



House of Commons
Committee of Public Accounts

Reforming the UK border and immigration system

Twentieth Report of Session 2014–15

*Report, together with the formal minutes
relating to the report*

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Committee of Public Accounts

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Summary

The Home Office (the Department) acquired direct responsibility for the significant problems faced by the UK Border Agency (the Agency) when it was abolished in March 2013 and its functions were transferred to the Department. While performance in most of the areas transferred has held steady, the Department has failed to deal with long standing backlogs of asylum claims. Many older asylum claims—some over seven years old—remain undecided, while a new backlog of cases awaiting initial decision is forming. This is partly as a result of a botched attempt by the Agency to downgrade staff that resulted in 120 experienced caseworkers leaving. The Department lacks the data it needs to manage its backlogs and the overall workload effectively. The failure of a number of IT projects has also compromised the Department's ability to track people through the immigration system and ensure that those with no right to remain are removed from the UK.

Conclusions and recommendations

1. The decision to break up the Agency was prompted by its troubled history. The Agency's responsibilities for immigration operations were passed to three directorates within the Department: UK Visas and Immigration decides on applications to visit and stay in the UK; Immigration Enforcement detects and removes those people who break our immigration laws; and Border Force polices the border. These three directorates, which collectively spend some £1.8 billion per year, are responsible for dealing promptly and effectively with over 100 million people that arrive in the UK each year.
2. **The Department has failed to get a grip on the long-standing problem of asylum backlogs with older cases remaining unresolved and the number of newer cases awaiting a decision increasing.** The Department has still not resolved some 29,000 asylum applications dating back to at least 2007. In 11,000 of these cases people have not even received an initial decision on their claim, something the Department has now committed to provide by the end of 2014. The Department is also missing its targets on newer asylum claims for how long a caseworker should take to process an application. As a result, the number of claims awaiting an initial decision increased by 70% to 16,273 in the first quarter of 2014 compared to the first quarter of 2013. The Department admitted that one of the reasons for these problems had been "an ill-judged decision" by the Agency, subsequently reversed by the Department, to downgrade the caseworkers in this area which had resulted in 120 experienced asylum caseworkers leaving.

Recommendations: *The Department should ensure it has the right number of staff, with the right skills and the right incentives, to resolve outstanding asylum claims promptly and prevent any new backlogs being created. The Department should report back to us in early 2015 on what progress it has made in communicating decisions to all outstanding pre-2007 applicants.*

3. **IT limitations mean the Department cannot track people through the immigration system, or ensure people with no legal right to remain are removed from the UK.** At the end of 2013-14 there were over 175,000 people whose application to stay in the UK had been rejected. These cases are placed into a migration refusal pool to await removal. The number of such cases has not been reduced over time. Some applicants may have left voluntarily, but the Department does not know how many have done so because it does not have a system to check departures from the UK. In 2012 the Department employed Capita to confirm the records of the people in the pool. By the end of 2013 Capita had checked over 250,000 case records. It is particularly disturbing that Capita had been unable to contact over 50,000 people listed and the Department admitted that they did not know where these 50,000 people were.

Recommendation: *The Department should as a matter of urgency take more steps to identify people that remain in the UK illegally and expedite their removal.*

4. **The Department lacks good quality data on cases, preventing it from efficiently managing the backlogs and the overall workload, and hindering effective accountability.** The Department's internal management reports are based on poor quality data that is often stored in old, legacy IT systems. A sample check of data on the Department's Casework Information Database found that for 84% of cases where people were being removed from the UK the Department did not hold the minimum necessary information, such as the person's address or postcode, prior to their removal. This is a long-standing issue that the Agency and now the Department have failed to address. The Department claims that new IT projects would have allowed management information to be automatically compiled from data held on individual cases. However, the failure of these projects means the Department has to do extra work to cleanse data and reconcile conflicting datasets in order to produce summary management information that is accurate. This makes it extremely difficult to hold it to account for its performance. For example, in a subsequent note the Department provided covering figures it did not have to hand in the evidence session, it still could not say how many of the asylum claims in the system are not currently being worked on.

Recommendations: *The Department should immediately take steps to improve the quality of the data it collects and holds through cleansing and regular sample checks, and improve the presentation and clarity of data.*

5. **The failure of major IT projects has prevented the Department from streamlining its work processes and left it reliant on out-of-date IT systems for day-to-day business.** The Department has had direct control of the immigration directorates for 18 months, yet it has still not established better processes for dealing with different types of cases. The Department had expected large-scale IT projects like the Immigration Case Work programme to transform its processes and allow it to produce better information and substantial financial savings. However the Department has now cancelled both the case work programme and the e-Borders IT programme, which was intended to provide information on people leaving the UK. Cancelling these two IT projects has meant that close to £1 billion has been spent and wasted. The Department's revised IT approach is to replace large-scale IT projects with a number of smaller, more flexible contracts, in order to increase flexibility.

