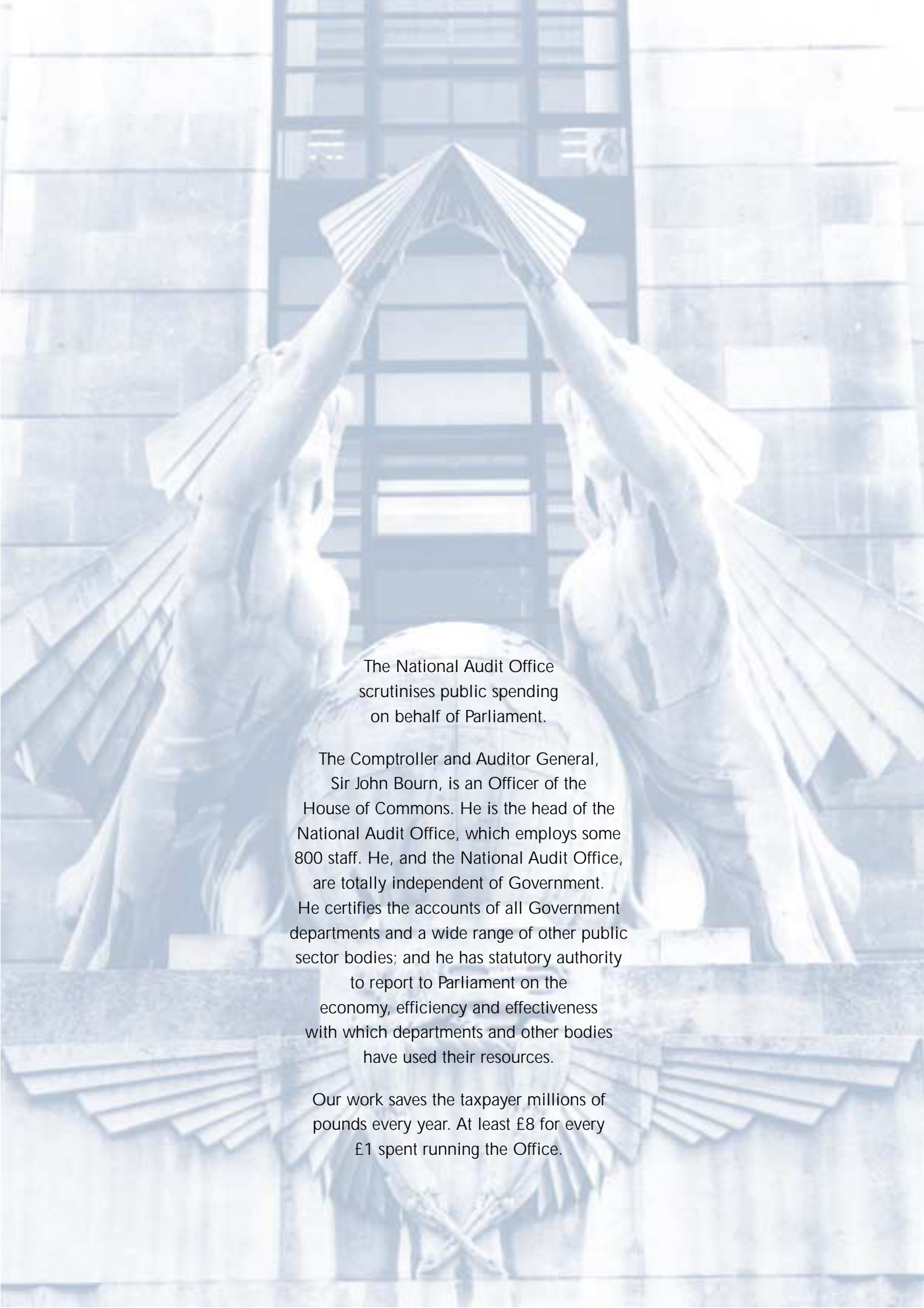


# Criminal Records Bureau Delivering Safer Recruitment?

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL  
HC 266 Session 2003-2004: 12 February 2004





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Delivering Safer Recruitment?



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HC 266 Session 2003-2004: 12 February 2004

This report has been prepared under Section 6 of the National Audit Act 1983 for presentation to the House of Commons in accordance with Section 9 of the Act.

*John Bourn* National Audit Office  
Comptroller and Auditor General 28 January 2004

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# executive summary

- 1 The programme to establish the Criminal Records Bureau (the Bureau) was initiated in 1999 and live services began in March 2002. The objective of the Bureau is to widen access to criminal records so that employers can make better informed recruitment decisions. Its main aim is to strengthen safeguards for the protection of children and vulnerable adults. A disclosure of a past criminal record is compulsory for some professions including child minders and care home workers. Employers and voluntary bodies seek checks on potential employees and volunteers through the Bureau as part of their overall recruitment process. The potential employee has to request the disclosure, although these requests are mainly submitted to the Bureau by employers.
- 2 Prior to the setting up of the Bureau, employers' ability to check whether potential employees had a criminal record was limited and inconsistent. The disclosure service offered by the Bureau is more comprehensive and consistent than the predecessor service. Most voluntary sector organisations working with children or vulnerable adults for example, have formal access to criminal record information for the first time. Other customers, such as those in education, can obtain checks on groups such as parent helpers and administrative staff who were not covered by the previous system of police checks.
- 3 The Bureau is now delivering reliably over twice the number of checks undertaken by the police each week under the old arrangements. At July 2003, the Bureau had issued over two million Disclosures, and is now generally handling between 40,000 and 50,000 applications per week and achieving its service standards for turnaround time. Bureau commissioned research in 2003 has shown that two-thirds of Registered Bodies<sup>1</sup> found the disclosure process useful in guiding their recruitment decisions, and 18 per cent decided not to employ a job applicant in the light of Disclosure information.
- 4 The Bureau was established as a Public Private Partnership between the Passport and Records Agency and Capita plc<sup>2</sup>. The Criminal Records Bureau is now a separate Agency. Capita operates the Bureau call-centre, inputs applications for checking, collects fees due, develops and maintains the Information Technology infrastructure, and prints and issues Disclosures. The Agency sets the overall strategy, manages the Capita contract, carries out checks on the Police National Computer (to which it has the relevant level of access) and manages relationships with local police, Registered Bodies and other Government Departments.

<sup>1</sup> A Registered Body is an employer or voluntary organisation registered with the Bureau to verify that applications are genuine.

<sup>2</sup> The Capita Group of companies provides professional support services such as call centres, fee collection, and accounts services among others, on long term contracts in both the public and private sector. It had a turnover of £898 million in 2002.

- 5 We reviewed the scope of the Bureau's service and its role in protecting the vulnerable; the Bureau's progress towards delivering its planned services; the problems encountered and why they arose; and the solutions now being considered and actioned. Our key findings are set out below.

## On planning and implementation

- 6 The Bureau was intended to start operations in September 2001 but a series of difficulties delayed commencement until March 2002. The timetable proved ambitious with twelve months for both the Agency and Capita to develop systems and processes, recruit and train staff, market the service and set up financial arrangements. There was a delay of seven months in the Bureau's operational start, caused by problems in business and technical development and the decision to conduct more extended testing and piloting prior to the start of live operations.
- 7 The three final bids received differed significantly on timescale, price and proposed mix of application channels. The Capita bid was much lower than those of competitors. One of the competitors' bids raised questions about the realism of the timetable, while another assumed a different application channel mix. Capita gave assurances, however, that they could meet the timescale; and that their business model was sound, met the Agency's specifications and assumptions and therefore that the service could be delivered for the price. These assumptions were also checked by the Agency's independent consultants and appropriate due diligence was undertaken.
- 8 Weaknesses in the business assumptions made at the start of the project, and in the delivery of systems to process all types of application, were key factors in the Bureau's problems. In particular, the Agency assumed that between 70 and 85 per cent of people would apply by telephone to a call centre and others would apply online. Both application channels were designed to be customer friendly and consistent with the Government's modernisation agenda but the assumptions had not been adequately researched with potential users. The Agency established a customer forum in 1999 but input mainly related to policy and legislation, and was not best placed to inform the development of operational processes. In January to June 2001, the Agency held 23 Registered Body Roadshows with some 5,000 participants to publicise the impending launch of the Bureau and to stimulate registration by employers. It was only at this late stage that the overwhelming preference for paper applications surfaced. Over 80 per cent of applications came in paper form. Data entry screens had not, however, been designed for keying in of data from paper forms, and the Optical Character Recognition Systems designed for telephone applications had insufficient capacity to deal with the volume of paper applications.
- 9 Additionally, the Agency had assumed that applications would be submitted individually through employers and the Bureau would then correspond with individual applicants over any errors. In practice, however, applications from potential employees were batched and submitted by prospective employers. Systems and processes had been designed around receipt of individual applications and could not cope initially when batched applications came in. Business processes also proved unable to cope with the volumes of errors and exceptions on paper applications, and the complexity of dealing with both individuals and employers.
- 10 Other capacity issues arose. There were limits on the number of users who could access the system at the same time, and links between the Bureau and Metropolitan Police systems were slow. The design of the Information Technology system was partly dictated by the need to prevent access to some

parts by non-civil service staff, which slowed up processing of applications and made the tracking of applications difficult as non-civil servants handling customer queries could not access the whole system. These errors have now been rectified.

- 11 The Bureau's systems and processes were developed on the basis of dealing with applications strictly in date order. They were not designed to prioritise particular groups or urgent applications, which required manual sorting. When the Department for Education and Skills announced in August 2002 that people working in schools had to be vetted by the Bureau before taking up post, the Bureau's normal processes had to be disrupted to accommodate this approach, causing additional delay.

## On the partnership between the Agency and Capita

- 12 The Agency and Capita began the development of the business processes and systems in a constructive way but the relationship came under stress as problems mounted. Matters were complicated by the lack of single operational ownership of the whole process. Capita believed that they were given inadequate opportunity for their operational experience to be brought to bear on decisions made by the Agency, particularly the late introduction of bulk paper forms. The Agency's view is that it did not have a sufficiently strong intelligent customer function and placed too much reliance on Capita to deliver the required functionality and performance.
- 13 The Agency put in place mechanisms to follow best practice, including the use of consultants to audit its procurement processes and manage implementation. It also undertook Gateway reviews.<sup>3</sup> The Office of Government Commerce Gateway Review Team raised questions about the readiness of the Bureau to go live, but accepted that there was 'no turning back' and that on balance the operational service launch should go ahead in March 2002.
- 14 Immediately upon recognising the problems after go-live, the Agency and Capita put in place a Service Improvement Plan. Since June 2003 the Bureau has met published Service Standards in terms of turnaround times for Disclosures. Backlogs have been effectively eliminated. The turnaround in the Bureau's performance shows that the key to running a complex, greenfield operation with a private sector partner is to work together as a team to solve operational problems. The Service Improvement Plan began to yield results within six weeks and the situation was stabilised in six months.
- 15 An Independent Review Team appointed by the Home Secretary presented ten recommendations for improvement. These included rationalising the roles of Registered Bodies, the Agency, Capita and local police forces to increase efficiency, moving to mandate that all applications should be electronic, and making the Bureau a separate Executive Agency of the Home Office. In February 2003, the Home Secretary announced that the Government had accepted nine of the ten recommendations for potential implementation and would consult on the tenth (the routing of applications for Basic Disclosures<sup>4</sup> through Registered Bodies) before coming to a final view. On December 22, 2003, contract renegotiation was concluded between the Bureau and Capita, putting the Bureau on a sounder footing.

<sup>3</sup> Formal independent reviews of major projects introduced by the Office of Government Commerce. These are conducted by independent assessors at key stages of procurement and implementation projects. A Gateway may now be applied at the start of high risk projects.

<sup>4</sup> A Basic Disclosure comprises unspent convictions on the Police National Computer.



## On protection of the vulnerable

- 16** The Bureau's problems have impacted adversely on the intended level of service for customers which is not yet as extensive as the Government had planned. Checks on existing social care and health care workers, due to commence by 31 March 2003, began only in October 2003. The Government also intended that, from early 2003, the Bureau would undertake checks against the Department of Health's list of persons considered unsuitable to work with vulnerable adults, provided for in the Care Standards Act 2000, but implementation of these checks has also been deferred. The issue of Basic Disclosures has been delayed until at least the end of 2004.
- 17** The level of Disclosure sought is not always commensurate with the risk. Eighty seven per cent of applications have been for Enhanced Disclosures<sup>5</sup> which take longer and cost more to produce, and yet only a few (0.17 per cent<sup>6</sup>) have uncovered local police non-conviction intelligence relevant to the application, and which would not have been shown on a Standard Disclosure<sup>7</sup>. Requests for Enhanced Disclosures have been partly driven by the lack of price differential between Disclosure types and partly by a desire to minimise perceived risks when employing people in sensitive positions or situations. A £5 price differential has now been introduced.
- 18** The Bureau cannot currently access all potential sources of data such as that held by HM Customs & Excise, and the British Transport Police. The Bureau's procedures might not identify an applicant who has been, for example, under investigation by HM Customs & Excise for smuggling drugs or pornography but who has never come to the attention of the police in the UK. Additionally the Bureau cannot access overseas crime databases, an issue for sports organisations who are concerned about the number of sports coaches working internationally who cannot be checked. To its credit, the Bureau has taken the initiative to launch an overseas advice service and to create links to the Channel Islands and Isle of Man. The Home Office is planning to seek amendments to legislation to widen access to such sources of information in the UK.
- 19** The Bureau constitutes only one source of information and risk management for employers in making employment decisions. To minimise the risks of abuse, employers need to use a variety of methods of protection such as public surveillance, education and training, good practice codes, and monitoring and supervision. This has been correctly emphasised by the Bureau in its publicity and guidance material. Sixty six per cent of sexual offenders, for example, have no previous criminal history<sup>8</sup>, and one third of cases of abuse against children are committed by adolescents<sup>9</sup>.

<sup>5</sup> Covering all convictions, cautions, reprimands or warnings on the Police National Computer and any relevant intelligence held by local police forces in whose areas the applicant has lived in the previous five years.

<sup>6</sup> The Bureau analysis of a sample of one-third of applications in December 2002.

