

Improving the UK Passport System

HM Passport Office (HMPO) is the sole provider of UK passports to British citizens living anywhere in the world.

You have been brought in as a Systems Analyst by the new Director General of HMPO and a Junior Minister at the Home Office to investigate how HMPO can continue to supply its services while undergoing a major transformation to the way it works. You've been asked to look at the problem holistically, and then to pick one aspect of the problem situation to investigate further.

There are two parts to this Case Study. First is some history of a Passport Agency failure in the 1990s; this will provide you with some context of how problems have occurred in the past. Second is a summary of the current plans for digital transformation; this is a description of the current problem situation for which some systems solutions are needed.

HMPO Project Failure in the 1990s

The United Kingdom Passport Agency was established as an Executive Agency of the Home Office in April 1991. Its main aim was to provide passport services for British nationals in the United Kingdom promptly and economically. In 1998–99, the Agency employed an average of almost 1,800 staff in its passport offices in Belfast, Glasgow, Liverpool, London, Newport and Peterborough. The Agency's financial objective was to recover, via the passport fee, the full cost of passport services; the full cost includes the cost of non-fee bearing consular services provided by the Foreign and Commonwealth Office to UK citizens abroad.

In July 1996 the United Kingdom Passport Agency decided to introduce the idea of digital passports in an attempt to minimise the risk of fraudulent use of passports. To do this the agency needed to replace its existing IT system. It was envisaged that this would be done through a private finance initiative or outsourcing contract. The contractor bids were received in April 1997 and in June of that year a 10-year private finance contract was awarded to The Stationery Office (later The Security Printing and Systems Ltd) for the printing and despatching of digital passports, valued at £120 million. In July of 1997 the Agency awarded a 10-year private contract for a similar value of £120 million to Siemens Business Services for the collection, storage and transmission of passport application data. This included the development of a new IT system for this purpose.

In April 1998 an announcement was made that from October of that year children not already on their parents' passport would require their own passports to travel abroad.

In October 1998 the new information system (IT system and procedures, including those outsourced) were introduced in the Agency's Liverpool office. One hundred Agency staff transferred over to Siemens. In November of the same year the new information system was rolled-out at the Newport office. Ninety-six staff transferred over to Siemens at this office.

During the following summer of 1999 several problems were experienced by the Passport Agency. Over a half a million British citizens were less than happy to discover that their new

passports could not be issued on time for them to take their holiday. In June 1999, processing times for passport applications were taking up to 50 working days. Emergency measures were introduced by the Home Office in July 1999 – including free two-year extensions to passports. Coupled with a downturn in applications, these measures helped bring maximum processing times back within the Agency's 10 working day target by the end of August. However, the Home Office had to pay millions in compensation to citizens and in staff overtime required for managing the backlog of applications.

This information systems failure appears to have been due to several factors.

- The change in the law on child passports was introduced at roughly the same time as the introduction of the new information system. The change in legislation caused a significant increase in the volume of applications for the Summer of 1999. In May of that year, monthly output was 619,000 compared to a peak of 564,000 in the previous year. By June, the Passport Agency had around 565,000 applications still awaiting processing.
- The introduction of a new passport processing system in two of the Agency's six offices was exacerbated by a failure to assess and test adequately the time needed by staff to learn and work the new passport processing system. The new system involved changes in clerical and administrative processes as well as computerisation. A four-month delay before the start of testing the new system and testing its impact on productivity was not completed before it went live in late 1998.
- There was insufficient contingency planning in the event that implementation of the new system might not go according to plan. Despite the Passport Agency's experience of the flawed roll-out of its previous computer system in 1989, the agency launched the new system in its largest offices, Liverpool and Newport, which accounted for half its normal processing capacity.
- The strategy adopted by the Agency in early 1999 to get through the busy season rested on its experience that it would be able to increase output by increasing overtime and hiring casual staff. A recovery plan was agreed between the Agency and the Home Office in March, including the recruitment of extra staff. However, the Agency did not foresee the loss in public confidence, which led to a sharp increase in applications and enquiries about them, once the delays attracted publicity.
- The agency was also criticised in its failure to communicate effectively with the public, both at a personal level in dealing with calls from the public to its telephone enquiry bureau, and more generally via the media.