Recommendations: *As a matter of priority, the Department should identify the future IT capabilities it requires, so it can develop a comprehensive, system-wide IT strategy that will deliver the required capabilities.*

6. **We are not convinced that the Department has a robust plan to improve performance and meet its targets with fewer resources.** The Department allocated £249 million of savings across the three immigration directorates, to be achieved by the end of 2014-15, and requires them to live within the budgets they are set. However, the Department does not track individual savings or efficiencies or identify whether they have been achieved. Nor does it always know the cost of its activities: for example, it could not tell us the impact on the asylum support budget of delays in

meeting its targets. This relaxed approach to financial savings carries risks if the Department is asked to find large efficiencies in the future while improving services, or if another crisis emerges.

Recommendation: The Department should gather accurate data on the costs of all its activities and develop a robust financial plan that sets out how it will achieve both the necessary level of savings and the improved performance required.

1 Performance and reporting

1. On the basis of a report by the Comptroller and Auditor General, we took evidence from the Home Office (the Department) about progress in reforming the UK border and immigration system.¹

2. The Department took direct control of border and immigration activities in March 2013 following the abolition of the UK Border Agency (the Agency). The Home Secretary cited four main issues that prompted the decision: the Agency's large size which made it difficult to operate effectively and manage crises; inadequate IT systems; the overly complex policy and legal framework in which it operated; and a lack of transparency and accountability.²

3. Two new directorates were created within the Home Office to handle the former Agency's work. UK Visas and Immigration considers and concludes all applications to visit, study, work and stay in the UK: in 2013-14 it processed some 3.5 million separate applications for visas. Immigration Enforcement is responsible for ensuring people who do not have a right to remain in the UK depart.³ A third directorate, Border Force, which is responsible for maintaining the border controls that are the first point of contact with the 100 million individuals that arrive in the UK each year, had already been split off from the Agency in March 2012.⁴ The Department plans in total to spend some £1.8 billion on immigration and border operations in 2014-15.⁵

4. In 2012 the Department set up the 'Older Live Cases Unit' to deal with some 400,000 pre-March 2007 asylum and migration claims that were still in the system. This caseload was reduced to 41,000 cases after a review which removed errors, duplicates and individuals who had already left the country.⁶ The Department told us that the number of outstanding cases now stood at 29,000, with a worrying 11,000 backlog cases where no initial decision had been reached. The Department noted that it was on track to make a decision on all of these 11,000 cases by the end of 2014.⁷

5. The Department considered that there were two main reasons why older asylum claims had not been resolved. First, many of the applicants made further submissions based on changes in their circumstances.⁸ Secondly, the Department told us it had inherited a very large number of these asylum claims from the former Agency. However, most of the staff now working in the Department had worked in the Agency prior to the transfer.⁹ The delay in resolving asylum claims was also due in part to a lack of incentives for caseworkers

1 [C&AG's Report, *Reforming the UK Border and immigration system*, HC 445 Session 2014-15, 22 July 2014](#)

2 [C&AG's Report, paras 1.4-1.5](#)

3 [Qq 13-16, C&AG's Report, paras 1.4-1.9](#)

4 [C&AG's Report, paras 2, 1.10, Figure 2](#)

5 [C&AG's Report, para 4.3](#)

6 [C&AG's Report, para 2.17](#)

7 [Qq 6-8](#)

8 [Qq 12, 23](#)

9 [Qq 12-13](#)

to work on claims once the targets for how long an asylum decision should take were missed.¹⁰

6. The Department took over the Agency's work to improve performance. But the Department is already missing its new targets for processing new asylum claims. As a result, the number of asylum claims awaiting an initial decision increased by 70% to 16,273 in the first quarter of 2014 compared to the same period in 2013.¹¹ The Department admitted that the asylum system was under pressure and attributed this in part to "an ill-judged decision" in 2012 by the Agency, subsequently reversed by the Department, to downgrade asylum caseworkers from Higher Executive Officer (HEO) to Executive Officer (EO), which led to 120 HEOs leaving the Department. The Department told us it wanted to recruit an additional 400 staff to help deal with asylum cases.¹² While it was not meeting its own internal targets for processing asylum claims, the Department planned to do so by March 2015 for all cases deemed 'workable' (those not blocked because a decision cannot be made, for example if they are part of a criminal investigation).¹³