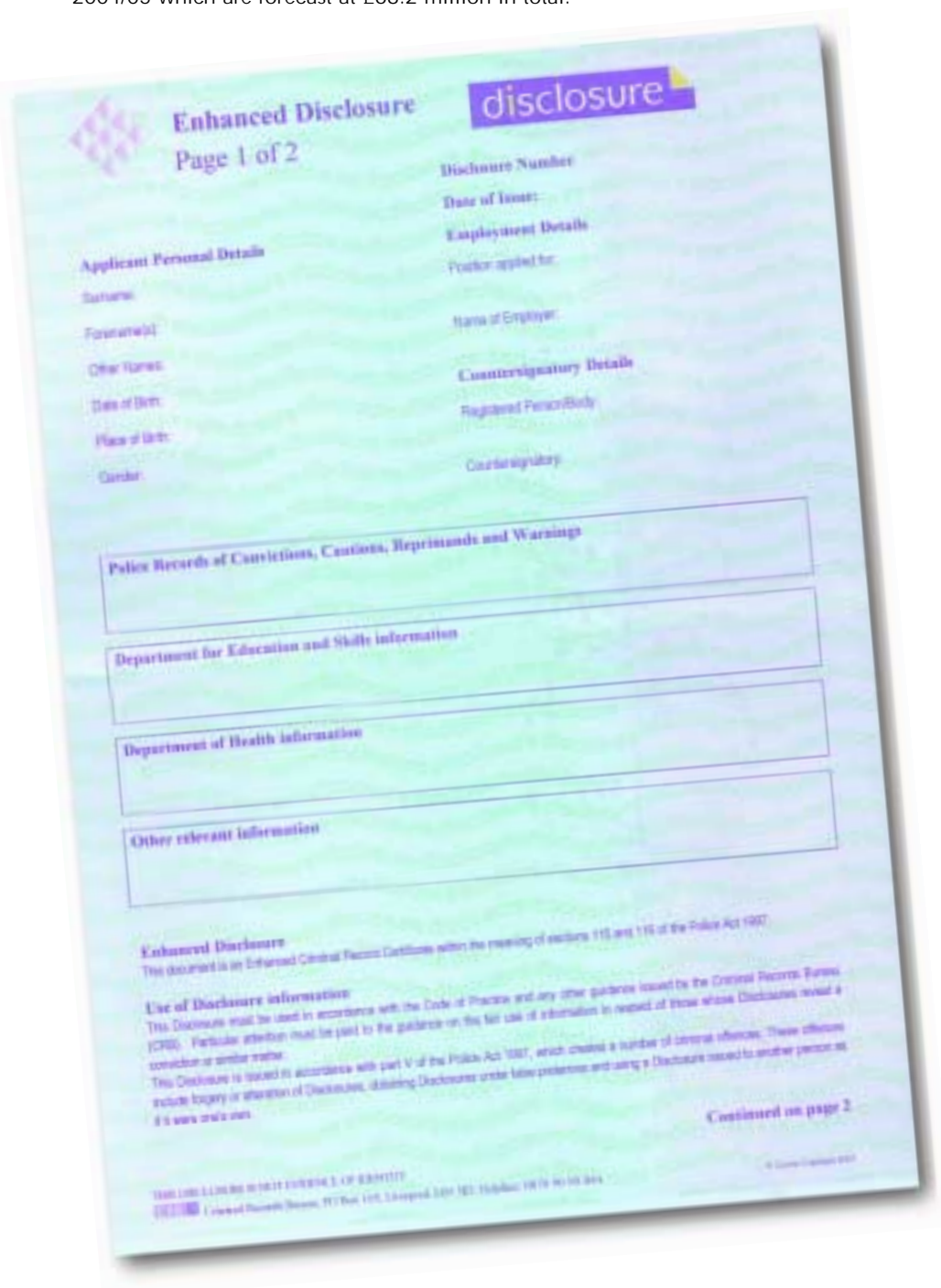
<sup>7</sup> A Standard Disclosure is based on checks of unspent and spent convictions and of cautions, reprimands or warnings on the Police National Computer. Checks may be made on lists held by the Department for Education and Skills.

<sup>8</sup> Home Office.

<sup>9</sup> Police Research Series Paper - Sex Offending Against Children, 1998.

## On performance

- 20 The effectiveness of the Bureau is currently monitored by output volumes, Disclosure accuracy statistics and turnaround times. These measures show that the service is more comprehensive and consistent than before, but only limited research has been commissioned on the overall impact of the Bureau's activity on outcomes for the vulnerable.
- 21 The Bureau will not break even until 2005/06, a year later than originally planned. The original Business Plan was based on fee levels of up to £18 for all applications including volunteers. In spring 2001, fee levels were set at £12, and volunteer applications were processed free. Subsequently, new fee levels have been announced of £28 for a Standard Disclosure and £33 for an Enhanced Disclosure effective from April 2004, to achieve breakeven within five years. The taxpayer is funding residual deficits for 2002/03 through to 2004/05 which are forecast at £68.2 million in total.



# Conclusions and Recommendations



- 1 The value of Disclosures is heavily dependent on the data on which they are based being up to date. The Home Office should work with Police Forces and the Department for Constitutional Affairs to identify options for achieving a significant reduction in the time taken to update the Police National Computer, including exploring further the suggestion that updating should be done at courts when trial outcomes are known. Currently only 38 per cent of court results are entered within the target of seven days.
- 2 The Partnership between the Bureau and Capita should be re-established more effectively in the light of contract renegotiation, by:
  - Reviewing the allocation of operational responsibility, accountability and risk between the Agency and Capita to put in place the most appropriate arrangements to maximise performance and accountability;
  - Reviewing partnership governance arrangements;
  - Enabling Capita to input more strongly into interdepartmental and customer stakeholder groups to ensure full awareness of the operational impact of decision making and to raise Capita's awareness of stakeholder concerns; and
  - Both parties providing the required skills and operating in a suitable framework to support a strategic partnership.
- 3 The Home Office should consider commissioning research to assess whether crimes against children and vulnerable adults in the workplace and other settings are declining, to provide an indicator of the Bureau's impact.
- 4 The Home Office has published the new Agency's Framework Document which sets out its strategic objectives within the context of the legislative framework and the requirement to be self financing by 2005/06. The Department should monitor that the Agency develops a clear business strategy as part of the corporate planning process.
- 5 In protecting children and the vulnerable, the risks of abuse occurring need to be balanced with the benefits and costs of Disclosures, so that the level of checking undertaken by the Bureau is focussed on potential employee or volunteer contact situations where the risk of abuse is greatest. The Home Office and the Bureau should, in consultation with stakeholders, consider establishing clear guidelines on Disclosure needs, drawing on the experience of all parties in the setting up of the Bureau's services.

# Lessons applying more widely from the Bureau's experience are:

- 1 The importance of consulting with potential users of the service at the earliest opportunity to gain a clear understanding of how they are most likely to access the service, and responding promptly and effectively to such feedback.
- 2 When working within the Modernising Government agenda, Departments need to recognise within their plans the possibility that the public and users may not be supportive of or appropriately equipped to achieve the Government's ultimate aim of non-paper based transactions. Departments may need to develop a strategy to achieve that aim therefore, for example by considering the use of incentives and other mechanisms over a period of time to encourage interactions to be in the preferred form, if this form provides the best value for money overall in efficiency and effectiveness terms.
- 3 In assessing the utility of systems and processes, Departments should test operational staff productivity, and systems and processes' adaptability, to circumstances which challenge normal operating conditions; for example, one off events such as assumed priorities suddenly being changed.
- 4 Departments should use early Gateway Reviews to question assumptions rigorously, and plan the achievement of policy objectives prior to starting implementation. (This system had not been put in place by the Office of Government Commerce when the Criminal Records Bureau's implementation programme was started). The recent introduction by the Home Office of a Strategic Delivery Board, chaired at Permanent Secretary level, with an in-house challenge role of this kind is a welcome development.
- 5 Good risk management may require potentially courageous decisions to defer the introduction of a new service so that fully tested processes and systems, operated by well trained staff whose operational productivity has been fully established, are in place at service commencement. The problems and costs arising from delays, and the damage to reputational risk, may be less in practice than those which may arise from going live with a system not fully fit for purpose. Departments need to consider carefully the relative risks of each alternative in deciding the way forward.





# Part 1

## Introduction

### Introduction

This section of the report sets out the background to the Criminal Records Bureau and why we undertook this study.

### Background

The aim of the Bureau is to widen access to criminal records

1.1 The Criminal Records Bureau (the Bureau) was created to increase access to information on criminal records so that employers and voluntary organisations could make

better informed recruitment decisions. The policy was prompted in part by public concern over an apparent increase in incidents where children or vulnerable adults<sup>10</sup> were abused by those in positions of trust.

1.2 The Bureau was set up as a public private partnership between the Passport and Records Agency and Capita plc, who were to develop and maintain the information technology system and process applications for Disclosures of criminal records from the public. There were three levels of Disclosures planned: Enhanced, Standard and Basic, containing different levels of criminal record information on a particular individual (Figure 1).

### 1 Types of disclosure and levels of checking

What checks are made	Whom they are designed for
<p><b>Basic</b> (Introduction delayed) Unspent convictions on the Police National Computer.</p>	<p><b>All individuals</b> so that they can provide employers and voluntary organisations with proof of criminal history, for any post which does not involve regular contact with children or vulnerable adults.</p>
<p><b>Standard</b> (available since March 2002) As for Basic <b>but</b> all convictions including 'spent' ones are checked together with cautions, reprimands or warnings on the Police National Computer. For prescribed categories of posts involving 'working with children', checks are made on lists of unsuitable people held by the Department for Education and Skills.</p>	<p><b>Posts involving work or regular contact with children or vulnerable adults, and postholders in positions of trust.</b> Examples include:</p> <ul style="list-style-type: none"> <li>■ School support staff (office staff, caterers)</li> <li>■ Probation officers</li> <li>■ Accountants</li> <li>■ Trustees of childrens' charities</li> </ul>
<p><b>Enhanced</b> (available since March 2002) As for Standard <b>but</b> checks also made for relevant local intelligence with any police forces where the applicant has lived in the previous five years and any other relevant police force.</p>	<p><b>Posts which regularly involve caring for, training, supervising or being in sole charge of children or vulnerable adults.</b> Examples include:</p> <ul style="list-style-type: none"> <li>■ Teachers</li> <li>■ Nurses</li> <li>■ Scout/guide leaders</li> <li>■ Childminders</li> <li>■ Sports coaches</li> <li>■ Foster/adoptive parents</li> </ul>

Source: National Audit Office analysis

10 Adults who are vulnerable because of age, illness or disability.

## The planned timetable for setting up the Bureau

1.3 The Government's aim was to make Enhanced and Standard Disclosures available in autumn 2001, with Basic Disclosures available in summer 2002. In December 1998, the United Kingdom Passport Agency was given the task of setting up the Bureau, including establishing the Public Private Partnership. **Figure 2** sets out the timetable of key events in the setting up and operation of the Bureau.

## Structure of the Bureau

1.4 The Bureau provides a One Stop Shop, from which individuals can, by sending in an application, request a Disclosure which details a person's criminal history, if any. The Bureau is a complex structure with the process of producing a Disclosure split between Capita and the Agency, with the involvement of Registered Bodies and local police forces.

