



National Audit Office

Report

by the Comptroller
and Auditor General

Home Office

Reforming the UK border and immigration system

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National Audit Office

Home Office

Reforming the UK border and immigration system

Report by the Comptroller and Auditor General

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National Audit Act 1983 for presentation to the House of
Commons in accordance with Section 9 of the Act

Sir Amyas Morse KCB
Comptroller and Auditor General
National Audit Office

17 July 2014

This report examines whether the Home Office structural changes to its immigration functions have improved value for money through better delivery and management.

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Key facts

£1.8bn

total gross budget for immigration and borders operations, 2014-15

40%

of Department budget (excluding police grant) spent on immigration and borders

69%

of Department staff work on immigration and borders

- 94 per cent** of immigration applications decided within service standards – first quarter 2014
- 24 per cent** increase in local enforcement activity, such as arrests, by Immigration Enforcement in 2013-14, compared with 2012-13
- 301,000** open cases, including backlogs, reported to the Home Affairs Select Committee – first quarter 2014. Some 85,000 open cases are normal work in progress in temporary and permanent migration
- 9** oversight boards and committees for the immigration and border system
- 13 and 15 per cent** percentage amount that UK Visas and Immigration and Immigration Enforcement scored below the civil service average – for pride in telling people where they work (October 2013 Department-wide survey)
- £347 million** spent on the cancelled Immigration Case Work (ICW) programme

Summary

1 The Home Office (the Department) has been directly responsible for managing the UK's immigration and border operations since April 2013. The Department aims to ensure the flow of people and goods through the system is efficient, while working towards its target to reduce net migration. In 2013-14, nearly 112 million people arrived in the UK.

2 Before 2013, the former UK Border Agency (the Agency) managed the Department's immigration and asylum work. The Home Secretary separated border operations from the Agency in March 2012, setting up Border Force as a directorate within the Department. In March 2013, the Home Secretary abolished the remaining Agency and brought its work into the Department under two new directorates: **UK Visas and Immigration** and **Immigration Enforcement**. The Home Secretary did this because of the Agency's troubled history, including its large size and conflicting cultures; inadequate IT systems; the problematic policy and legal framework it worked in; and the resulting lack of transparency and accountability.

3 The three directorates now working within the Department each have a different focus. UK Visas and Immigration decides on applications to visit and stay in the UK with a strong customer focus. Immigration Enforcement's remit is to enforce the law for those who break immigration rules. Border Force secures the UK border, through immigration and customs controls. The Department's new corporate centre, comprising finance, human resources, IT and performance reporting, supports the directorates.

4 We reported progress in cutting costs and improving performance in the Agency and Border Force in July 2012. We also reported progress in Border Force in September 2013. After our 2012 report, the Committee of Public Accounts (the Committee) wrote to the Department expressing concerns, including: delays to the former Agency's transformation programme; the risk that a flagship IT programme would not deliver intended benefits; significant backlogs; poor workforce planning and skills strategy; inadequate demand modelling; and an insufficient focus on improving performance management.

5 This report focuses on the progress the two new directorates have made in addressing the Committee's concerns and the Home Secretary's reasons for abolishing the Agency.

Key findings

Addressing performance issues

6 A new focus on service standards and customer service has increased transparency in reporting the time taken to process and decide applications and so far the new standards have largely been achieved. In January 2014, UK Visas and Immigration introduced new service standards for expected time to complete different application types. These now provide transparent outcome expectations for customers. UK Visas and Immigration has largely met these new standards, even during periods of increased demand. Immigration Enforcement's standards and performance targets are less developed (paragraphs 2.2, 2.3 and 2.5).

7 The directorates have had no significant performance falls during or after the Agency split, and improvements have been made in some areas. In most parts of UK Visas and Immigration and Immigration Enforcement, performance has held steady, or improved, since the Agency split. For example, UK Visas and Immigration completed 94 per cent of immigration applications within service standards in the first quarter of 2014. Immigration Enforcement removed 16 per cent more people in 2013-14 compared with 2012-13. However, limited changes to staffing numbers and ways of working mean improvements have not been seen across the business. Significant amounts of change activity have brought progress in some areas, such as better communications and clarity of roles, but overall the Department has not yet significantly increased performance across the border and immigration system. UK Visas and Immigration now has a delivery plan for 2014-15, setting out what it wants to achieve this year (paragraphs 2.4 to 2.14 and 3.1).

8 Progress on clearing backlogs varies across the business and despite some success, some problems remain unresolved. The former Agency had long-standing and highly visible backlogs of cases. The Department has prioritised clearing backlogs and made additional resource available. UK Visas and Immigration has made progress in temporary and permanent migration, clearing all straightforward cases. However, by March 2014 there were nearly 301,000 open cases. Some 85,000 of these cases were normal work in progress in temporary and permanent migration, some were backlogs and the others were on hold or other types of outstanding work. Backlogs include 6,437 pre-2007 immigration cases still awaiting a decision and 25,876 old, but still live, asylum cases dating back to pre-2007. There is a risk cases on hold are not dealt with in a reasonable time. UK Visas and Immigration plans to clear workable backlogs in asylum by March 2015 (paragraphs 2.15 to 2.19).

9 The former Agency planned to reduce costs by £594 million between 2011-12 and 2014-15, but the Department was not able to provide us with a complete picture of what had happened to these plans, or how it now monitors them. The Department has long underspent against reduced overall budget allocations, and as a result, does not appear to have prioritised tracking specific efficiencies achieved since the Agency split. Without this information, the Department cannot be sure that spending cuts are not adversely affecting its long-term priorities (paragraphs 2.20 to 2.22).

Improving oversight and managing change

10 UK Visas and Immigration has developed a clear, focused business model that staff understand; while Immigration Enforcement is finalising its business model. UK Visas and Immigration has developed three principles for its business: to be 'consistently competent', 'customer focused' and 'high performing'. Staff we met were aware of these principles. Immigration Enforcement has taken longer to develop its priorities. Its strategy focuses on 4Ps – prevent, pursue, protect and prepare. The impact of well-defined strategies on outcomes is hard to measure at this early stage, although the Department's focus on getting the basics right is a necessary building block (paragraphs 3.1 and 3.2).

11 Cross-directorate working, including between the two new directorates and Border Force, is still immature, but there is potential for efficient end-to-end working. There is staff consensus that it is now clearer where processes begin and end, so work is more likely to get passed to the right team and not fall through gaps. Directorates are starting to work cross-directorate, and there are several boards and committees across the system. This high-level cross-system oversight is important, but having six different executive or management boards and three committees could create overlaps and uncoordinated working (paragraphs 3.3-3.4, 3.9 and 3.12).

12 The Committee identified performance reporting to the board as a risk and it has slowly improved so that, by early 2014, board 'performance packs' were clearer, shorter and more concise. Performance reporting has evolved, and now focuses on the data needed to run the business effectively (compared with the 120 monthly performance indicators when we last reported) (paragraphs 3.5 to 3.7).

13 The Department has been slow to address some of the potential consequences of the Immigration Act 2014. A cross-government structure has been set up to implement the Act and there are recent high-level plans for phased introductions of some aspects, such as changes to appeals. However, there is a risk that the Department may not achieve all the intended benefits of the legislation (paragraphs 3.13 and 3.14).

14 Senior managers in the new directorates are improving the culture inherited from the former Agency and, while still low, morale is improving. Low morale and a fear of raising bad news were commonplace in the Agency and issues frequently only surfaced at crisis points. Senior staff are more visible and communications have improved. The Department's 2013 staff survey found 34 and 29 per cent of UK Visas and Immigration and Immigration Enforcement staff respectively felt it was safe to challenge how things are done. Staff we spoke to in 2014 thought this was improving. Staff morale, however, remains low. Only just over 20 per cent of staff in the new directorates were more positive about their work in January 2014 than six months previously (paragraphs 3.15 to 3.17).

Central support for directorates

15 The Department faces a tough challenge in its aim to increase performance in the face of further budget cuts next year. For 2013-14, UK Visas and Immigration were on budget. This was because increased income cancelled £6 million of over-expenditure. Immigration Enforcement underspent by £2 million. There are more resource cuts due to affect directorates in 2015-16. Without a clear plan to make efficiencies, it is unclear how the directorates will maintain or improve performance over the next spending review period (paragraphs 4.2 and 4.3).

16 The new directorates still have weak workforce planning, as was the case for Border Force when we reported in 2013. We found little evidence that the directorates have an organisation-wide understanding of capabilities and capacities needed to meet their objectives. Officials have begun to trial ways to improve workforce flexibility. Examples include: staggered hours to use estates more effectively; contracts that allow flexible shift lengths and times; and a team that is quickly deployable across the business. The impact of these initiatives has not been measured. Changes to the make-up of staffing across parts of the business have had mixed success. Notably, changing the grade mix in asylum led to 120 people leaving before sufficient staff could be recruited, hindering the area's ability to keep on top of cases (paragraphs 4.5 to 4.8).

17 IT systems remain largely unchanged and teams rely on multiple and complicated legacy systems with limited integration or data sharing, and on paper systems. The flagship Immigration Case Work (ICW) programme was supposed to replace the legacy Casework Information Database and 20 other systems by combining all casework interactions with people. The Department closed the programme in August 2013, having achieved much less than planned, at a cost of £347 million. Caseworkers, therefore, still use a legacy system. A new Immigration Platform Technologies programme is replacing ICW and is trialling an agile approach, focusing on incremental improvements. It still has far to go to have a significant impact and will cost £209 million over four years. Support contracts for vital legacy systems are due to expire in 2016, before the new programme rolls out fully in 2017. The Department is reviewing options regarding support contracts. The directorates still rely on paper systems, limiting opportunities to improve efficiency (paragraphs 4.9 to 4.14).

18 Partly because of poor IT, the Department lacks good quality management information to run the business. Operational staff across the directorates said they still had concerns about data quality for cases. This was borne out by our own data analysis where we struggled to access data in a meaningful format or found inconsistencies between data-sets. Poor data quality is a factor of poor data capture. Poor controls in the Casework Information Database increases the risk that staff fail to input the minimum standard information required. Transferring data manually – from paper to IT systems – increases the risk of errors and there is no single source of reliable information. Good quality forecasting would help better workforce planning and some early signs show that forecasting is more robust (paragraphs 4.15 to 4.16 and 4.18 to 4.20).

Conclusion on value for money

19 The structural changes made since breaking up the Agency have let the new UK Visas and Immigration and Immigration Enforcement directorates focus on their specific roles within the system. The Department has started making significant changes and the directorates have outlined new priorities and in some parts of the business there are measurable goals for this year. The directorates have made good progress in some areas – such as communications and oversight. But they have made slow progress in improving process efficiency, staff capability, and the quality of data and systems. In some areas, such as specific backlogs, workforce planning and the IT landscape, problems identified back in 2012 have not progressed as far as we would have expected by now. Overall it is also too early to identify any impact from organisational improvement on customers and stakeholders and the Department has not yet set longer-term time horizons in which it expects to make improvements across the border and immigration system.

20 To achieve value for money in its immigration work, the Department must progress faster with its changes and address the challenges it has struggled to tackle. It must sustain performance under the pressure of reducing budgets.

Recommendations

- a The Department should prioritise outstanding backlogs and act to prevent cases that it classifies as unworkable building up into backlogs.** The directorates must decide on older, live cases, so people do not have to wait many years for decisions about their future. Some cases are classified as unworkable, for example where the applicant needs to supply further information. Directorates must ensure these do not stay in the system for long periods, particularly as such cases are not counted against service standards.
- b The Department should develop a robust financial plan for how it will assign and track savings in the directorates and show that it can maintain performance.** Directorates must understand the implications for their respective 2015-16 budgets of efficiencies needed. They must be clear to the Department what is achievable and the possible impact on performance.

- c The Department should develop its plans for an end-to-end system for immigration and borders and how this will fit together.** The Department must complete this exercise for operations staff, so they understand specific responsibilities and hand-offs, and strategically, to prevent fragmented oversight. The Department must also use principles of continuous improvement across the business, so it can measure what is working and implement good practice consistently.
- d Senior leaders in the Department should build on early successes in changing the culture of their directorates.** Staff need to understand organisational priorities but also need to see how these affect their jobs on the frontline. Senior leaders need to continue being visible to staff and to sustain a culture of openness, particularly when the new model becomes business-as-usual.
- e The Department, building on our 2013 recommendation to Border Force, should prioritise workforce modernisation and develop a cross-directorate plan.** The Department must evaluate what is working and build a long-term plan for workforce flexibility. As it develops support systems and processes it must also decide what levels and mix of staffing it needs to sustain performance on reduced budgets.
- f The Department should assess whether its incremental, agile approach to IT will provide the system transformation needed to achieve high-performance operations.** The directorates need a sustainable solution for IT. Real process improvement can only come from replacing legacy systems and paper-based working with digitisation and data sharing.
- g The Department should prioritise improving the quality of its management information.** Planned IT changes should help, but the Department will not roll these out fully until 2017. The Department must act now to improve the quality of case data so it is robust and reliable.

Part One

Legacy of the UK Border Agency

Our previous work

1.1 We last reported on the UK Border Agency (the Agency), along with Border Force, in July 2012.¹ At that time, the Agency and Border Force administered UK immigration, asylum and border operations. The Agency was an executive agency, and Border Force was a directorate of the Home Office (the Department).

1.2 Our 2012 report looked at the Agency's progress in cutting costs and improving performance. We concluded that ambitious transformation plans were being hampered by insufficiently coherent planning, poor data and vital projects being delayed. This was compounded by unclear performance priorities, and strategic planning that was poorly integrated across the Agency.

1.3 The Committee of Public Accounts (the Committee) held a hearing based on our report in September 2012. The outcome was a letter from the Committee Chair to the Department's Accounting Officer, highlighting six areas of concern:

- Delays with the Agency's 'transformation programme'.
- Risk that the Immigration Case Work project (ICW) may not achieve planned benefits in the projected time frame.²
- The large number of unresolved, legacy asylum cases (backlogs).
- Poor workforce planning and skills strategy.
- Inadequate modelling of demand for visas and immigration services.
- Insufficient focus on improving performance management.

¹ Comptroller and Auditor General, *The UK Border Agency and Border Force: Progress in cutting costs and improving performance*, Session 2012-13, HC 467, National Audit Office, July 2012.

² See Part Four.

Breaking up the Agency

1.4 In March 2013, the Home Secretary decided to abolish the Agency and bring its functions back into the Department, creating two new directorates – UK Visas and Immigration and Immigration Enforcement. In addition, the Department moved the Agency’s support functions into the Department’s central corporate teams.