7. When the Department created the immigration directorates it also created an independent performance directorate responsible for producing reports required to track progress dealing with immigration and asylum applications.¹⁴ The Accounting Officer noted that this new directorate provided better management information than that available to his predecessors and was confident that these management reports gave the Board a "single version of the truth." However, the Department admitted that it had not completely resolved data quality issues. In April 2014 the Department conducted random checks on data stored on the Casework Information Database and found basic data missing: 34% of sampled asylum cases did not have the minimum data required at the decision stage, while 84% of removal cases did not have the minimum data required to complete a removal (for example, a correct address or postcode).¹⁵ Previous reports from this Committee have recommended that the Department improve the quality of its case data and it is disappointing to see there has not been more improvement.¹⁶

8. A major cause of poor data quality on individual cases is the old-fashioned IT systems in use. The Department told us that the planned Immigration Case Work (ICW) IT programme would have allowed data on individual cases to be automatically aggregated in management reports. However, as a result of the failure of that project the Department has to continue to rely on existing legacy IT systems to store case data and produce management reports.¹⁷ The lack of accurate and timely management data make it difficult to hold the Department to account for its performance. In a subsequent note provided after

10 [Qq 20-21](#)

11 [C&AG's Report, para 2.11](#)

12 [Qq 3, 53-54, C&AG's Report, para 4.8](#)

13 [Qq 9-10, 24-26](#)

14 [C&AG's Report, paras 1.11, 3.8](#)

15 [Qq 177-180, C&AG's Report, para 4.16](#)

16 [Q 177, Committee of Public Accounts, *Returning failed asylum applicants thirty-fourth report of 2005-06, HC 620, 14 March 2006*, Committee of Public Accounts, *Immigration: the Points Based System - Work Routes, thirty-fourth report of 2010-12, HC 913, 17 May 2011*](#)

17 [Qq 177-178](#)

the evidence session, the Department still did not provide information on the number of asylum claims in the system that are not currently being worked on. They were still unable to tell us the impact on asylum support costs of delays in making initial decisions on asylum claims.¹⁸

9. The Agency had planned to reduce costs by £594 million between 2011-12 and 2014 -15. The Department told us that £345 million of those savings had been delivered by the Agency before it was abolished and the remaining £249 million savings had subsequently been allocated across the new immigration directorates.¹⁹ However this had not been done by identifying specific efficiencies and savings. Instead the budgets for each directorate had been reduced. The Department admitted that its systems were not developed enough to identify the impact of savings in specific business areas. The Department also accepted it was not as efficient as it should be and that it had not yet made adjustments to its business processes to increase productivity and make savings.²⁰

2 Business and IT systems

10. The Department took direct control of immigration operations around 18 months ago.²¹ The Department's priority had been to stabilise the system and performance, then transform the business to improve efficiency and effectiveness. Both new directorates have started analysing their business models and processes in order to identify efficiencies, increase productivity, and determine the IT needed. However, their plans are far from properly developed and ready.²²

11. In 2010 the Agency unveiled plans for a new Immigration Case Work (ICW) system, which would replace the older Casework Information Database and 20 other legacy IT systems. ICW was intended to allow all interactions between a caseworker and applicant to be stored in a single place, rather than spread over multiple systems, promoting efficiency and making it much easier to produce information. However the programme delivered significantly less than expected and it was cancelled in August 2013 at a cost of £347 million.²³ Similarly, the e-Borders IT programme, which would have provided exit checks on all people leaving the UK, has also been cancelled. The Department had spent £260 million on e-Borders before it was cancelled and has now been ordered to pay a further £224 million in costs (£186 million direct cost plus £38 million in interest) to the supplier for unlawful termination of the contract.²⁴ Taking all the costs of the ICW and e-Borders

18 [Written evidence from the Home Office to PAC, 12 September 2014, p1](#)

19 [Qq 158-161](#)

20 [Qq 161-166](#)

21 [C&AG's Report, para 1.4](#)

22 [Qq 162, 166, C&AG's Report, para 3.11](#)

23 [C&AG's Report, paras 4.10-4.11](#)

24 [Letter from the Home Office to the Home Affairs Select Committee Chair, 18 August 2014, p2](#)

projects together (including legal costs) the Department is likely to spend close to £1 billion on IT projects for little return.²⁵

12. The Department told us it had learned lessons from these failures and was moving away from large IT programmes managed by a single supplier, towards smaller, more manageable packages of work. In theory this should prevent IT delivery being hostage to a single supplier's performance. This new approach was being followed by the new Immigration Platform Technology (IPT) programme intended to deliver the capabilities that ICW could not.²⁶ This is being done at the same time as the Department is developing its business models to improve productivity and efficiency.²⁷

