using quantitative or qualitative data
- Score options against criteria on a consistent basis
- Weight criteria and compare options
- Carry out sensitivity analysis and revisit conclusions.

The criteria used falls into groups of Cost, Affordability, Estates, People, Customers & Partners, Performance and Operational Feasibility. These were agreed with relevant stakeholders in the Application Processing Network, Finance and Strategy. Consideration was given to the respective weightings of the criteria but these were ultimately given equal weights, as they had no discernible impact on the outcome of the analysis. The criteria and data relevant to each were built into a model, which was run to determine which closure option should be selected.

Having agreed the criteria, raw data was gathered from across the organisation to input into the MCA model. The input data was then processed and indexed, meaning that a relative weighting – scoring 100 for the most positive response and decreasing proportionately – was determined for each data set. Indexed values were then allocated a score based on the weights given to each of the criterion. An output score was then produced by summing the output values.

The significant risk in consideration of each option was the potential for a reduction in level and quality of service to customers. IPS is continually looking at better ways of working and makes best use of available technology to ensure value for money and quality of service. However, the risk would lie in customer demand outstripping anticipated demand and the ability of future capacity levels within IPS to deal with that situation. The model has taken account of relevant inputs and variables and there is confidence that the outcomes on each of the options has given sufficient consideration to future risk.

The risk that current accommodation would remain unoccupied and incur costs to the landlord because of IPS departing will be mitigated by giving as much notice as possible.

G. Enforcement

Not applicable.

H. Summary and Recommendations

Costs and Benefits Summary						
£m	Resource			Transfer		
	One-off	Annual Average	Present Values	One-off	Annual Average	Present Values
Costs	(One-off to IPS, average is social)			(Social, between state and individuals)		
Opt 1 - Do Nothing	-	-	-	-	-	-
Opt 2 - Proportional	0.2	0.4	3.5	2.3	0.1	3.2
Opt 3 - Belfast	5.5	1.2	13.4	1.7	0.2	3.5
Opt 4 - Durham	1.9	1.5	12.6	7.1	0.4	10.4
Opt 5 - Liverpool	4.9	1.2	13.7	4.6	0.3	6.8
Opt 6 – Newport	1.6	0.7	6.9	3.0	0.2	4.4
Opt 7 - Peterborough	2.8	0.8	8.4	5.3	0.2	6.8
Benefits	(To IPS)			(Social, between state and individuals)		
Opt 1 - Do Nothing	-	-	-	-	-	-
Opt 2 - Proportional	-	2.7	21.8	2.3	0.1	3.2
Opt 3 - Belfast	-	4.6	30.2	1.7	0.2	3.5
Opt 4 - Durham	-	6.5	43.2	7.1	0.4	10.4
Opt 5 - Liverpool	-	9.1	60.7	4.6	0.3	6.8
Opt 6 – Newport	-	7.8	52.8	3.0	0.2	4.4
Opt 7 - Peterborough	-	8.2	54.2	5.3	0.2	6.8
Net (Benefits less Costs)			(NPV)			
Opt 1 - Do Nothing	-	-	-	-	-	-
Opt 2 - Proportional	-0.2	2.3	18.3	-	-	-
Opt 3 - Belfast	-5.5	3.4	16.8	-	-	-
Opt 4 - Durham	-1.9	5.0	30.6	-	-	-
Opt 5 - Liverpool	-4.9	7.9	47.0	-	-	-
Opt 6 – Newport	-1.6	7.1	45.9	-	-	-
Opt 7 - Peterborough	-2.8	7.4	45.8	-	-	-

The table above shows that, based solely on the economic and financial data, of the five offices Newport has the lowest cost (Resource PV terms), one of the highest **Net** Present Values (Benefits less Costs) and the lowest one off costs (Resource) to IPS for restructuring.

IPS also conducted its own multi-criteria analysis (MCA) of a range of factors for each of our office closure options. It should be noted that the proportional redundancy and the do nothing options were not included in this process, as neither achieves all of the key objectives of reducing excess estates capacity, reducing excess staffing levels and meeting our CSR obligations.

The criteria used in the MCA included such non-financial metrics as:

- Application processing time by office;
- Extent to which estates over-capacity would be reduced by each closure option; and
- Non-finance considerations of backfill requirement – i.e. it makes little operational sense to make experienced staff redundant in one location to replace them with new, inexperienced staff in another.

This economic impact assessment refines the calculation of the costs and benefits associated with each option to focus more closely on the additional costs and benefits of each option, excluding those that are already part of the IPS baseline and thus not an outcome of the restructuring decision.

As cost is a significant element of the MCA weighting (17% of the score) our latest estimates of the cost of each option would impact on results as shown in the table below.

Latest MCA results

Rank	Office	Score	One-off costs (£m)	Total 10 year Spend (£m)	NPV over 10 years (£m)	Total FTE in Region	Backfill Needed (FTE)
1	Close Newport RO	91	4.6	514	45.9	313	0
2	Close Peterborough RO	89	8.1	494	45.8	463	135
3	Close Durham RO	86	8.5	461	30.6	629	321
4	Close Liverpool RO	85	9.5	501	47.0	363	46
5	Close Belfast RO	81	7.2	539	16.8	156	0

The summary above shows that Newport is our preferred option for closure. Annex 4 contains a detailed explanation of the Multi Criteria Analysis undertaken by IPS.

I. Implementation

Subject to the outcome of the formal consultation with trade unions, the Government plans to implement these changes by the end of financial year 2011-12. .

J. Monitoring and Evaluation

The levels of operational delivery by and efficient running of IPS would monitor the effectiveness of the new regime. The Agency is required to provide an Annual Report and Accounts and present these to the House of Commons under section 7 of the Government Resources and Accounts Act 2000. It is a matter for the Commons to consider these and then order that these are printed.

K. Feedback

Customer satisfaction is measured through surveys, by correspondence, letters of complaint either direct or through Members of Parliament.

L. Specific Impact Tests

Complete the Checklist following this page which describes the other assessments you need to consider dependent on the type of policy proposal you are considering. Speak to the Economists or the Better Regulation Team for further advice.

There is a **legal requirement** to produce Equality Impact Assessments (EIA) and the Home Office must ensure that it fulfils this legal requirement. **You must liaise with the Home Office Strategic Diversity Action Team on producing an EIA. The EIA should then accompany this Impact Assessment and is included in Annex 2 to this document.**

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