

UK PASSPORT SERVICE

Annual Report and Accounts

2004–2005

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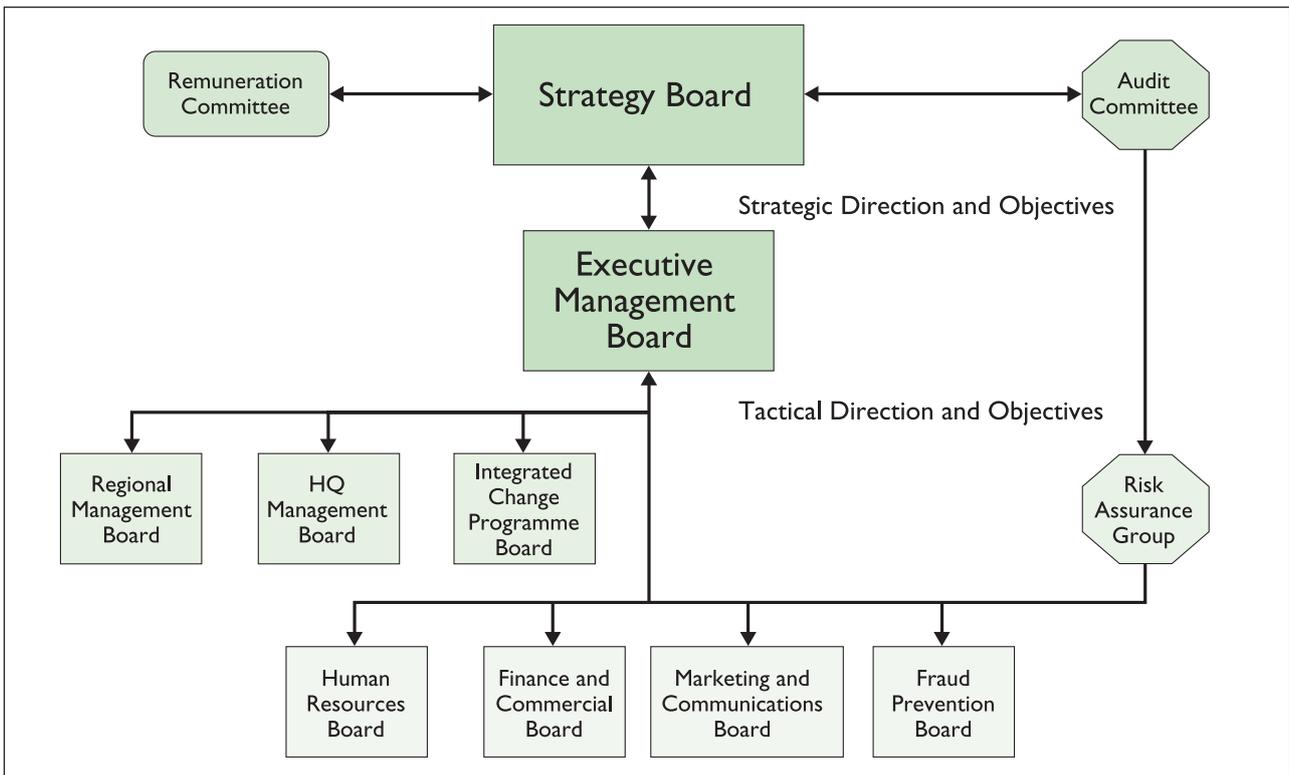


Fig 3.1 UKPS Governance Structure

strategy, high-level performance review, decision-making and communication. This ensures that matters are reviewed and discussed at the most appropriate level within the organisation.

The Strategy Board meets eight times per year and has a high-level strategic focus as well as exercising overall oversight of performance against plan. The Executive Management Board meets monthly (with every other meeting at a Regional Office) and manages the business, taking tactical decisions. Below this, a number of sub-boards focus on key areas of the business – these are Finance and Commercial, Human Resources, Fraud Prevention, Marketing and Communications, Regional Management and HQ Management Boards. These Boards discuss performance, relevant areas of responsibilities and agree actions as necessary on a monthly basis at directorate level. Some have responsibility for specific Business Plan tasks and targets.

The Integrated Change Programme Board (ICPB) meets monthly to manage the Change Programme; it reviews

projects, takes decisions at a project level and reports to the Executive Management Board.

Financial probity and assurance on the effectiveness of risk management and internal controls is overseen by an Audit Committee that is chaired by a Non-Executive Director (with two other Non-Executive Directors as members) and which meets on a quarterly basis. There is also a non-executive chaired remuneration committee.