1.5 The Home Secretary cited four main issues prompted the decision:

- The Agency’s large size resulted in conflicting cultures and a focus on crises at the expense of other important work.
- Poor transparency and accountability.
- Inadequate IT systems.
- A complex policy and legal framework, within which it operated.³

Splitting the Agency and bringing it back into the Department was to address these issues by giving the new directorates a clearer focus, with better transparency and accountability. These goals are in the Department’s strategy and are influencing the directorates development of their delivery models.

Current operating model

1.6 The border and immigration system is now managed collectively by three directorates (UK Visas and Immigration, Immigration Enforcement and Border Force) within the Department. Together the directorates aim to ensure that the flow of people (**Figure 1**) and goods through the system is efficient and supports the Department’s overall aims to reduce net migration, cut crime and prevent terrorism.

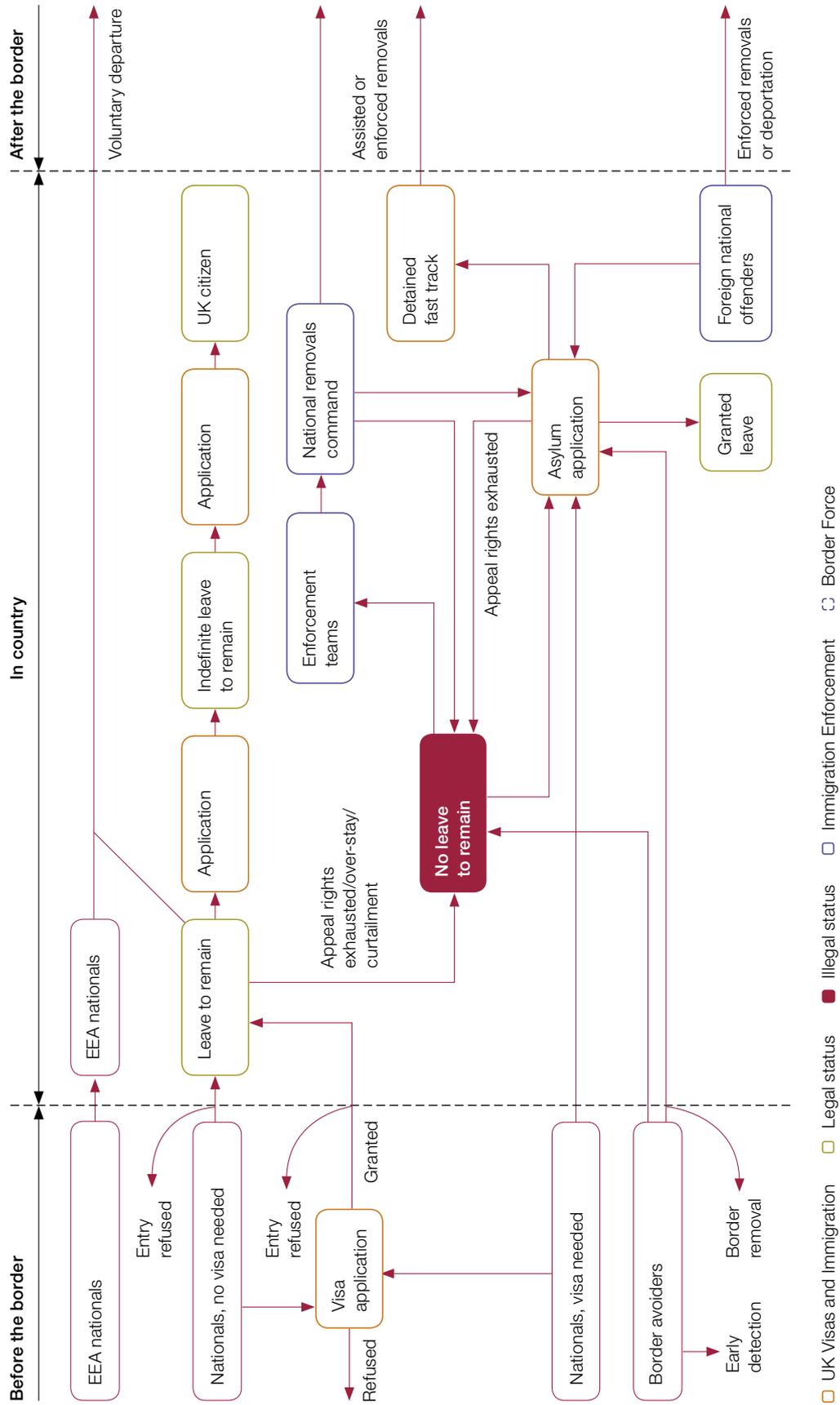
1.7 In 2013-14, UK Visas and Immigration processed applications from 3.5 million people who wanted to enter or stay in the UK (**Figure 2** on page 14).

1.8 UK Visas and Immigration considers and concludes applications to visit and stay in the UK. This includes visitors, asylum claims, students and temporary and permanent migration. It also works with the judicial system to manage appeals and has a network of international visa operations.

1.9 Immigration Enforcement encourages people who do not have a right to remain to leave the UK voluntarily. It addresses barriers to removal and enforces removal by detaining people, and arranges flights and travel documents where necessary. It also has immigration, compliance and enforcement teams who target illegal migrants and a team of investigators and seconded police officers who tackle organised immigration crime groups.

³ Oral statement to Parliament, Home Secretary UK Border Agency oral statement, 26 March 2013, available at: www.gov.uk/government/speeches/home-secretary-uk-border-agency-oral-statement

Figure 1
Flow of people through the border and immigration system



Notes

- 1 UK Visas and Immigration operations span the UK and abroad. Border Force operates mainly at ports of entry to the UK and Immigration Enforcement predominantly operates within the UK.
- 2 EEA is European economic area nationals.

Source: National Audit Office analysis of Department diagram

Figure 2

Arrivals and applications to enter and stay in the UK

	2012-13	2013-14	Percentage change (%)
Total number of arrivals	107,000,000	111,900,000	5
Of which:			
European economic area nationals (including British citizens)	94,100,000	98,500,000	5
Non-European economic area nationals	12,900,000	14,000,000	9
Of which:			
Visas issued	2,503,624	2,759,309	10
Visit and transit visas	2,003,983	2,221,090	11
Work	141,772	156,378	10
Study	206,762	219,053	6
Student visitors	69,521	79,456	14
Family	37,455	35,872	-4
Dependant joining or accompanying	11,691	11,694	0
Other	32,440	35,766	10
Other work			
Decisions on applications for extensions	315,549	365,807	16
Asylum applications (principal claimants only)	22,630	23,731	5
Decisions on applications for permanent leave to remain	143,787	139,936	-3
Decisions on applications for UK citizenship	202,742	215,300	6

Note

1 European economic area arrivals are not subject to border controls.

Source: Department migration statistics

1.10 Border Force secures the UK border through immigration and customs controls for people and goods at 138 air, sea and rail ports across the UK, France, and Belgium. It operates customs controls at international parcel hubs in the UK, checks visas and entry documentation issued by UK Visas and Immigration when people arrive in the UK and works with policing, customs, security, and immigration partners to maintain the integrity of the border.

1.11 Central support functions previously provided within the Agency, including finance, human resources, IT and performance reporting have moved into the Department's central corporate teams. This allows the Department to give more coordinated support services to all directorates.

Changing policy and legal framework

1.12 The policy and legal framework of immigration and asylum is changing. The Immigration Act 2014 reduces the number of immigration decisions that can be appealed from 17 to 4.⁴ It gives new powers to enforcement officers, introduces a fee for using the NHS for temporary migrants and makes removal processes clearer. The Immigration Act updates the framework in which UK Visas and Immigration and Immigration Enforcement operational teams work.

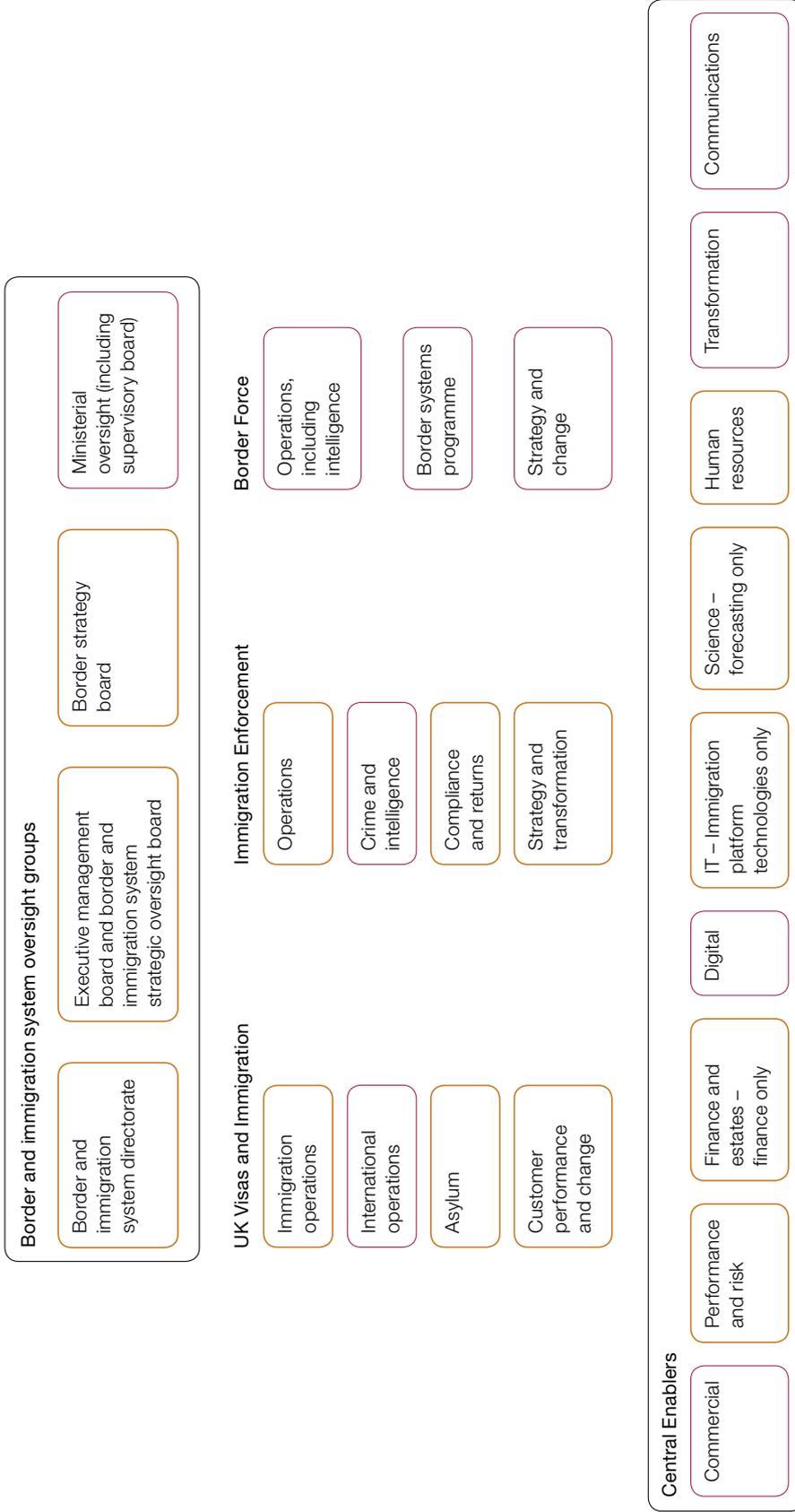
Scope of this report

1.13 This report focuses on the two new directorates' performance: UK Visas and Immigration and Immigration Enforcement, covering three of the four main areas of each directorate's business. The report also looks at the Department's central functions that support border and immigration work and links between directorates, including Border Force. It does not look at performance in Border Force (**Figure 3** overleaf).

1.14 The report looks at progress addressing the issues the Committee raised when they examined the former Agency in 2012 and the main reasons for its break-up cited by the Home Secretary in 2013. We will report in future on specific aspects of performance relating to foreign national offenders.

⁴ While still preserving appeals for those asserting fundamental rights.

Figure 3
Report scope



In scope for this report

Out of scope for this report

Note

1 We did not cover international operations because the study timetable and budget precluded international visits, nor crime and intelligence to avoid duplication of work in our forthcoming study on foreign national offenders.

Source: Department diagrams

Part Two

Progress in improving performance

2.1 Day-to-day activity continued while UK Visas and Immigration and Immigration Enforcement made organisational changes. This Part examines the directorates levels of performance compared to the former UK Border Agency (the Agency).

Service standards

2.2 The Home Office (the Department) told us that, following the Agency's break-up, it decided to focus on transparency, predictability and customer satisfaction, rather than moving quickly towards shortening service standards without first understanding how they should be developed. Subsequently, UK Visas and Immigration introduced new service standards in January 2014. These give transparent expectations for time taken to deal with different types of visa application, or other casework (**Figure 4** overleaf). Teams now start timing a case when it is received. The clock used to start when a case was input into the IT systems, a state not visible to the applicant.

2.3 UK Visas and Immigration's new focus on outcomes, with externally visible deadlines and published targets, contrasts with previous internal, non-transparent targets that largely measured activity. If UK Visas and Immigration identify a problem with an application, or if it is complex, it now writes to the applicant to say why it will not be decided within the normal standard and what happens next. To show customer focus, teams in UK Visas and Immigration and some in Immigration Enforcement have, or are working towards, customer service excellence accreditation.

2.4 The latest migration transparency data published in May 2014 suggests that UK Visas and Immigration is largely meeting its overall service targets, with 94 per cent of applications decided within service standards in the first quarter of 2014 (**Figure 5** on page 19).

