

## **Accounting Officer Assessment: Passport Transformation Programme**

The most recent version of the Full Business Case was approved by the Home Office Investment Committee May 2024.

### **Background and Context**

It is normal practice for Accounting Officers to scrutinise significant policy proposals or plans to start or vary major projects, and then assess whether they measure up to the standards set out in Managing Public Money. From April 2017, the government committed to make a summary of the key points from these assessments available to Parliament when an Accounting Officer has agreed an assessment of projects within the Government's Major Projects Portfolio (GMPP).

The Passports Transformation Programme was not regarded as a GMPP programme at its outset in 2016, the scope of the programme has evolved in this time. The programme has also been impacted by external events which have contributed to delays and cost increases, including the pandemic and surges in passport applications. The programme became a GMPP programme in April 2021. This Accounting Officer Assessment is an update to the version published in 2022 and reconsiders the programme's regularity, propriety, value for money and feasibility.

The programme has been subject to full independent Infrastructure and Projects Authority reviews and has updated the Home Office's Investment Committee on progress at least annually since 2016. The most recent Gateway Review by the IPA was in April 2024 and a full refresh of the business case was completed in May 2024.

The Passports Transformation programme has sought to transform the passport service by:

- Making the application process 'digital by default' by developing a new online application process that improved the customer experience, reduced failure demand and reduced paper handling costs;
- Making the case working 'back office' paperless through digital submission of supporting documents where possible, and the digitisation of physical documents at the boundary where digital submission is not possible;
- Introducing greater levels of automation into passport application processing, including the full end to end automation of application processing on more straightforward applications (in particular passport renewal applications);
- Replacing legacy IT systems with modern, GDS compliant, systems developed and managed in house, reducing our reliance on large IT systems integrator suppliers; and,
- Enhancing the employee experience, through removal of repetitive low value tasks as a consequence of digitisation and automation and through in-house development allowing systems to be adapted more quickly in response to changes in staff and customer needs,

There has been good progress in delivering the Passport Transformation programme. The new digital channels have been fully live since April 2019 with more than 90% of customers choosing to use these channels over paper-based routes. The new system is currently processing around 95% of passport application types, with a significant proportion of the assessment of adult renewal applications now fully automated and automation used more extensively than in the legacy system for the remaining applications.

The programme is now entering its final phase. The work left to complete includes:

- Developing additional features and capabilities to allow 100% of application types to be processed, allowing the business to retire the legacy system.
- Migrating the store of all passport application decisions to a new Home Office supported solution.
- Safely decommission the DXC legacy services.

The legacy services contract is due to expire in March 2026. That contract maintains business critical systems that need to be fully replaced to protect the business continuity of the passport service. Furthermore, completing this programme will yield further cashable savings for the Home Office.

In conclusion, completion of the Passport Transformation programme is essential.

### **Assessment against the Accounting Officer Standards**

**Regularity:** Passports are issued under the 'Royal Prerogative,' rather than under primary legislation. The programme makes changes to the way customers submit their applications and supporting documents, and to the way that HMPO processes that evidence. But it does not change the eligibility or entitlement criteria relating to passports.

The Passport Transformation programme, therefore, does not require new or amended legislation to progress.

Passport Transformation is funded out of a wider allocation of capital and resource change budgets in the Migration and Borders Mission. The Mission continues to manage spending across that portfolio to maximise outcomes while remaining within spending limits and conforming with controls set out in Managing Public Money and the HMT Green Book.

I consider HMPO Transformation conform to the Regularity Accounting Officer standard.

**Propriety:** Appropriate governance is in place to ensure that spend is monitored and well managed, risks to delivery are identified and mitigated as appropriate and that spend is in line with wider department's objectives. All contracts awarded to support the delivery of the programme have been let through open and fair means, with the support of the Home Office Commercial team.

The programme is well advanced in meeting its objectives, is considered not novel or contentious, is relatively self-contained, does not seek to amend government policy and has minimal impact on the activities of wider government. The proposal's intent, at this stage, is uncontentious. The primary purpose now is to finish the replacement of legacy systems to protect the integrity of the passport service.

I consider the programme to align with the principles documented in Managing Public Money and to conform to the Propriety Accounting Officer standard.

**Value for Money:** The overall timeline of the Passport Transformation Programme has been extended, and costs have increased since the original business case in 2016. The current forecast Whole Life Cost is £1.0bn, this has been developed using best practice and in collaboration with Home Office Economic Team.

Sunk costs to the end of 2023/24 amount to c.£195m CDEL and c.£120m RDEL. The current programme business case outlines that the preferred option, to conclude the programme, returns a NPSV of £229.1m including discounted total benefits of £43.7m over an 8-year appraisal period from 24/25. These benefits are derived from contract savings associated

with bringing systems in house and FTE reductions as fewer staff are required to support the application process.

The programme activity is critical to maintaining the integrity of passport issuing systems; with passports being a primary identity document enabling access to work, housing, finance and travel. Success of the programme is therefore of wider value to UK PLC, which the programme has not sought to quantify.

Taking account of the points above, overall, I consider the project to conform to the Value for Money Accounting Officer standard.

**Feasibility:** The most recent Infrastructure and Project Authority Gate 0 Review of the Programme in April 2024 returned a delivery confidence rating of Amber. The review team observed that good progress had been made against the programme objectives. More generally, the remaining scope is well understood with increasing confidence in the cadence of delivery and the scale of the work required to deliver the remaining scope points.

Despite some delays due to the complexity of the remaining work to deliver together with intricate inter-programme dependencies, there is confidence that the programme will close within the next 12 months.

I am satisfied that the programme meets the feasibility test. This opinion is supported by the progress made by the programme to date, and the understanding the programme has of the remaining scope and the experience accrued in delivery in this context.

## **Conclusion**

The Passport Transformation programme conforms to the four Accounting Officer standards of regularity, propriety, value for money and feasibility. There are challenges and risks to delivery, however the Programme is working on mitigations to these. I therefore consider the programme, which improves the efficiency of the passport service, while protecting the integrity of it, to warrant approval to progress.

As the Accounting Officer for the Passport Transformation programme within the Home Office I have prepared this summary to set out the key points which informed my decision. 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 Chair of the Public Accounts Committee.

**Sir Matthew Rycroft KCMG CBE  
Permanent Secretary, Home Office**

25 October 2024