

1. Belfast



5. Peterborough



2. Glasgow



6. Newport



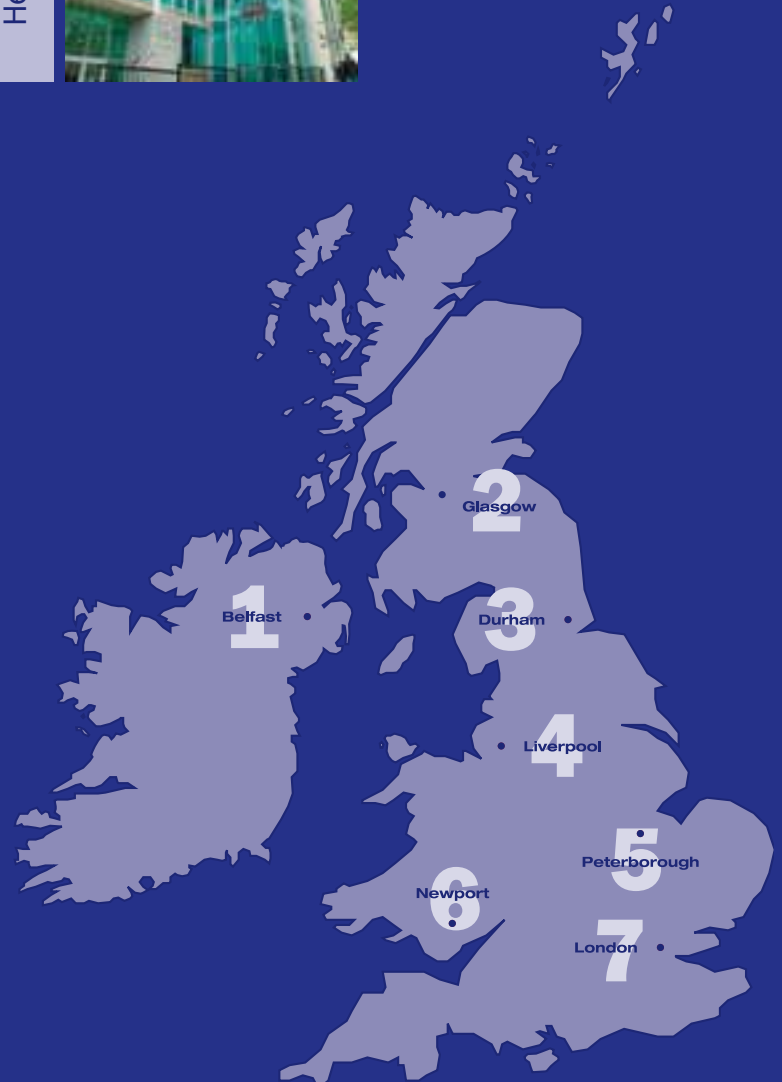
3. Durham



7. London and
Headquarters



4. Liverpool

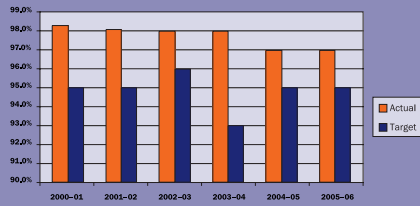


Performance

Target

Result

Customer satisfaction

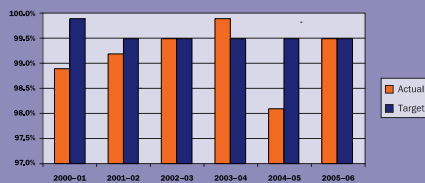


Customer satisfaction

To ensure a customer satisfaction rating of 95%.

Exceeded: 97% of all customers surveyed were either 'satisfied' or 'very satisfied' with our service.

Turnaround of postal and partner applications within 10 days

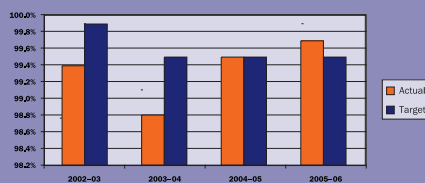


Turnaround

To ensure that 99.5% of straightforward partner and postal applications are turned around within 10 days.