Figure 4 Selected UK Visas and Immigration service standards, post-January 2014

Category	2010-12			2013-14		
	Part of process measured	How long to complete	Commitment to complete (percentage of all applications)	Part of process measured	How long to complete	Commitment to complete (percentage of all applications)
Family	Enrolment on casework information database to dispatch	20 working days	65	Application date to dispatch date	4 weeks	65
Extending a visit to the UK	Enrolment on casework information database to dispatch	20 working days	65	Application date to dispatch date	4 weeks	80
Employment	Enrolment on casework information database to dispatch	20 working days	75	Application date to dispatch date	8 weeks	90
Study	Enrolment on casework information database or ICW to dispatch	20 working days (21 days for ICW cases)	75	Application date to dispatch date	8 weeks	85
Permanent residence	Enrolment on casework information database to dispatch	183 calendar days	95	Application date to dispatch date	182 calendar days	99
European casework, European community association agreement and Bulgaria and Romania casework	Enrolment on casework information database to dispatch	183 calendar days	95	Application date to dispatch date	182 calendar days	99
British citizenship	Enrolment on casework information database to dispatch	183 calendar days	95	Application date to dispatch date	182 calendar days	99
Sponsor licensing	Application date to dispatch date	20 working days	65	Application date to dispatch date	8 weeks	80
Customers applying for a non-settlement visa from outside the UK	Biometric enrolment date to dispatch date	15 working days	90	Biometric enrolment date to dispatch date	3 weeks	90
Customers applying for settlement from outside the UK	Biometric enrolment date to dispatch date	60 working days	95	Biometric enrolment date to dispatch date	12 weeks	95

Note

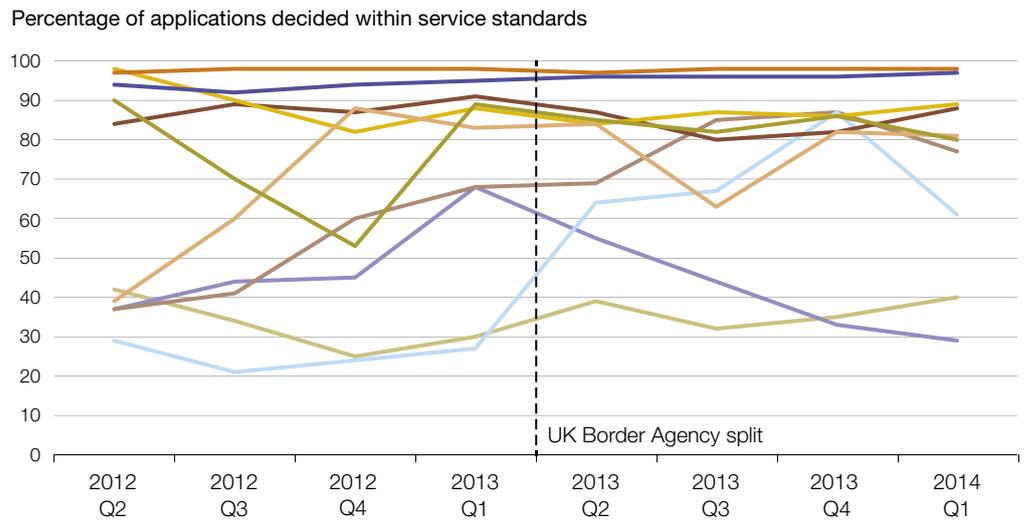
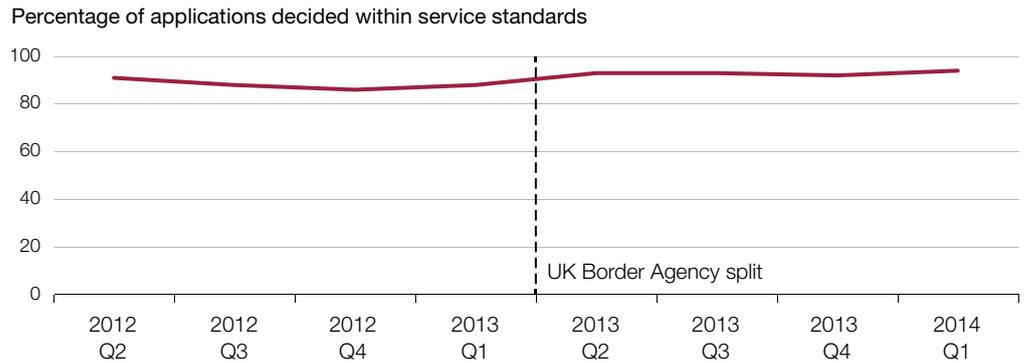
1 ICW is the IT system which handles some student applications.

Source: UK Visas and Immigration data, published and internal

Figure 5

Applications decided within service standard by type

The percentage of all applications decided within service standards reached 94 per cent in 2014



- Overall total
- European casework, European community association agreement and Bulgaria and Romania casework
- British citizenship
- Non-settlement visas
- Settlement visas
- Permanent residence
- Family and visiting the UK (2011-12)/family (2013-14)
- Sponsor licensing
- Extending a visit to the UK (2013-14)
- Employment
- Study

Note

1 Data for Q1 2014 does not include applications subject to new service standards, so performance for this quarter cannot be compared to earlier quarters.

2.5 The number of permanent and temporary migration applications received fell 13 per cent in 2013-14, compared with applications in 2012-13 (**Figure 6**). The relative application volumes that UK Visas and Immigration has had to manage, compared with the Agency's, have been stable. But there have been increases in other types of work and spikes in demand from specific groups.

2.6 The Department aims to resolve all straightforward applications within the new service standards. However, there are some, classified as 'non-straightforward', that are not counted against the service standards. They are either complex, awaiting legal intervention or the applicant has not given the right information. These cases are not backlogs and are monitored through management reports. We have not, however, seen evidence of how UK Visas and Immigration ensures these cases are brought back into workable status in a timely manner.

Processing times in UK Visas and Immigration

2.7 UK Visas and Immigration receives applications from abroad, online, via post or in person at a reporting centre. Once received, staff record it electronically and collect biometric data (photograph and fingerprints), if needed. Once decided, staff tell the applicant the result by letter. Alternatively, applicants can pay a premium fee on top of the standard application fee to get a same-day decision for some types of application in a number of UK centres. In over 100 countries overseas applicants have the option to pay an additional fee to have their application expedited.

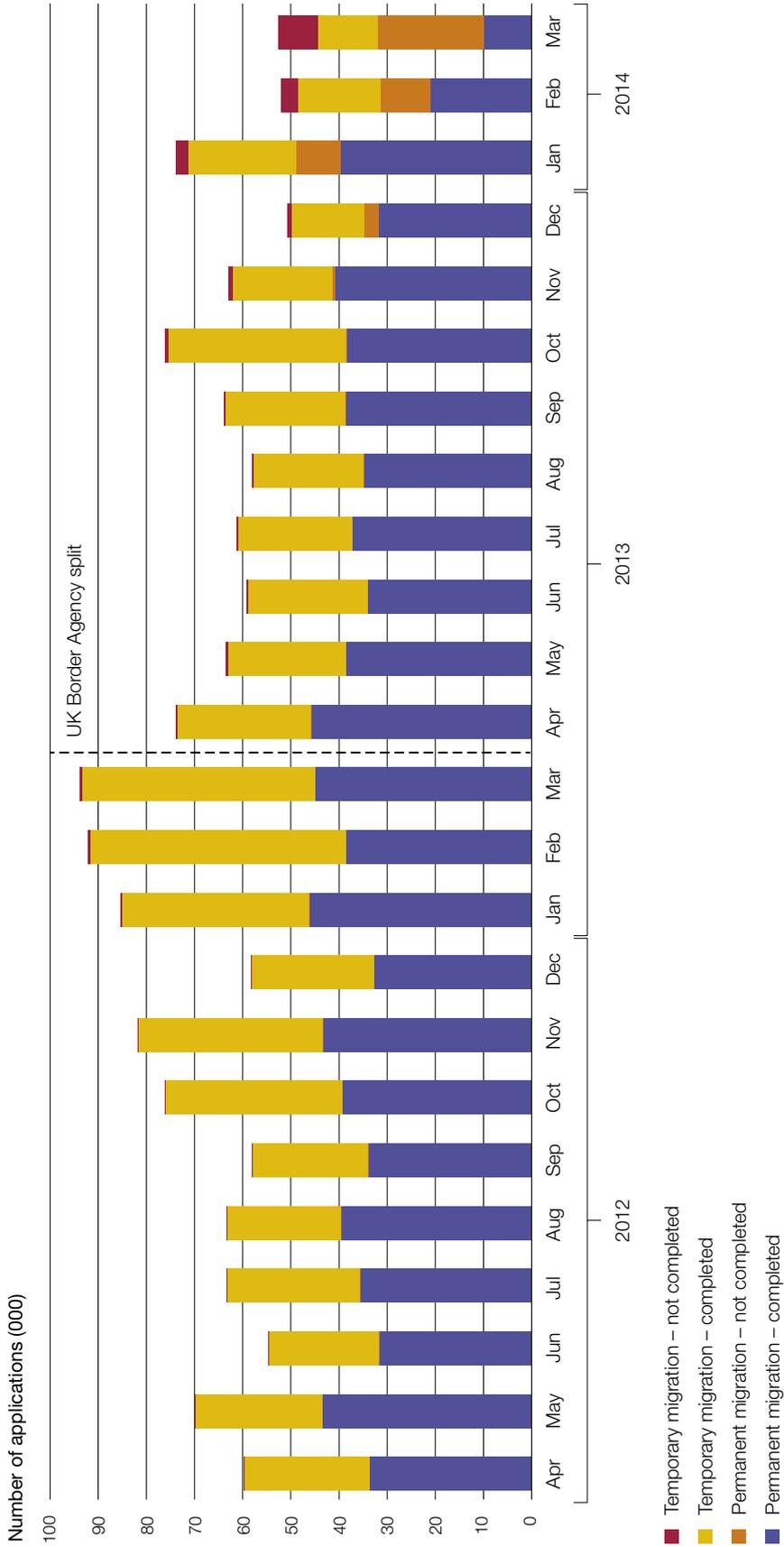
2.8 Analysis of case data showed the average time the process takes varies significantly with the type of application. Overall, however, the speed the directorate has processed cases has been largely consistent. This suggests that UK Visas and Immigration has processed cases at least as fast as the Agency did (**Figure 7** on page 22). The directorate significantly reduced the number of days it took to process temporary migration cases – from 130 days in December 2013 to 63 days in March 2014. If maintained, this suggests performance is improving.

Permanent migration

2.9 For standard, workable permanent migration applications, the average time taken to completion has remained largely stable despite the significant structural change of the Agency split. The time taken to process an application increased in January and February 2014, before falling back in March 2014 (**Figure 8** on page 23). The spike in January and February was caused mainly by delays processing the application onto the Casework Information Database. If unchecked, this could negatively impact performance against service standards as the clock now starts when applications are received.

Figure 6
 Permanent and temporary migration: cases received by month and the number which remain uncompleted as at 31 March 2014

The number of permanent and temporary migration applications received fell 13 per cent in 2013-14, compared with 2012-13



Notes

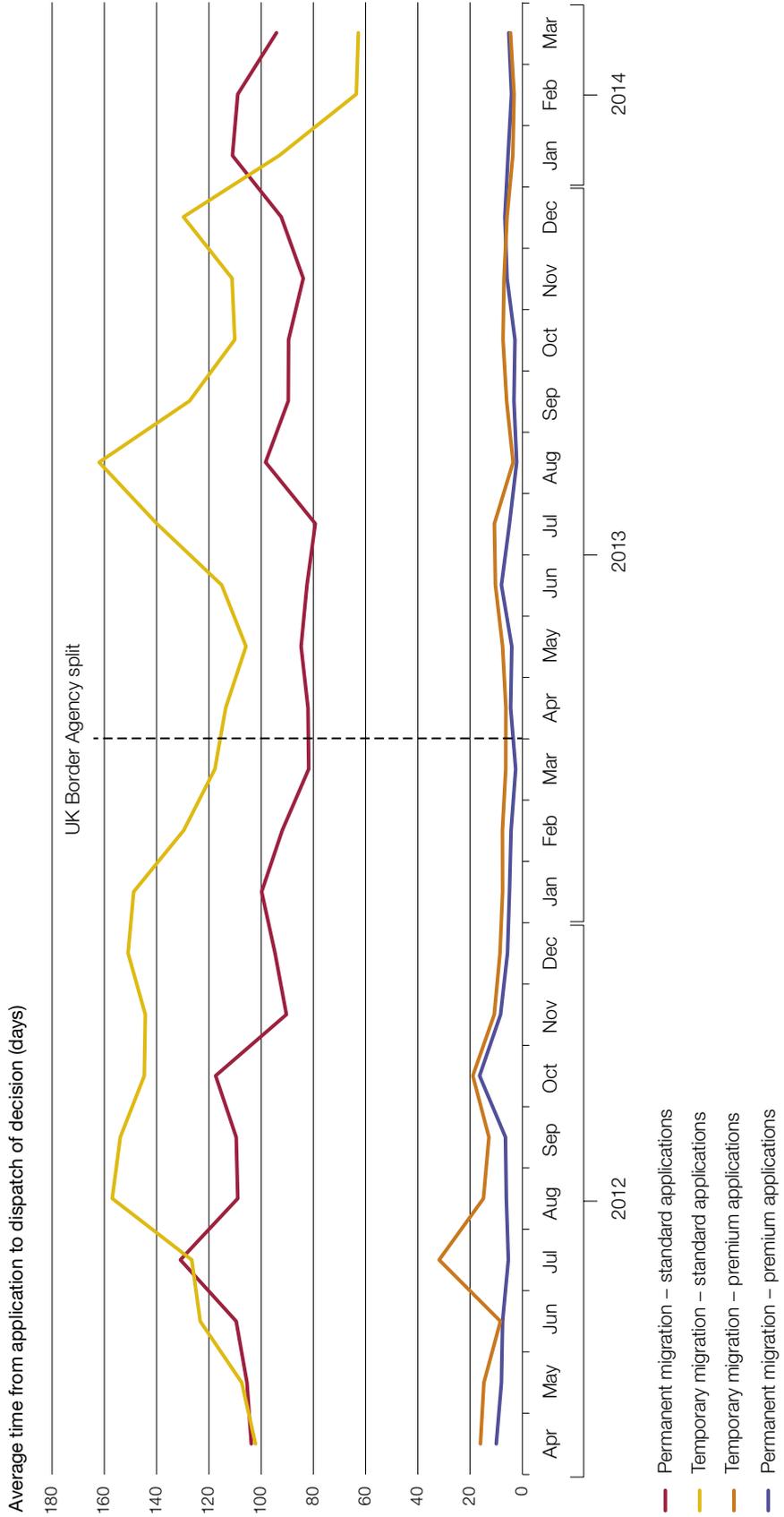
- 1 Uncompleted cases include recent cases within service standards. The Department told us that the higher proportion of uncompleted cases in the latter months of 2013-14 reflects an expected level of applications still being processed at the time data for this chart was produced.
- 2 This graph excludes student cases completed via the Immigration Case Work System.

