

Meg Hillier MP

Chair of the Public Accounts Committee

18 January 2023

Dear Chair,

Thank you again for the opportunity to give evidence to the Committee on 19 December on the Investigation into the Passport Office. Please see below answers to a number of questions on which I committed to write to you.

1. Qs 25-27 (Motorola) Matthew Rycroft said that in his next quarterly update to the Committee he would provide an update on the Motorola ESN contract issue

The Emergency Services Mobile Communications Programme (ESMCP) and Motorola Solutions UK Limited have mutually agreed to terminate the contract providing user services for the Emergency Services Network (ESN) as of 19 December 2022.

The current contract providing user services for ESN, which is known as Lot 2, was due to expire in December 2024. A termination notice was published on the government's Contracts Finder website on 20 December.

This agreement allows the Programme to focus on future delivery while freeing resources currently tied with the delivery of Lot 2 and is the most cost effective and expedient way to terminate the user services contract and exit the relationship with Motorola. Motorola will continue to be involved in technical and performance testing for a further 12-month period. Airwave is delivered by Motorola under separate contracts and is unaffected by these changes.

ESMCP has started a market engagement exercise to begin the process of procuring a potential new supplier to deliver user service including push to talk

applications, and services for the ESN data service, Connect. This will open the work out to fair and commercial competition.

Current market activities surrounding re-procurement of Lot 2 will result in a change to the Programme's timeline and we will know more once re-procurement activity concludes and integrated delivery plans are built. The Programme will continue to keep user organisations updated and remains committed to work to deliver ESN as swiftly and safely as possible.

The CMA published its preliminary decision report into the land mobile radio network services for public safety in Great Britain in October 2022. In that report it stated

'the terms on which the Airwave Network is provided after 2019 are better characterised as reflecting a virtually unconstrained monopoly position on the supplier's part rather than the result of a competitive process. Prices are established through bilateral negotiations between Airwave Solutions and its owner, Motorola (the monopoly supplier), and the Home Office (acting on behalf of all emergency services). In those negotiations the Home Office has no meaningful alternative option in terms of its choice of supplier.'

As part of the provisional findings, the CMA proposes potential remedies, which includes a charge control on the price for which Airwave provides the Airwave network and services. The CMA is due to publish its final report in February 2023 and I will update the Committee further once that investigation is concluded.

2. Q 31 (MP contacts about constituency cases) Thomas Greig said he would write on the details of how many MPs were contacting the passport office with cases, including a breakdown of different means of communication (email, phone, the hub in portcullis house, etc.)

From January to December 2022 the Department received a total of 53,305 passport related queries from MP's and Members of Devolved Administrations. 13,333 of those queries were made by email or letter, 23,431 by phone and 16,541 made in person at the Portcullis House Correspondence Hub.

3. Qs 34-35 (Teleperformance recruitment) Thomas Greig said he would write on the exact numbers of extra staff brought in by Teleperformance, and in what time frame

Resource levels will routinely fluctuate in line with the forecasted contact volumes, however additional resource was introduced by Teleperformance to recover their performance across the HM Passport Office contract.

By mid-June, Teleperformance had 1591 FTE assigned to the HM Passport Office contract, compared to 959 FTE in the week commencing 18 April. These staffing levels were further increased to a high of 1932 FTE in August.

4. Q 55 (Express service - revenues) Thomas Greig said he would write with the figures on how much the Passport Office earned from people using the express service

Customers may choose to pay for a priority service where they need their passport sooner than ten weeks. For customers whose application have taken longer than ten weeks, an expedited service is provided at no additional cost to help ensure that they receive their passport ahead of their travel.

In 2022, customers' use of priority services rather than the standard service generated approximately £48m in additional revenue.

5. Q 66 (Text reminders – cost) Thomas Greig said he would write on how much it cost to send the text reminders

The current cost per text message sent by HM Passport Office is 1.72p +VAT.

6. Qs 75-76 (Last year's ARA) Matthew Rycroft said he would come back on what was known about Passport Office and contractors performance at the time of the last Annual Report and Accounts.

The Home Office's Annual Report and Accounts provide an opportunity to summarise activity within the previous Financial Year. While it would not typically be used to highlight an isolated period where a required service level has been missed, I agree with the Committee's assertion that it is appropriate to reflect on supplier performance within this document.