Met: 99.5% of straightforward partner and postal applications were turned around within 10 days against record demand of 6.6 million passports.

Turnaround of premium and fast-track applications within service standards

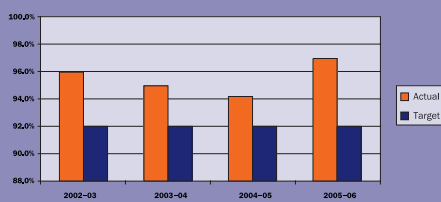


Turnaround

To ensure that 99.5% of premium and fast-track services are turned around within service standards.

Exceeded: 99.7% of fast-track and premium service applications were processed within service standards.

Customers seen within 20 minutes of appointment

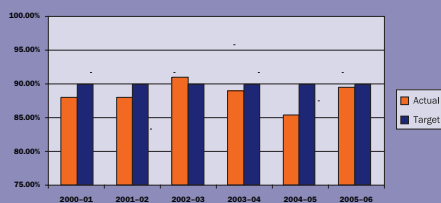


Appointment times

To ensure that 92% of customers are seen within 20 minutes of their appointment time.

Exceeded: 97% of customers that applied personally were seen within 20 minutes of their appointment time.

Telephone calls answered within 20 seconds

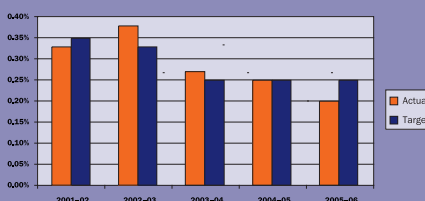


Telephone calls

To ensure that 90% of telephone calls are answered within 20 seconds.

Not met: The number of telephone calls answered within 20 seconds was 89.5%. This was an improvement on the level of service from 2004-05.

Passport accuracy

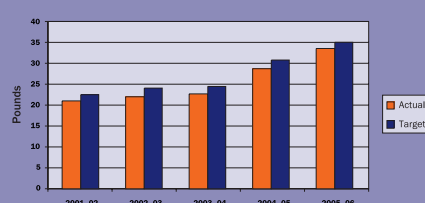


Passport accuracy

To achieve an accuracy rate of 99.75% or more on passport books issued.

Exceeded: The accuracy rate of passports issued was 99.80%. This is an improvement on last year's figures where the accuracy rate was 99.75%.

Passport unit cost



Unit cost

To achieve a unit cost of £34.75.

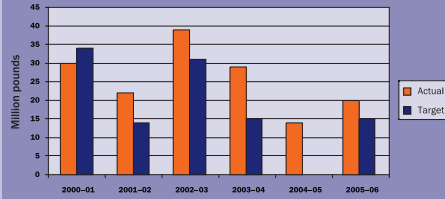
Met: An average unit cost of £33.53. This was 4% below target. This was due in part to reclassification and rescheduling of a number of projects.

Performance

Target

Result

Surplus after FCO costs

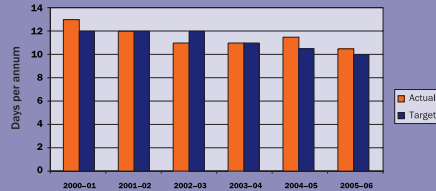


Surplus/deficit

To achieve a surplus of £15 million after FCO costs.

Met: Surplus exceeded at £20.7 million, with the additional surplus mainly due to slippage of project expenditure.

Staff sickness absence

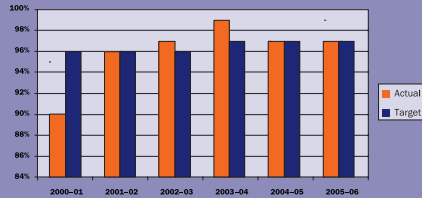


Staff absence

To ensure that the average annual staff sickness absence rate does not exceed 10 days per (full-time equivalent) member of staff.