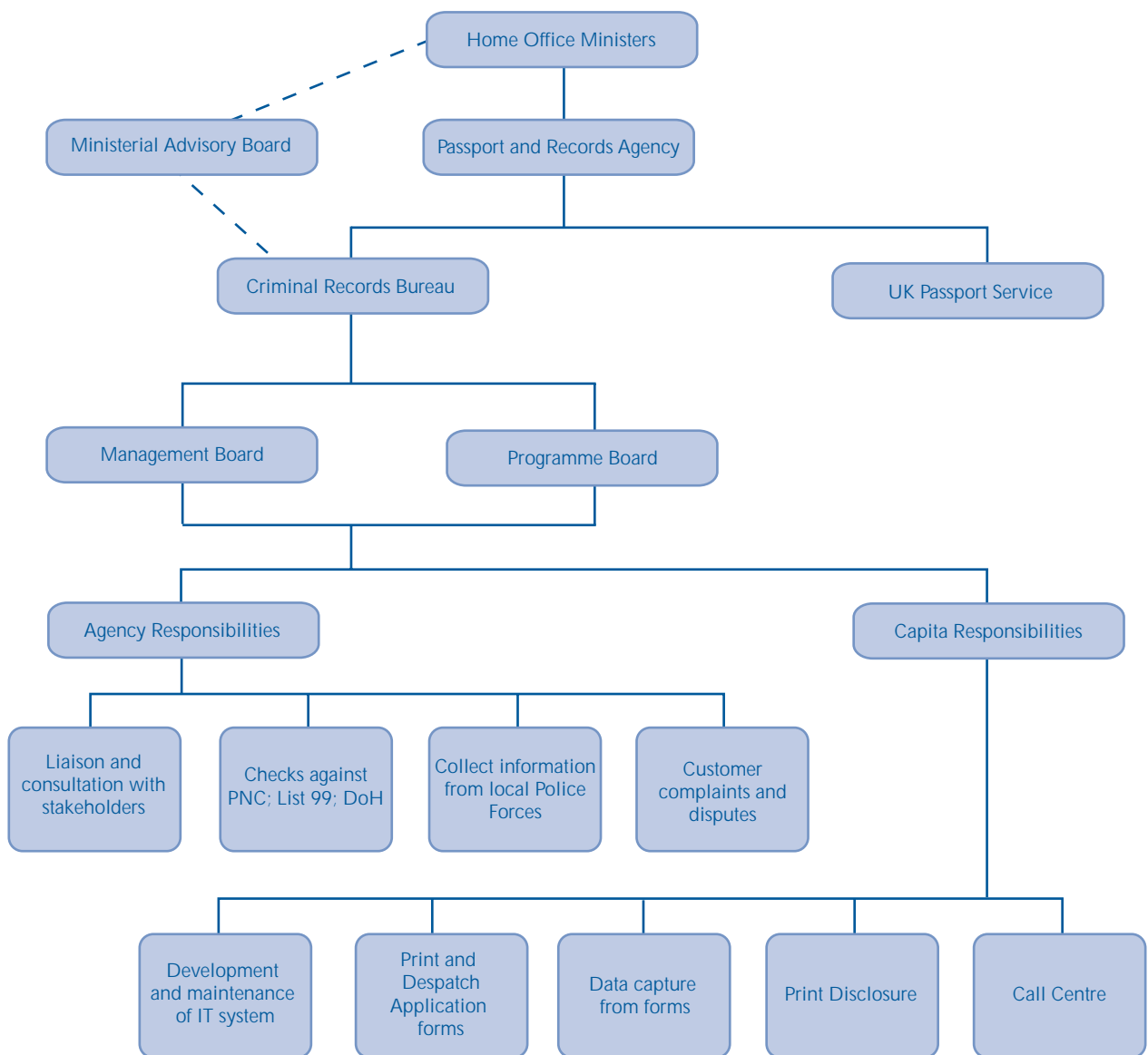
### 2 Timetable of events

1996	White Paper <i>On the Record</i> announces establishment of Criminal Records Bureau
1997	Police Act passed. Part V provided the regulatory framework for the Bureau
1998	Home Office announces creation of the Bureau
Early 1999	Implementation team formed in the UK Passport Agency to set up the Bureau
June 1999	Advertisement for Public Private Partnership placed in the Official Journal of the European Communities
February 2000	3 Bidders short listed to produce a Technical Design Study, with contribution towards costs of £100,000 reimbursed
June 2000	Best and final offers received against final contract requirements
August 2000	Contract awarded to Capita
February 2001	Home Office announce Disclosures will be free to volunteers
April 2001	Fees for all types of Disclosure set at £12
Spring 2001	Registered Bodies seminars and registration underway Service agreements signed with local police forces and the Police National Computer
Summer 2001	Go Live delayed from August 2001 to March 2002 Customers demand a Paper Forms Route and this is added Enhanced Model Office/Pilot testing added
November 2001	System tested
February 2002	Model Office and Pilot completed
March 2002	Live operations launched
May 2002	Backlogs develop
May - September 2002	Action by the Agency and Capita to improve business processes and reduce backlogs
August 2002	DfES requires people working in schools to be vetted by CRB before taking up posts
September 2002	Independent Review team appointed by the Home Secretary
November 2002	The Bureau was processing more applications than new ones received, but still a significant backlog of aged applications, with delays occurring in local police force checks
January 2003	Millionth Disclosure issued
February 2003	Independent Review Team Recommendations announced
June 2003	Revised service standards published in Business Plan 03/04 and fee increases announced. Service standards for turnaround time of applications being achieved and aged applications backlog eradicated. Two millionth Disclosure issued
September 2003	The Bureau was established as a separate Agency

1.5 The Chief Executive of the Passport and Records Agency was, until 31st August 2003, accountable to the Home Secretary for the development, running, management, and performance of the Bureau. Three boards monitored the development and implementation of the Bureau (**Figure 3**): a **Ministerial Advisory Board** advised Ministers on the Bureau's plan and performance; a **Programme Board** managed the development and implementation of the Bureau, and was made up of senior managers of the Agency, Capita and the Association of Chief Police Officers; and a **Management**

**Board** made up of senior managers from the Agency and non executive directors, was added in 2001 to focus on preparing for operations and on personnel and financial issues. Capita was a member of the Management Board (except for Agency internal matters). A Partnership Executive was also convened between the Agency and Capita, as an expression of the intention to work as a Partnership to develop the Bureau, although this was later discontinued. From September 2003, the Bureau has been established as a separate Agency under the Home Office, with a newly appointed Chief Executive.

**3 Organisational Structure of the Criminal Records Bureau during development and implementation**



**NOTE**

PNC = Police National Computer; List 99 & DoH List: Lists of individuals deemed unsuitable to work with children.

Source: National Audit Office analysis



## How applications are handled by the Bureau

- 1.6 Applications for Standard or Enhanced Disclosures are made by potential employers when they recruit staff (see Figure 4). Employers or voluntary organisations registered with the Bureau, known as Registered Bodies, ask prospective employees to complete the application which the Registered Body countersigns to confirm that the check is required as part of a valid job application. The Registered Body also checks the identity of the applicant.
- 1.7 In checking whether there is information held on the applicant, the Bureau can draw on:
- the Police National Computer which contains details of convictions, cautions, reprimands and warnings for recordable offences;
  - the National Identification Service (which includes a microfiche record of criminal convictions prior to 1995);
  - lists of individuals who are unsuitable to work with children held by the Department for Education and Skills<sup>11</sup>; and
  - relevant information held by local police forces.

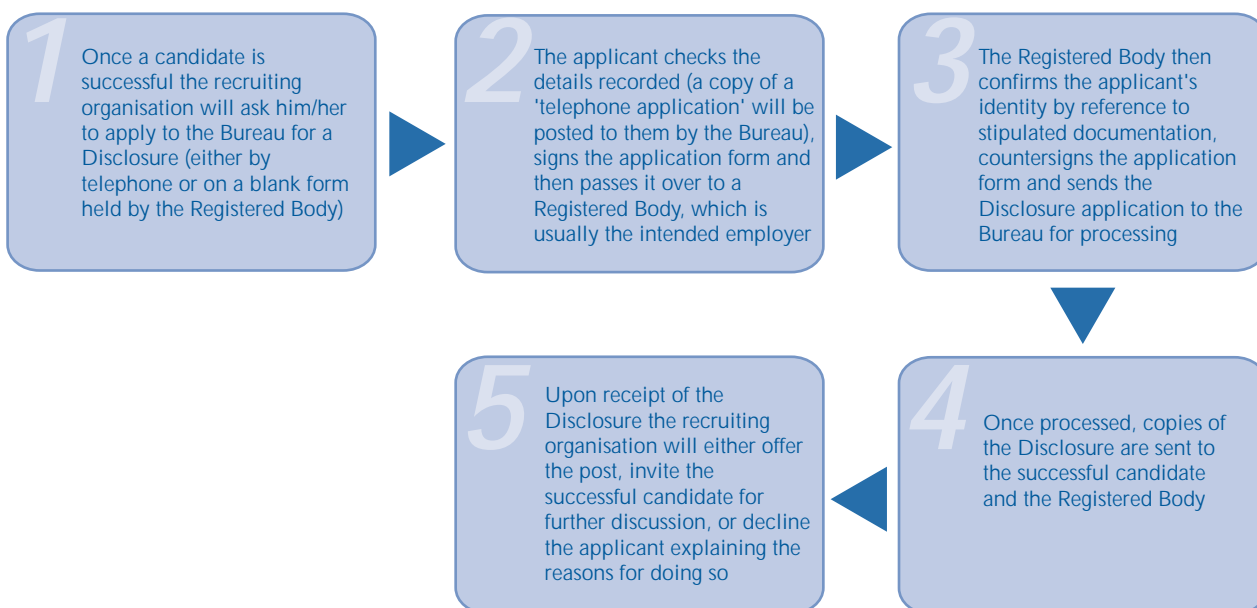
The level of checking carried out depends on the type of disclosure applied for.

- 1.8 Soon after the Bureau's start in March 2002, customers experienced delays in the issue of Disclosures. The delays led to backlogs of applications impacting on employers who could not recruit; volunteers who could not work for charities; and those applying to adopt, foster or look after children who had to wait until their Disclosures were issued. However, the situation was stabilised in the autumn of 2002, and by June 2003 service standards were being met and the backlog was eradicated. As show in Figure 5 opposite, by July 2003 the Agency had issued some two million disclosures.

## The purpose of this National Audit Office study

- 1.9 We examined the setting up and running of the Criminal Records Bureau and its contribution to protecting the vulnerable. In particular our study has examined:
- The scope of the Bureau's service and its role in protecting the vulnerable (Part 2);
  - The Bureau's progress towards delivering its planned services (Part 3);
  - The problems encountered by the Bureau and how these arose (Part 4); and
  - Solutions which have been implemented or are still being considered by the Bureau and the Home Office (Part 5).

### 4 Completing an application

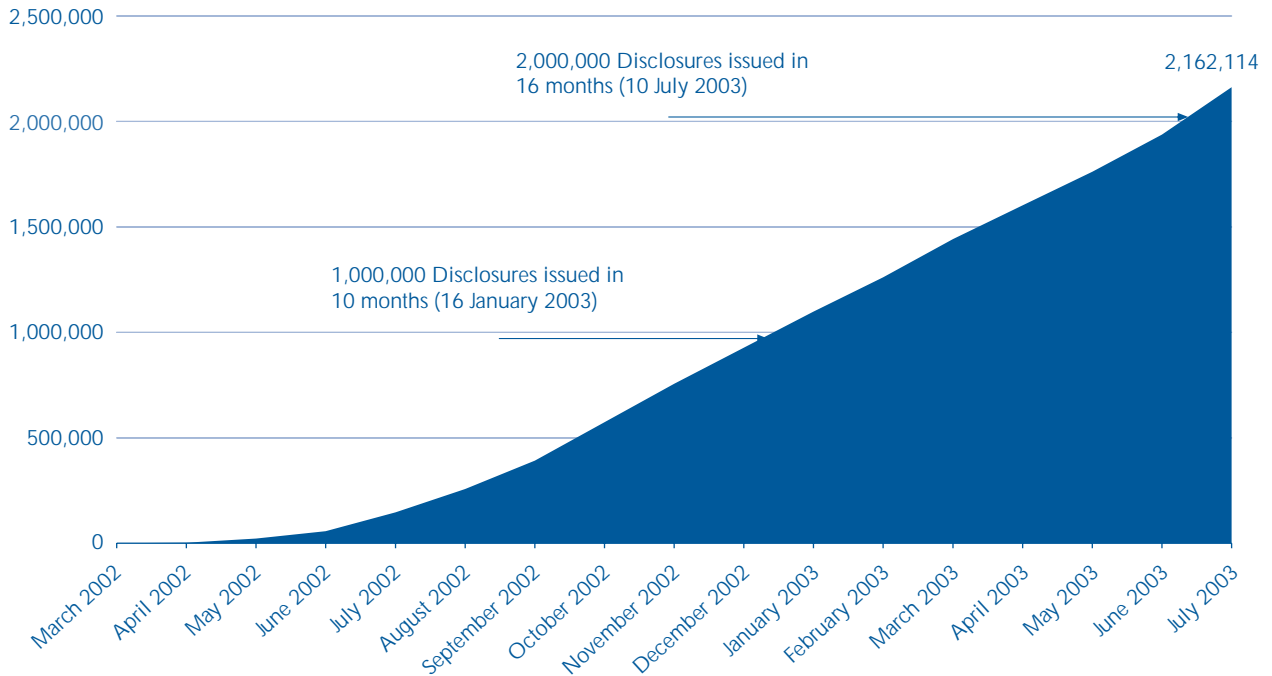


Source: Criminal Records Bureau

11 The Department for Education and Skills is now responsible for the list maintained previously by the Department of Health.

## 5 Disclosures issued to July 2003

The graph shows the cumulative workload of the Bureau to July 2003.



Source: National Audit Office analysis of documents supplied by the Criminal Records Bureau

## Study methodology

1.10 The key methodologies we used included:

- review of documents, reports and data from the Bureau and Home Office;
- interviews with:
  - key players in the establishment and operation of the Bureau.
  - the Independent Review Team appointed by the Home Secretary in September 2002 to review the strategy and operations of the Bureau and to produce recommendations to improve its efficiency and effectiveness; and with the Review Team's consultants; and
  - customers and other stakeholders.
- consultation with experts in Public Private Partnership deals for Information Technology supported services, and experts in assessing the risks of abuse to children and vulnerable adults.

Further details are set out in **Appendix 1**.



# Part 2

## The scope of the Criminal Records Bureau's service and its role in the protection of the vulnerable

### Introduction

This part of the report sets out the policy behind the establishment of the Bureau and the issues which limit the scope of the Bureau's service in providing data impacting on a person's suitability to work with children and vulnerable adults.

### Background to the policy

The aim of the policy was to increase access to criminal records

2.1 Before the Bureau was set up, employers' ability to carry out checks on potential employees was limited and dependent on the sector in which they worked. Checking of criminal records was slow and inconsistent. Where information was available, each potential source had to be approached separately:

- **Local police forces** provided increasing numbers of free checks each year, primarily on those working with children, reaching just under one million in the last year before the Bureau began to operate. These checks could take months to be produced, due to increasing volumes and because the service had to be managed within forces' existing budgets;
- **Employers of teachers** could consult a list<sup>12</sup> maintained by the Department for Education and Skills, of individuals barred from working in educational establishments;
- The **Department of Health** held a list of people identified as unsuitable for working with children because of misconduct.

2.2 In addition, in some cases, potential employees might have been asked to pay £10 for a Subject Access check through their local police stations. These checks give details of conviction information held against a person's name on the Police National Computer, and reflect a person's rights under the Data Protection Act to review personal data and to have it corrected if wrong.

2.3 Checks on those working with the elderly, sick or disabled were not readily available. Organisations reliant on volunteers also had particular difficulties in obtaining information, and some developed their own processes. For example, The Scout Association used a Press Cuttings Service to develop a database of unsuitable people against which volunteers could be checked. They also had direct access to the Department for Education and Skill's list and occasionally, could submit names of volunteers for checking against the Department of Health's list.

### Legislation supporting the policy

2.4 The White Paper, **On the Record**<sup>13</sup> published in 1996, set policy objectives for the Criminal Records Bureau. Part V of the Police Act 1997 enabled a person to request the Secretary of State to disclose criminal records, and placed the Secretary of State under a duty to comply when applicants made a request in the prescribed form, and paid the prescribed fee. In December 1998, the Home Secretary announced that the Bureau's main objective was to strengthen safeguards for the protection of children, and that priority would be given to issuing certificates for those seeking positions which involve regularly caring for, training, supervising or being in sole charge of persons aged under 18. These arrangements would be extended to protect vulnerable adults after further consideration and consultation.

<sup>12</sup> Known as List 99.

<sup>13</sup> Command Number 3308.

