

25 October 2024

2024 FUTURE SUPPLIER SERVICES PROGRAMME ACCOUNTING OFFICER ASSESSMENT

Following a recommendation from the Public Accounts Committee (PAC) in April 2017, an Accounting Officer's assessment should be completed for all initiatives which form part of the Government Major Projects Portfolio (GMPP). A previous Accounting Officer Assessment (AOA) note was published in September 2022.

The Full Business Case (FBC) was approved on 18 May 2023, and by Cabinet Office and His Majesty's Treasury in June 2023, as the vehicle to endorse award of five contracts to continue this global service, and sanction set up and funding for the transition phase of the Programme.

A procurement challenge by Teleperformance Contact Limited (TCL) to three of the five contracts delayed award and subsequent transition timelines. That challenge has since been dropped (May 2024).

The UK contract was awarded to TCL on 16 Oct 2023, and the four overseas contracts to VF Worldwide Holdings Limited (VFS) between 20 Aug 2023 and 18 Oct 2023.

As well as the delay to transition timelines, increase customer volumes have demanded some change to the programme and contracts.

Future Supplier Services (FSS) Programme

The Future Supplier Services (FSS) programme was established to re-procure a global network of visa application centres pending the expiry of the existing contracts. Visa application centres (VACs) are operated today by Sopra Steria (SSL) in the UK under the FES contract and by VFS and TLS outside the UK under the NGOV contracts. VACs are a critical enabler for our global visa service which generates c £4bn of revenue annually through Regulated Fee and Immigration Health Surcharge income. The majority of customers who require a visa need to enrol their fingerprints and obtain a vignette to travel. As well as facilitating the journeys of c. 4 million people annually, these services also allow overseas British citizens to apply for passport renewals to HMPO. Without the VAC network, the UK would not be open for business.

Assessment against the Accounting Officer Standards

Regularity

The provision of these services via the VCAS contracts is a fundamental aspect of the visa operating mandate without which basic visa services will be unavailable for those wishing to enter the UK. The biometric obligation when issuing visas stems from the immigration rules based on the Immigration Act 1971 (as amended). There are no

policy changes proposed, therefore no novel or contentious aspects associated with continuation of the existing operating model.

The FSS Programme does not require new or amended legislation to progress. I therefore consider it to conform to the Regularity Accounting Officer standard.

Propriety

The FSS programme operates in line with principles and controls set out in Managing Public Money and the HMT Green Book. The programme has complied fully with Home Office governance to produce the required SOBC, OBC and FBC, and secured the necessary Cabinet Office and HMT approvals. Financial implications have been reflected in forecasts and planning updates throughout. The programme has adhered to the highest standards of governance, returning to InvestCo where there has been any material variation from plan.

I consider the FSS Programme to align with the principles documented in Managing Public Money and to conform to the Propriety Accounting Officer standard. It will continue to be monitored by the Home Office through programme and business as usual processes.

Value for Money

FSS Programme delivery of the VCAS contracts is first and foremost providing continuity for visa services which are vital to the HO's mandate and enable significant economic, social, political and technological benefits to the UK.

The cost of VCAS will always be net-positive when compared with the much greater income to the Department that the spend on these contracts facilitates. Moreover, the existing system must be replaced for the UK to continue to meet its mandate of managing entry to the country. I have assured myself that the preferred option taken continues to demonstrate value for money.

Taking into account the essential nature of these services and the considerations above, I am satisfied that this project meets the VfM test.

Feasibility

An IPA Gateway 4 review was undertaken in August 2024. The Programme is rated Amber, recognising as being in a good position for successful delivery. One Critical recommendation was set out, to establish a process for any incidents that demand 24 hour resolution. The review praised the leadership of the programme and set out five other recommendations focused on ensuring the path to transition, securing benefits and learning lessons. The SRO and Programme PMO own the Action Plan in response to all recommendations.

The recommendations identified within these reviews continue to be monitored as part of ongoing delivery and usual risk, issue and dependency management activities imbedded within the Programme, aligned to Home Office standards.

Based on the IPA reviews and FIC/ Investco, Cabinet Office and HMT scrutiny of the resultant revised business case I consider the programme to meet the feasibility test.

Conclusion

As the Accounting Officer for the programme, I have prepared this assessment to set out the points that informed my decision in October 2024. I consider that the programme meets the four accounting officer standards of regularity, propriety, value for money and feasibility. I am therefore satisfied that the programme is a good use of public resources.

If any of these factors change materially during the lifetime of this project, I undertake to prepare a revised summary, setting out my assessment of them. This summary will be published on the government's website (GOV.UK). Copies will be deposited in the Library of the House of Commons and sent to the Comptroller and Auditor General, Treasury Officer of Accounts and the Chair of the Public Accounts Committee.

Sir Matthew Rycroft KCMG CBE
Permanent Secretary