Not met: The average rate of sickness absence was 10.5 days per (full-time equivalent) member of staff. There has been an improvement in long-term sickness absence but greater short-term absence than seen in 2004-05.

Invoice payment within 30 days

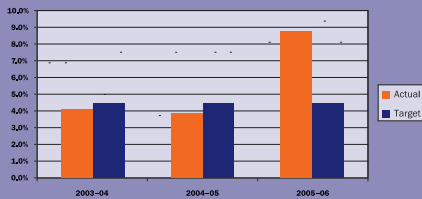


Invoice payment

To ensure 97% of invoices are paid within 30 days of receipt.

Met: 97% of all invoices that the agency received were paid within 30 days.

Staff development

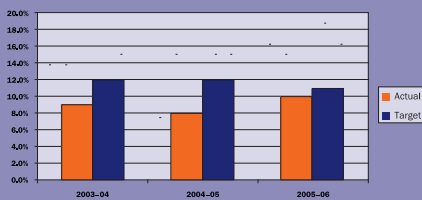


Staff development

To invest 4.5% of salary cost in training and development.

Exceeded: the percentage of salary costs invested in training and development was 8.8%.

Staff turnover

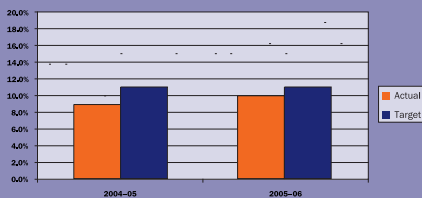


Staff turnover

To ensure staff turnover rate does not exceed 11%.

Exceeded: The staff turnover rate for the year was 10% and therefore below target.

Employment Targets

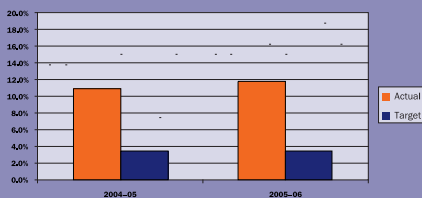


Employment figures

To achieve black and minority ethnic (BME) employment targets: at least 11% at Higher Executive Officer (HEO) level.

Not met: UKPS employed 10% BME staff at HEO level.

Employment Targets



Employment figures

To achieve black and minority ethnic (BME) employment targets: at least 3.5% for Senior Executive Officer (SEO) and Grade 7 combined.

Exceeded: UKPS employed 11.89% BME staff at SEO and Grade 7 level combined.

UK Passport Service Annual Report and Accounts **2005-2006**

Presented to the House of Commons pursuant to Section 7 of the Government Resources and Accounts Act 2000. Ordered by the House of Commons to be printed 24 July 2006.

HC 1544
London: The Stationery Office
£19.50



Contents

Annual Report				
Chief Executive's Message	iv			
Introduction	1			
Working in partnership	2			
Corporate governance	3			
Annual Report	3			
Operating environment	4			
Passport demand	4			
Passport fraud	4			
Modernising Government Agenda	4			
Freedom of Information Act	5			
Review of the year	6			
Key achievements	7			
Strategic objectives	8			
Responding to customer needs	9			
Maintaining customer service standards	10			
Identity authentication	11			
Authentication by Interview	12			
Personal Identity Process	12			
ePassports	12			
Passport Validation Service	13			
Facial Recognition	13			
Lost, Stolen and Recovered database	13			
Fraud and Intelligence Units	13			
Joint working with other agencies	14			
Efficiency and business assurance	15			
Maintain effective contract management	16			
Risk management and business assurance	16			
Unlocking staff potential	18			
Staff survey and reaccreditation as an Investor in People	20			
Training and development of staff	21			
Management of staff absence	22			
Healthcare programme	22			
Performance management scheme	23			
Reward	23			
Implementation of diversity action plan	23			
Partnership with PCS	24			
BrightSparks	25			
Optimising the use of technology	26			
Infrastructure strategy	27			
ePassports	27			
Development of management information systems	28			
Internal IT systems	28			
Successful technical refresh and new intranet	28			
Online services	28			
Corporate and social responsibility	29			
Economic factors	30			
Social factors	30			
Environmental factors	31			
Future priorities	32			
Accounts and notes				
Management commentary			33	
Statement of UKPS Accounting Officer's and Chief Executive's responsibilities			40	
Annual Statement on Internal Control			41	
Remuneration Report year ended 31 March 2006			46	
The certificate and report of the Comptroller and Auditor General to the House of Commons			52	
Accounts for the year ended 31 March 2006			55	
Notes to the accounts			58	
Annex A – Meet the Management Team			78	
Annex B – Glossary of terms			82	
Annex C – Publication Scheme			84	
Annex D – Diversity actions			88	
Annex E – Framework Document			88	
Feedback form			89	
Contact			91	