## The service is more comprehensive than before

- 2.5 The service offered by the Bureau is more comprehensive than that which existed previously. A sample of 14,225 applications<sup>14</sup> received between October and December 2002, suggests that seven per cent were from sectors which have formal access to criminal record information for the first time such as voluntary organisations. The Scout Association and the Amateur Swimming Association, for example, have welcomed access to the Bureau and have found immediate benefits (Figure 6). More generally, customers have found that the service provides more consistent information and is more thorough than before. Other customers, such as those in education, can now obtain checks on groups such as parent helpers and administrative staff, who were not covered by the old process of police checks. These groups accounted for over 20 per cent of the above sample.
- 2.6 The Bureau was set up to protect the vulnerable, which include children and adults who are incapacitated in some way, such as those who are old, ill or disabled, by widening access to criminal records. The key decision on who needs a Disclosure and the level of checking required is determined by legislation, and is based on the level of risk identified with particular jobs, such as those working with children. The Bureau does not set these requirements and the rules are complex and open to interpretation.

### 6 Benefits to voluntary organisations of the Bureau's checks

At the time of our study the Amateur Swimming Association had identified ten cases where the Disclosure caused concern. Under the previous process of self-disclosure this relevant information might not have come to their attention.

The Scout Association still carry out a range of checks on applicants, in addition to obtaining a Disclosure. By March 2003 they had around twenty five Disclosures (0.26% of their total) which influenced a recruitment decision but they also had information about offences such as theft which enabled them to allocate responsibilities more appropriately.

## The level of disclosure is not commensurate with risk

- 2.7 Eighty seven per cent of applications (1.1 million) in 2002-03 were for Enhanced Disclosures. Such disclosures involve checking intelligence on local police force databases where the applicant has lived for the last five years. One third are sent to more than one police force. Currently police checks cost around £5.66 each, and with an average of 1.3 forces approached for each Enhanced Disclosure, the police cost is around £7.20.
- 2.8 Very few (0.17 per cent<sup>15</sup>) Enhanced Disclosure checks uncover additional information from local police force intelligence relevant to the application and which augments that which would appear on a Standard Disclosure. Prior to the establishment of the Bureau, the Metropolitan Police used to process 125,000 requests for police checks each year. Checks of intelligence databases other than the Police National Computer were only carried out on those where there was an existing record or in the case of those with no record if the post was deemed to be of high risk (for example, those cases involving fostering, adoption or childcare). Now, however, the Metropolitan Police carry out about 400,000 full police checks each year, of which only 0.5 per cent reveal relevant extra information. A new approach to improve the efficiency of the Bureau's access to local police intelligence is being piloted by the Bureau in collaboration with local police forces.

## The fee structure did not encourage employers to undertake a proper risk assessment

- 2.9 Analysis carried out by consultants employed by the Independent Review Team appointed by the Home Secretary suggests that because there was no fee differential or clear guidance to encourage employers to apply for a Standard Disclosure, many played safe by asking for an Enhanced Disclosure. Evidence from the education sector suggests that, for example, 66 per cent of cooks and cleaners, and around 75 per cent of administrators sought Enhanced Disclosures. On 5 June 2003, the Home Office announced a £5 differential between Standard and Enhanced Disclosure fees to reflect the higher cost of producing the latter.

<sup>14</sup> One per cent sample of applications undertaken by the Criminal Records Bureau. The Bureau's management information system cannot track the sectors from which applications have come as many Registered Bodies (e.g. local authorities) process applications from several sectors in an undifferentiated way.

<sup>15</sup> Criminal Records Bureau analysis of a sample of one third of applications in December 2002.

## Checking of identity has been delegated to Registered Bodies

2.10 The Bureau is required by legislation to check the identity of applicants, process data fairly and to disclose it only to those entitled to see it. Identity checking has effectively been delegated to Registered Bodies, which have been provided with guidance on the forms of identity documentation required<sup>16</sup>, with few additional checks being done by the Bureau. Currently, the Bureau does not access other government databases (such as that held by the UK Passport Service or the Driver and Vehicle Licensing Agency) except in specific cases of suspected fraud. It does not check that, for example, the name and passport or driving licence number supplied by the applicant match. Original plans for online identity authentication to take place using access to public and private sector databases have not been realised. The legislation under which the Bureau operates is being amended so as to recognise formally the role of Registered Bodies in identity checking, and it is establishing a team to enforce compliance with defined standards. This approach was advocated by the Independent Review Team. The Bureau has no evidence that any cases of false identity have passed through the Bureau's checking.

2.11 Identity checking remains difficult as, for example, not everyone has documents such as passports or driving licences. Databases often hold inaccurate information, for example, the names of deceased persons may not be removed promptly. Adopting the identity of dead children is a known form of identity fraud for example. The Citizen Information Project<sup>17</sup> is examining the feasibility of developing a common population register which would hold core data such as name, date of birth, address history and a unique identifier. The Home Office is developing a possible Identity Card Scheme which would be based on a database of rigorously authenticated identities. Databases such as these could help the Bureau in the future as they would provide a means for checking both identities and address histories.

## The Bureau has limited powers to regulate Registered Bodies

2.12 The Bureau has limited powers to regulate the activities of the 10,000 Registered Bodies, which are covered by a Code of Practice which is quite limited in scope. The Bureau cannot refuse registration, or terminate an existing registration for any Registered Body that does not manage its responsibilities effectively (but can do so if it appears likely to make it possible for information to become available to someone who is considered unsuitable). The large number of Registered Bodies makes it difficult to monitor compliance. Legislative changes are planned which, if passed, will give the Bureau powers to mandate standards for identity validation and completion of the application form, and to revoke a registration when such standards are not met. The rigorous enforcement of such standards is expected to lead to a reduction in the number of Registered Bodies.

## The Bureau has access only to certain kinds of data

2.13 Legislation has restricted the data which the Bureau can access. The Bureau does not have access to locally held intelligence from the British Transport Police and other intelligence from non-police prosecuting authorities such as HM Customs and Excise. The Bureau's procedures might not, therefore, identify an applicant who has been, for example, under investigation by HM Customs and Excise for smuggling drugs or pornography. The Bureau cannot access directly non-conviction information held by the Isle of Man and the Channel Islands authorities but has put informal arrangements in place. By comparison, in Scotland, the Scottish Criminal Records Office database indicates if British Transport Police intelligence exists, but no such arrangement exists yet in England and Wales.

<sup>16</sup> Two categories of documents are used for identification, one of which includes passport, driving licence, and the other documents such as utility bills and credit card statements. All documents must be originals, in the applicant's name and at least one must show the current address and the date of birth. Registered Bodies must match details on the documentation to the application form.

<sup>17</sup> A joint project team led by the Office for National Statistics with the involvement of HM Treasury.

## The Bureau cannot access information from other countries

2.14 The Bureau cannot access criminal record databases abroad, nor does it have the powers or remit to do so under legislation. It cannot, therefore, check the criminal history of foreign applicants nor can it check criminal history during periods which British applicants may have spent abroad. The Amateur Swimming Association and other sports organisations are concerned about the number of sports coaches working internationally who cannot be checked. The Bureau has issued guidance on the kind of checks on an individual's criminal record that might be available from other countries, but there are, as yet, no reciprocal arrangements between countries that allow information to be exchanged.

## Timeliness of police data is improving

2.15 The adequacy of Disclosures is dependent on the accuracy and currency of data on the Police National Computer. The Bureau has researched the accuracy of data on the Police National Computer, by comparing a sample of records of court proceedings with data on the system. The analysis showed that in 94 per cent of the cases, the results had been recorded accurately on the Police National Computer. (In the case of results from the Crown Court, where more serious cases are heard, the figure was higher at 96 per cent). In most of the remaining cases, the discrepancy was small (for example, a spelling error in the name or address). Only in a very small proportion of cases - around 1 per cent representing around 0.05 per cent of all applications - was an error or omission considered to be significant. None of these cases related to a serious offence of violence or a sexual offence<sup>18</sup>. In the most sensitive cases handled by the Bureau, which would be subject to an Enhanced Disclosure, an error or omission might well be brought to light through local police force enquiries. In the event, the accuracy of police data has proved to be adequate in practice, with very few disputes from applicants about criminal records included on the Disclosure. The Chief Constables of the 43 individual police forces in England and Wales decide on the locally-held information to be included in Enhanced Disclosures. Inconsistencies exist in respect of forces' practice in judging which soft intelligence is relevant and therefore discloseable.

2.16 The speed with which new conviction data is entered varies across the country. Overall performance is improving. This is borne out by the fact that recent statistics show that, in August 2003, 68.6 per cent of arrest and summons reports were entered into the Police National Computer within one day; and that in July 2003, 38 per cent of court results were entered within seven days. Both figures were the best recorded so far. The Association of Chief Police Officers considers that the updating of the system should be undertaken by the courts directly at the point at which the outcome of the case is known, thereby removing these delays.

## The impact of the service on crimes against the vulnerable is not yet clear

2.17 The objective of the Bureau is to widen access to criminal records and thereby improve protection of the vulnerable. The effectiveness of the Bureau is currently monitored in terms of output and turnaround time. These measures do not show whether the Bureau is providing better protection for the vulnerable and whether the Bureau has made a difference.

2.18 Little research is underway to see how the information contained in Disclosures is used to inform employment decisions, or to track whether crimes against children and vulnerable adults from those in positions of trust or authority have reduced. The Bureau commissioned MORI to carry out a survey of 1,000 Registered Bodies during January to March 2003. Two thirds of Registered Bodies responding said they had found the Disclosure process useful in guiding their recruitment decisions, and 18 per cent had decided not to employ a job applicant in the light of Disclosure information.

2.19 Possible further options to assess whether the Bureau is having an impact include:

- Research into trends on the number of offences committed by those in positions of trust in the work place or voluntary organisations;
- Quantitative and qualitative research with employers and voluntary bodies looking at the rates and types of applications. Trends in the number of applications yielding positive or negative results could provide an indicator of protection. Other indicators might be the number of recruitment decisions affected by Disclosure information, and the number of Disclosures containing information on serious offences considered likely to be pertinent to the positions applied for by applicants;

- Surveying employers to measure the usefulness of guidance issued by the Bureau which aims to deliver the fair use of conviction information for the first time, and to ensure that consistent standards are applied across the country; and
- Carrying out attitude surveys to measure the reduction in fear of crime felt by employers and parents.

## Some vulnerable groups are at greater risk than others

2.20 At present most applications are for jobs which involve work with children, particularly from the education sector. In other settings, not all those working with vulnerable adults are currently subject to a criminal records check. Following the tragedy at Soham, there was increased concern about the risks to children within schools, and the Bureau gave priority to applications from people working in schools for one month. Experts we consulted have suggested that children in school may not be the most vulnerable to abuse and that vulnerable adults may also be at risk.

2.21 Experts in the protection of the vulnerable we spoke to considered that the fluid nature of employment in the voluntary sector with, for example, a high turnover of volunteers and leaders, and in many cases the absence of fixed premises, means that regulation and surveillance is almost impossible. The Government recognised the importance of this sector by deciding to provide free Enhanced and Standard Disclosures to volunteers. However, the voluntary sector complains that there are still obstacles to their accessing the service, notably the cost of funding Registered Body activities (whether their own or third parties). Organisations that wish to process applications from the voluntary sector pay an average of £310 to become a Registered Body. They also told us that they employ an average of 5-10 staff to process applications (although not all will be full time on this work) and charge volunteers an average of £6.14 for processing their applications<sup>19</sup>.

2.22 Criminal record checks on potential employees can only constitute one of a range of protection measures, a point which the Bureau has always made clear. Sixty-six per cent of sexual offenders, for example, have no previous criminal history<sup>20</sup>. Factors like this need to be recognised in educating the public about the degree of protection which the Bureau can realistically offer.

2.23 Research has shown, for example, that:

- One third of cases of abuse against children are committed by adolescents. The Bureau's services cannot protect children from this type of risk<sup>21</sup>;
- The report **Behind Closed Doors**<sup>22</sup> stated that people with a learning disability are at greater risk of sexual abuse and assault than other groups, and that many sex offenders abuse positions of trust by working in care professions or services for those with learning disabilities<sup>23</sup>;
- **Institutional abuse of older adults.** A Royal College of Psychiatrists report<sup>24</sup> stated that abuse is common to institutional life, and that those over the age of 65 are more vulnerable to abuse than children; and
- The Amateur Swimming Association views sports coaching as an area of higher risk to children than education. Education has had comprehensive and proven protection processes in place for some time, whereas sport has only recently begun to implement protection schemes. National policy standards for child protection in sport were only issued in March 2003, and national governing bodies of sport have five years to comply. In addition, many thousands of children take part in organised recreational activities outside the scope of affiliated sports organisations, where risks are inevitably higher.

2.24 Generally, the more varied the methods of protection, such as public surveillance, education and training, good practice codes, monitoring and supervision, the greater the level of protection likely to be achieved and the lower the level of risk of abuse. Use of the Bureau should therefore be just one element of good recruitment and management practice, as set out in the Bureau's publicity and literature.

<sup>19</sup> Survey commissioned by Erica De'Ath OBE, Chief Executive of the National Council for Voluntary Child Care Organisations in July 2002.

<sup>20</sup> Home Office.

