



National Audit Office




REPORT

Investigation into the performance of HM Passport Office

Home Office

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Report by the Comptroller and Auditor General

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of Commons in accordance with Section 9 of the Act

Gareth Davies
Comptroller and Auditor General
National Audit Office

2 December 2022

Investigations

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This investigation was prepared in response to public and parliamentary concerns over HM Passport Office's management of the surge in demand for passports in 2022.

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The National Audit Office study team consisted of:


Alice Hamilton, Caroline Harper, Oyeleke Olaoye, Natasha Pein and Zaina Steityeh, with the assistance of Martin Eade, Laura Grady and James Menkus, under the direction of Oliver Lodge.

For further information about the National Audit Office please contact:

National Audit Office
Press Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

 020 7798 7400

 www.nao.org.uk

 @NAOorguk

What this investigation is about

1 HM Passport Office (HMPO) receives around seven million passport applications every year, and in the years before the COVID-19 pandemic, demand was predictable. In 2020 and 2021, however, the demand for passports reduced significantly, as people chose to delay renewing or applying for new passports due to travel restrictions. HMPO estimated that around five million people had delayed applying for passports over the two years, and that these applications would return once restrictions were lifted.

2 The UK removed COVID-19 travel restrictions in early 2022, and passport applications began to increase. Between January and September 2022, HMPO received 7.2 million passport applications. About 95% of applicants received their passports within 10 weeks. However, some 360,000 applicants experienced longer waits, with possible consequences for their travel plans and their ability to prove their identity.

3 This investigation was prepared in response to public and parliamentary concerns over HMPO's management of the surge in demand for passports in 2022. It sets out the facts about how HMPO:

- planned for the surge in demand;
- managed the demand in 2022; and
- is learning lessons from its experience this year and planning for 2023 and beyond.

4 We have focused our analysis on HMPO's planning for the surge in 2022 and processing of applications up to September 2022. We have not looked in detail at HMPO's digital transformation programme, other than where interactions between the programme and operations have affected HMPO's ability to process applications.

Summary

Key findings

Preparing for the increase in applications

5 In 2021, HM Passport Office (HMPO) started detailed planning for the expected surge in passport applications. It had initially expected applications to increase in 2021 and had put in place plans to manage increased demand in that year but, as the pandemic continued through 2021, the surge in demand did not appear. HMPO used historical data, surveys, and insights from the travel industry to estimate the 'missing' demand from 2020 and 2021 that would return over 2022 and 2023. Its forecast suggested it could receive 9.5 million passport applications in 2022 – around 36% more than a normal year – and that at peak times it could receive 270,000 applications a week (compared with an average of 205,000 at its busiest period in 2019) (paragraph 2.2 and Figure 2).

6 HMPO prepared to manage a higher demand for passports in 2022 (Figure 4). Specifically, it:

- **increased recruitment.** However, it struggled to recruit people at the rate it needed. Between August 2021 and September 2022, HMPO's workforce increased by around 1,100, of which 200 were permanent employees and the rest were temporary. HMPO also recalled staff who had been seconded to work in other areas during the pandemic (paragraphs 2.10 and 2.11, and Figure 5);
- **worked with its suppliers to develop plans to increase capacity across the supply chain.** It held workshops with suppliers to outline the likely demand in 2022 and explore how this might affect supplier capacity in areas such as opening, scanning and returning documentation, and responding to customer queries. Suppliers provided HMPO with plans to deliver against the expected surge (paragraphs 2.8 and 2.9 and Figure 4); and

- **encouraged customers to apply for passports earlier.** However, these efforts had little impact until the middle of 2022. In April 2021, HMPO had changed its guidance for customers to allow up to 10 weeks to process an application (compared with three or six weeks in 2019, depending on the type of application). Throughout 2021 and 2022, HMPO sent SMS text messages to the public to remind them to apply earlier, but this had little impact on customer behaviour. In August 2021, HMPO started to develop an advertising campaign to reinforce this message and encourage customers to apply earlier to help smooth the peak. Part of its campaign needed approval from the Cabinet Office, which HMPO submitted in April 2022. Following discussions between the two organisations, it received approval in May. By June 2022, an HMPO-commissioned survey showed that 56% of people knew that a passport application could take 10 weeks or longer, an improvement from 29% in April 2022 (paragraphs 2.5 to 2.7).