Introduction

The UK Passport Service (UKPS) was established as an Executive Agency of the Home Office on 2 April 1991. Following Royal Assent on 30 March 2006, UKPS ceased to exist and the Identity and Passport Service (IPS) came into being on 1 April 2006. Further details can be found in the 2006 Identity and Passport Service Framework Document which is available online at www.passport.gov.uk or from the IPS Marketing and Communications department (contact details can be found on page 91).



- High Street partners, Post Office and Worldchoice UK Ltd are recognised as the first port of call for those seeking application forms. The partners also provide a Check and Send passport application checking service and handle over 43% of all postal applications on behalf of UKPS.
- Siemens Business Services (SBS) provide services at the front end of the passport production process. SBS is responsible for providing mail-room services, scanning application forms, cashiering fees and initial query-handling communication with the applicant. SBS also provided the IT infrastructure to support all UKPS passport applications operations and is continuing to develop this.
- Security Printing and Systems Ltd (SP&SL) is responsible for printing over 94% of all passports.
- MM Teleperformance (MMT) is responsible for handling

over 90% of all telephone enquiries. It also handles appointment bookings, e-mail and electronic applications support on behalf of UKPS.

- Atos Origin provides administrative IT and infrastructure support to the organisation.
- Secure Mail Services Limited (SMS) is responsible for the secure delivery of all UK passports.

Corporate governance

UKPS ceased to exist on 31 March 2006. IPS was created as a new Executive Agency of the Home Office on 1 April 2006 incorporating UKPS and the Identity Cards Programme. IPS governance arrangements, accountabilities and the relationship with its parent department, the Home Office, are set out in the 2006 Framework Document.

Annual Report

This Annual Report covers UKPS performance over the financial year 1 April 2005 to 31 March 2006. It details how UKPS performed against its key targets and tasks as published in the *UKPS Corporate and Business Plan 2005–2010*.

This document is primarily aimed at those to whom UKPS is accountable and who are responsible for monitoring UKPS performance on behalf of the public, including Ministers, Parliament and the Home Office. It also serves to inform a number of groups interested in, or affected by, UKPS business; for example, stakeholders such as partners and people in the travel industry, as well as the general public.

“ rated highest for customer service by CompariSat® which includes leading private sector companies for a third successive year ”



Key achievements

In the past year UKPS has:

- maintained a high degree of customer focus. Customer satisfaction levels have been maintained at above our target of 95%, despite the introduction of significant change
- issued a record number of passports: UKPS has issued 6.6 million passports while achieving most of the very challenging performance targets, and those not achieved were just under target
- improved customer service through the implementation of the Integrated Call Handling project which gives the call centre partner greater access to passport records and consequently enables more enquiries to be resolved straight away
- been rated highest for customer service by CompariSat® which includes leading private sector companies for a third successive year
- achieved success in fraud prevention operations that involve working jointly with the law enforcement agencies and other Government departments
- developed and implemented a facial recognition system that has successfully identified attempted fraudulent applications in duplicate identities
- started the rollout of production of the new biometric ePassport
- successfully piloted the first phase of the Personal Identity Process
- enhanced the Passport Validation Service to support the Government’s e-borders agenda with FCO, DVLA and CRB, while also successfully piloting the process with selected financial institutions
- successfully upgraded the passport application system and general IT infrastructure
- held the first annual Celebrating Success Awards for staff who have greatly contributed to the success of UKPS
- scored outstanding staff survey results showing job satisfaction rates above the public sector norm and significant improvements in staff opinion on almost all fronts including confidence in senior management and willingness to embrace change
- continued good relations with trade union partnership
- provided access to e-mail and the internet to all staff to improve both internal and customer communications
- embedded the valued behaviours and implemented a new performance management framework.



