REPORT

Investigation into the performance of UK Security Vetting

Cabinet Office

Key facts

7%

the percentage of Developed Vetting (DV) clearances processed within UK Security Vetting's (UKSV's) 95-day target in April 2022 (as of November 2022 it was 54%)

15%

the percentage of Counter Terrorist Check/Security Check clearances processed within UKSV's 25-day target in September 2022 (as of November 2022 it was 36%)

255

the average number of days DV renewals clearances were taking to clear in November 2022 against a 200-day target

49%   increase in the number of DV clearances per month UKSV is completing in 2022-23 compared with the same period in 2021-22

11,700   number of DV clearances being processed by UKSV as of November 2022

1,145   full-time equivalent (FTE) headcount that UKSV estimates it needs in 2022-23, based on customer demand forecast

877   FTE headcount that UKSV had at November 2022, 23% under the estimated need

995   approved UKSV FTE headcount to March 2023, including 163 contingent labour and temporary staff from other government departments

£2.5 million   amount that Cabinet Office wrote off in its 2021-22 accounts due to a failed IT upgrade

What this investigation is about

United Kingdom Security Vetting

1   The Cabinet Office is responsible for national security vetting. United Kingdom Security Vetting (UKSV) is a business area within the Cabinet Office that delivers the service. Security vetting provides assurance on individuals working with government assets and classified information. UKSV provides vetting services for all government departments and a wide range of other public bodies, as well as some private sector industries such as the aviation industry, whose staff need clearance to work in airports.

2   There are several different types of vetting levels with the most common being Counter Terrorist Checks (CTC), Security Checks (SC) and Developed Vetting (DV). Since 2018-19, UKSV has received an average of 164,700 CTC and SC clearances and 17,900 DV clearances per year. DV clearance is the most complex and allows individuals access to more sensitive government information and assets than CTC or SC clearance. From 1 January 2022, UKSV also started processing Accreditation Checks, a new legislative requirement for those working in the airline industry. Just over 100,000 of these had been processed by the end of September 2022.

3   UKSV was established in January 2017, following a merger of previous vetting services by the then Foreign & Commonwealth Office and the Ministry of Defence (MoD). Following the merger, UKSV was part of the MoD, although security vetting policy was set by the Cabinet Office. We covered this merger as part of our September 2018 investigation into national security vetting which examined the reasons for poor performance levels across UKSV and the subsequent recovery plan.[1]

4   In April 2020 UKSV moved from MoD into the Cabinet Office, where it is part of the Government Security Group. As a result, the Cabinet Office has responsibility for all elements of security vetting, from operational delivery to policy. Some elements of the transition from MoD have not been fully completed and UKSV is still managing legacy elements of the transition. This includes reducing its reliance on MoD's IT infrastructure as well as opening its own enquiry centre as service enquiries were being routed through MoD.

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1   Comptroller and Auditor General, *Investigation into national security vetting*, session 2017-19, HC 1500, National Audit Office, September 2018.

5   The performance of UKSV deteriorated significantly in 2021-22 as demand for vetting increased with the easing of COVID-19 restrictions, particularly in the turnaround times for DV clearances. In January 2022, UKSV launched a recovery plan, called the delivery stabilisation plan. This is a short-term plan seeking to reduce backlogs and improve turnaround times for all clearance levels by focusing on streamlining processes and working more efficiently.

6   There have been multiple attempts both to improve performance and to modernise the vetting system since UKSV's inception in 2017. Its latest modernisation plan, launched in 2020, and known as the Vetting Transformation programme, aims to address the underlying systemic problems within vetting through a radical overhaul involving new systems, processes and policies. UKSV has been implementing the Vetting Transformation programme alongside continuing to transition from MoD to the Cabinet Office and the stabilisation plan.

7   This investigation follows on from our investigation into national security vetting in 2018, looking specifically at the role of UKSV. It examines:

• 	UKSV's performance levels;

• 	the causes of poor performance and what progress UKSV is making in addressing them; and

• 	how UKSV is seeking to modernise and reform security vetting.