The UKPS is working with the Home Office on plans for an Identity Cards scheme. Subject to Parliamentary approval of the Identity Cards Bill, this will see the establishment of a new Executive Agency incorporating the functions of UKPS and the Identity Cards Programme Team in the Home Office. The new agency will work closely with the Immigration and Nationality Directorate (IND) of the Home Office.

As part of the Identity Cards transition, project work has started assessing how best to adapt these governance arrangements to prepare for the future

new Agency. Transitional arrangements are being put in place to ensure that, while the primary focus remains the passport business, due account is taken of potential future needs of the Identity Cards scheme.

Annual Report

This Annual Report covers the UKPS's performance over the financial year 1 April 2004 to 31 March 2005. It details how the UKPS has performed against its key targets and tasks as published in the UKPS Corporate and Business Plans 2004–09.

This document is primarily aimed at those to whom the UKPS is accountable and who are responsible for monitoring the UKPS's performance on behalf of the public, including Ministers, Parliament and the Home Office. It also serves to inform a number of groups interested in, or affected by, the UKPS business, for example, stakeholders such as partners and people in the travel trade industry, as well as the general public.

The UKPS has continued to monitor performance against its Customer Service standards. As part of this, the UKPS has conducted independent customer satisfaction surveys (via FDS International) and 'mystery-shopped' all aspects of its services. The UKPS has run customer focus groups to seek views on key proposals such as biometrics and fee increases related to improved security features.

When asked to assess overall performance, 97% of customers were either satisfied or very satisfied with the service received.



'I really couldn't be more complimentary of the service I received'

**Carol Holden,
Buckinghamshire**

Customer focus groups highlighted continued support for fraud prevention work, with customers viewing this as the UKPS's number one priority. The UKPS has continued to enjoy Charter Mark recognition during 2004-05, a record fifth time this has been achieved.

A number of conferences and seminars have enabled the UKPS to promote its efforts in delivering effective Customer Service.

Chief Executive, Bernard Herdan, gave a presentation to the Institute of Economic Affairs on strategic IT partnerships in government.

In October 2004 the UKPS hosted a Five Nations Anti-Fraud Conference in Cheshire. Delegates from Australia, Canada, New Zealand and the United States met with UK counterparts to discuss, share and develop best practice in technological and security issues. During the week-long event the delegates visited the secure print facility to see at first hand the technology

involved in designing and producing the new biometric passport.

2004-05 additionally saw the UKPS host a number of overseas visitors including delegations from Germany, Israel, Thailand, South Africa, Australia, Canada, New Zealand, United States, South Korea, the Czech Republic and Slovenia, meeting to discuss Customer Service, operational, technology and security issues.

Maintaining Customer Service Standards

The UKPS has disappointingly missed its target of processing 99.5% of straightforward, properly completed applications in 10 working days, achieving a 98.1% standard. Insufficient numbers of trained staff were in place to cope with summer demand in 2004. The UKPS achieved its target of processing 99.5% of Fast Track and Premium applications (99.7% of Fast Track applications and 99.2% of Premium applications). It achieved a passport accuracy rate of 99.75%, compared with 99.72% the previous year.

The call centre operations, run in partnership with MMT, dealt with 4.3 million telephone enquiries and answered 85% of these within 20 seconds (target 90%). It dealt with 344,777 e-mail enquiries and responded to 100% of these within four hours of receipt. This compares with 3.3 million calls and 268,000 e-mails in 2003-04.

The UKPS received 8,386 complaints during the year, which equates to just 0.16% of total business, and 1,685 positive comments.

Identity Authentication



Omnibase

Omnibase has been developed by the UKPS to provide online access to the UK passport database by other government departments.

Omnibase is fully rolled out and is used to support all Foreign and Commonwealth passports issued overseas.

In addition, Omnibase is used for fraud or other investigations by a number of government departments, including:

- Driver and Vehicle Licensing Agency (DVLA)
- Criminal Records Bureau (CRB)
- National Criminal Intelligence Service (NCIS)
- Immigration Service
- Special Branch.

The UKPS is currently in discussion with the following organisations regarding the expansion of access to Omnibase:

- Department for Education and Skills (DfES)
- Customs and Excise
- Immigration Service (further expansion of access within).

Lost, Stolen and Recovered (LSR) Database

A global database of passports that have been reported lost or stolen was launched in December 2003. This ensures that the information is shared rapidly with colleagues in FCO offices and the Immigration Service. In 2004 further procedures were introduced to allow data-sharing with Interpol.