Responding to customer needs

UKPS has continued to monitor performance against its customer service standards. As with previous years, we have continued to conduct independent customer satisfaction surveys (via FDS International) and 'mystery shopped' all aspects of our services.



Identity authentication

There are strong links between identity fraud and other forms of criminality. UKPS has continued to strengthen its co-operation with the Police, Immigration Service and other law enforcement agencies. The year 2005–06 saw members of staff from UKPS working on secondment with some local police forces and other agencies to combat jointly identity theft and passport fraud.

“ Every element of the process has been very efficient, well structured and user friendly. Many thanks for an outstanding service!

Mr M Wood, Bedfordshire

”

Lost, Stolen and Recovered hotline number
0870 521 0410

into the passport book will improve the security and integrity of the passport by linking the passport holder to the passport book more tightly via the biometric.

Passport Validation Service

The Passport Validation Service (PVS) will provide a validation service that enables other Government departments and some accredited private-sector organisations (governed under the Financial Services Authority anti-money laundering regulations) to confirm the authenticity of a passport.

The service will be provided to private-sector organisations through a call centre. Successful pilots have been conducted to evaluate the effectiveness of a call centre channel in an operational environment. A commercial Passport Validation Service underpinned by defined service level agreements will be established by the end of the third quarter of 2006.

Facial recognition

Over the last year, this project has developed and implemented a Facial Recognition System which has successfully identified fraudulent applications in duplicate identities. The technology has been evaluated and assessed for effectiveness in an operational environment. This has allowed the FRS team to build user and technical requirements for a fully integrated facial recognition solution in the future. The project is looking to implement an interface with current fraud systems as an interim measure.