Source: National Audit Office analysis of Department data

Figure 7

Permanent and temporary migration: average time to handle cases

The speed the directorate has processed permanent and temporary migration cases has been largely consistent

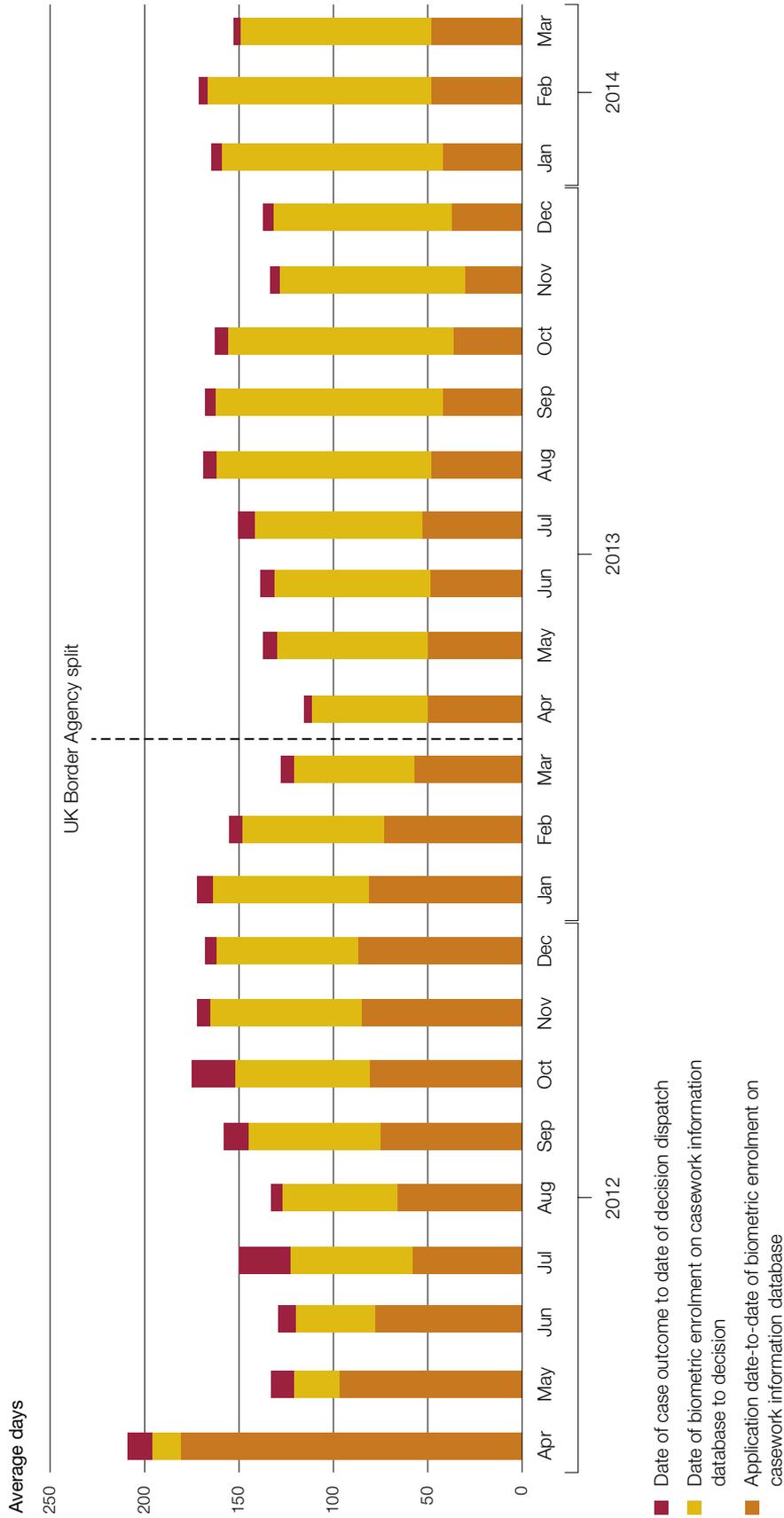


Notes

- 1 Includes cases dispatched within those months, both in and outside service standards. Does not include cases completed through the Immigration Case Work system.
- 2 Premium cases are when applicants pay a fee to get a quicker decision.

Source: National Audit Office analysis of Department data

Figure 8
 Permanent migration: average days to complete the three-stage application process
 The average time taken to completion has remained largely stable



- Notes**
- 1 Covers standard applications dispatched within those months. Premium cases are excluded as applicants pay extra for a quicker decision.
 - 2 Biometric data includes fingerprints and photographs.
 - 3 Includes cases completed under pre and post-January 2014 service standards.

Source: National Audit Office analysis of Department data

Temporary migration

2.10 The average number of days to complete a temporary migration application has declined from the peak in August 2013 (**Figure 9**). From April 2012, the number of days before the directorate had enrolled a case onto the Casework Information Database and collected biometric data, and was therefore able to begin casework, exceeded one month every month until February 2014. However, from August 2013 this has consistently fallen and is significantly lower than for permanent migration.

Asylum

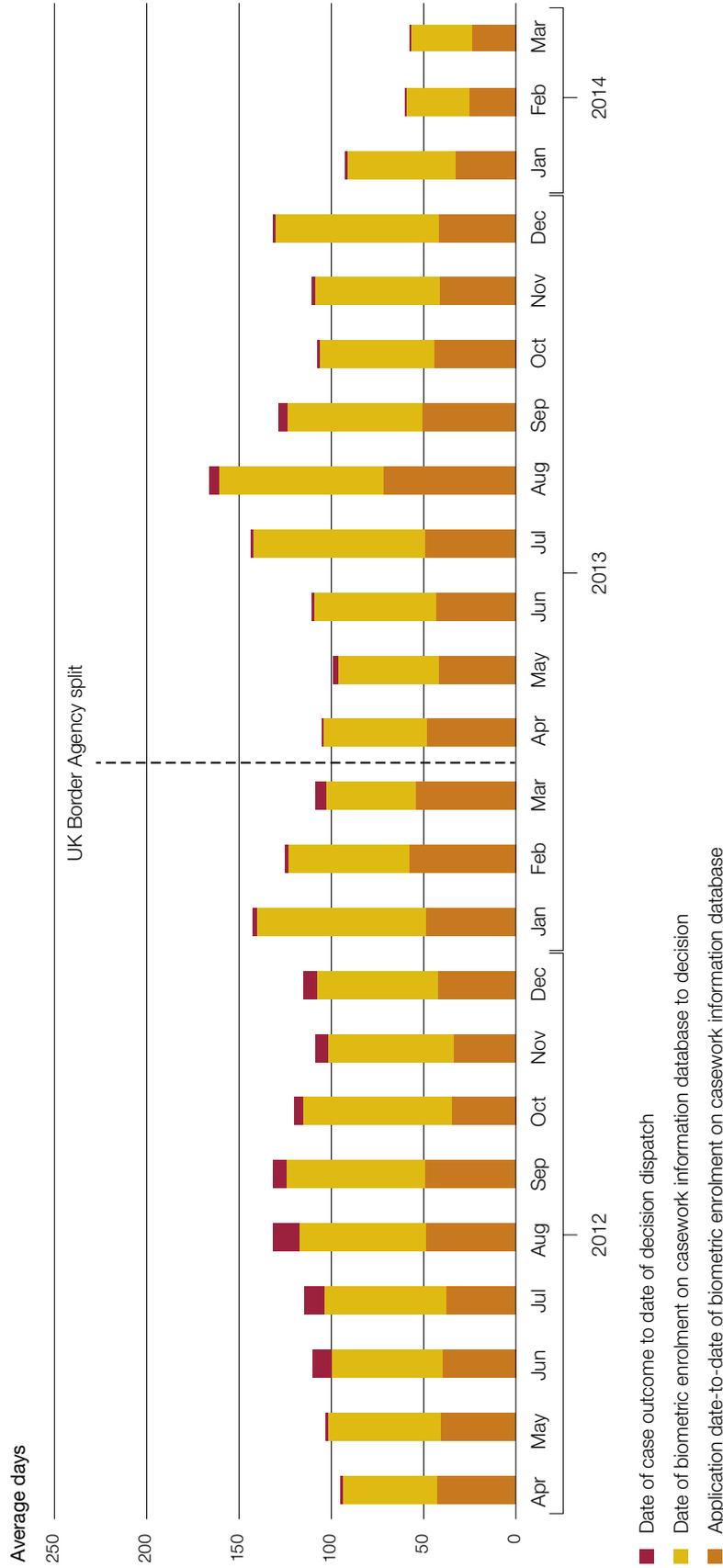
2.11 UK Visas and Immigration process asylum claims, which are processed differently from permanent and temporary migration applications. Caseworkers interview the person to establish whether their claim is legitimate. The number of asylum claims has remained stable since 2012. However, the number of decisions made has fallen (from 5,284 in the first quarter of 2013 to 2,846 in the first quarter of 2014) (**Figure 10** on page 26). The number of cases awaiting a first decision increased 70 per cent to 16,273 in the first quarter of 2014 compared with the first quarter of 2013. However, those awaiting consideration of further submissions on their claims decreased 27 per cent to 3,412. A likely reason for this build-up of initial cases is staffing shortages (paragraph 4.8). Once shortages have been resolved, productivity will need to increase to deal with this fall in performance.

Activity in Immigration Enforcement

Local enforcement activity

2.12 Immigration Enforcement measures its performance through several activity and output measures. These include completed removals, raids of premises and identifying and arresting people living and working illegally in the UK. Some targets, such as number of arrests made, have been discontinued recently and new performance measures are being developed to provide a greater focus on outcomes. Before new measures are in place, however, staff may be uncertain as to current priorities. Immigration compliance and enforcement teams across the country carry out operational activity, which in 2013-14 was up 24 per cent compared to 2012-13 (**Figure 11** on page 27).

Figure 9
 Temporary migration: average days to complete the three-stage application process
 The average number of days to complete a temporary migration application has declined from the peak of August 2013



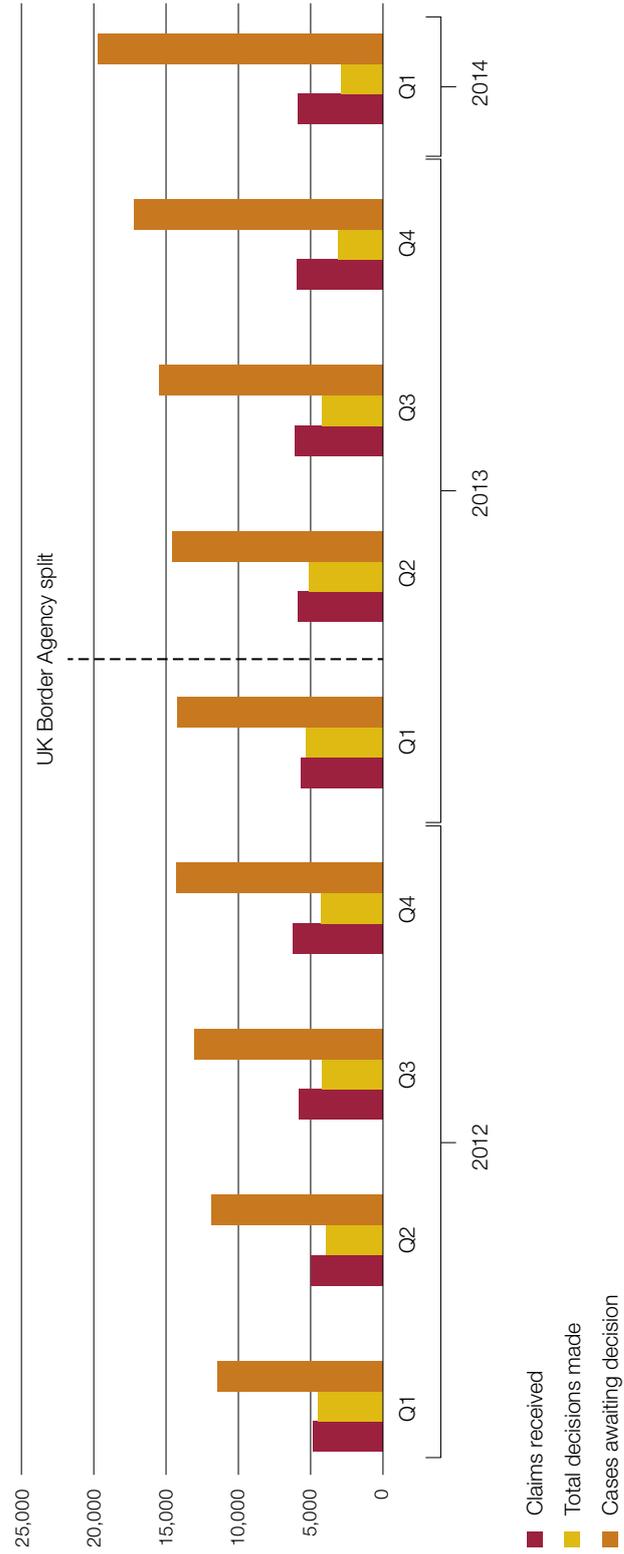
Notes

- 1 Covers standard applications dispatched within those months. Premium cases are excluded as applicants pay extra for a quicker decision.
- 2 Biometric data includes fingerprints and photographs.
- 3 Includes cases completed under pre and post-January 2014 service standards.

Source: National Audit Office analysis of Department data

Figure 10
Number of asylum claims and decisions

The number of asylum claims awaiting a decision has increased



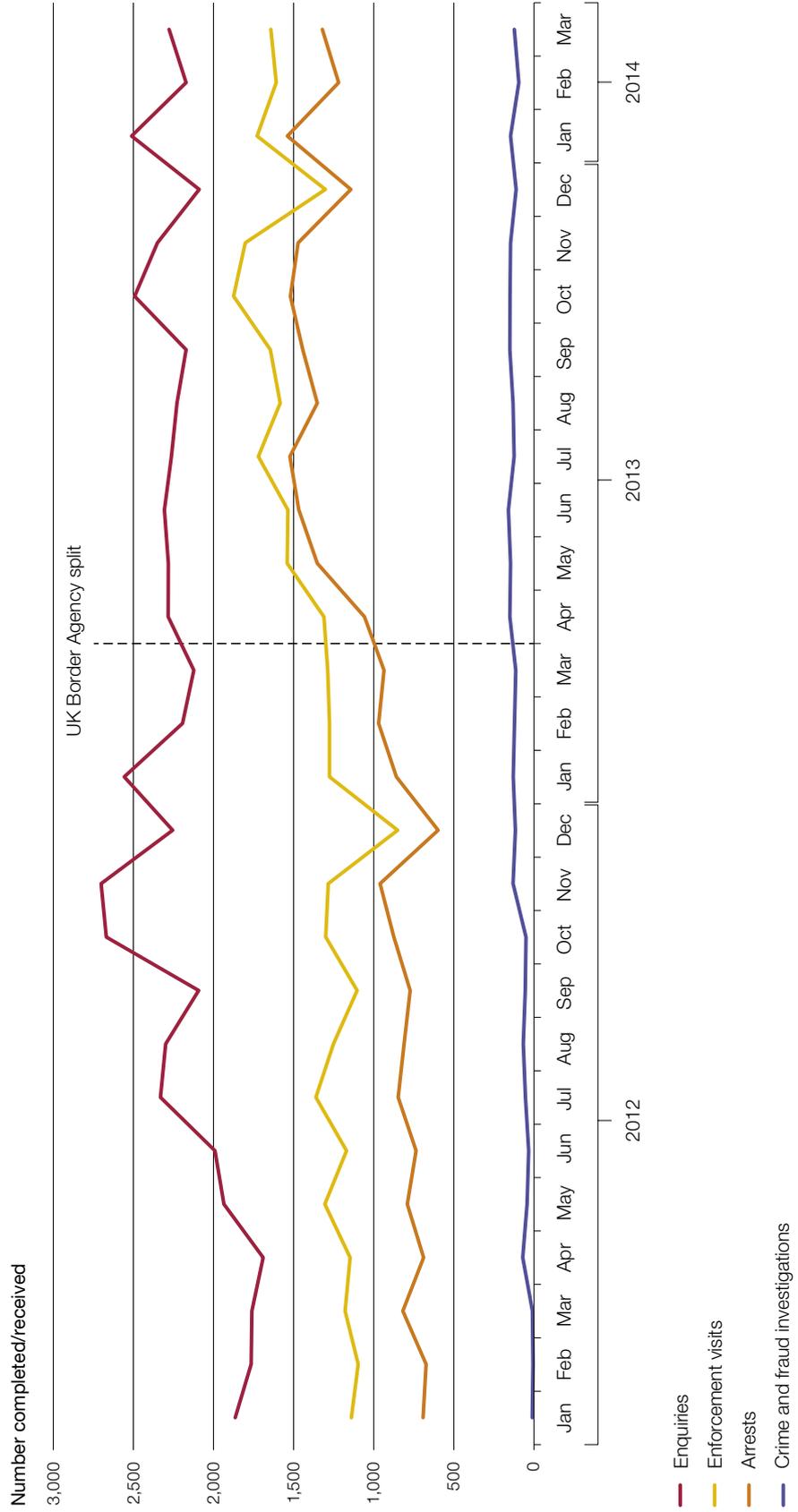
Notes

- 1 Asylum claims, decisions and cases awaiting decisions are separate; an application made may not be decided in that quarter.
- 2 Cases awaiting decision are those asylum claims, including fresh claims, lodged since 1 April 2006 that are still under consideration at the end of the reference period. Decisions include initial and other types of decision, including appeals.