A National Audit Office Inquiry (NAO, 1999) estimated that the cost of the additional measures taken by the Agency to deal with the failures during the year from October 1998 was around £12.6 million, including £6 million for additional staffing. The contract allowed Siemens to take responsibility for the risk associated with design and delivery of the system. However, the risk associated with business continuity remained with the Passport Agency. As a result, the agency incurred extra costs of £12.6 million, with Siemens paying just £2.45 million, spread over several years.

Not surprisingly, the Inquiry highlighted several important lessons. First, the need for proper testing of new systems before committing to live operation. Second, for staff to be adequately trained in the use of new ICT systems and in new procedures required. Third, the need to have realistic contingency plans in place. Fourth, the need, when service delivery is threatened, to have the capability to keep the public well informed.

An academic view of this project failure was that organisations should treat information systems change as a total package comprising of both technical and social change. However, what frequently happens is that organisations forget the need for effective management of project risks and change management practices, particularly user training.

Current plans – the 2010s and 2020s

HM Passport Office (HMPO) now serves over 8 million customers annually as the sole provider of UK passports to British citizens living anywhere in the world and as custodian of the registration of key life events (births, deaths, marriages and adoptions) in England and Wales through the General Register Office (GRO).

Around 85% of eligible UK residents currently hold a valid passport, facilitating over 60 million overseas journeys annually and enabling British citizens to prove their identity for the many purposes, including opening bank accounts and obtaining credit.

HMPO transformation is about taking what is currently a highly linear, manual, one size fits all process involving the handling of large volumes of paper and turning it into a modern, digital process. Customers will have the ability to apply online, including uploading their own digital photographs, without any requirement to send in paper copies of birth or marriage certificates, reducing the likelihood of errors in applications. We aspire to over 90% of our applications being fully digital by 2020.

HMPO is currently moving from a mixed paper-based/digital system to one that will be completely digital. Checks will be automated where possible and will be supplemented by extensive use of data analytics; HMPO will have the facility to issue some passports without human intervention. Automation will mean that fewer applications will need to be looked at by examiners and the nature of the examination process will be different. Examiner effort will become more targeted, which will result in improved fraud detection and public protection performance, while making the role of the examiner more interesting.

Current communication systems are also mainly paper-based, with several hundred letter templates being the default method of communication. The new online approach will communicate digitally by default, allowing customers to be kept informed and reassured throughout their engagement with HMPO.

HMPO will also share technology with the Home Office to reduce IT costs, including migrating to a shared desktop and network infrastructure. At the core of the transformation is a fundamental shift away from large system integrators delivering long-term system development and maintenance, towards the use of smaller service providers and with Home Office acting as the service integrators. This approach allows the re-use of existing services,

such as facial matching and data verification, and makes it considerably cheaper and easier to add new services or substitute in updated services in the future.

There are 8 key elements to HMPO transformation.

- Most customers will apply online in a fully digital form, including uploading digital photos and supporting documents.
- Those customers who are unable (digital exclusion) to apply online will be provided an 'assisted digital' channel and those who do not wish to apply online will be offered alternative channels including a paper-based channel, at least for a period of time.
- Any paper documents that HMPO needs in support of an application, which will be minimised to the extent possible, will be verified and digitised at the earliest opportunity in the application process, such that the application is fully digitised upon receipt into examination.
- All applications will be subject to automated checks including facial matching, life event verification (checking birth, marriage and death details) and checking the customer's details against stop files and watch lists. Applications that fail one or more of the automated checks or which require deeper checks will be passed to a case worker for examination and possibly further intervention.
- This approach will free up examination time for more in depth checks on applications that have the higher perceived level of risk, while avoiding work on lower risk applications. Through data analytics, the case working teams will have better analysis and data on individuals than is currently available to them and will enhance their ability to identify fraudulent applications.
- The document handling and case working functions are likely to share IT, estate and people with other case working parts of the Home Office, such as UK Visas and Immigration (UKVI).
- HMPO will make greater use of the data it holds, offering data verification services more widely to the public, private sector and other parts of government to combat identity fraud and protect citizens.
- HMPO will provide a more differentiated service offering, putting the customer in the driving seat. HMPO will offer more optional services to customers, including different delivery options and the option to purchase additional products and services.