Over 350,000 passports were reported lost or stolen during the calendar year 2004. This includes passports lost both within the UK and abroad. To improve the speed at which the UKPS is advised of a lost or stolen passport, a dedicated hotline for customers has been created, as well as other routes by which the

UKPS is informed of losses by customers, police and FCO posts overseas.

Lost, Stolen and Recovered hotline number

0870 521 0410

Fraud and Intelligence Units (FIU)

2004–05 has seen the UKPS continue to strengthen its internal fraud investigation capabilities. Additional staff have been recruited to each of the regional offices to strengthen existing fraud prevention units.

The responsibilities of the Fraud and Intelligence Units (FIU) include undertaking both proactive and reactive fraud investigations, and being responsible for delivering fraud awareness training to colleagues.

To detect and prevent fraudulent applications, the UKPS started trialling the use of facial biometrics in 2004. To do this it has been comparing applicants' images against its stop-file of known and suspected fraudsters.

By March 2005, 60 counter-fraud specialists completed an accredited training programme (accredited by Portsmouth University). Around 40 further investigators are currently undergoing the same accredited training programme. This training has been supported with the introduction of a fully updated package of policy and guidance developed in accordance with legal requirements.

Joint Working with other Agencies

The UKPS continues to maintain close working links with a range of investigative agencies, including the police and the UK Immigration Service. The UKPS also has an officer seconded to the National Criminal Intelligence Service, and through this arrangement

has developed links to other agencies across the UK and beyond.

Two staff members are currently seconded to the Joint Intelligence Unit of Operation Maxim, working with Metropolitan Police and UK Immigration Service colleagues as part of a co-ordinated response to tackling organised immigration fraud. These secondments will continue until 2006. A further Operation Maxim has been launched in South Yorkshire. This again includes a member of UKPS staff seconded to that team.

'The dedication of the people at the passport service is second to none, and I thoroughly applaud what they have achieved, despite some of the huge difficulties they have faced'

Baroness Anelay of St Johns

The UKPS places a high priority on ensuring its staff feel valued and empowered. It has developed a set of Valued Behaviours to support the UKPS recruitment and performance management processes as well as being an integral part of staff appraisal and development. The aim of the Valued Behaviours Framework (VBF) is to bring alive and embed UKPS values by describing how they are demonstrated in everyday work situations. The aim is to set a corporate standard of acceptable behaviour, which is supported by clear targets (for performance management), as well as clear essential skills (for recruitment, promotion and to guide personal development).

Staff Survey and Reaccreditation as an Investor in People (IiP)

A combined Investor in People and staff survey group has delivered improved communication with front-line staff and publication of information relating to change. Greater contact between senior managers and staff has been achieved through initiatives such as team briefings and local roadshows. Activity is now focused on performance management, leadership and management development, and the staff survey; planned for May 2005.

In seeking to maintain its status as an Investor in People, the UKPS has worked to deliver:

- More feedback on individual performance
- More objective outcomes to assessment of performance
- Shared ownership of the performance process
- Continued embedding valued behaviours through greater awareness
- Increased level of personal ownership

Delivering a difference



Working Together

- Working co-operatively and willingly with others to achieve a common objective – sharing information, expertise and skills



Customer Service

- Providing high-quality, consistent, efficient and responsive Customer Service
- Continuously striving for excellence



Responding to Change

- Embracing and supporting change, maintaining an open mind and learning from experience



Valuing People

- Accepting and respecting others for their knowledge, expertise, and difference, recognising and acknowledging their potential and their achievements, and enabling them to perform



Personal responsibility

- Taking responsibility for individual and organisational actions and decisions
- Acting with integrity and commitment

- Continued building of teamwork and rapport
- Increased feedback and management skills
- Increased coaching skills
- Increased transactional and transformational skills.

Training and Development of Staff

During the year, the UKPS invested 4.2% of its salary costs on training and developing staff, which was below the target of 4.5%. The high volume of passport applications received this year have adversely affected scheduling of and attendance at courses. The structure of measurement of this performance indicator is under review

in an attempt to better reflect the quality and outcomes as well as the investment in the training of staff. However, at this stage the target remains unchanged for 2005–06.

The UKPS has established a leadership development programme for senior managers, which aims to develop their personal and collective strategic capacity to lead the UKPS, and a Senior Management Forum, where key leadership issues are explored and guest speakers share their knowledge and expertise.