Source: Published immigration statistics

Figure 11
Immigration Enforcement operational activity

Immigration compliance and enforcement teams operational activity in 2013-14 was up 24 per cent compared to 2012-13



Source: National Audit Office analysis of Department data

Removals

2.13 The number of illegal immigrants removed by Immigration Enforcement increased 16 per cent between 2012-13 and 2013-14, to 51,233 (**Figure 12**). This increase was due to more voluntary removals, where an applicant departs independently or via the assisted voluntary return scheme. The Department sees voluntary returns as a more cost-effective method of return that offers people the opportunity to return home of their own volition. These increased 32 per cent in 2013-14 compared to 2012-13, and comprised 63 per cent of removals completed.

2.14 Immigration Enforcement seeks to remove people who have exhausted their rights of appeal. However, it does not complete all removals attempted. According to Department data 80 per cent of the 58,000 removals started in 2013 were completed first time (up 3 percentage points on 2012 under the Agency) (**Figure 13** on page 30). A further 10 per cent were removed later, with 11 per cent not removed at all.⁵ Removals fail for several reasons, including no travel documentation or tickets, escorts not arriving or being unavailable, flight or carrier issues, the person being disruptive or unwell, or legal reasons. Of failed removals in 2013, some 44 per cent were caused by representations by individuals or their legal representative, often raised during the last stages of removal. These include seeking an injunction, lodging a judicial review, or making a new asylum claim. The Immigration Act will reduce the number of statutory appeals an individual has.

Outstanding work and backlogs

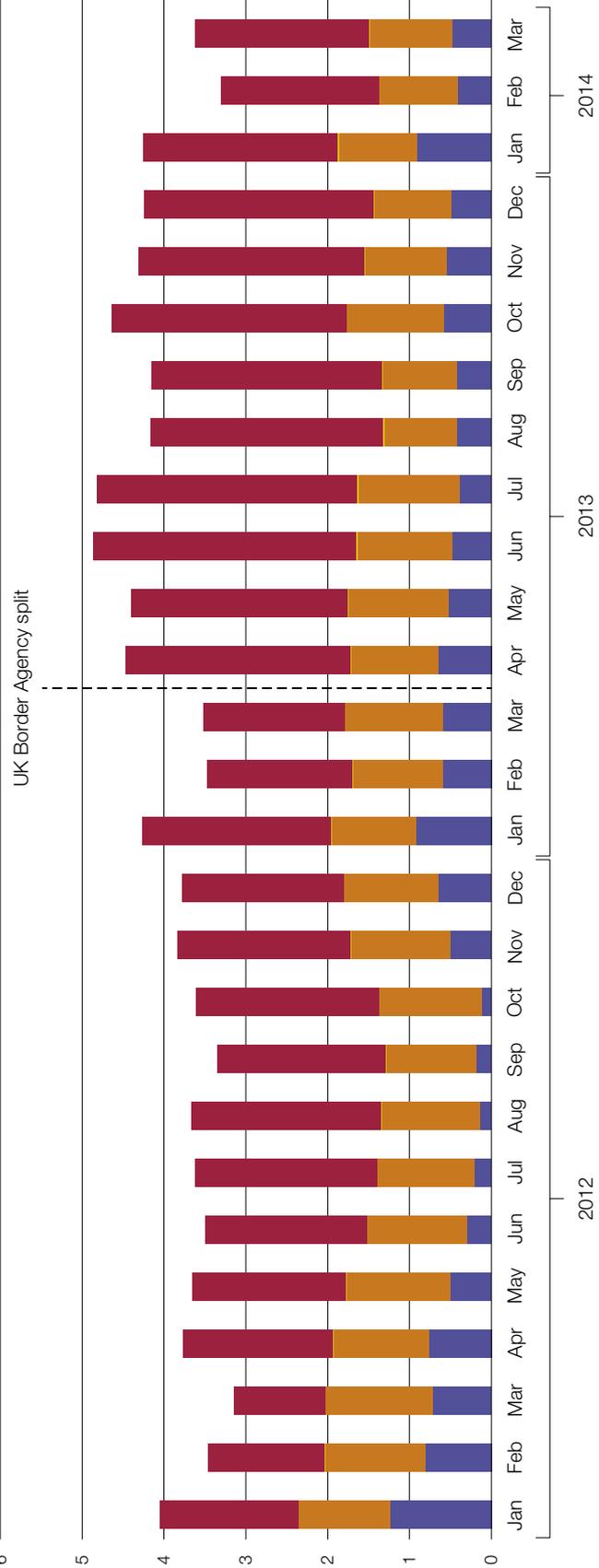
2.15 After the Agency split, the Department focused on clearing backlogs (workable applications for migration and asylum not completed inside target times). Backlogs had dogged the Agency for several years. UK Visas and Immigration made notable progress in temporary and permanent migration, clearing all straightforward, workable cases, leaving it to concentrate on normal work-in-hand, which totalled over 85,000 cases in the first quarter of 2014. The Department also cleared backlogs in smaller, but important, areas such as MPs' correspondence. However, in other areas, most notably asylum, backlogs remain. In the first quarter of 2014, there was 301,000 open cases, comprised of work-in-hand and historical backlogs. (**Figure 14** on page 31).

⁵ Numbers do not add up to 100 due to rounding.

Figure 12
Removals completed by Immigration Enforcement

Numbers of removals completed each month, by type of removal

Number of removals completed (000)



■ Voluntary departure
■ Enforced
■ Embark

Notes

- 1 Does not include removals by Border Force, for example refusals at ports of entry.
- 2 Excludes removals attempted but not completed.
- 3 Embark are persons established to have left or have been identified leaving the UK without formally notifying the immigration authorities. They are identified either by embarkation controls or data matching initiatives.

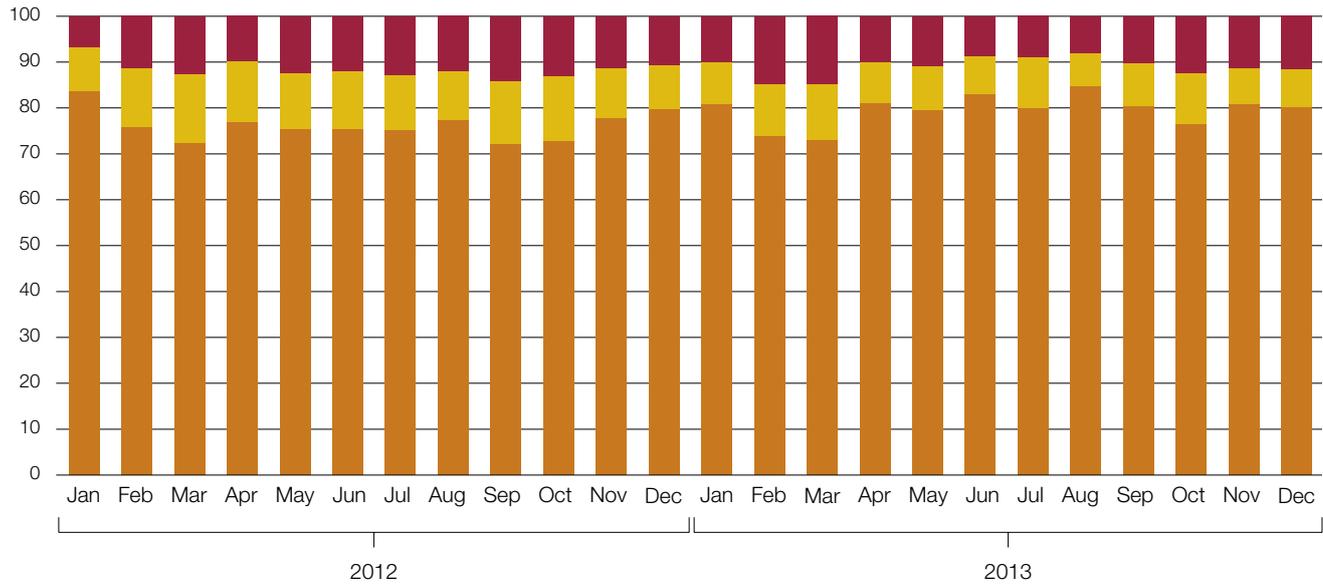
Source: National Audit Office analysis of Department data

Figure 13

Outcome of removals attempted by Immigration Enforcement

Eighty per cent of removals were completed first time in 2013

Percentage of removals attempted



- Removal not completed
- Removal subsequently completed
- Removal completed first time

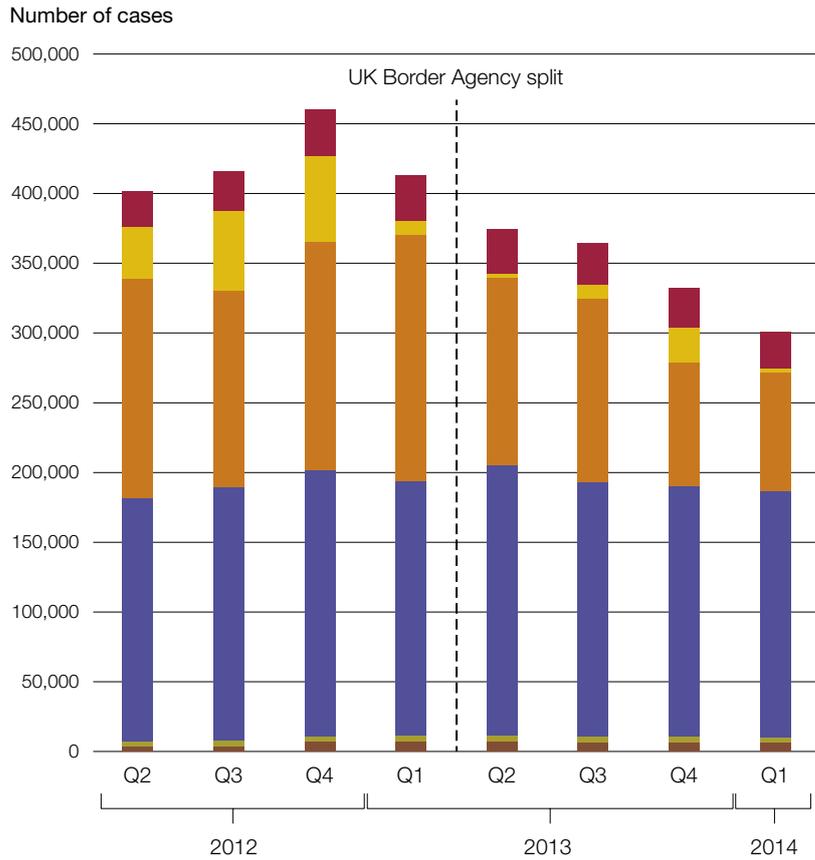
Note

1 Does not include removals by Border Force, for example refusals at ports of entry.

Source: National Audit Office analysis of Department data

Figure 14
Outstanding work, including backlogs

The number of outstanding and backlog cases has fallen to 301,000 in Q1 2014



- Older live cases unit live asylum cohort of people
- Number of cases still to be loaded on the Casework Information Database
- Temporary and permanent migration pool
- Migration refusal pool
- Foreign national offenders living in the community
- Older live cases unit live immigration cohort of people

Source: National Audit Office analysis of Department data

2.16 Various case types make up outstanding work:

- **Live immigration cohort**

Cases managed by the Older Live Cases Unit, consisting of people who have older migration cases (pre-March 2007) that the Department is actively managing towards conclusion.

- **Live asylum cohort**

Cases managed by the Older Live Cases Unit. These are the remaining pre-2007 asylum cases that the Case Resolution Directorate (set up to deal with some 450,000 asylum cases that had built up by 2007) could not conclude before closing in 2011.

- **Cases not yet loaded onto the Casework Information Database (CID)**

Applications received that have not been loaded onto CID and therefore staff cannot start work on them.

- **Temporary and permanent migration pool**

Cases that are currently being worked on and are awaiting a decision. While the Home Affairs Select Committee includes these figures in its reports on immigration backlogs, the Department reports that it does not consider this group of cases to be a backlog because many are still within service standards, or cannot be progressed (for example, if they are waiting for documentation from an applicant).

- **Migration refusal pool**

Cases where someone who has applied in country and has been refused leave to remain or previously granted leave has been removed, but the Department has not confirmed whether they have left the UK.

- **Foreign national offenders living in the community**

People who have served their sentences and are now awaiting deportation.

2.17 The Older Live Cases Unit was established in 2012 to deal with pre-March 2007 asylum and migration casework that had not been concluded. The unit has 413 staff and a budget of £11.3 million for 2014-15, out of a total immigration operations budget of £181 million. When the Older Live Cases Unit was set up, its initial case load was 400,000, but this was reduced to 41,000 after duplicates, errors and those who had already left the country were removed. No new cases come in and the unit is on track to communicate decisions on all outstanding cases by the end of 2014.

