



**THE GOVERNMENT RESPONSE TO THE FOURTH REPORT FROM THE
HOME AFFAIRS SELECT COMMITTEE SESSION 2014-15 HC 238:**

Her Majesty's Passport Office: delays in processing applications

Presented to Parliament
by the Secretary of State for the Home Department
by Command of Her Majesty

December 2014



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Government Response to the Home Affairs Committee: Her Majesty's Passport Office: delays in processing applications

Introduction

The Home Affairs Committee (HAC) published its report “Her Majesty’s Passport Office: delays in processing applications” on 16 September 2014. This Command Paper sets out the Government’s response to its conclusions and recommendations.

CONCLUSIONS AND RECOMMENDATIONS

Home Affairs Committee Report: pages 34-38 - paragraphs referenced against individual report headings

The emergence of a 'backlog' - paragraphs 1-4

Government response: For a number of its customers over this summer, the level of service provided by HMPO fell below the required standards. It is of no comfort to those people who were anxiously waiting for their passports for family holidays or business travel that the organisation was dealing with significant levels of demand and that the majority of applicants this year did receive their passports on time. That is why the Government and the Chief Executive of HMPO have apologised for this.

The level of work in progress (WIP) reached a peak figure of just under 550,000 in June 2014. On 16 September, when the Committee published its report, the WIP figure stood at 78,406. The WIP figure is now under 50,000.

Apart from premium and fast track services, the turnaround times for applications are not guaranteed. They are intended to act as guidance to the customer and provide HMPO with a measurement of progress in their handling of applications.

HMPO has always provided regular reports on operational performance to Ministers and the wider Home Office. Since June, the reporting has been strengthened by more frequent and detailed oversight to ensure that there is a greater understanding of actual performance and customer concerns. This will continue now that HMPO has been brought into the Home Office under the direct oversight of Ministers.

The Government agrees that regular performance information should be published, and we will do that as part of the quarterly transparency data published by the Home Office on the GOV.UK website. Publication of data on a more frequent basis may cause unnecessary customer concern, as the level of WIP can be volatile even when within demand forecast. Weekly publication of data might lead to sudden increases in applications in response to a rise in the WIP, which might not be aligned to people's need to travel and might only increase customers' levels of concern. For the same reason, we would exercise caution on monthly publication of WIP levels during peak periods. HMPO is working with the Home Office Chief Statistician on how best the new information should be published, together with an appropriate level of analytical commentary and presentation. The data will provide levels of applications received and number of passports issued within each quarter, together with the percentage turnaround period for domestic and overseas applications. Ministers will continue to be informed of WIP on a more regular basis as the WIP level is designed as an internal management tool which will inform operational planning.

Ministerial and managerial response – paragraphs 5-15

Government response: The security of the British passport remains paramount. There has been no compromise on the level of security or the carrying out of checks for any category of application or applicant. Relaxation of checks is not an option and such an approach was never a consideration for Ministers.

On 12 June 2014, the Home Secretary told the House of Commons that she had commissioned a review into the future of HMPO's agency status. As part of the announcement, the Home Secretary underlined that consideration would be given to whether HMPO should be brought into the Home Office, reporting directly to Ministers in line with parts of the immigration system following the abolition of the UK Border Agency. The Home Secretary also commissioned two reviews to ensure that HMPO is run as efficiently and accountably as possible.

On 26 September 2014, the Home Secretary announced that as a result of these reviews, HMPO would cease to be an Executive Agency with effect from 1 October 2014. The post of Chief Executive was abolished and replaced by a Director General for HMPO to reflect the changes to the organisation. The post of Director General was advertised on 28 October 2014. An interim Director General began work on 10 November and will remain in post until the permanent appointment is made.

Whilst HMPO aims to deal with all applications within the published turnaround times, these cannot be guaranteed. Turnaround times are therefore intended as guidance only. This is because a number of factors can affect how long it takes to process an application and the website is clear that customers should not book travel until they have received their passport. Therefore, we have tended not to compensate customers when their passports have not been issued within the published turnaround times, other than in premium or fast track cases where the turnaround period of four hours and one week is guaranteed on payment of the required additional fee. Applicants have used the upgrade facility over many years to speed up their passport application in order to travel and it would create a precedent to offer compensation on this single occasion, without facing the possibility of claims for earlier periods. That has been HMPO's policy for some years, under successive Governments, and we propose that this should remain the case.

HMPO publishes its staff guidance on the payment to customers of compensation. The guidance recognises that there are cases where financial redress is appropriate and there is an obligation to reimburse any out of pocket expenses incurred by a customer as a direct consequence of an error or omission by a member of staff. Compensation for such errors can take the form of an ex-gratia payment and can cover items such as replacement documents, additional travel to HMPO's offices, telephone, and postal costs at one end of the scale to the cost of the loss of a holiday at the other end of the scale. Each case is considered on its merits. The guidance can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118588/compensation-complaints-handling.pdf.

Passport applications are dealt with on the basis of date of receipt of application. Introducing consideration of applications on the basis of stated customer need would result in an additional layer of bureaucracy. HMPO staff would be required to organise applications in 'date of need' order and consideration may then need to be given to asking applicants to justify that need by supplying details of flights booked etc. Additionally, customers may look to apply very short target dates that could create unmanageable expectations. Instead, HMPO has been tasked by Ministers to set and publish evidence-based turnaround times that provide the customer with information about when they need to submit their application.

Recognising customers' interest lies in knowing how long their application should take, work is underway, building upon the existing knowledge of domestic applications, to ensure that there is always an evidence-based approach to determining turnaround times. For overseas applications, we will look to understand and establish a country-by-country approach based upon the different factors that need to be taken into account, such as overseas issued documents and available interview capabilities.