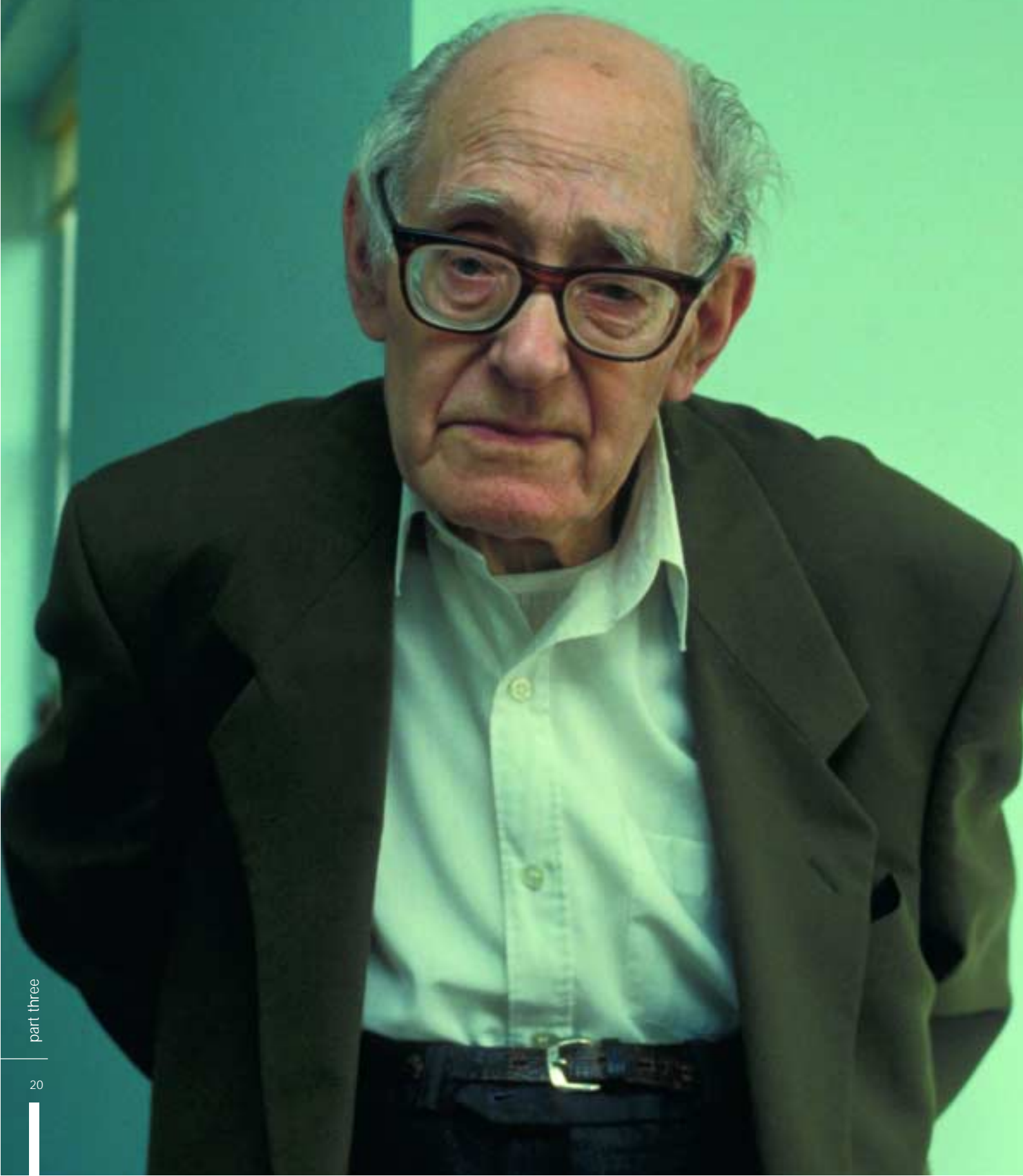
<sup>21</sup> Police Research Series Paper - Sex Offending Against Children, 1998.

<sup>22</sup> Respond and Voice UK, Mencap, September 2001.

<sup>23</sup> For the avoidance of doubt, those with substantial learning difficulty together with disadvantaged elderly people are covered by the definition of vulnerable for Bureau purposes.

<sup>24</sup> Council Report CR84 June 2000.





# Part 3

## Setting up the Bureau

This part of the report outlines the procurement process up to the point of the Bureau beginning live operations.

### How the policy was implemented

#### The procurement process: developing the User Requirement and Prospectus

3.1 The Implementation Team took as its starting point the legislation, government central guidance on procurement best practice, e-government targets and the prevailing rules and guidance on the Private Finance Initiative and Public Private Partnerships. A User Requirement developed by the Implementation Team formed the basis of an understanding between the Home Office, and the Passport and Records Agency, about the Bureau's role within the framework of the legislation (primarily Part V of the Police Act 1997).

3.2 In October 1999, the Implementation Team issued a Prospectus which, in accordance with prevailing advice, provided sufficient scope for private sector bidders to propose innovative solutions as the basis for the development of partnership working. This prospectus was followed by a more detailed Statement of Service Requirements, which gave bidders the baseline for designing and developing Information Technology systems and processes.

3.3 In developing the business prospectus, the Implementation Team worked within a number of predetermined assumptions, within which bidders also worked. These included:

- The Bureau would be located in Liverpool, a decision taken by the Home Office in 1998 due to feared job losses in other parts of the Home Office in Merseyside;

- The Bureau would be self financing;
- The Bureau would be based on a Public Private Partnership arrangement;
- What the Bureau would deliver, and the data sources it could access, were as prescribed by legislation.
- The Bureau would comply with the Modernising Government agenda and would be e-enabled, focussing on e-Government targets in place at the time;
- Customers would expect a cheap and quick service;
- Anticipated volumes of applications would require a largely Information Technology based process;
- Applications would be made by individuals, many of whom would not have internet access, with an expectancy that 80 per cent would apply by telephone, so a call centre would be the most cost effective solution.

### The timetable for procurement and implementation was optimistic

#### Steps taken by the Agency to ensure procurement went smoothly

3.4 At the time when the Agency Implementation Team was drawing up the User Requirement for the Bureau, the Agency was coping with the Passport crisis of the summer of 1999<sup>25</sup>. The Agency therefore put in place a number of mechanisms to follow best practice including asking consultants to audit its processes for procurement and managing implementation. The Agency adopted best practice in funding parallel technical design studies prior to requesting best and final offers.

## Best and final offers were received in June 2000

3.5 By June 2000 the Agency had received Best and Final Offers from three bidders. Significant differences between bids, however, triggered concerns about the Capita bid on which further assurance was sought. These concerns related to:

### *Timescale*

- One bidder E-Cres advised the Passport and Records Agency that in their opinion it was not possible to fully achieve the twelve month timescale, as in its view fifteen months appeared more realistic (E.Cres was not penalised for this position);

### *Price*

- Two bidders (PricewaterhouseCoopers and Capita) offered similar technical and operational solutions. The Capita bid was, however, cheaper. The price differential was partly due to shorter processing times being assumed for the telephone application route (as suggested by the Agency's assumptions) and higher levels of demand. PricewaterhouseCoopers had also included an additional identity verification process. Capita was subsequently asked to adopt this approach. The PricewaterhouseCoopers bid team who now are part of IBM, told us that the Agency did not clarify assumptions underpinning their bid with them or ask for alternative prices based on different assumptions.

### *Application channels*

- PricewaterhouseCoopers and Capita also made different assumptions about the application channel customers would prefer. PricewaterhouseCooper's bid was based on 40 per cent of applicants using a paper channel (reducing over time) whereas Capita assumed that 85 per cent of applicants would use the call centre from the beginning, in line with the Agency's original assumptions.

3.6 The Agency asked PA Consulting Group to evaluate Capita's bid to identify why it was so much cheaper than the others, including looking at the issues set out above. Assurances were sought from Capita that their timescale was achievable, their assumptions were realistic, and Capita's internal business plan was examined. On the basis of assurances from their consultants and Capita, and on the basis that there was little difference between the technical evaluation scores for Capita and PricewaterhouseCoopers, the Agency awarded the contract to Capita.

3.7 The Office of Government Commerce Gateway scheme was not in place when the project began but an internal Home Office and consultants health check review was conducted in December 2000 chaired by the then Permanent Secretary. The Office of Government Commerce conducted Gateway 4 and 4A Reviews in July 2001 and February 2002 which made recommendations for improving programme management arrangements which were addressed by the Bureau. The Agency also made a determined effort to take on board lessons learned from the 1999 passport crisis (see Appendix 2).

## Arrangements with Capita

3.8 The Passport and Records Agency contracted with Capita to:

- develop and implement Information Technology systems to support the Bureau's activities;
- provide accommodation and workstations for the Agency's own staff;
- staff and operate a call centre;
- input data provided by applicants into the system for processing;
- print and despatch application forms;
- collect and bank fees;
- provide management information; and
- print and despatch Disclosure certificates to applicants.

## Setting up the Bureau's operations

The timetable for the development of the Bureau's processes was ambitious

3.9 Capita had twelve months:

- to develop and implement an Information Technology system to support the Bureau's operations and its own operational systems for the Call Centre;
- to recruit and to train call centre and back office staff; and
- to register Registered Bodies.

3.10 During this period, Agency staff had to:

- liaise with data partners;
- recruit and train staff for the core Agency operation;
- inform potential Registered Bodies of the new service;
- develop the Bureau's website and the Bureau's financial model; and
- agree fees.

3.11 Given the number of parties with whom the Bureau had to liaise, and the complexity of the Information Technology systems which it had to connect, the original estimates of timing were optimistic. The introduction of the bulk paper channel for applications following consultation with stakeholders during the implementation phase made the timetable more challenging. The Agency was, however, under pressure to bring the Bureau into operation to start delivering its policy objectives and to replace the existing unsatisfactory police vetting service. A balance had therefore to be struck between speed and thoroughness. The Agency's view is that it did not, however, have a sufficiently strong intelligent customer function, and placed too much reliance on Capita to deliver the required system functionality and performance, in part to avoid compromising the risk sharing and definition of responsibilities set out in the contract. Capita considered that it proposed a realistic delivery date based upon the shared assumption that the telephone application route would predominate for which the system and processes had been primarily designed.

### Customer consultation was carried out

3.12 The Agency set up a **Customer Forum** on which about thirty groups were represented. Input was high level and representatives were not best placed to inform the development of operational processes, such as how Registered Bodies would submit applications. The Agency did not consult some key players until later in the implementation phase. It held 23 **Registered Body roadshows** from January to June 2001, which were well received by the 5,000 participants and only then recognised the huge demand for a paper application channel after the requirements for the Information Technology system had been established and signed off.

3.13 Stakeholders we consulted said that they had questioned some of the Agency's assumptions, but felt they were ignored. In particular they questioned:

- The Bureau's proposed use of a call centre when customers' preferences were for paper and online routes;
- The unlikelihood of applications being received individually, as employers preferred to retain control of the process, and hence to send applications in batches;
- Whether the Bureau could cope with seasonal peaks and troughs in applications, for example from teachers; and
- Whether the Bureau could cope with the likely high levels of inaccuracies on paper forms.

The Bureau responded to these issues subsequently by holding the Customer Forum, introducing the paper application channel, and implementing a service improvement plan after go-live when problems became evident.

### Technical development was subject to delays

3.14 The Bureau was due to start operating in August 2001, but problems in finalising the Information Technology system, process requirement and other technical issues caused delays. The go-live date was moved to November 2001 in July 2001. The Gateway 4 Review in July 2001, noted that there was no solid plan for a model office and pilot before the system went live. The Agency agreed that the time allowed in the contract for System Acceptance Tests was too short. It therefore decided to double the time and to add model office and pilot tests. The go-live date was then rescheduled to March 2002. System Tests took place in November/December 2001 but were not fully successful.

3.15 Model office and pilot tests were then conducted in January and February 2002. Following these, the Office of Government Commerce was invited to conduct a Gateway 4A Review in February 2002 which examined the robustness of the Information Technology system and the business case, and the readiness to go live. The review raised a number of concerns including:

- The full end-to-end assembly of the Information Technology production environment would be put in place for the first time just days before 1 March 2002. This entailed a 'substantial risk' although the difficulty in bringing it forward was recognised;
- The need for key staff to be retained to pursue continued development and test work after the launch;
- While operational staff had been exposed to developing versions of the service during the testing phases, up to date training on the live Information Technology system for Capita and Agency staff would be needed after the go-live date;
- Progress was still needed on outstanding legislation;
- The business case required reworking to reflect the projected financial shortfall in 2002-03, and to reflect the fact that the start up of the Basic Disclosure service in August 2002 was crucial; and

- The lack of contingency left in the time before going live.

The review nevertheless accepting that there was "now no turning back", recognised that, on balance, the March 2002 operation launch would go ahead, given the confusion and bad publicity that would result from delay.

3.16 Despite problems with the pilot exercise, and the Agency's awareness that the Information Technology system did not yet have full functionality, the Agency accepted the system. The decision to go live therefore rested with the Chief Executive of the Bureau on the recommendation of the Capita Programme Director, following consultation with Capita and the Gateway Review team. It was also supported by PA Consulting. At this stage the Bureau was under pressure to go live, not least because the police had stopped accepting applications directly, as planned, in preparation for the start of the Bureau's service. The Agency considered that the risks of delay outweighed the risks of going live and that a break in service could have led to worse delays and a decline in protection for the vulnerable.

# Part 4

## Operating the Bureau: why the problems arose

This part of the report describes the problems affecting the Bureau's operations.

### The Bureau is a complex structure administering a process split between different organisations

4.1 The Bureau is a complex structure in which the checking of criminal records is split between Capita staff, who are not allowed to check the content of the Police National Computer records, and civil servants who are. Data must be received from Registered Bodies in a form which is ready to be processed. For Enhanced Disclosures, information must be requested from 43 separate police forces. Delays can occur at any point. The Home Office has policy responsibility, while the Agency is operationally accountable, provides an element of the operational function and manages the Capita service delivery under the Public Private Partnership contract. The Independent Review Team set up by the Home Secretary recommended that the roles and responsibilities of Registered Bodies, the Agency, Capita and local police forces be reviewed and rationalised, and this is being addressed. **Figure 7** shows the parties and processes involved in the Standard and Enhanced Disclosure Service.

### There were problems in the Bureau's operations and systems

4.2 After the system went live, the high level of completion errors by applicants (estimated at 50 per cent in mid April 2002 by Capita<sup>26</sup>) and the higher than expected volume of paper applications immediately caused problems at the front-end of the process. These problems highlighted operational and data quality issues, leading to delays in processes and systems primarily designed to handle telephone applications.

4.3 The telephone application route also did not work as envisaged or specified. Nor did the online identity authentication process, which relied on interaction with the customers to complete a drill down set of questions to authenticate identity. These processes used real time online access to other databases which proved operationally impractical. All of these issues caused significant delay to the Bureau's customers. **Figure 8** shows the volume of Applications and Disclosures from March 2002, and **Figure 9** lists the main problems which occurred after going live.