Migration refusal pool

2.18 Anyone whose temporary or permanent migration application is refused by UK Visas and Immigration enters the migration refusal pool. Immigration Enforcement manages this pool, forming a major part of its workload. Cases leave the pool as people are confirmed to have left the UK, are granted leave, or lodge an appeal or new application. The pool expands as new applicants are refused, unless their departure has already been confirmed. If UK Visas and Immigration deal with cases more quickly, its work in progress declines and the workload moves to Immigration Enforcement. The stock of cases in the pool (those entering before April 2013) declined by nearly 80,000 in 2013-14. However, this was largely offset by new cases. The total number of cases in the pool declined by 8,000 through 2013-14, ending the year at 175,839. The average flow in and out of the pool is broadly in balance, with 3,534 cases flowing into the pool each week and 3,673 flowing out as at May 2014.

2.19 The migration refusal pool includes people who might have left the UK (but departure has not yet been confirmed) or secured a grant of leave a different way (and records have not yet been linked to show this). In 2012, the Department contracted Capita to consider, cleanse and conclude 150,000 cases in the pool. Capita's tasks include identifying duplicates and errors in the records, checking if people have left the country, and trying to contact those who have not. By end-December 2013 Capita had assessed some 248,000 cases. It found: 47,300 had departed already; 50,000 could not be contacted; and in 121,000 cases there was a barrier to contact and Capita passed the case back to the Department for further casework.

Savings targets

2.20 We previously reported the Agency's cost reduction plans for 2011-12 to 2014-15. These plans were divided by parts of the business, such as asylum and corporate services, and showed total planned savings of £593.7 million.⁶ When the Agency split, planned savings were dropped or moved to the new directorates or the Department's corporate centre. The Department said that it is meeting cost reduction targets because it has remained within reduced overall budgets. For directorates, monthly reports show outturn compared to plans, but do not explicitly track where savings are made. This is separated to some level of detail, but reports to the executive management board only show aggregate figures. Without information on where specific savings are made compared to plans, the Department cannot be sure that savings are not negatively impacting its long-term priorities.

⁶ Comptroller and Auditor General, *The UK Border Agency and Border Force: Progress in cutting costs and improving performance*, Session 2012-13, HC 467, National Audit Office, July 2012, Figure 4.

2.21 The Department forecast that it would make significant savings from: the Immigration Case Work IT programme (ICW); increased income (higher fees and higher productivity); and productivity increases leading to staff reductions. ICW was not implemented as planned and anticipated staff reductions across the business were not made.⁷ The Department did make planned savings from reduced asylum support, although it overspent in this area in 2013-14 (see Figure 19). The Department told us that not making planned savings was offset by greater-than-expected savings elsewhere. For example, planned international staff reductions as a result of ICW were not realised, but permanent headcount was still reduced from 1,556 in 2011-12 to 1,422 in 2013-14, lower than the originally planned 1,489, despite 0.2 million more visa applications over the same period. Moving the Agency's finance function into the Department's central team resulted in a reduction of 42 finance staff by October 2013, saving £1.5 million annually.

2.22 The Department's total budget for 2014-15 (excluding police grants) is 37 per cent less in cash terms, compared with the 2010 baseline. It is not clear how much of the reduction has fallen on immigration operations and supporting functions. For 2014-15, the Department intends to rely more on effective management to stay within reduced budgets, rather than large IT programmes such as ICW, which did not deliver.

⁷ There have been staff number fluctuations as the Department reduced and then hired staff to the same area, for example asylum.

Part Three

Oversight and managing change

New priorities

3.1 Each directorate has a clear focus on its remit. For UK Visas and Immigration, the current director general introduced three principles upon taking up post: to be consistently competent, customer focused, and high performing (**Figure 15**). Staff within UK Visas and Immigration actively volunteered these to us as their priorities and they were clearly displayed in the offices we visited in Croydon and Liverpool. While frontline teams understand these principles, it is too early to assess what impact they will have on performance. UK Visas and Immigration has a plan for what it wants to achieve in 2014-15, including clearing workable backlogs by April 2015 and reducing the stock of work in asylum, appeals and litigation by November 2014.

Figure 15
Principles for UK Visas and Immigration



Note

1 CSE is Customer Service Excellence.

Source: UK Visas and Immigration 2014-15 Delivery Plan

3.2 Immigration Enforcement has been slower defining its priorities. A permanent director general has only been in place since February 2014. The directorate's strategy is now well developed and shows a clear focus on 'four Ps':

- **Prevent**
Stopping people staying in the UK illegally or supporting immigration abuse.
- **Pursue**
Taking action against immigration offenders.
- **Protect**
Strengthening safeguards against immigration abuse.
- **Prepare**
Improving the ability to protect UK interests.

The Department told us the 'four Ps' model is consistent with the wider Department model and familiar to the law enforcement agencies Immigration Enforcement works with. It is too early to assess what impact Immigration Enforcement's work plan will have on enforcement operations and outcomes. For example, in the immigration compliance and enforcement teams, staff knew priorities were shifting away from the number of arrests. However, they did not clearly understand the revised focus.

Executive committees

3.3 There are six executive and management boards and three committees across the directorates to provide oversight and manage the business (**Figure 16** on pages 38 and 39). The Immigration Minister also chairs weekly meetings on performance against targets across the whole system. Executive level oversight is better, but there is a potential risk of overlaps and uncoordinated oversight which does not focus on the main risks and agreed priorities.

3.4 Confidence in the executive management board, while improving, remains low. The January 2014 quarterly staff survey (sent to approximately 25 per cent of staff) found that only 36 per cent of UK Visas and Immigration staff and 25 per cent of Immigration Enforcement staff agreed that the executive management board had a clear vision for the Department's future, up from 21 per cent and 14 per cent respectively in July 2013.

Performance reporting

Data presentation

3.5 We highlighted issues with performance reporting in the Agency in 2012. There were over 120 performance indicators reported each month. Of which, about 50 were treated as key indicators.⁸ This excessive number was not good practice for board reporting and suggests a lack of understanding of what was needed to oversee the business well. We analysed a sample of 12 performance packs for several boards produced between November 2012 and May 2014 to assess progress (**Figure 17** on page 39).

3.6 There is much variation in the packs. Until early 2014 they were generally dense and contained much information that could not be easily assimilated. Common issues were:

- No clear introductions and summaries.
- Many complex tables and charts – on average 32 tables and 43 charts per document with little explanation of significance or priority.
- Performance usually reported by operational areas, not against organisational priorities, making it difficult to see which performance figures matter most.
- Ratings and performance targets were generally used in performance reporting, but risks and issues were often not allocated to specific owners.

3.7 The most recent performance packs for boards show improvements in presenting data, including clearer diagrams and fewer, less crowded pages. Senior managers use data better, to give assurance and for informed decision-making. This indicates better prioritisation of what data are needed to run the business effectively. While this is positive, it has taken over a year to get to this position.

Data production

3.8 A central performance unit now collects and presents data for boards, senior managers and operational staff. The performance unit has staff embedded in the business to understand what information is needed to monitor performance effectively. Despite this, there are barriers to accessing reliable data. Legacy IT systems within UK Visas and Immigration and Immigration Enforcement mean data extraction is a laborious and manual process. Simple requests for analysis can take weeks to produce.

⁸ Comptroller and Auditor General, *The UK Border Agency and Border Force: Progress in cutting costs and improving performance*, Session 2012-13, HC 467, National Audit Office, July 2012, p17.

Figure 16

Executive and management boards and committees covering immigration and border operations

Committee/board	Part of the business covered	Who participates	Frequency of meetings	Examples of issues covered
Executive management board	The whole Department	Permanent secretary, all directors general, chief operating officer, non-executive directors	Weekly	One of operations, policy, business support functions or quarterly review is covered each week
Border and immigration system strategic oversight board	UK Visas and Immigration, Immigration Enforcement and the Border Force	Permanent secretary, directors general	Monthly	Monthly performance of the whole immigration and borders system
Border strategy board	UK Visas and Immigration, Immigration Enforcement and the Border Force	Directors general, immigration systems oversight team, other government department representatives, senior managers	Monthly	Cross-cutting border and immigration issues, such as security, intelligence, risks, migratory flows
UK visas and immigration board	UK Visas and Immigration	Director general, directors, representatives from Immigration Enforcement	Monthly	People, performance, business plans, financial planning
Immigration enforcement executive board	Immigration Enforcement	Director general, executive directors and non Immigration Enforcement directors	Monthly	Strategy, performance, risks, assurance, finance and workforce planning
Change board	Immigration Enforcement	Senior managers leading change projects, stakeholders	Monthly	Transformation and IT programmes, associated boards and programmes such as UK Visas and Immigration change board
UK visas and immigration executive committee	UK Visas and Immigration	Director general, directors	Weekly	Review performance pack and other papers in advance of the weekly performance meetings chaired by the Minister and take decisions on key issues

Figure 16 *continued*

Executive and management boards and committees covering immigration and border operations

Committee/board	Part of the business covered	Who participates	Frequency of meetings	Examples of issues covered
Change committee (sub-group of UK visas and immigration executive committee)	UK Visas and Immigration	Director of change and performance, senior managers	Monthly	Steer and deliver change projects
Customer committee (sub-group of UK visas and immigration executive committee)	UK Visas and Immigration	Customer, performance and change director, senior managers	Monthly	Consider surveys, data and dashboards relating to customer satisfaction, customer service accreditation, the customer charter
Quality assurance committee	UK Visas and Immigration	Directors, internal audit, pre-inspection lead, performance and compliance unit lead, chief inspector	Quarterly	Quality of service and decision-making, management controls, internal and external scrutiny
Security committee	UK Visas and Immigration	Representatives from all main business areas, immigration intelligence	Monthly	Review implementation of security strategy, take action against identified security risks

Source: Department documentation

Figure 17

Summary statistics for a sample of 12 performance packs, November 2012 to May 2014

	Average for the 12 packs	Highest value	Lowest value
Page length	36	127	2
Number of tables	32	90	2
Tables per page	2	5	1
Number of graphs or charts	43	137	5
Graphs or charts per page	4	11	1

Note

1 Figures are rounded to the nearest whole number.

Source: National Audit Office analysis of Department performance packs

Change management

3.9 Separating the Agency into two directorates risked worsening silo working, which characterised the Agency's operations. Staff, however, say that having defined hand-offs between the different parts of the business has clarified when their part of the process ends and where they should pass cases on. However, there is still more to be done to ensure staff understand responsibilities for specific processes.

3.10 Senior management in the two directorates are beginning to translate the objectives for each into delivery plans. In both directorates this level of clarity has not reached the frontline consistently. There is some encouraging evidence from the permanent migration team, which has translated UK Visas and Immigration's three strategic principles into practical actions. It has also segmented its customers and can alter productivity targets for staff dealing with case types. Elsewhere we saw limited change at the frontline.

3.11 The directorates have started analysing their business models and processes to improve efficiency and productivity. UK Visas and Immigration has a change board; a director of performance, change and customer insight; and a continuous improvement team of ten people. Immigration Enforcement does not have a consistent approach to process improvement. Although there are pockets of activity, such as rolling out a tracker system to monitor cases through enforcement. Without a consistent approach to improvement, it is impossible to know which projects will most benefit the business. Asylum, in common with other business areas, has its own change functions. Previously, staff did not have templates for refusal and grant letters. Recently, consistency was improved through the creation of new templates for these letters.

3.12 Senior managers have started to look at border and immigration as a whole system, but this is not yet reflected in operations. The UK Visas and Immigration team in Sheffield interviews all students when they apply. Border Force then interviews them again when they enter the country.

Implementing the new Immigration Act

3.13 Most of the new Immigration Act comes into force in October 2014. The Department is now considering how it will implement the Act. For example, UK Visas and Immigration predict there will be a rise in asylum claims when the Act comes in. It has done some scenario planning for how it will deal with this, identifying possible consequences such as claims, falling out of the six month service standard, the need to use hotels if initial accommodation becomes full and using staff from other parts of the directorate, which could result in reduced services within those areas and possible income reduction.

3.14 Implementation of the Act involves a number of other departments. The Department has established a cross-government Immigration Act implementation board and senior responsible owner. It has a clear idea of time scales and risks. For example, coordinating the Immigration Act was rated as amber in the April 2014 UK Visas and Immigration performance pack. Concerns raised include the state of readiness, challenging timescales and a lack of funding. Recent high-level plans for sham marriages and changes to appeals show the Department's proposed phased introductions to allow it to test assumptions and make changes where necessary, before rolling out. Implementing some aspects relies on successfully completing planned IT improvements, for example, the Biometric Residency Permit Programme, which will allow the Department to regulate migrant access to services.

Culture

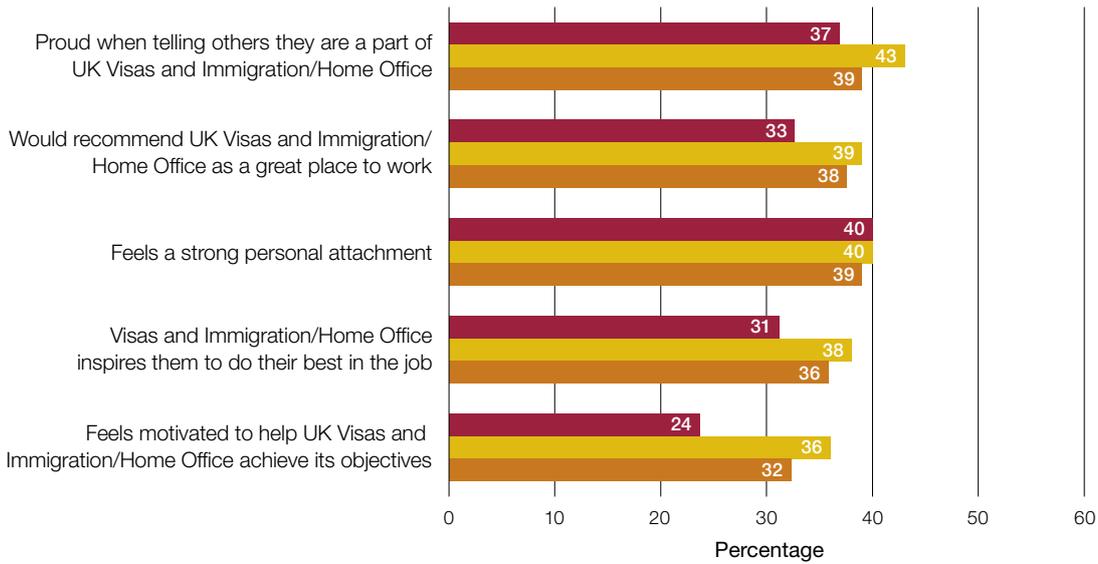
3.15 The Agency's culture was characterised by low morale and fear of raising bad news. As a result, issues were not dealt with quickly and senior management often only knew of problems when they became crises. Senior management in UK Visas and Immigration and Immigration Enforcement told us how they are trying to foster an open and honest culture. Senior officials are now more visible to those working on the frontline and internal communications have improved. However, having a transparent culture was rated as red on the UK Visas and Immigration risk trends in April 2014.