8   This investigation does not look at the effectiveness of security vetting in acting as a deterrent and in preventing malign individuals getting access to sensitive government information and assets. It also does not seek to assess any operational impact on government departments that may be related to the timeliness of clearances.

Summary

Key findings

Performance levels

9   In every month since August 2021, United Kingdom Security Vetting (UKSV) has fallen short of its targets for routine Counter Terrorist Checks and Security Checks (CTC/SC) and Developed Vetting (DV) clearances, with performance falling to its worst ever level since it was created in 2017. UKSV's two main performance indicators for routine clearances are to complete 85% of CTC/SC clearances in 25 days, and to complete 85% of DV clearances within 95 days. UKSV's processing of CTC/SC clearances last met the target in July 2021 and fell to a low of 15% of clearances cleared in 25 days in September 2022. For DV clearances, UKSV last met its target in May 2021 and performance fell to just 7% of clearances completed within 95 days in April 2022. Customers can request UKSV to prioritise up to 3% of their clearance requests for faster turnaround times. UKSV has been consistently closer to reaching its target level for these priority clearances. Since it reduced the target slightly in April 2022, it is now meeting it consistently (paragraphs 1.4, 1.5 and 1.9 and Figures 2 and 5).

10   Nearly one-third of DV clearances in 2022-23 have taken more than 180 days to process, almost double UKSV's 95-day target, and backlogs exist. For customers this means that nearly one-third (30%) of DV clearances will take more than half a year to process – delays mean individuals cannot fully take up their new positions. By comparison, during 2019-20 less than 4% of DV cases took more than 180 days. For SC clearances, the checks are quicker and less onerous, but there is also a shift towards longer processing times, with 72% of clearances taking longer than 25 days in 2022-23. Alongside longer processing times, backlogs have developed for both DV and CTC/SC clearances. For DV clearances, the total number of clearances in hand peaked at 14,600 in June 2022 and for CTC/SC total clearances in hand were 27,900 in November 2022. We calculated that this is 9,900 more DV and 16,600 more CTC/SC clearances than UKSV might expect to hold if it was meeting its targets (paragraphs 1.6 and 1.7 and Figures 3 and 4).

11   UKSV is also failing to meet its target for providing aftercare checks on DV clearances. These checks take place between the initial clearance and a full renewal that should take place seven years later, with the aim of capturing any changes in circumstances that might impact on the clearance. These checks can either be scheduled or unscheduled if a need arises. UKSV aims to complete 85% of scheduled aftercare checks within 95 days but has failed to meet that target since the start of 2018-19. It has also failed to meet its target for unscheduled checks, although the volume of these is far lower than for scheduled checks (paragraph 1.9 and Figure 6).

12   UKSV's performance has been affected by a range of issues:

● Customer demand rose sharply in 2021-22 as the employment market recovered from the COVID-19 pandemic, with DV requests increasing by 57% and CTC/SC requests increasing by 60%. For both DV and CTC/SC requests, actual demand was higher than customer forecasts in 11 out of 12 months (paragraph 2.4 and Figure 7).

● UKSV is under-resourced to meet customer demand forecasts. At the start of 2021-22 it had a shortfall of 316 (32%) compared with the 985 it estimated it needed, and despite additional recruitment in that year was still 237 short by the end of 2021-22. Additionally, 10% more of UKSV's staff are currently allocated to non-core delivery tasks compared with 2019-20 (paragraph 2.9 and Figure 9).

● The IT system UKSV uses to process cases is old and unstable, with regular outages that slow down and stop the clearance process for extended periods (paragraph 2.13).

How UKSV is attempting to recover performance

13   Since July 2022 UKSV has sought to defer demand by extending some DV clearances that are due for renewal, to allow it to prioritise clearing a backlog in new DV clearances. Prioritising new DV clearances has been a key component of the delivery stabilisation plan that UKSV launched in 2022 to attempt to recover performance. Existing DV clearances are normally reviewed after seven years to ensure that individuals' circumstances have not materially changed and that the initial clearance remains valid. In April 2022, the Government Security Steering Group directed UKSV to extend all DV renewals. UKSV therefore extended them by 12 months from 1 July 2022, apart from high-risk exceptions. This has helped UKSV to reduce its DV backlog from 14,600 in June 2022 to 11,700 in November 2022, with 1,200 of this reduction due to extending renewals. Both UKSV and its customers recognise that this deferral decision carries security risks particularly as it is not the first time that renewals have been extended (paragraphs 2.2, and 2.5 to 2.7).