Managing the increase in applications

7 HMPO's plans relied on its new digital system, but this had not been designed to handle the number of applications expected during the surge. The pandemic had delayed HMPO's completion of the digital system, and it could not yet handle all types of passport applications. At the peak in 2022, HMPO expected the system would need to handle up to 60,000 applications, which exceeded its capacity. To manage this, HMPO halted planned improvements to the types of passports it could process to focus on increasing its capacity, and it built a 'throttle' to control the flow of cases into the system (paragraphs 1.5, 1.6, 3.8 and 3.9).

8 Between January and September 2022, limitations in the digital system meant HMPO had to move 134,000 applications to the less efficient, paper-based system. The digital system does not allow applications to be prioritised or linked, for example for siblings whose applications rely on the same supporting documentation. In such cases, HMPO moved applications to the manual system. But weaknesses in HMPO's management information meant staff could not tell when a case had moved from the digital to the manual system. Therefore, the system recorded the true age of some applications incorrectly. Furthermore, HMPO trained many of its new staff to use the digital system, but as more applications moved to the paper-based system, which was more labour-intensive, HMPO needed more capacity to process these applications (paragraphs 3.9, 3.10 and 3.16).

9 Greater public awareness of delays increased demand, creating more difficulties processing a minority of applications. As news reports of delays reached the public, more customers tried to contact HMPO, increasing pressure on the provider of its telephone helpline, Teleperformance, which struggled to handle and resolve calls. To help manage demand for passports, HMPO opened more in-person appointments, which helped ease concerns for some customers, but took staff away from processing applications (paragraphs 3.15 and 3.16 and Figure 9).

10 HMPO responded to issues tactically as they arose. It resolved management information problems through workarounds, such as developing its own method of measuring the true age of applications. It introduced measures to prioritise applications where people were due to travel within two weeks. It added functionality to the digital system and retrained and redeployed staff to increase capacity to process paper-based applications and to deal with MPs' and customers' correspondence (paragraphs 3.8, 3.9 and 3.16 to 3.18, and Figure 3).

11 Despite these challenges, from January to September 2022, HMPO processed 6.9 million passports, 21% more than over the same period in 2019. While the total number of passport applications received was lower than HMPO had projected, there were considerable peaks in applications. Almost half of all applications received between January and September 2022 arrived between March and May 2022. This included receiving 1.26 million applications and processing more than one million applications in May alone. HMPO processed 95% of applications within 10 weeks, but some 360,000 applicants had to wait longer (paragraphs 3.2, 3.3 and 3.5, and Figures 6, 7 and 8).

12 By the end of September 2022, the average processing time for passports was 12 days for straightforward applications from within the UK and 29 days for non-straightforward applications. HMPO is identifying lessons and addressing known issues to prepare for a similar level of demand in 2023. This includes helping to prepare its suppliers, providing better options for customers that need support and continuing to develop its digital system so it can handle a wider range of applications (paragraphs 4.2 to 4.10 and Figure 8).

Concluding remarks

13 HM Passport Office both received and processed a record number of applications in 2022. While it put in place plans to help manage the expected surge in demand, and the majority of customers received a good service, a significant number did not. HMPO is committed to learning lessons from its experience this year, so it can better manage future spikes in demand. Based on the work we have undertaken and our experience of auditing operations across government, we would urge HMPO to focus on these areas:

- a Integrating workforce and demand planning.** HMPO expects a similar demand for passports in 2023, but it is possible that demand beyond this will also depart from historical trends, due to shifting behaviour and the fact that the very high numbers of passports issued in 2022 will expire at the same time. Where demand is less predictable and subject to greater variation, it becomes harder to manage in an economic and efficient way. HMPO will need to develop a resourcing model – within the wider Home Office – which allows flexibility during quieter or busier periods and across different application channels.
- b Managing customers and their expectations.** HMPO is already implementing plans to improve its handling of customer queries. Providing more regular updates to customers from the outset of the progression of their case could help avoid some of the telephone demand it receives. HMPO has also tried to influence customer behaviour to encourage earlier applications. As it continues to implement its digital transformation programme and reviews the cost of processing applications, there may be further opportunities to explore the impact differential pricing could have on demand.
- c Improving management information.** HMPO has extensive and detailed management information, but much of this takes time and effort to compile and presents a picture of performance from HMPO's perspective. Agile, customer-focused decision-making would be better supported by moving towards real-time information from the perspective of those applying for passports.