Healthcare Programme

Influenza vaccinations were available to all members of staff; 517 took advantage of this during the year. A health assessment programme has been developed and is offered to all staff every two years; in total 1,000 took part in 2003–04. In April 2004 a new employee counselling and welfare service, known as the Employee Assistance Programme (EAP) was launched. This offers a wide range of services to staff, their families and those close to them, and is available to staff 24 hours a day, 365 days a year. The new Occupational Health service provided by Health Management includes on-site Occupational Health Advisors encouraging a close working relationship, offering support to both managers and staff in order to improve attendance.

Partnership with Public and Commercial Services Union (PCS)

The management of the UKPS has remained committed to working in partnership with the Public and Commercial Services Union (PCS) throughout the year 2004–05. A number of workshops were run in each region in order to embed the Partnership Agreement and to clarify any misunderstandings there may have been locally. A member of the Employee Relations Team now introduces the concept of partnership during the induction day for HQ staff, in conjunction with a PCS representative. All induction packs contain a copy of the Partnership Agreement which has been recognised by ACAS as a model partnership.

The UKPS has continued to hold focus days with Senior Managers and National Officers to discuss the Integrated Change Programme and future developments in order to gain valuable input from the union. In addition to this, all HR policies that were issued in 2004–05 were written in consultation with PCS as one of the UKPS major policy stakeholders.

Brightsparks



The following suggestions made through the scheme have provided significant benefits to the organisation.

BrightSparks! suggestions made and implemented during 2004–05 included:

- A number of changes to functionality of the Passport Application Support System (PASS) to improve efficiency and usability for examiners and other staff.
- The purchase of postcode books by the Belfast Regional Office for its examining teams. During times of peak demand the suggestion has resulted in financial savings of £375 per week due to the reduction in calls to customers to obtain postcode information. It has also saved eight person-hours per day of examiner time previously spent making the calls. Customers have also benefited, as they no longer have to be contacted for this information.
- A number of changes to the text of PASS letters the UKPS sends to passport applicants. This has benefited Customer Service by the improvement in the clarity of these letters. It has also saved passport examiner time by reducing the time spent handling phone calls from customers querying the content of these PASS letters.
- A change to the procurement process for office furniture for PASS users has saved £300 in the current period. Substantially greater financial savings will result when it is applied to the Authentication by Interview (AbI) programme.

BrightSparks!

The UKPS continued to support a staff suggestion scheme during 2004–05. Launched in March 2003, the scheme is now two years old. In the second year of operation the scheme received 1,065 suggestions. The UKPS is a member of the 'IdeasUK scheme' and has received a bronze accreditation in 2004–05. The UKPS is working to receive a silver accreditation in the 2005–06 period.

£3,410 has been awarded to the originators of suggestions that are practical to implement in 2004–05.

BrightSparks! is contributing to the UKPS 'Celebrating Success' initiative by holding its first 'Idea of the Year' competition. It is anticipated that by participating in the initiative the profile of the scheme will be raised amongst staff, leading to the generation of an increased number of valuable suggestions being submitted to the scheme.

Making the best possible use of technology in support of its business has continued to be a key objective for the UKPS. Hence it has continued to ensure that it develops systems that support the growing number of customers that wish to access services online, as well as using technology to stay one step ahead of fraudsters and criminals.

Infrastructure (IS) Strategy

In support of its vision, the UKPS has continued to maintain a long-term IS strategy and has progressed its implementation. This included a complete technical refresh that is due for completion in 2006. The refresh will ensure that the technical infrastructure is up to date and supports the overall change programme and the move towards a more modular, so-called service-orientated architecture. The new architecture will facilitate the evolution of PASS in order to support change requirements such as Authentication by Interview (AbI), ePassport and the introduction of biometrics.

'Your online application service is excellent'
Frances Presland, Bucks

Person-Centric Database

As part of the review of IT within the UKPS, a feasibility study concluded that a person-centric database would better support our fraud prevention activities.

This work is being progressed as part of the UKPS's systems migration strategy.

ePassport

The UKPS has been progressing analysis and development of an ePassport incorporating an International Aviation Organisation (ICAO) standard facial biometric. The first ePassports are expected to be rolled out in late 2005/early 2006.

Biometric Trial

The biometric trial's goal was to test the processes and record customer experience and attitude during the recording and verification of facial, iris and fingerprint biometrics. The trial began on 14 April 2004 and was closed on 24 December 2004 after over 10,000 enrolments had been completed.



Development of Management Information (MI) Systems

The proposed introduction of interviews for first time adult applicants and potential future requirements of the Identity Cards scheme have resulted in the review of a number of management information initiatives, which the UKPS believes will enhance the future solutions of the business. One of the notable successes in 2004-05 was the introduction of Fraud MI, which is a database used to record all suspected fraudulent applications, allowing full data interrogation. This provides significantly more information on fraudulent applications than was available previously.