3.16 We examined staff survey results from the Department-wide 2013 people survey. These show that only 34 per cent of people in UK Visas and Immigration and 29 per cent in Immigration Enforcement agreed that it was safe to challenge working practices. However, staff we spoke to in 2014 appeared more positive about their individual line managers' receptiveness to their suggestions.

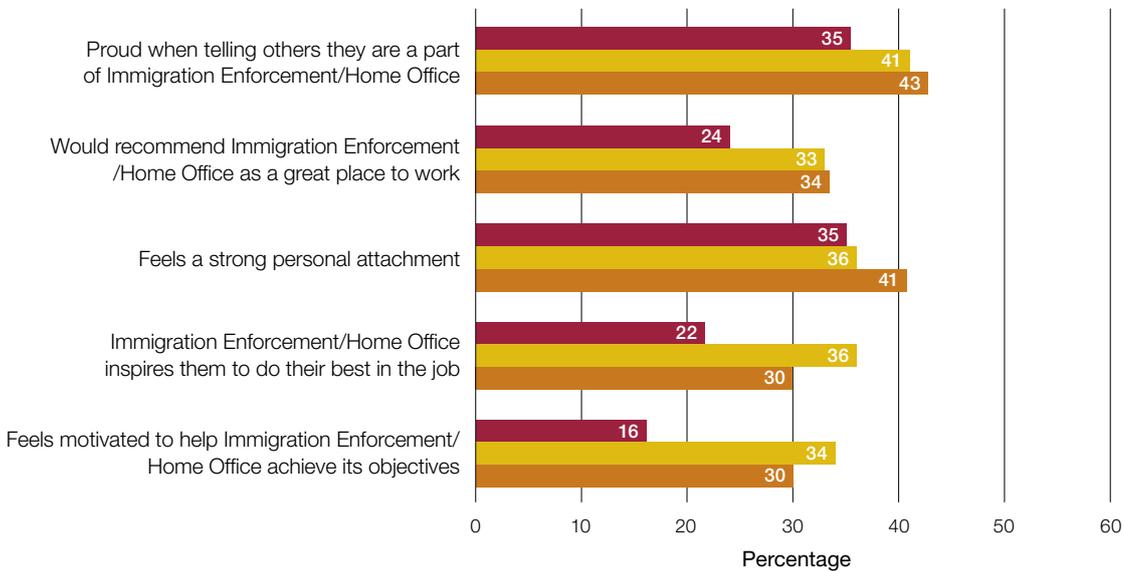
3.17 While it has improved since the Agency was dissolved, staff engagement and morale in the directorates remains low (**Figure 18** overleaf). The January 2014 staff survey found just over 20 per cent of staff in UK Visas and Immigration and Immigration Enforcement were more positive about their work than three to six months ago. And 34 per cent felt the Department inspired them to do their best. The earlier October 2013 Department-wide survey showed UK Visas and Immigration and Immigration Enforcement scoring lower than the civil service average, when asked if they were proud to tell others where they worked. The directorates scored lower by 13 and 15 per cent respectively.

Figure 18
Morale in the directorates

Morale in UK Visas and Immigration



Morale in Immigration Enforcement



- July 2013
- October 2013
- January 2014

Note
1 The 2013 people survey gathered opinions from 4,040 UK Visas and Immigration staff and 2,016 Immigration Enforcement staff. The July 2013 and January 2014 surveys respectively sampled 334 and 254 staff in UK Visas and Immigration and 282 and 194 staff in Immigration Enforcement.

Part Four

Central support to directorates

4.1 To achieve positive outcomes and impact, UK Visas and Immigration and Immigration Enforcement need central enabling functions to work well, to support them. These functions now sit in Home Office's (the Department's) corporate centre.

Resourcing

4.2 The resource budgets for the directorates differ, reflecting the fact that UK Visas and Immigration collects a significant income stream from its visa operations (represented as a negative budget in **Figure 19**). Outturn against the 2013-14 resource budgets shows UK Visas and Immigration on budget overall, because they exceeded an income target that was increased in year, cancelling out a £6 million overspend. Immigration Enforcement underspent by £2 million. While some underspends, such as failure to fill staff vacancies, could have been prevented, it may have been impossible to predict higher demand for asylum support when setting budgets.

Figure 19
2013-14 resource budget and outturn in the directorates

Directorate	2013-14 budget (£m)	Outturn (£m)	Reasons for over or underspend
UK Visas and Immigration	-253	-253	The most significant variances are a £12.4 million increase in asylum support expenditure and £9 million underspend due to unfilled staff vacancies.
of which income	1,054	1,061	
of which expenditure	801	807	
Immigration Enforcement	440	438	£2 million underspend due to unfilled staff vacancies, delays opening an immigration removals centre and less removals than planned.

Notes

- Income for UK Visas and Immigration does not include £44 million of excess income that the Department does not keep.
- The budget for UK Visas and Immigration includes an increase of £180 million to the income budget made in year.

Source: Department Annual Report and Accounts, 2013-14

4.3 The Department's gross budget for immigration and border operations is £1.8 billion for 2014-15, 40 per cent of the total Department budget, excluding police grants. Resource budgets for 2014-15 in the two directorates show a reduction of £36 million to £765 million compared to the previous year in UK Visas and Immigration's budget, and an increase of £4 million to £444 million in Immigration Enforcement (**Figure 20**). The Department must cut its overall budgets for 2015-16, in line with central government spending reduction plans. The Department has started its planning for this. However, we have not seen enough evidence that the Department's financial management and planning will ensure all savings do not impact negatively on delivery or performance improvement. Additional income was used, for example to clear backlogs, but the income target for UK Visas and Immigration in 2014-15 is £32.5 million less than the previous year, which may restrict further improvements.

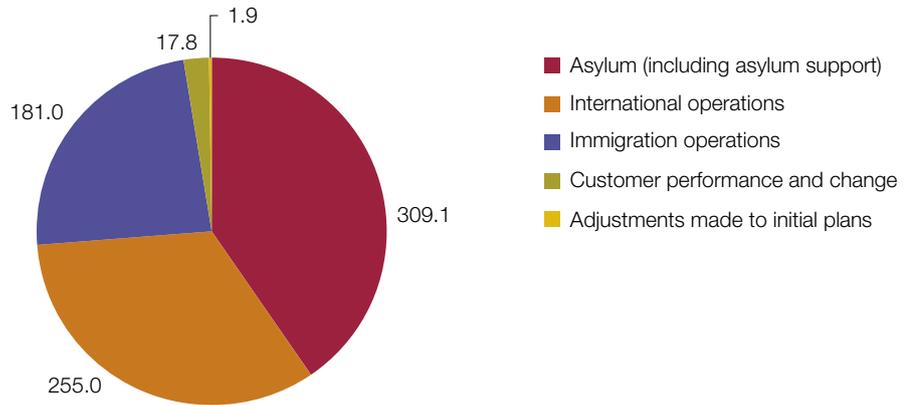
People

4.4 Total staff numbers in the Department (including the Agency before the split) fell from a high of 32,186 in April 2010, to 27,704 in March 2013, but increased slightly again to 29,009 in January 2014. UK Visas and Immigration, Immigration Enforcement and Border Force operational staff comprised 69 per cent of the Department's total staff in January 2014, emphasising the scale of the work they do. In January 2014, there were 12,245 staff in UK Visas and Immigration (7,548) and Immigration Enforcement (4,697), compared to total Agency staff of 13,139 in March 2013, just before its break-up. Overall, there has been little change in operational staff numbers since the Agency split.

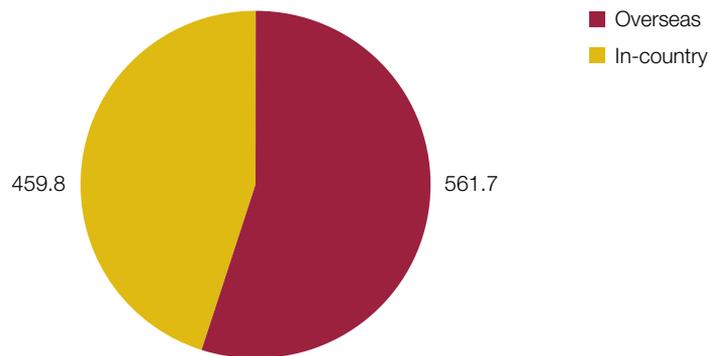
4.5 The Agency's workforce planning was weak and, although some work is being done, there is little evidence of improvement. Neither UK Visas and Immigration nor Immigration Enforcement has an organisation-wide understanding of the capabilities and capacity it needs to meet its objectives and live within forthcoming budget reductions. The Department has a skills plan for 2014-15 focusing on consistent competence and setting out actions for different parts of the business. However, this is not linked to a workforce plan for where those skills will be needed and when to meet priorities.

Figure 20
2014-15 budgets for the directorates (£m)

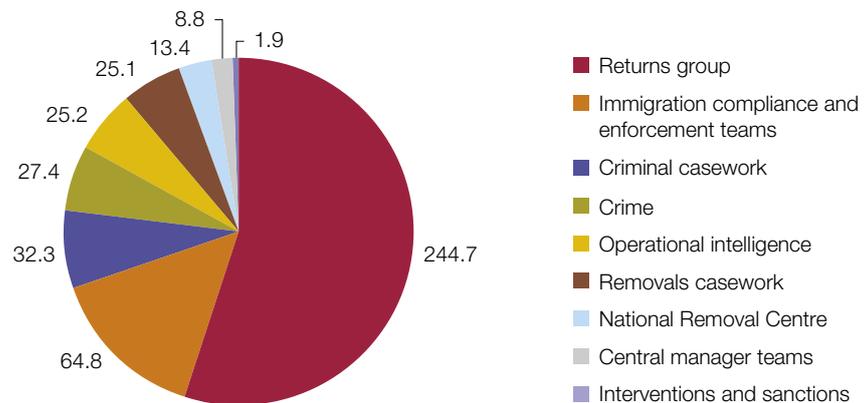
Visas and Immigration budget, 2014-15



UK Visas and Immigration Income target, 2014-15



Immigration Enforcement budget, 2014-15



Note

1 Adjustments made to initial plans in UK Visas and Immigration were £3.9 million for the Office of the Immigration Services Commissioner moved to the Immigration and International Policy Group, which was offset by £5.7 million of funding UK Visas and Immigration hold centrally.

4.6 The Department increasingly recognises that staff need to be multi-skilled to meet changing demand in different parts of the business. There are some signs that staff flexibility is improving:

- **Staggered hours**

These allow directorates to use their estate better. For example, there are three daily shift patterns for the European team in permanent migration in Liverpool.

- **Flexible contracts**

More shift-working staff are on flexible contracts; 74 per cent of Immigration Enforcement and 58 per cent of UK Visas and Immigration shift-working staff.

- **Moving staff**

The permanent migration team meet demand fluctuations by moving people between parts of the process to prevent bottlenecks.

- **'Red team'**

A pool of 20 staff with generalist training that can move to any part of UK Visas and Immigration at short notice, although it has not been used yet.

These positive signs are yet to feed into performance improvements, such as reduced processing times for applications.

4.7 UK Visas and Immigration has altered the staffing mix in some areas to reflect changes to its business model. For example, the grade for Premium Service Centre caseworkers has been upgraded from administrative officer to executive officer. This allows them to sign off their own casework without needing senior caseworker intervention. This cuts out a stage in the process for simpler cases, improving efficiency.

4.8 There was a similar attempt to change the grade mix in asylum by changing caseworkers at higher executive officer grade to executive officer grade to reflect a reduction of responsibility in their role. However, those responsible did not implement this well. As a result, 120 higher executive officers left before replacement staff could be recruited, resulting in significant understaffing. A subsequent drive to recruit 120 caseworkers is now near completion. This lack of staff hindered the asylum team's ability to clear its backlog of outstanding decisions and keep up with new cases.

Information technology

4.9 IT applications that support UK Visas and Immigration and Immigration Enforcement have remained largely unchanged since we reported in 2012. We saw examples of IT improvements, such as online applications for some visa types. But both directorates still rely heavily on complicated legacy IT, with multiple systems and limited integration. This is a significant barrier to sharing information between teams within and between the directorates.

4.10 A 2006 Department review⁹ identified a need for an electronic case-working system. This would provide ‘a single view of the customer’, replacing the current fragmented systems that do not talk to each other. In 2010, the Agency developed a business case for a flagship IT programme called Immigration Case Work (ICW). ICW was designed to draw together all casework interactions between the business and a person. This would enable caseworkers to gain a single accurate view of the person applying, promoting efficiency and improving quality and accuracy of casework decisions.

4.11 ICW was expected to replace both the legacy Casework Information Database (CID) and 20 different IT and some paper-based systems by March 2014. It consisted of three main components encompassing applications, decisions and a search facility. Delays and problems with the programme meant all three components were only delivered for student visas. The search function is used across the business and some application types use the online application facility. The programme was closed in August 2013, delivering significantly less than planned for £347 million.

4.12 Caseworkers, therefore, still rely on the legacy CID system, which is the main case-working and operational database used to record personal details of people who pass through the immigration system. Significant problems with CID include:

- A lack of controls mean staff can leave data fields blank or enter incorrect information. We saw examples of errors in different teams we visited.
- A history of systems freezing and being unusable. The Department invested in improving resilience of the system over the last year, reducing this problem.
- Lack of interface with other systems, resulting in manual data transfer or cross-referencing.

4.13 The Department has begun a new programme, Immigration Platform Technologies (IPT), to address legacy IT issues and improve performance and efficiency. IPT is due to cost £208.7 million by 2016-17. The programme is using an ‘agile’ approach focusing on smaller faster projects to give incremental improvements. A tool for online applications for some types of visa has already been rolled-out and is being updated using applicant feedback. However, support contracts for CID expire in January 2016, before the scheduled completion of IPT in 2017. The Department is reviewing options for support contracts to cover this gap.

4.14 Both directorates rely heavily on paper-based working. The Permanent Migration team is 100 per cent paper-based and acknowledge this as a barrier to efficiency. When we visited the team, we saw staff transferring a paper application to a separate paper file and also entering the same details on to CID. UK Visas and Immigration has a strategy outlined in its 2014-15 delivery plan to go paperless, but this is a long way from delivery.