Please note that in the case of Teleperformance, the required service level of 80% of calls answered in 30 seconds was being met until the current financial year.

7. Q 103 (cost recovery) Matthew Rycroft said he would come back to the Committee on guidance for improving cost recovery next year, and comparisons with the DVLA's performance

Passport fees are set in line with HM Treasury guidance 'Managing Public Money' to recover the costs associated with British passport services as provided by for the Immigration Act 2016. The 2016 Act provided for additional services relating to the British passport, such as the processing of British nationals at the UK border, to be funded by the passport fee, and when the fee was last increased in 2018 it included an initial contribution to these additional services.

Revised passport fees are currently being considered by Parliament and, if approved, will further increase this contribution.

8. Q 128 (transitioning IT systems) Matthew Rycroft said he would write on plans to make sure the project moves from Amber to Green rating, and on mitigating the potential gap in provision between one system expiring and another coming into use

The forecasted end-date for fully replacing the legacy application system, AMS, is currently mid-2025.

Options for bringing this end-date forward are being evaluated, and the delivery schedule will be confirmed once this is complete. We are currently working with the supplier of AMS to finalise the contractual terms for its continued operation until it has been fully replaced.

9. Q 135 (Digital strategy) Matthew Rycroft said he would provide a note on the digital strategy more broadly

We see data as a strategic asset for the Department. Making better use of it is central to improving public services and policy making. This applies in individual business areas such as HMPO and also at other levels of the Department.

A foundational step has been moving off our various legacy systems to modern systems such as Atlas and associated data management infrastructure. As part of that, we have made good progress in making data available through application programming interfaces rather than sharing files or in batches; storing data in consistent formats making it easier to use for analysis or insight; and ensuring that our central data services are the primary source of data for management information and statistics.

Much of this work has been technology driven and in line with the enterprise data strategy, aspects of it are covered in our data strategy which is published at: <https://www.gov.uk/government/publications/home-office-digital-data-and-technology-strategy-2024/home-office-digital-data-and-technology-strategy-2024#become-data-driven>

As part of our digital strategy, we have also made improvements in our overall governance and the capability of the Department. This includes establishing a Data and Information Board to develop a more strategic approach to data protection and use in the department, building up the capacity of key groups of experts across the department including in data sharing, data protection and information management and stronger data analytics and sharing platform.

This year we have invested in a One Home Office Data and Information Initiative (£7.1m this year) that covers eight workstrands with the bulk of spend on creating a modern Enterprise Data Catalogue; Data Services Modernisation; new tooling for Analysis and Insight and creating the Data Capability Centre. This initiative will improve processes for sharing data, assessing data quality and grow our capability to lead, co-ordinate and align activity across the various teams involved in data use. These activities will grow our maturity as a department and supplement the various technology led business change.

10. Promise to write to the Committee on costs of support on Manston.

As the committee will know, obtaining the costs, especially concerning a specific timeframe, is a complex process; the Manston immigration facility operates as part of the wider Borders and Migration system and hence providing a discrete cost is not possible without significant extra work. There is currently a costing exercise underway that will include the costings referred to. I will write further when that work is complete but cannot provide a timetable at this stage.

11. Promise to write to the Committee on Hong Kong Visas

The vast majority of EU Member States recognise and accept UK passports indicating that the holder is a British National Overseas. However, the border authorities of other countries are entitled to determine the criteria for stay and entry of foreign nationals, including British nationals, and may therefore differentiate between British Citizens and British Nationals Overseas when it comes to allowing visa free access to their countries, making immigration routes available and applying other immigration conditions. This is separate to the issue of recognising the validity of a person's passport.

As in the UK, border control decisions are made by the host state but His Majesty's Passport Office have worked closely with colleagues in the Foreign Commonwealth and Development Office (FCDO) to ensure that European countries continue to recognise the types of UK passports issued to British nationals, including British Nationals Overseas (BNOs), for the purposes of travel following the UK's departure from the European Union. This work has extended to other countries outside the European Union where concerns have been raised.

Where necessary, we have provided specimen documents to assist border agencies in other countries to understand the different types of passports issued by HMPO and the different categories of British nationality.

I would be happy to look into specific examples if helpful for the Committee and Ms Olney.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Matthew Hancock', with a long horizontal flourish extending to the right.

Matthew Rycroft
Permanent Secretary