13. The Department's failure to deliver IT programmes effectively has undermined its ability to track individuals who have been refused permission to stay in the UK.²⁸ The cases of people whose application to stay, work or study in the UK has been rejected by UK Visas and Immigration are put into a Migration Refusal Pool to await removal. While nearly 80,000 people left the Migration Refusal Pool in 2013-14 this was largely offset by new rejected cases entering the pool. In 2013-14 the number of cases in the pool reduced by only 8,000, with just over 175,000 people awaiting removal.²⁹ The Department told us that it had limited resources to remove people with no legal right to remain in the UK.³⁰

14. The Migration Refusal Pool includes people who may have secured leave to remain through a different route, or left the UK voluntarily. In 2012 the Department contracted Capita to determine how many people in the pool had left and how many needed to be removed. By the end of December 2013 Capita had examined nearly 250,000 cases and found that 50,000 people in the Migration Refusal Pool simply could not be contacted.³¹ The Department told us that they did not know whether these people had left the country or, if not, where they were currently living.³² The Department told us that a system to identify people leaving the UK would be in place by March 2015. However this would only identify whether people entering the pool after March 2015 have left the country, it would not be able to check whether any of the 50,000 people already in the Migration Refusal Pool whose location is unknown have left.³³

15. These 50,000 people are not entitled to benefits and the Department told us that the new Immigration Act includes measures to make it more difficult for people to access benefits to which they are not entitled.³⁴ In a subsequent note the Department outlined how it shares data with the Department for Work and Pensions in order to identify those claiming benefits they were not entitled to—benefit payments had been cancelled in 0.02%

25 [Qq 134-139](#)

26 [Qq 135-137](#)

27 [Qq 162-171](#)

28 [Qq 60, 64, 177](#)

29 [C&AG's Report, para 2.18](#)

30 [Q 73](#)

31 [Qq 61-64, C&AG's Report, para 2.19](#)

32 [Qq 70-73](#)

33 [Qq 65-66](#)

34 [Qq 74-80](#)

of cases checked. The Department also takes part in the National Fraud Initiative to share data across public bodies.³⁵ For example, after the Department shared information on people in the country illegally with the DVLA it revoked driving licenses of over 3,600 people. The Department also carries out a range of enforcement activities with other agencies in order to identify people in the country illegally—500 people were recently arrested after a series of joint raids with HM Revenue and Customs, the Department for Work and Pensions and Trading Standards. But the Department does not have a plan in place to track down and remove the 50,000 people in the Migration Refusal Pool whose location is not known.³⁶

35 [Written evidence from the Home Office to PAC, 12 September 2014, p3](#)

36 [Qq 60, 76, 86](#)

Formal Minutes

Monday 20 October 2014

Members present:

Mrs Margaret Hodge, in the Chair

Mr Richard Bacon	Mr Stewart Jackson
Mr David Burrowes	Anne McGuire
Chris Heaton-Harris	Austin Mitchell
Meg Hillier	John Pugh

Draft Report (Reforming the UK border and immigration system), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 15 read and agreed to.

Conclusions and recommendations agreed to.

Summary agreed to.

Resolved, That the Report be the Twentieth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 22 October at 2.00 pm]

Witnesses

Wednesday 3 September 2014

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The following witnesses gave evidence. Transcripts can be viewed on the Committee's inquiry page at www.parliament.uk/pubaccomm.

Mark Sedwill, Permanent Secretary, Home Office; **Mike Wells**, Director of Immigration Operations, UK Visas and Immigration; and **Mandie Campbell**, Director General, Immigration Enforcement

[Ev 6](#)

List of printed written evidence

The following written evidence was received and can be viewed on the Committee's inquiry web page at www.parliament.uk/pubaccomm. UKB numbers are generated by the evidence processing system and so may not be complete.

1 Home Office

[UKB0002](#)

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2014–15

First Report	Personal Independence Payment	HC 280
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Fifth Report	Infrastructure investment: impact on consumer bills	HC 406
Sixth Report	Adult social care in England	HC 518
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Ninth Report	Whistleblowing	HC 593
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Eleventh Report	Army 2020	HC 104
Twelfth Report	Update on preparations for smart metering	HC 103
Thirteenth Report	Local government funding: assurance to Parliament	HC 456
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Fifteenth Report	Maintaining strategic infrastructure: roads	HC 105
Sixteenth Report	Early contracts for renewable electricity	HC 454
Seventeenth Report	Child maintenance 2012 scheme: early progress	HC 455
Nineteenth Report	The centre of government	HC 107