9 Home Office, *Fair, effective, transparent and trusted – Rebuilding confidence in our immigration system*, July 2006.

Management information

4.15 Management information is the ongoing data that operations staff need to run the business effectively. Directorates capture and use management information, but management information covering the whole immigration system is limited. For example, Immigration Enforcement cannot provide data to UK Visas and Immigration on what has happened to cases they have passed over. There are plans to track this information, but they are not in place.

Data quality

4.16 A robust quality assurance framework is essential if data are to be reliable, for management or reporting. UK Visas and Immigration and Immigration Enforcement recently reviewed a random sample of cases on CID for any errors, although this is not a regular exercise. These checks highlighted several issues (**Figure 21**): 34 per cent of sampled asylum cases did not have the minimum expected data at the decision stage. In removals, 84 per cent of cases did not have minimum data entered when barriers to removal had been concluded.

Decision quality

4.17 The Department gathers internal reports on quality of decision making in UK Visas and Immigration. These show that 48 per cent of asylum decisions in quarter four of 2013-14 were weak. Between January and March 2014, 44 per cent of immigration and asylum decisions that went to appeal were overturned. UK Visas and Immigration aims to have a new decision quality framework in place by March 2015. The Department is designing this framework to standardise how it reviews and reports decisions, and their quality, across the directorate, and give an external review framework.

Forecasting demand

4.18 UK Visas and Immigration use forecasts from the Department's central science team to help them plan for how many types of visa application are expected. These forecasts are updated annually, working with colleagues in UK Visas and Immigration. The Department needs accurate forecasts to plan how many people it needs in each team and the amount of work required to meet demand.

4.19 The Department considers acceptable forecasts that are plus or minus 10 to 15 per cent the actual number of applications figure. Overall, this was achieved in 2013 at the combined levels of permanent and temporary migration and asylum. There was more variation within these groups and by month, making planning for individual teams harder (**Figure 22** on page 50). The Department told us contributory factors such as international events and short-term responses to policy changes are difficult to predict with certainty.

Figure 21

Casework Information Database (CID) data quality, April 2014

	Percentage of cases sampled that had data quality issues (%)
Asylum	
Minimum data not entered on CID at the application stage of the process	31
Interview not closed on CID	7
Decision not served on CID	41
Minimum data not entered on CID at the decision stage of the process	34
Failure to set up the six standard events for an asylum claim on CID	34
Removals	
Minimum data not entered on CID when a case accepted into removal process	42
Minimum data not entered on CID when a case was tasked for removal	38
Minimum data not entered on CID when removal barriers had been concluded	84

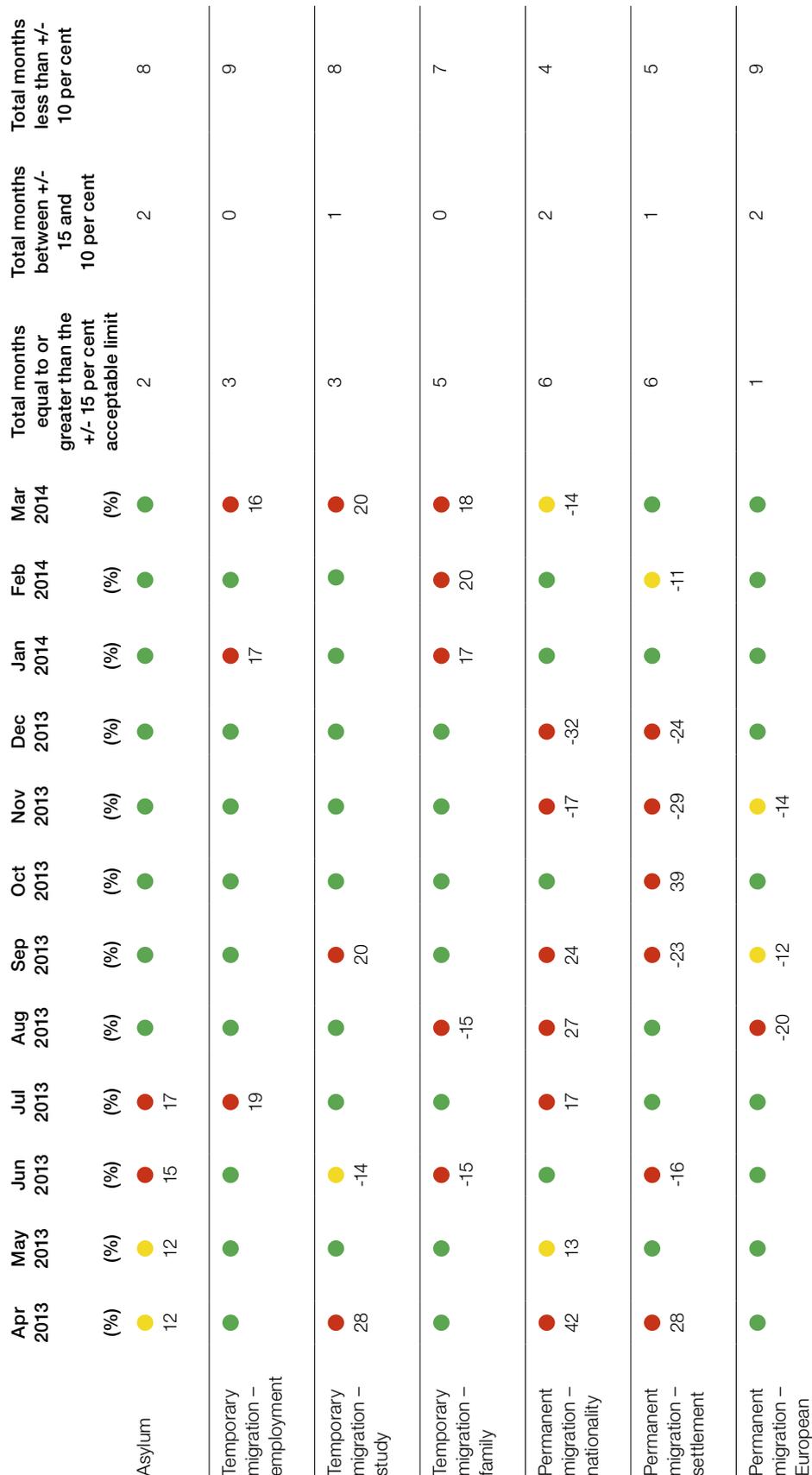
Note

1 Samples are random and vary by data quality check. For asylum the sample size ranged from 459 cases to 1,893, while for removals the range was 16 to 366.

Source: National Audit Office analysis of Department data

4.20 Monthly forecast and actual figures covering 2013-14 reported in UK Visas and Immigration's February 2014 performance pack did not match the forecast and actual figures held centrally by the Department's science team. During the year forecasts were updated and the basis of reporting actual figures changed. Neither change was clear in either document and could only be discovered through talking to those involved. This raises concerns that the Department does not have a clear single version of the truth.

Figure 22
Monthly accuracy of forecasts, 2013-14



Notes

- 1 Red boxes show applications that are equal to or greater than plus or minus 15 per cent, compared with forecast numbers. Amber boxes show applications between plus or minus 10 to 15 per cent, compared with forecast numbers. Green boxes show applications plus or minus 10 per cent or less, compared with forecast numbers.
- 2 The months shown covers two forecasting periods. The latest forecasts commenced in August 2013 for asylum and September 2013 for the others.

Source: National Audit Office analysis of Department data

Appendix One

Our audit approach

1 This study examined whether the Home Office's (the Department's) structural changes to its immigration functions have improved value for money through better delivery and management. In particular we reviewed the following:

- The directorates' performance, quality and financial targets, and whether they were meeting them.
- How the Department was developing its business model for UK Visas and Immigration and Immigration Enforcement, and the wider immigration system. This included whether they had streamlined processes and whether they had the right IT to support the chosen business model and improve performance.
- Whether information was high quality and comprehensive, and how directorates used it to measure performance. We also looked at how the directorates used information to predict future demand and allocate resources.
- Whether the directorates had the right people with the right skills in the right place.
- Whether the directorates and other areas involved with the immigration system had appropriate governance and accountability structures in place.

2 Our analytical framework was based on how the Department was implementing the recommendations of the Committee of Public Accounts and the National Audit Office report on cost reduction in the UK Border Agency and Border Force, and whether it was improving the problem areas that the Home Secretary identified, when abolishing the UK Border Agency. We also applied a formal process management toolkit, which benchmarked process management maturity in the organisation (for both UK Visas and Immigration and Immigration Enforcement) and for three selected business processes. We have not concluded on the directorates' international operations or handling of appeals, as this is outside our scope.

3 Our audit approach is summarised in **Figure 23** overleaf.

Figure 23**Our audit approach****The government's objective**

Following the abolition of the UK Border Agency (the Agency) in March 2013 the Department has been directly responsible for the administration of the UK's immigration and border operations. It aims to ensure an efficient flow of people and goods through the system, while working towards its overall target to reduce net migration.

How this will be achieved

The Home Secretary cited four main factors driving the decision to abolish the Agency and bring its functions back into the Department: the large size of the Agency resulting in conflicting cultures and a focus on crises at the expense of other important work; the lack of transparency and accountability; inadequate IT systems; and the policy and legal framework within which it operated. Two new directorates were created to replace the UK Border Agency, both with different strategies and objectives. UK Visas and Immigration is a customer-focused organisation that manages applications to enter the UK, while Immigration Enforcement identifies and removes those in breach of immigration laws. Together with a third directorate, Border Force (which split off from the Agency in 2012), these directorates manage the UK's immigration system and border. The support functions of the Agency were moved into the Department's central corporate teams.

Our study

Our study examined whether the Department has improved value for money in the delivery and management of its immigration functions through the structural changes it has made since our 2012 report.

Our evaluative criteria

Have the directorates improved performance and met key performance and savings targets?

Do the directorates have good quality data and are they using it to manage their business effectively?

Have the directorates developed their operating model, developed their IT and streamlined processes?

Do the directorates have the right people with the right skills in the right places?

Do the immigration areas have appropriate governance and management structures in place?

Our evidence base
(see Appendix Two for details)

We assessed performance by:

- analysing performance and financial data;
- reviewing internal reports; and
- interviewing senior staff.

We assessed data by:

- carrying out analysis of original datasets;
- interviewing data experts; and
- reviewing data quality reports.

We assessed models by:

- reviewing documents;
- interviewing staff and visiting three front line units; and
- NAO process management experts did a review.

We assessed staffing through:

- review of key documents;
- interviewing staff and visiting three front line units; and
- examining data, including survey results.

We examined management by:

- reviewing organisational plans and strategy documents;
- interviewing senior staff; and
- assessing board reports.

Our conclusions

Since the break-up of the Agency the new UK Visas and Immigration and Immigration Enforcement directorates have been able to focus on their specific roles within a wider end-to-end system. Problems within the business are clearer as a consequence, with plans in place to address known issues and deal with matters earlier. Despite this progress there remains a lot of work to do to improve the efficiency of processes, the capability of staff and the quality of data and IT systems. Some areas, such as the IT landscape, remain real concerns. Overall, to achieve value for money in the delivery of its immigration functions the Department will need to demonstrate sustained performance across these operations, while improving services, and develop a convincing plan for achieving this on reducing budgets.

Appendix Two

Our evidence base

1 We reached our conclusions, after analysing evidence we collected between March and June 2014. Our audit approach is outlined in Appendix One.

2 We assessed whether the organisational changes had led to improved performance and whether the directorates had met key performance and savings targets. We assessed this by doing the following:

- Analysing performance data on cases handled (permanent migration, temporary migration and asylum) and activity (removals, administrative data). We identified issues with data quality that we raised with the Home Office (the Department), cross-checking with other sources and discussing with the Department's data experts.
- Reviewing internal documents, including management reports and progress updates. In total we carried out a systematic review of over 200 separate documents (to support this and other areas of our examination).
- Carrying out over 30 semi-structured interviews with senior staff from the key directorates involved in delivering or supporting the Department's immigration functions. We interviewed staff from: UK Visas and Immigration; Immigration Enforcement; Border Force; Human Resources; Home Office Science; and the Performance and Policy Units.

3 We examined whether the directorates had good-quality data and how they were using it to manage their business effectively. We assessed this by doing the following:

- Analysing original datasets and carrying out our own cross-checks of data we received.
- Carrying out semi-structured interviews with the Department's data experts to assess data quality, the internal quality assurance frameworks and identify issues.
- Reviewing the directorates' own data-quality assessments.
- Our process management team independently reviewed the maturity of business processes in UK Visas and Immigration and Immigration Enforcement, and three separate frontline delivery processes (asylum, enforcement and student visas).

4 We assessed how the directorates have developed their operating models, developed their supporting IT infrastructure and streamlined their individual business processes. We assessed business models by doing the following:

- Reviewing internal documents, including organisational plans and strategies, agendas and minutes of key management meetings, business cases for key projects (including Immigration Case Work and Immigration Platform Technologies business cases) and progress updates for key initiatives.
- We carried out semi-structured interviews with staff involved with developing, supporting and improving business processes.
- Following discussions with the Department we identified three frontline teams to visit: assisted voluntary returns, Premium Services Centre and the permanent migration team. At each location we walked through the business end-to-end and observed the process in action. We also interviewed staff delivering each stage of the service and reviewed key documentation.
- Our process management team independently reviewed business processes in UK Visas and Immigration and Immigration Enforcement, and three separate frontline delivery processes (asylum, enforcement and student visas). This assessment involves assessing individual processes in five different areas (strategy, information, people, process, and improvement).

5 We assessed whether the directorates have the right people with the right skills in the right place. We assessed staffing by doing the following:

- Reviewing relevant documents such as staffing strategies and plans, assessments of skills requirements and strategies to develop them.
- Carrying out semi-structured interviews with the central human resources team to discuss overall approach to managing staffing and capacity.
- On our visits to three front-line teams (see above) we asked staff at each location about their job, training and skills and support (including IT).
- Reviewing the Department's own staff surveys, carried out between July 2013 and January 2014. These anonymous surveys asked standard questions on engagement, skills and training, management and morale.

6 We examined whether the immigration areas in the Department have suitable governance and management structures. We examined management by doing the following:

- Reviewing organisational plans, organograms, high-level board reports, meeting minutes and strategy documents.
- Carrying out over 30 semi-structured interviews with senior staff from all the key directorates involved in delivering or supporting the Department's immigration functions. We interviewed staff from: UK Visas and Immigration; Immigration Enforcement; Border Force; Human Resources; Home Office Science; and the Performance and Policy Units.
- Our process management team independently reviewed business processes in UK Visas and Immigration and Immigration Enforcement, and three separate frontline delivery processes (asylum, enforcement and student visas). This assessment involved assessing individual processes in five different areas (strategy, information, people, process and improvement).

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