14   Prioritising new DV clearances rather than renewals has extended the clearance times for those renewals already in the system. When choosing to prioritise new clearance requests UKSV recognised that it was making a trade-off with performance on other clearances it was processing. It introduced a new 200-day target for renewals in April 2022 rather than the previous 95-day target for these cases. The focus on new DV clearances has seen the average clearance time for those cases fall from 177 days in April 2022 to 98 days in November 2022 against a target of 95 days. However, for renewals, the average clearance time has increased from 190 days in April 2022 to 255 days in November 2022, exceeding the revised 200-day target (paragraphs 2.6 and 2.7 and Figure 8).

15   UKSV is balancing its recovery efforts with responding to other external events such as the war in Ukraine. In addition to the 3% of clearances that customers can request to be prioritised, UKSV has been separately fast-tracking any clearance request that is necessary as part of the UK's response to the war in Ukraine. It also chose to offer prioritisation to all CTC clearances for civil aviation security to help ease difficulties that were being experienced across UK airports earlier in 2022. To date in 2022-23, UKSV has prioritised 13.2% of all CTC/SC clearances and 4.9% of all DV clearances rather than the 3% commitment it offers customers (paragraph 2.8).

16   UKSV has increased its staff resources in 2022-23 to try to recover performance but is required to make efficiencies by March 2023. By November 2022, UKSV had increased its full-time equivalent (FTE) headcount number to 877 but was still 268 FTEs (23%) short of the 1,145 FTEs it assessed it needed, based on customer demand forecasts for 2022-23. The Cabinet Office approved a headcount of 832 FTEs for UKSV to the end of March 2023, plus an additional 163 contingent labour and temporary staff from other government departments, giving a total of 995. UKSV anticipates that the remaining shortfall of 160 FTEs will be met through efficiencies and automation of processes coming out of its delivery stabilisation plan (paragraph 2.10).

17   UKSV's stabilisation plan has helped it increase the number of DV clearances it is processing in 2022-23. Alongside prioritising clearances and short-term increases in capacity, the stabilisation plan has focused on increasing productivity, and automating and enhancing existing IT systems. These measures enabled UKSV to complete 49% more DV clearances in 2022-23 than in the same period in 2021-22 as it works through the 57% increase in demand from 2021-22. UKSV is recording increasing numbers of DV cancellations in 2022-23 as individuals drop out of the DV clearance process as they secure alternative jobs. UKSV also completed 12% more CTC/SC clearances in 2022-23 than in the same period in 2021-22 (paragraphs 2.2, 2.4 and 2.11, and Figures 10 and 11).

UKSV's ambition to reform vetting

18   UKSV has had multiple attempts to modernise the vetting system and does not currently expect to complete its reforms until 2024-25 at the earliest. Efforts to modernise vetting policy and processes were included within UKSV's Vetting Reform programme launched in 2019. It rebranded this as the Vetting Transformation programme in 2020 and promised to deliver a full programme of reform, including modernising the IT infrastructure, by March 2023. Two and a half years later, UKSV has yet to get Cabinet Office approval for the full business case for the Vetting Transformation programme and progress has slowed as UKSV chose to prioritise its recovery plan and the legacy transition from the Ministry of Defence (MoD). It now expects to complete the transformation programme by 2024-25 at the earliest (paragraphs 3.3, 3.8, 3.10 and 3.12, and Figures 13 and 14).