### What has been the outcome of these problems?

#### Impact on timetable for full service delivery

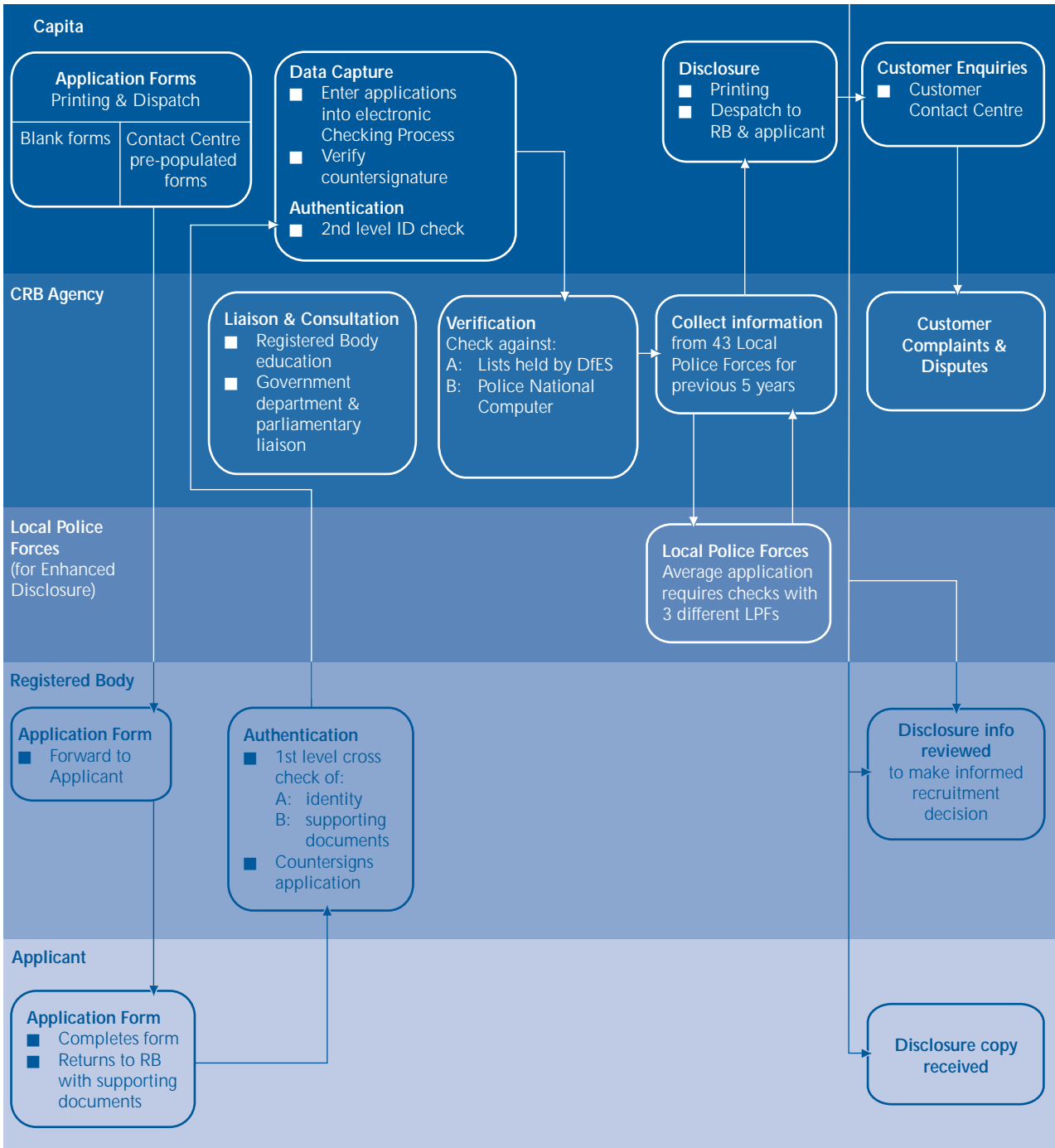
4.4 The problems encountered by the Bureau have impacted adversely on the intended level of service for customers. At August 2002 less than 10 per cent of Enhanced Disclosures and 50 per cent of Standard Disclosures were issued within the Service Standard of three weeks and one week respectively. In June 2003, the Service Standards were revised to four weeks (Enhanced) and two weeks (Standard). By July 2003, 94 per cent of Enhanced and 93 per cent of Standard Disclosures were issued in this timescale (**Figure 10**).

4.5 The full range of Disclosures is not, however, available currently. The Bureau has delayed the issue of Basic Disclosures at least until the end of 2004, and hence the service being provided to the public is narrower than planned. The Home Office's Independent Review Team has recommended that all applications for Basic Disclosures should be routed through Registered Bodies to authenticate identity, and this recommendation is being considered by the Bureau as are the implications for the development of the IT system to accommodate any subsequent process changes.

26 Unaudited figure supplied by Capita.

7 Making an application for a disclosure

Criminal Records Bureau Standard & Enhanced Disclosure service



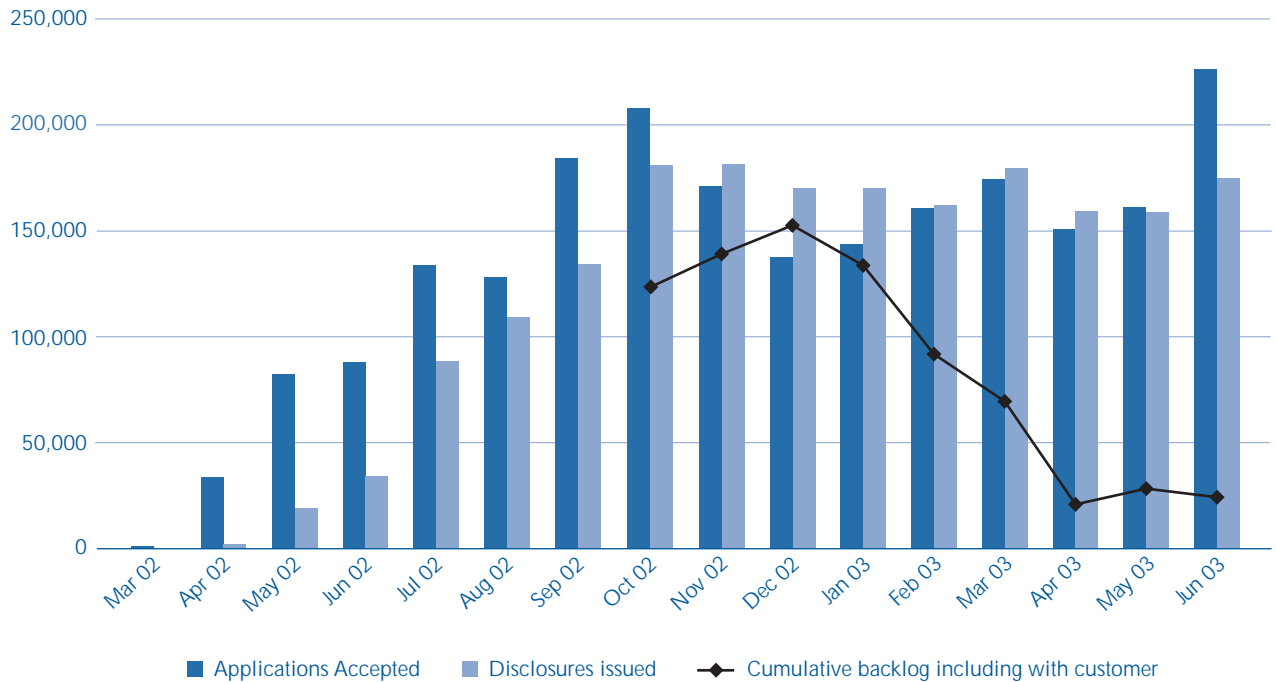
NOTES

- RB = Registered Body
- DfES = Department for Education and Skills
- LPFs = Local Police Forces
- ID = Identity

Source: Capita

## 8 Applications and Disclosures by month from March 2002 to June 2003

Work in progress reached its peak in October, when the Bureau had received a total of 842,218 applications, had issued 542,224 Disclosures and had 299,994 applications outstanding (including those back with customers to correct errors/provide missing information).



The current level of work in progress is about 70,000, less than two weeks' work.

Source: National Audit Office analysis of data supplied by the Criminal Records Bureau<sup>27</sup>

## 9 Problems experienced after going live

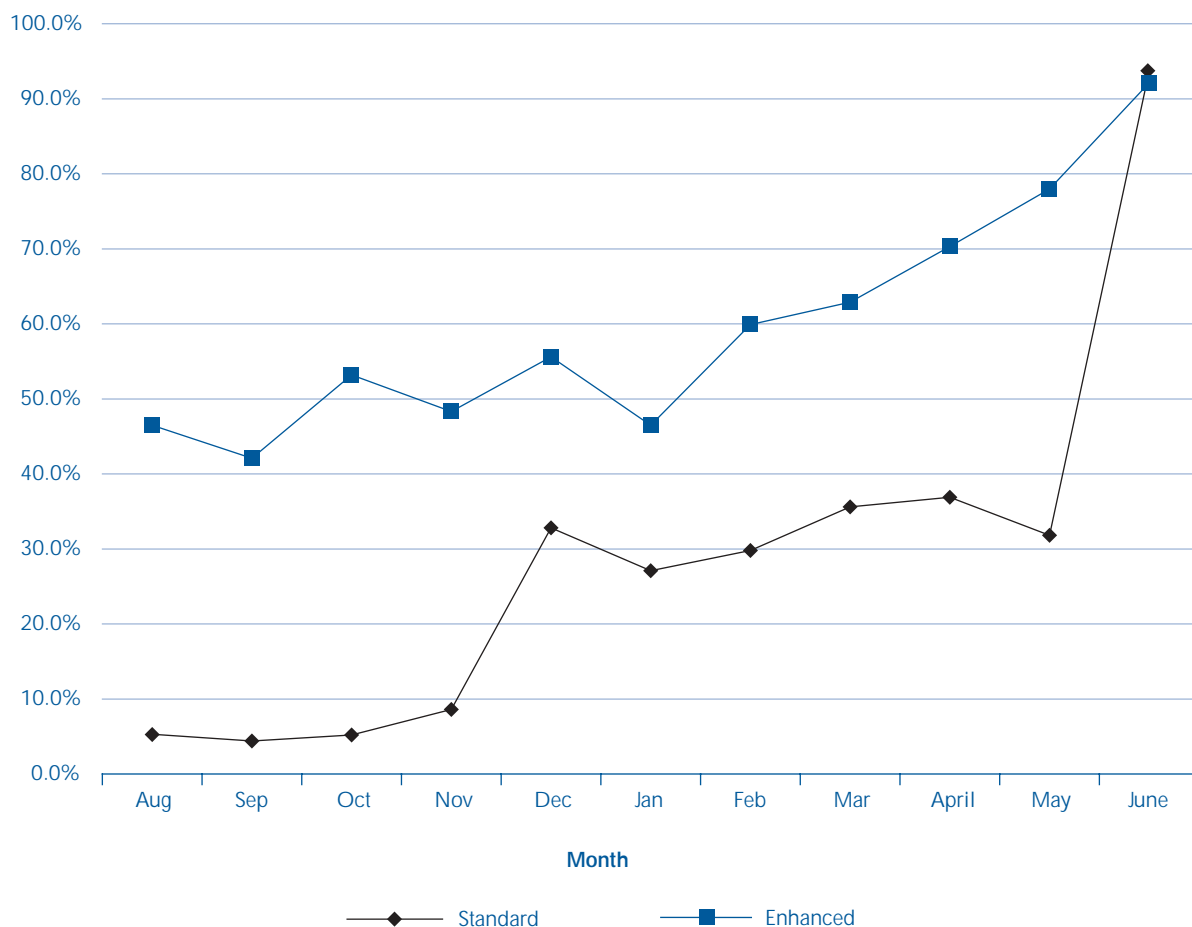
- Paper forms had high levels of completion errors which caused processing difficulties and delays due to reworking. Data entry screens were not designed for keying in of data from paper forms.
- Business processes and staff training were initially mismatched to the data entry function for paper and telephone routes.
- The Optical Character Recognition System used to scan applications into the system was initially only used for telephone applications, and had insufficient capacity to deal with the volume of paper applications received.
- There were limits on the number of users who could access the system at the same time.
- The Metropolitan Police found that its links with the Bureau were slow, as there were problems linking the two different systems used by the two organisations and the Bureau's system ran slowly when all the police forces were logged in.
- The design of the Information Technology system was in part dictated by the need to prevent access to some parts by non-civil service (i.e. Capita) staff. This resulted in slow processing of applications and made proper tracking of applications difficult, as non-civil servants answering phone queries could not access the whole system.
- All problems have now been fully or largely rectified.

Source: National Audit Office analysis

<sup>27</sup> All figures used in this report are from management information supplied by the Criminal Records Bureau which is considered to be at least 90% accurate. Some areas remain unreliable however, such as the breakdown of applications by sector, requiring such data to be produced via post-room sampling. None of this data has been audited.



**10** Performance against public service standards for issue of Disclosures



**NOTE**

The Service standard in 2002/03 was 90% in 3 weeks for Enhanced Disclosure and 1 week for Standard Disclosures. In June 2003 the standards were changed to 4 weeks and 2 weeks respectively. At end July, 94% of Enhanced and 93% of Standard Disclosures were issued within the new Service Standards.

Source: Criminal Records Bureau Management Information

4.6 The Government intended to put in place checks on all social care and health care workers by 31 March 2003. In November 2002, however, the necessary secondary legislation was postponed. Such workers, many of whom work in domiciliary settings on a one to one basis with vulnerable elderly people, have not therefore been subject to a check by the Bureau. Given the continuing and sustained improvements in the service, checks on existing care home and domiciliary agency staff, began in October 2003. Checks on existing nurses agency staff will be undertaken from spring 2004.

4.7 The Government also intended to introduce the Protection of Vulnerable Adults (POVA) list in early 2003, but was not able to do so because of difficulties at the Bureau. Provisions for this list are contained in the Care Standards Act 2000, and will enable employers to check whether a prospective employee is considered unsuitable to work with vulnerable adults. The Bureau will undertake checks against the POVA list as part of a one stop service.