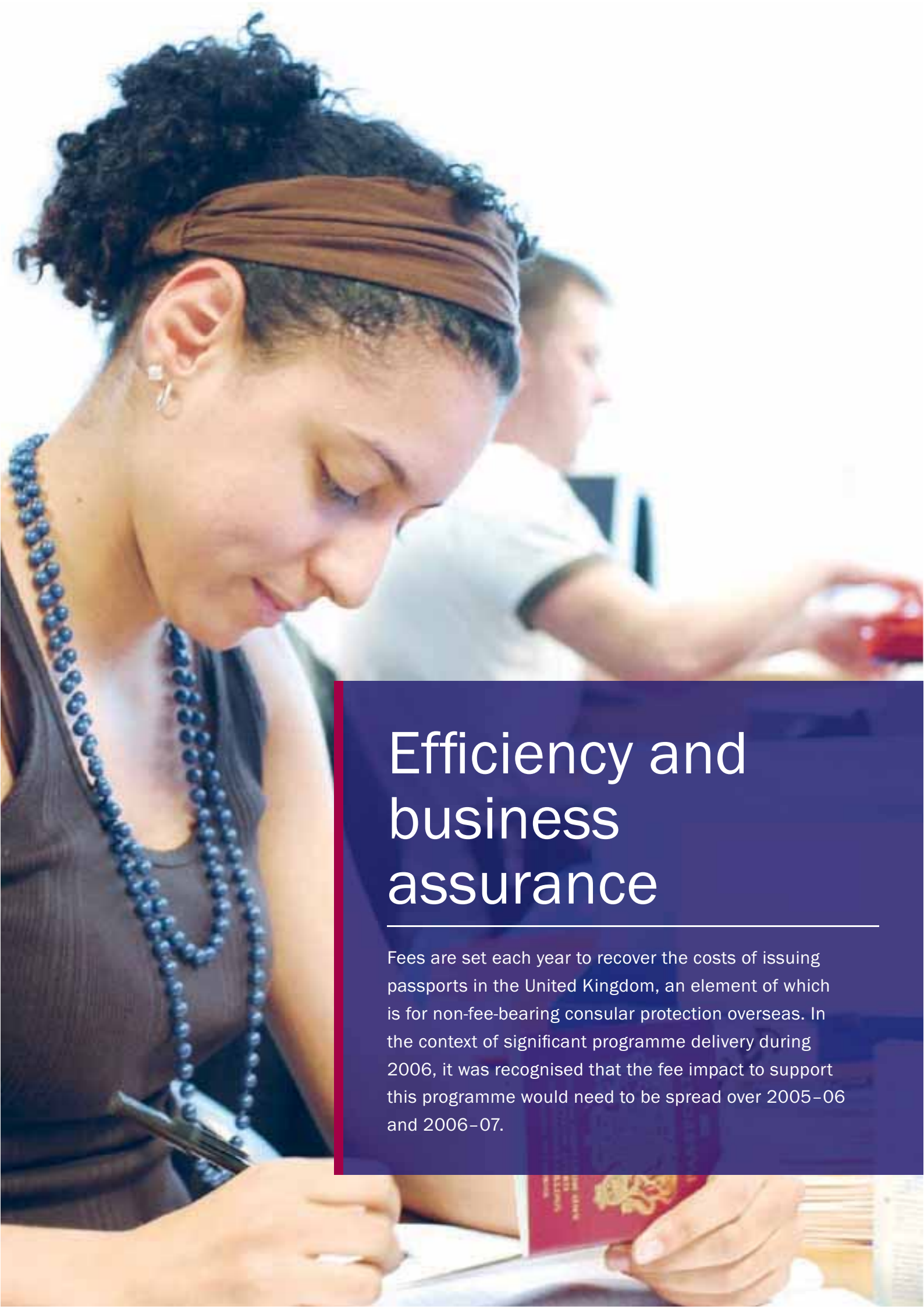
Lost, Stolen and Recovered database

UKPS has now processed 690,964 reports of loss or theft on the Lost, Stolen and Recovered (LSR) database since it came into force in December 2003. This includes passports lost and stolen both within the UK and abroad. This

data is shared nationally with the UK Immigration Service and internationally via Interpol and FCO for the prevention and detection of crime in helping combat passport abuse. There are now direct links from the FCO to allow electronic reports of loss or theft to be received from posts overseas with minimal delay in order that passport records can be updated quickly and details circulated. In addition to this, the website now allows online reporting of loss or theft, providing a quicker and more efficient means by which to report loss or theft of a passport.

Fraud and Intelligence Units

The year 2005–06 has seen UKPS continue to strengthen its professional fraud investigation capabilities. Additional staff have been recruited to each regional office to strengthen existing fraud detection and prevention units.



Efficiency and business assurance

Fees are set each year to recover the costs of issuing passports in the United Kingdom, an element of which is for non-fee-bearing consular protection overseas. In the context of significant programme delivery during 2006, it was recognised that the fee impact to support this programme would need to be spread over 2005–06 and 2006–07.



Unlocking staff potential

UKPS placed a high priority on ensuring staff felt valued and empowered and developed a set of valued behaviours to support the recruitment and performance management processes as well as being an integral part of staff appraisal and development.

“ UKPS placed a high priority on ensuring staff felt valued and empowered ”

These findings have been discussed at corporate, regional and team level and translated into action plans which are now being implemented. The next survey is due in March 2007.