19   UKSV has been unable to secure approval for its Vetting Transformation programme business case because the Cabinet Office is concerned about the deliverability of the programme and its achievability. Following its initial funding approval for modernising the IT system, the Cabinet Office's Approvals Board has subsequently only granted the minimum amount required to extend IT developer contracts for between three and six months on several occasions, and in December 2022 it approved £9 million for UKSV to deliver the new Level 1 clearances. Three recent reviews of the programme also raised serious concerns around its deliverability, flagging concerns across multiple key areas of programme management, such as clarity of the end-state vision and target operating model, UKSV's governance structure and financial constraints (paragraphs 3.7, 3.10 to 3.12 and Figures 14 and 15).[2]

20   UKSV's customers are funding the transformation programme and are frustrated with the lack of progress. Customers fund both the existing service and transformation costs in proportion to their use of the service. Government policy dictates that UKSV is the provider of vetting services. Some customers complain that although they therefore have to use UKSV and to contribute to the transformation programme, they have no say in how the funding is used and do not understand what the end vision of the programme is. UKSV forecasts it will underspend by £6.5 million on the programme in 2022-23 owing to delays to the business case, progress on the plan and delays in resourcing. UKSV has redeployed a net £1.5 million elsewhere across its business and is therefore currently forecasting it will be refunding customers around £5 million in 2022-23 (paragraphs 1.2, 2.10, 3.14 and 3.15).

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2   These reviews were conducted by Cabinet Office Portfolio Office, Government Consulting Hub and Government Internal Audit Agency.

21   The Cabinet Office's initial efforts to modernise the IT infrastructure ran almost 50% over budget and ended in failure in 2021, with £2.5 million written off. The Cabinet Office had planned to automate many of its processes and replace outdated IT systems through its £19 million Future Vetting System (FVS) programme, expected to complete in February 2020. Failures in project management meant that it failed to realise that it had gone £9 million over budget without securing the necessary financial approvals. The Cabinet Office wrote off £2.5 million in its 2021-22 accounts relating to the FVS programme and UKSV is still using the old National Security Vetting System (NSVS) that it wanted to abandon in 2018 because it lacks capacity, is slow and requires many manual workarounds (paragraphs 2.13, 3.7 and 3.8).

22   UKSV created the IT platform to enable Accreditation Checks to be introduced in January 2022. Accreditation Checks (AC) were a new legislative requirement for those working in the aviation industry. UKSV does not conduct the checks but its role was to create the IT platform to enable the checks to take place and it was initially supposed to have this in place by January 2021. It met a revised go-live target of January 2022 and, by the end of September 2022, 100,000 ACs had been completed (paragraph 3.9).

23   Insufficient resources in specialist areas continue to be a major obstacle to reform. Overhauling the digital architecture is central to reforming vetting but UKSV has consistently struggled to recruit in this area. It still has a heavy reliance on IT contractors despite deciding to move to a largely in-house approach after the failure of the previous attempt to reform the IT system. Its current resource modelling shows it has a shortfall of 68 FTEs for digital roles. It is also under-resourced in commercial, project management and human resourcing. UKSV feels that the terms and conditions it can offer are the main inhibitors to recruitment in these specialisms (paragraph 3.14).

Concluding remarks

24   National security vetting is of vital importance to the effective functioning of government. If individuals' clearances are not processed quickly then government departments risk being unable to progress work relating to national security. Once individuals are given clearance it is important that this is reviewed and renewed regularly to ensure that there have not been material changes in their circumstances that might increase the risks associated with them having access to sensitive government information.

25 The Cabinet Office took on responsibility for the delivery of national security vetting in 2020 following a sustained period of poor performance. UKSV's record in delivering timely clearances continues to be poor and efforts to recover performance over the past year have included prioritising certain types of clearance at the expense of others. Meanwhile, longer-term efforts to transform the way security vetting is delivered have made little progress, with a clearly set out implementation plan for transforming security vetting still to be agreed.

Recommendations

26 The Cabinet Office should:

a recognise the importance of modernising the national security vetting process and work quickly to design an implementation plan with key milestones in place;

b ensure that governance structures are appropriate to enable effective challenge and scrutiny of UKSV without becoming an impediment to progressing work on national security vetting;

c create a set of performance metrics that measures whether clearances are being processed in a timely and accurate way that meets customer needs and avoids perverse incentives;

d recognise, and be clear across government, that given UKSV's agreed resources, prioritising certain types of clearances will have knock-on impacts, both on routine clearance and on delivering long-term transformation; and

e ensure that there is sufficient resilience within UKSV to react to new events that might drive increased demand for security vetting.