## Customers have been dissatisfied with the Bureau's service

4.8 Problems reported by customers include:

- administrative costs incurred in chasing delayed or lost application forms;
- recruitment agencies losing income because they were unable to supply staff;
- in some cases staff have been recruited to positions such as care workers without any checks (see [Figure 11](#)); and
- receipt of invoices for applications dating back to the early months of the Bureau's operations when the applications have still not been processed.

## Underlying reasons for the Bureau's problems

4.9 The assumptions underlying the way the Bureau would operate were treated by the Implementation Team as "givens" and were not tested or questioned in detail, and many were upset by events ([Figure 12](#)). Agency staff were constrained partly by legislation and by legal advice. Operating outside its powers was not possible for the Bureau, but where changes to legislation were identified as desirable they were not easy to put in place. Throughout the tendering process, Capita considered that there were clear boundaries to their involvement in the project, and hence that they were limited in their ability to test the Agency's assumptions.

## The application route preferred by customers was not that expected by the Agency

4.10 The Agency was tasked by the Home Office to deliver a high quality, low cost service within a tight timescale and consistent with the Government's modernisation agenda. Initial research with stakeholders in spring 2000 pointed to telephone and on-line applications with this aim in mind. In early 2001, the Agency realised from their further consultation with customers via Roadshows that

a paper channel was needed as well, even though there were risks associated with introducing such a channel late in the development cycle. Other risks which were recognised and debated with customers at the time were that paper forms are error prone and higher cost.

4.11 Capita and the Agency were initially expecting that between 70 and 85 per cent of applications would come in by phone to the call centre. In practice, however, over 80 per cent of applicants have sent in paper application forms. The Agency responded by requesting Capita to adapt their processes to reflect customer preferences. The decision to introduce paper forms was taken in July 2001 and commercial considerations agreed with Capita by September 2001.

4.12 Capita expressed reservations about instigating a fundamental change when system and process design was well advanced to meet the agreed telephone application route, pointing out potential operational problems. They nevertheless agreed the change commercially and contractually in September 2001. Upon go-live, they transferred Call Centre staff to key in applications in bulk from paper forms, but neither the system design nor the skills of staff adequately matched this change in process. These problems were compounded by errors by applicants (as high as 50 per cent in mid-April 2002 with multiple errors) and this resulted in low productivity. These problems did not show up during the pilot testing phase. Once Capita recognised the problems, they provided a solution in six weeks using Optical Character Recognition scanning in Liverpool and professional data entry systems subcontracted to Hays plc. The backlog was cleared within eight weeks.

## Delays occurred in checking information on the Police National Computer

4.13 Once applications were passed to Agency staff, there were delays in checking information on the Police National Computer for a limited period between July and September 2002. Searches produced potential matches for around 60 per cent of applications but only

### 11 Examples of the impact of delays told to the National Audit Office by particular organisations and individuals

- The slow processing of disclosures delayed recruitment for East Sussex Council. For social work, staff have regular unsupervised access to the vulnerable and new staff had therefore to be closely supervised until the Disclosure arrived.
- A survey of voluntary organisations found that delays had caused a variety of problems including the loss of staff and potential volunteers as they were no longer available by the time disclosures were issued<sup>28</sup>.
- The Children's Rights Director for England reported that children in care were concerned that delays affected their social lives and health care. For example, if a child in care wished to stay overnight with a friend, the friend's parents must apply for a Disclosure - a check that takes too long for an event like an overnight stay.

Source: National Audit Office Analysis of interviews with stakeholders

12 Comparisons of assumptions with actual events

Assumptions made in Business Prospectus - October 1999 & Statement of Service Requirements January 2000	Business Case - prepared August 2000 (on basis of Capita's bid against the Statement of Service Requirements)	Evidence for assumption	What actually happened	Impact
Expected volumes 9-12 million	Steady state forecast 7-11 million annually by Year 5	Demand forecasting based on market research commissioned by Agency	Current levels of demand are lower than expected and original forecasts are unlikely ever to be achieved	Likelihood of long term fees being higher than intended and ongoing financial and business viability risks
Applications would come from individuals	Applications would come from individuals	Legislation states that disclosures can only be issued if requested by the individual	Individuals apply but employers send applications in batches and the Bureau is developing main relationships with them	Systems and processes were designed around receipt of individual applications rather than batches and could not cope initially when batched applications came in. Business processes proved unable to cope with volume of errors and exceptions and the complexity of dealing with both individuals and employers
Civil Servants must check Police National Computer data initially but there may be scope for an evolutionary approach during term of contract	Civil Servants to check Police National Computer data	Home Office legal advice	Civil Servants currently check Police National Computer data	Lack of end to end management and lack of flexibility in deploying staff. Provisions in the Criminal Justice Bill will now allow this function to be delegated to the private sector
Expected channel mix specified as 80% telephone and Modernising Government Agenda emphasised	Year 1 telephone 70:30 postal. Year 10 50:35:15 electronic: telephone: postal <sup>29</sup>	Assumptions about customer behaviour, rather than consultation, influenced the solutions put forward by bidders	Approximately 4:1 postal: telephone ratio with higher than expected completion error rates by applicants. Offset partly by lower volumes early on	Systems and processes could not cope with paper applications as they were designed to handle telephone applications. A paper channel was 'bolted on' to begin with. More staff have been recruited; substantial process changes made including documents keyed in India. Telephone proved not to be of interest to customers nor effective in operation. Electronic route is indefinitely delayed while the Independent Review Team recommendations are considered
No assumption was made on fees at this stage	Enhanced: £15-£16 Standard: £10-£12 Basics: £10-£12	Financial model developed by the Agency to ensure Bureau could break even	Fees for all types of Disclosure were set at £12. No fee for volunteers	Fees do not cover costs
No assumptions were made on product mix at this stage	Year 1 Enhanced 2.4m Standard 0.1m	Market research, refined by bidders and the Bureau, recognised this as an area of great uncertainty	87 per cent of applications are for Enhanced Disclosures	Proportion of Enhanced applications as expected and so no impact on plan
No indication of proposed roll-out method was given	Where possible will phase the introduction of certificate applications for different purposes	Practicalities made it difficult to have a phased roll out. One month pilot phase covering areas of existing coverage only. Volumes were kept low in first two months	'Big Bang' approach to high level disclosures but some health legislation has been postponed; now to be introduced as performance has improved	Delays to planned service extensions

Source: National Audit Office analysis

29 The expected level of telephone applications varies at points of the procurement process between 70 and 85%, representing the Agency's best guess at the time.

8 to 12 per cent of the population has a criminal conviction. Time was therefore spent weeding out incorrect matches before a Disclosure could be issued. This was part of the system design to minimise the risk of missing a match. However the seconding of additional staff from the Passport Service as well as system enhancement effected recovery.

### Delays occurred in checking local police intelligence for Enhanced Disclosures

4.14 Delays in performing the local intelligence checks required for Enhanced Disclosures arose at some police forces. Some of these delays were partly caused by the quality of information from the Bureau, but variances in the productivity levels of local police forces also caused problems. The Metropolitan Police experienced particular difficulty with the volume of applications because of communication problems between their own computer and that of the Bureau, and in searching their own intelligence systems and recruiting the necessary additional staff. The Agency manages the local police force work under Service Level Agreements. It cannot enforce service standards but has to persuade police forces to meet them. In practice, after some initial difficulties, the Bureau considers that sound relationships have been built and that the processes are now working well.

### The Bureau's system for dealing with applications was not responsive to events

4.15 Applications were intended to be dealt with strictly in date order. It was not possible therefore to prioritise particular groups or urgent applications without manual sorting. In August 2002, however, the Department for Education and Skills announced that people working in schools had to be vetted by the Bureau before they could take up post. The Bureau had, therefore, to establish specific priorities for processing the applications of those who worked in schools, disrupting the running of the Bureau and causing additional delay. The seconding of large numbers of staff from the Passport Service mitigated the size of the problem and hastened recovery.

### The financial implications for the Bureau and the taxpayer

4.16 The Bureau was intended to break even within five years of being set up. The original Business Plan was based on fee levels of up to £18 for all applications including volunteers. In spring 2001, the fee for both Standard and Enhanced Disclosures was set at £12, and it was decided that volunteer applications were to be processed free. Business volumes have been much lower than originally estimated for Enhanced and Standard Disclosures, and volumes have also been lower due to the absence of Basic Disclosures. The reduced volumes have been the main reason for financial variances. These factors, together with delays in the start of the service and increased costs, mean that full cost recovery will not now be achieved until 2005-06. The deficit (see Figure 13) will be funded through greater provision from the Home Office and contributions from other Government Departments.

4.17 Both sides have incurred additional costs. Capita paid or are paying:

- £555,000 in service credits for the three month delay to November 2001;
- £135,000 in service credits for lack of functionality in the system (for example, no web access) to January 2003;
- £1.1 million in service credits for failing to meet service standards in the period March 2002 to January 2003; and
- £1.9 million in service credits for not meeting service levels from 1 February 2003.

4.18 Under normal contract change procedures, the Agency paid Capita:

- an additional £2.2 million for changes to requirements during the implementation phase;
- £1.7 million for effecting the bulk paper channel; and
- £4.5 million to cover the costs of additional system and pilot testing and consequent delay to the start of the service.

4.19 Up to January 2003 Capita has been paid £20.4 million for their work associated with processing Disclosure applications and a further £2.9 million for accommodation and other ancillary charges.

**13** Criminal Record Bureau start up costs and operating deficits (actual and forecast) from 2000 - 2005

	2000-01	2001-02	2002-03	2003-04	2004-05	TOTAL
Deficits	4.6	26	41.3	18.8	8.1	98.8

Source: Criminal Records Bureau



# Part 5

## What has been done to remedy the problems

This part of the report describes the action taken by the Agency, Capita and the Home Office to put things right.

### A Service Improvement Plan was put in place

5.1 As problems became apparent, Capita and the Agency put in place a Service Improvement Plan, including:

- Returning applications with errors and omissions to Registered Bodies to increase efficiency of processing;
- Training Registered Bodies to eliminate the main sources of error;
- Recruitment and training of additional staff and extension of working hours both by Capita and the Agency to increase throughput;
- Temporary secondment of 220 UK Passport Service staff to the Agency and to the Metropolitan Police to boost capacity and performance until systems and productivity could be improved;
- Outsourcing of data entry by Capita to Hays plc who have undertaken the work at one of their facilities in India; and
- Other actions to improve workflow and reduce errors including working with Local Police Forces to assist in clearing the backlog and to improve their productivity.

By November 2002, the Bureau's performance had improved to the extent that it regularly issued more disclosures than the number of applications received each week. Backlogs therefore fell and turnaround times improved (see Figure 8).

### Improving performance after a poor start

5.2 The Bureau has steadily improved its performance since the summer of 2002 (Figure 14). Service users told us that new applications are being processed more quickly and average turnaround times reported ranged from three weeks to six weeks for Enhanced Disclosures. Current actual performance is around three weeks. The Bureau's Corporate/Business Plan 2003-04, published in June 2003, sets new service standards which, while slightly relaxed compared to the original plans, are now judged to be realistic by the Bureau and should give customers reliable expectations. The 2003-04 targets are for 90 per cent of Enhanced Disclosures to be produced in four weeks (was three weeks) and Standard Disclosures in two weeks (previously 95 per cent in one week). Since early June 2003 these targets are being met on a weekly basis.

### The Independent Review Team was appointed to look into the problems at the Bureau and make recommendations for change

5.3 In September 2002, the Home Secretary appointed an Independent Review Team, to review the strategy and operations of the Bureau and to produce recommendations to improve its efficiency and effectiveness. The Review Team presented ten recommendations (Figure 15) to ministers, most of which have been accepted and progressed or on which the Home Office has sought wider consultation.

## 14 Public Service Standards for the Bureau

### Public Service Standards

Disclosure turnaround times:	Targets 2002-03	Targets 2003-04	Current Performance (unaudited)
Enhanced 90% in	3 weeks	4 weeks	92.2% in 4 weeks
Standard 90% in [95% in 2002/03]	1 week	2 weeks	93.8% in 2 weeks
Basic 95% in	1 week	N/A	N/A
Registration of Registered Bodies 90% within	3 weeks	4 weeks	49%

### Correspondence response times for:

Written	1 week	2 weeks	93% in 2 weeks
Email 24 hours	24 hrs	24 hrs	91% in 24 hours
Response to disputes over contents of Disclosure	1 week	3 weeks	93% in 3 weeks
Percentage of calls answered within 20 seconds	90%	90%	92%

Source: Criminal Records Bureau

5.4 One of the recommendations was that the Capita contract should be renegotiated to align the contract to the changed circumstances that had occurred since the original contract was signed in August 2000. Following a thorough and constructive period of negotiation, the Criminal Records Bureau and Capita signed a revised contract on 22 December 2003. The revised contract now provides for:

- as a result of recent and planned efficiency savings, from October 2004, a significant reduction in the price paid to Capita for processing each disclosure application;
- the ability to achieve year-on-year operational cost reductions with further incentives to reduce operational costs over the lifetime of the contract; any such cost savings would be reflected in further price reductions;
- pricing levels matched to guaranteed volumes, agreed on a bi-annual basis;
- additional contractual performance measures including both qualitative and quantitative standards to enhance further the Disclosure service;
- greater clarity of roles and responsibilities within the partnership;
- incentives to allow Capita to further enhance the IT and other technical systems to meet evolving process and output requirements;
- the implementation of recommendations made by independent consultants on the IT system;

- an improved agreement in respect of financial penalties for failing to meet agreed performance standards which have been revised to meet the evolving circumstances that had occurred since the original contract was signed back in August 2000;
- a one off payment to Capita of £3.6 million in final settlement of the earlier agreed contract change which provided for the introduction of the blank application form. The payment covered the additional cost of processing the blank application forms in the period February to September 2003.

5.5 Through the revised contract, the Bureau will now have greater flexibility to improve and develop the Disclosure service over the coming years.

5.6 With the agreement of Ministers, the Home Office Group Executive Board decided in April 2003 to establish a Strategic Delivery Board under the chairmanship of the Permanent Secretary for Crime, Policing, Counter Terrorism and Delivery.