On 12 June 2014, the Home Secretary introduced additional contingencies to ensure that people who needed to travel were able to do so on time. This provided for free upgrades for UK customers and free ETDs for overseas customers. This resulted in over 24,000 people receiving free upgrades, nearly 10,000 customers were granted the overseas extension stamp and over 2,800 ETDs were issued to children, of which 400 ETDs were free of charge.

On 26 September 2014, Ministers announced that these measures would remain in place until further notice to continue to reassure customers on occasions when HMPO does not meet its turnaround times. This means that when a customer needs to travel, say, within the next seven days and their application has not been determined within the published turnaround time through no fault of their own, then HMPO will provide, free of charge, a seven day service for domestic applicants and an Emergency Travel Document for overseas applicants.

The UK provides its citizens with a nine-month window in which to make their passport application as well as allowing them to apply for premium and fast track services in cases of more pressing need. HMPO needs to ensure that customers are fully aware of the options available to them. The publication of turnaround data on a quarterly basis combined with clearer messaging and promotion of customer options, should assist applicants in that process.

Offices and staffing – paragraphs 16 - 19

Government response: We welcome the Committee's acknowledgement that the comments and actions of the PCS have been unhelpful. We are proud of the commitment of HMPO staff and the way in which they responded to the issues which the organization faced. We are very disappointed at the way in which the PCS sought to represent their membership within HMPO. This was illustrated most markedly by the way in which they placed additional pressure on staff by calling for members to support a strike during the time when customer concern was at its peak.

Overtime is one of the tools available to managers to help deal with fluctuations in demand. That is why Ministers have required more accurate forecasting and why HMPO is now recruiting more staff to deal with the anticipated future levels of customer demand, in order to provide a level of service that customers should rightly receive and expect. These posts will focus on examination and customer contact. In seeking to optimise the current HMPO estate, customer contact work will be centralised in Liverpool and Southport with postal application processing returning to Newport and Glasgow. HMPO positively encourages PCS participation in discussions over staff and staffing levels across the HMPO estate and they have been engaged in discussions since October.

Applications from overseas - paragraphs 20-21

Government response: We note but do not share the Committee's view that the repatriation of passport applications from overseas "is a mistake". The Committee will be aware that the Foreign Affairs and Public Accounts Committees promoted and endorsed the repatriation of passports and both the previous and present Government considered the model for issuing passports and concluded that centralisation within HMPO (or its predecessor) was the preferred model. This approach has been adopted to:

- achieve economies of scale and ensure that the costs of the passport to the customer remains economic and proportionate. We do not accept the Committee's assertion that the passport is paid for by UK citizens and therefore cost is not an issue. The overseas passport fee has already been reduced by £45 as a result of the steps that have been taken to repatriate passports;
- enhance security and reduce risk. We have stopped the global transportation and storage of blank British passports and have put in place enhanced security processes in handling overseas applications. This is evidenced by the increased volume of fraud detections from overseas applications; and
- support improvements in customer service. As well as reducing the cost of a passport for overseas customers, HMPO has introduced an online service and is looking to achieve improvements to the application processes based on its experience and customer feedback.

As the processes for handling domestic and overseas applications are different the repatriation was undertaken through a phased approach. Lessons have been learned and changes to customer information and processes continue to be made where appropriate. HMPO has now established an International Directorate with responsibility to design and implement more effective processes and increased understanding of customer needs.

Forecasting the level of demand – paragraph 22

Government response: As noted above, there is a nine-month window within which to apply for a passport. This is exceptional within the international community and is stretching International Civil Aviation Organization (ICAO) standards to the limit. This measure allows customers to plan when they should renew their passport without losing up to nine months on their current passports, i.e. they can be issued with a passport with a validity of 10 years and nine months. HMPO has, over a number of years, investigated options to smooth demand by looking at international best practice and through conducting research with current and prospective applicants. Publicly subsidised fees have been considered and the differential required to move demand is deemed uneconomic. We continue to look at marketing and communications options that will help manage demand, including whether it would be appropriate to remind customers of the expiry of their existing passport. However, we recognise that the holding of a passport is a matter of choice and customers tend to apply when they have a need, which is predominantly for overseas travel in the spring and summer months.

Operating costs, revenue and surplus – paragraphs 23-24

Government response: Passport fees are set in order to cover the full cost of providing the service to the public, in full compliance with Treasury's Managing Public Money. However, unplanned surpluses have occurred in seven out of the last ten years due mainly to unexpectedly strong passport demand and underspends in areas such as, for example, new IT application systems. In that period, we have been able to pass on benefits to customers by reducing fees for both domestic and overseas applicants. We will continue to work to deliver customer service improvements and maintaining and enhancing our approach to preventing and detecting fraud and combating identity theft. We will seek to ensure that passport fees are set to cover the full cost of service provision. As indicated above (see section Applications from overseas - paragraphs 20-21) the overseas passport fee has already been reduced by £45.

The contract with Teleperformance was agreed by HMPO in accordance with guidance set out by the Home Office Commercial Directorate and the Cabinet Office. The contract represents best practice and compliance with the contract is subject to robust scrutiny. There is no evidence to indicate that Teleperformance agents are deliberately extending calls or encouraging repeat calls. We have worked, and will continue to work, throughout the contract with Teleperformance to reduce the duration of calls and improve the quality of call handling. Paying per completed customer query would be difficult to monitor. It may also result in shorter calls than are needed to serve the caller fully, and may generate further calls. We have been engaging with all our commercial partners to learn lessons from the last few months and to look at ways of improving future service delivery for our customers.

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