In seeking to maintain our status as an Investor in People, we have worked to deliver:

- more feedback on individual performance
- more objective outcomes to assessment of performance
- increased staff involvement with opportunities to give constructive feedback
- shared ownership of the performance process
- embedding valued behaviours through greater awareness
- increased level of personal ownership
- building of teamwork and rapport
- increased feedback and management skills
- increased coaching skills

- increased transactional and transformational skills.

Training and development of staff

During the year, UKPS invested 8.8% of its salary costs on training and developing staff, which exceeded our target of 4.5%. For 2006–07, a commitment has been made to allocate 7 days’ training per employee per year to reduce further the impact of seasonality on training.

Training volumes throughout the year have been high with all employees receiving an average of 4 days’ training. This does not include interventions such as technical updating where we used a non-classroom format combining briefings, user guides, floor walkers and web-referenced frequently asked questions.

UKPS has sought during the year to develop innovative training delivery models to address the challenges of geographical distribution, shift-working, an increasing number of part-time staff and the efficiency agenda. Some of our solutions are wholly technology-based while others are blended solutions using a mixture of technology-based packages and classroom interventions.

Foundation-level training for examiners has been implemented and the majority of staff have been accredited. This is a blended learning programme using a mix of e-learning and classroom training, supported by desk training to reinforce the application of skills. All examiners who achieve the required standard will receive an internally accredited certificate. The courses have been regularly updated to reflect changes such as photo standards.

“ UKPS has continued to implement the leadership development programme for senior managers and is in the process of implementing a ‘Leading from Within’ programme for all middle managers ”

Performance management scheme

The new performance management scheme has been introduced and is now fully implemented. Key changes from the previous scheme are the requirement to define clear standards of what comprises achievement and over-achievement, and for evidence to be collected to inform assessment against objectives. It has also seen the introduction of assessment against the corporate ‘valued behaviours’ and upward feedback from staff on their line managers.

Reward

The corporate bonus scheme aims to increase team performance against corporate targets and raise staff understanding of the targets and the part they play in

achieving them. The scheme is proving successful, with greater staff understanding of the corporate objectives and engagement in the need to achieve them. This year the corporate bonus scheme has resulted in an overall increase in performance against the targets.

Implementation of diversity action plan

UKPS, like many organisations, brings together many different people from diverse backgrounds, with different needs and expectations.

UKPS recognises how important its people are to the success of the organisation. We are therefore striving to create an environment where everybody feels valued and motivated towards achieving our business goals. One of the key supporting policies

for achieving this is to have the support and commitment of our staff, which requires us to proactively recognise and manage the diversity of our workforce and customers. Managing diversity means ensuring that everybody is treated equally and has access to the same opportunities and services. This is why it is important that diversity is accepted as the responsibility of each member of staff. During 2005–06 diversity activities included:

- a highly successful one-day diversity event attended by over 100 staff across the organisation
- the design and implementation of ‘working together’: an e-learning diversity training package which all staff have been required to undertake



BrightSparks

BrightSparks, the staff suggestion scheme, continued to progress in 2005–06. The agency is a member of IdeasUK, the UK association of suggestion schemes. BrightSparks was awarded silver accreditation during the financial year, one of only three schemes nationally to be awarded the accreditation.

Launched in March 2003, the scheme is now three years old. In the third year of operation the scheme received 1,470 suggestions. The sum of £3,300 has been awarded to originators of those suggestions which were practical to implement in 2005–06.

BrightSparks continues to contribute to the 'Celebrating Success' initiative through the category of 'Idea of the Year'.

BrightSparks suggestions made and implemented during 2005–06 included:

- an idea introduced in the Liverpool office and subsequently other offices was for SMS envelopes to be printed with a red box in the corner to save having to buy separate labels. During its lifetime the suggestion has saved approximately £1,500
- a number of changes to functionality of the PASS computer system to improve efficiency and usability for examiners and other staff
- several suggestions leading to process and procedural improvements in individual regional offices.



Optimising the use of technology

Making the best use of technology in support of its business was a key objective for UKPS. Systems have been developed to support the growing number of customers who wish to access services online, as well as using technology to stay one step ahead of fraudsters and criminals.