5.7 One role of the Board, which is made up of senior individuals with considerable experience of large scale delivery in both the public and private sectors, is to review major new delivery projects for which the Home Office is responsible before their introduction. The aim of such reviews is to be able to advise Ministers on whether the introduction of such projects can safely proceed and on whether the risks to their successful introduction have, as far as reasonably practical, been reduced to a minimum.

## 15 Independent Review Team's recommendations for change

Independent Review Team Recommendation	Current Position
1 Make the end-to-end process more efficient, by reviewing and rationalising the management responsibilities and respective roles of the Registered Bodies, the Agency, Capita and local police forces.	Progress has been made on a short term service improvement plan to enable the Bureau to meet turnaround time service standards and to provide increased capacity to handle increased volumes.  The intelligent customer function is being strengthened within the Agency. There is a stronger focus on setting standards across the whole operation and ensuring that they are met.
2 Give clear responsibility to Registered Bodies for validating the identity of applicants and ensuring the quality and completeness of applications. The number of Registered Bodies should be optimised to establish sensible economies of scale and improve proficiency.	This was subject to consultation with Registered Bodies and was well supported, apart from proposal for compulsory deregistration of small Registered Bodies. The Government has taken powers in the Criminal Justice Bill to attach conditions to a registration and to revoke a registration where such conditions are breached. Amongst other things, these conditions will make Registered Bodies unambiguously responsible for identity validation.
3 There should be a progressive move to mandate electronic submission of applications by Registered Bodies.	Results of consultation showed strong support for an electronic channel but not for making it the sole access channel. The Bureau is evaluating the introduction of an electronic application channel. The government has taken a reserve power to mandate use of the channel should the case for doing so on efficiency grounds be proven.
4 The Agency should set priorities based on risk, on which applications should get Enhanced and which should be limited to Standard Disclosures.	Accepted in principle, but with the criteria being set by Ministers, in consultation with stakeholders, on the basis of a risk assessment. The Bureau will rely on educating Registered Bodies, but the government has taken a reserve power to enable the Bureau to issue a Standard Disclosure where an Enhanced Disclosure has been inappropriately applied for.
5 Flag Police National Computer files to denote where there is information on any individual at local force level which is not included on the Police National Computer.	An initial feasibility study concluded that it would be more cost effective to establish a separate database, rather than introduce flags onto the Police National Computer. The Bureau is currently piloting this approach.
6 Postpone the launch of Basic Disclosures until systems have been developed to provide a substantially greater capacity. It is also recommended that Basic Disclosure applications should be routed through Registered Bodies, with identity validation undertaken by these Bodies.	The government has agreed that Basic Disclosures should be postponed until the demand for higher level disclosures is fully and efficiently met. The options for introducing the Basics service are currently being evaluated and have been subject to consultation and further ongoing work.
7 A further programme of significant enhancement to the IT system is required. Additionally, almost all the team's recommendations require system change and therefore would have contractual consequences. The team recommended that the contract with Capita is renegotiated to align the contract to the changed and evolving circumstances.	A review of the IT system by consultants in summer 2003 confirmed that the system is now able to meet current demand for higher level disclosures. The review further concluded that, in general, the Capita team are now conducting current design and build projects and support and maintenance functions in accordance with good industry practice.  A revised contract was signed on 22 December 2003.
8 Undertake an investigation into the possibility of requiring fingerprints to be submitted by applicants for Disclosures where the sensitivity of the employment role makes this appropriate.	The Home Office propose to consult stakeholders. A decision whether to proceed will be taken in the light of the results of the consultation exercise.
9 An independent Executive Agency is created within the Home Office to carry forward the Bureau's changing and increasingly demanding functions.	The Bureau was established as a separate Agency on 1 September 2003.
10 In order to implement a number of the recommendations, urgent changes to the legislative framework under which the Bureau operates (Part V of the Police Act 1997) are required.	The Government has included provisions in the Criminal Justice Bill to support the implementation of recommendations 1 to 4.

Source: National Audit Office analysis



# Appendix 1

## Methodology

### Review of existing reports

1 We reviewed documentation and reports provided by the Bureau and the Home Office to gain an overview of:

- why and how the Bureau was set up, the procurement process adopted and the main terms of the contract agreed between the Agency and Capita; and
- the problems which the Bureau had faced during implementation and since operations started.

This review informed our questions in interviews with key players and stakeholders in the Bureau. We were assisted in this by members of the National Audit Office's Public and Private Partnerships team and Professor Andrew Davies of the Cranfield University, who is an expert in information systems and Public Private Partnerships in this area. We also drew on data provided by the Bureau to analyse performance in service delivery.

Documents we reviewed included:

#### Procurement

Outline Business Case

Final Business Case

Tender specification issued to bidders (Business Proposition)

Tender evaluation documentation (including Board Minutes)

Consultants Assurance report

#### Contractual

Contract between United Kingdom Passport and Records Agency and Capita

#### Consultation with stakeholders

Meeting notes of customer/stakeholder Forum

Police Part V Implementation Group Papers (A Police forum which considered how Part V of the Police Act 1997 would be implemented).

Notes of meetings with Scottish Executive

### Policy and legal framework

User Requirement

Bureau policy documents

Legal advice on split between public and private sector

### Implementation

Consultants' report on ten lessons from the National Audit Office Passport report

File of change requests

Documentation on the outcome of the Pilot

### Service Delivery

Service Improvement Plan

Capita Improvement/Recovery plan

### Business Process and Organisational review

2 The Independent Review Team appointed by the Home Secretary engaged OCP, a firm of management consultants, to conduct a thorough review of the Bureau's business processes to make recommendations on how these might be improved. We had access to reports and presentations made by OCP, and we accompanied them on a number of interviews with customers and other government departments, so that we could form a view on the operational problems the Bureau faced, their causes and possible solutions.

## Interviews with key players in the establishment and operation of the Bureau

- 3 We conducted a number of interviews with key personnel in the Passport and Records Agency both in London and Liverpool, Capita, the Home Office, and others such as the Bureau's consultants and members of the Ministerial Advisory Board. The purpose of these interviews was to deepen our understanding of how the Bureau was set up, the problems which occurred and the causes of those problems. We also held discussions with the Independent Review Team to gain their perspective on events and their proposed solutions.

National Association of Head Teachers  
 National Care Standards Commission  
 National Council for Voluntary Organisations  
 National Council for Voluntary Child Care Organisations  
 Office for Standards in Education  
 Office of Government Commerce  
 Organisational and Consulting Partnership  
 Recruitment and Employment Confederation  
 Secondary Heads Associations  
 South East Employers Network  
 The Scout Association  
 Thames Valley Police

## Interviews with customers and other stakeholders

- 4 To assess the impact of the Bureau on customers and other stakeholders and to establish the extent to which they have been consulted by the Bureau, we held interviews with a number of organisations listed below. Thirty three members of the Recruitment and Employment Confederation, covering education, and health and social care agencies, completed an e-mail survey which examined the impact of the Bureau.

Amateur Swimming Association  
 Birmingham City Council  
 Department for Education and Skills  
 Department of Health  
 Disclosure Scotland  
 East Sussex County Council  
 Her Majesty's Inspectorate of Constabulary  
 Independent Schools Council  
 Local Government Association  
 Masterlock Recruitment  
 Metropolitan Police

## Wider research and consultation

- 5 To set our findings in a wider context we also:
- conducted web research on:
    - the risks from abuse for children and vulnerable adults; and
  - consulted:
    - Celia Brackenridge, an expert in the risks of abuse in sports and the voluntary sectors, on where the greatest risks to children and vulnerable adults are and how such groups can be protected;
    - The Scottish Executive and Disclosure Scotland on its experiences of establishing a criminal records checking service;
    - The Office of Government Commerce on the role of Gateway Reviews; and
    - Team members from the Citizen Information Project on developments in establishing the feasibility of a common population register.

# Appendix 2

## Twenty-fourth Report of the Committee of Public Accounts on the Passport Delays of Summer 1999

How the Bureau's implementation matches up to the Committee of Public Accounts' Recommendations

**1 The Agency should have been more realistic about the time, resources and management effort needed to secure the successful introduction of information technology and the associated changes to operating procedures.**

**2 The Agency needed to be more aware of the risks they carried, and to have prepared better contingency plans to ensure that operating capacity was not impaired.**

**3 The Agency should have had a better strategy for keeping the public informed.**

**4 The Home Office should have exercised better oversight of the Agency, and should have been more alive to the risks and the Agency's capacity to deal with them before the Agency embarked on the project.**

**5 There is a need for sound risk management arrangements, especially for projects where mistakes could lead to major costs or disruption for the public.**

- Under pressure to deliver the benefits which the Bureau would generate and to transfer vetting from the police, the Agency was optimistic about timescales for such a complex Information Technology development and establishment of green field operation.

- The Bureau was a greenfield operation so not directly comparable to the Passport Agency where the issues were around changes to procedures, introduction of screen-based working into a paper-based operation and replacement of legacy systems.

- The Agency should have built a stronger intelligent customer operation and employed more external expertise to manage Capita more closely, rather than relying on them to fulfil the contracted requirements using an outcome based specification consistent with PFI guidance.

- The Agency and Capita had contingency plans in place and quickly took action once problems occurred after go-live.

- The approach to managing the contractor was, however, overshadowed by the Agency's decision to operate the contract under normal Private Finance Initiative rules and hence not to take back technical risk, placing full reliance on Capita to deliver which in turn left the Agency more exposed to the overall business and reputational risk.

- At organisational level this appears to have worked well, and the problems at the Passport Agency in 1999 over engaged telephones and failure to answer correspondence were not replicated at the Bureau. However, customers told us that they were dissatisfied with the way in which queries were dealt with on an individual basis, which was mainly due to the performance of call centre staff in the early months who could not track applications through the whole system due to a policy decision to restrict access by call centre staff.

- The Home Office took the view that it was an independent entity set up by legislation to implement a policy aim. Legislation was prescriptive.

- The Agency did carry out risk assessments and put in place mechanisms to manage those risks. Once problems started to occur however, there was not sufficient time to take appropriate action before delays lengthened.

- The risks which crystallised at the Passport Agency were mainly around low levels of operational productivity and lack of adequate communication with the public, while the Information Technology systems were delivered on schedule and performed adequately from the outset. At the Bureau, the situation was different as the problems concerned delay and IT systems and processes not fit for purpose, risks from which rapid recovery was difficult.

**6 Pilot testing of new computer systems should wherever possible begin on a small scale and be rolled out for testing at larger volumes only when initial tests prove satisfactory.**

**7 Departments should consider whether there are risks of customers reacting to delays in such a way that it exacerbates problems and develop plans for managing these risks.**

**8 There is a need for adequate contingency plans in key public services, including plans to deal with substantial losses of production capacity.**

**9 In any Public Private Partnership it is essential that the public sector should understand fully the residual risks which have not been transferred and ensure that these are properly managed.**

**10 Departments should have arrangements so that they are alerted to significant problems affecting service delivery and quality in their agencies.**

- Pilot testing was carried out but did not indicate the scale of problems which would occur after go-live. There was little real experience of the operation at full volume prior to go-live despite the objective to achieve this through the pilot test.

- With the wisdom of hindsight, the Bureau should have delayed operational launch when the pilot testing proved inconclusive. However, there was advice and various pressures to go live and this was endorsed by the Office of Government Commerce Gateway 4A Review.

- Learning from the Passport Agency experience, the Bureau's management did investigate the possibility of a progressive rollout of the new service but was advised that the legislation did not permit them to roll out the service, sector by sector. Other solutions such as a geographic roll out were deemed not practical by the police.

- In the event, partly due to action taken by the Bureau, levels of demand in the early months were well below forecast and the problems encountered were not due to this factor.

- This refers to the "run on the bank" at the Passport Agency in 1999 when the inability to get through on the telephone caused people to come to queue at the passport offices, media coverage of which caused public panic. There was no such equivalent problem at the Bureau, with good communications maintained through the Capita call centre, no queues and no surge in demand at any point caused by customer reaction to delays or media coverage.

- This has been addressed by the Agency which has prepared well for a range of risks including construction of a second facility in Darwen in case of a catastrophic failure at the Liverpool site, and having UK Passport Service staff available to boost production capacity. There is also a separate limited capacity system in place for manual production of Disclosures in the case of total system failure and this has been used to process individual cases with particular urgency.

- The reputational risk stayed with the Bureau.

- Alive to the lessons from the Passport crisis, the Agency has ensured that the Home Office has been kept fully informed through the production of a weekly "vital signs" report which is sent to Ministers and senior officials in the Home Office and relevant other Government Departments. As soon as problems materialised, a Service Improvement Plan was developed and put in place. This began to yield results within six weeks and the situation was fully stabilised in six months.

## Reports by the Comptroller and Auditor General, Session 2003-2004

The Comptroller and Auditor General has to date, in Session 2003-2004, presented to the House of Commons the following reports under Section 9 of the National Audit Act, 1983:

		Publication date
<b>Culture, Media &amp; Sport</b>		
Income generated by the Museums and Galleries	HC 235	30 January 2004
<b>Cross-government</b>		
Managing resources to deliver better public services - Report	HC 61-I	12 December 2003
- Case studies	HC 61-II	12 December 2003
Increased resources to improve public services: a progress report on departments' preparations	HC 234	28 January 2004
<b>Defence</b>		
Operation TELIC - United Kingdom Military Operations in Iraq	HC 60	11 December 2003
Major Projects Report 2003	HC 195	23 January 2004
<b>Law, Order &amp; Central Institutions</b>		
Youth Offending: The delivery of community and custodial sentences	HC 190	21 January 2004
Criminal Records Bureau: Delivering Safer Recruitment	HC 266	12 February 2004
<b>Public Private Partnership</b>		
Refinancing the Public Private Partnership for National Air Traffic Services	HC 157	7 January 2004
<b>Regulation</b>		
Out of sight - not out of mind: Ofwat and the public sewer network in England and Wales	HC 161	16 January 2004
<b>Trade and Industry</b>		
Risk Management: The Nuclear Liabilities of British Energy plc	HC 264	6 February 2004
<b>Transport</b>		
Strategic Rail Authority: Improving passenger rail services through new trains	HC 263	4 February 2004

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