'We found your website, your tracking service and the passport form easy to use and comprehensive'
Rebecca Lee, Shropshire

Internal IT Systems

During the year improvements were made to the PASS system to streamline processes and to improve security.

Remote Access to enable staff to work effectively at home has settled in well and there are currently 100 active users with this facility.

'I am extremely impressed with the efficiency and ease with which my online application has been dealt with'
Joel Toby, Essex

Accounts and Notes

Foreword to the Accounts

History and Background

The United Kingdom Passport Agency was established as an Executive Agency of the Home Office on 2 April 1991 under the Government's Next Steps initiative.

In March 2001, the Agency was renamed the Passport and Records Agency (PRA) to encompass the two distinct operating arms within the Agency, the United Kingdom Passport Service (UKPS) and the Criminal Records Bureau (CRB). Following a review of CRB operations and strategies, the CRB became an independent Executive Agency of the Home Office on 1 September 2003 and the UKPS reverted back to separate Agency status.

Principal Activities

The function of the UKPS is to provide passport services for British nationals in the United Kingdom. Its main objectives are set out on page 1 of the Annual Report.

Performance against key targets is described on the inside front cover of this Annual Report. For the year ended 31 March 2005 the UKPS made a surplus of £26 million due to fees being set at a deficit recovery level, accounting treatment, reclassification of some change programme projects and budget underspends.

Basis for Preparing the Accounts

A HM Treasury direction requires the

UKPS to produce the accounts to conform with the accounting principles and disclosure requirements of the Resource Accounting Manual (RAM), in respect of 2004–05 and future years, in accordance with section 7(2) of the Government Resources and Accounts Act 2000.

The UKPS uses the Companies Act 1985 Schedule 4 format 1.

Business and Future Developments

The UKPS continues to seek and to deliver improvements in the quality, value for money and efficiency of the current service provided to its customers, in line with the service and financial targets set by Ministers. At the same time as delivering these service levels, the UKPS continues to implement a series of significant change projects incorporated into an Integrated Change Programme (ICP).

Integrated Change Programme (ICP)

The Integrated Change Programme (ICP) will deliver significant enhancements to the passport issuing process. The UKPS has recognised the need to undertake organisational and cultural change, as well as changes to business processes and products, in order to be able to effectively combat increasingly complex and sophisticated identity fraud. This will also be achieved by exploiting the potential of new technology but we will at all times continue to provide a high-quality service to the public.

The key elements of the Integrated Change Programme (ICP) have been defined over the last two years and will enable us to integrate not only the whole passport application process, but also join up the business for improved efficiency, connect to other government departments and exploit the potential for e-service delivery. It will additionally provide building blocks for the potential Identity Cards scheme.

Within the Integrated Change Programme (ICP) our core strategic projects deliver new or enhanced capabilities in both stronger identity authentication and greater document security necessary to fulfil our vision. The core projects are:

- Authentication by Interview (Abl)
- Personal Identity Project (PIP)
- Births/Marriages/Deaths (BMD)/Naturalisation Online
- Facial Recognition (FR) and second biometric
- ePassports (incorporating facial biometric).

These core strategic projects are supported by the rest of the Integrated Change Programme (ICP), which is categorised as 'enablers' and 'other business change'.

Fixed Assets

During the year, the UKPS made significant capital investment primarily in the ePassport project, where the new plant and equipment required to deliver biometric passports are being

to fees during 2004–05.

Corporate Governance

These accounts incorporate a statement on the UKPS system of internal control. It is in line with the requirements of the Turnbull report on Corporate Governance as set out in HM Treasury’s Resource Accounting Manual. This requirement for a Statement on Internal Control to be included in the Annual Report and Accounts from 1 January 2001 was first introduced by DAO (GEN) 13/00.

The content of the statement is supported by the work carried out by the UKPS internal audit service, the contract for which was awarded to PriceWaterhouseCoopers in 2003, as well as other internal and external reviews that cover UKPS business controls. The UKPS Audit Committee meets four to five times a year to oversee all audit and assurance work carried out and is supported by a Risk Assurance Group that meets regularly throughout the year. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the UKPS’s plans, policies and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. In order to strengthen UKPS corporate governance the functions of risk management and business assurance continued their integration.

The UKPS external auditor is the Comptroller and Auditor General, supported by the National Audit Office (NAO), appointed under statute and reporting to Parliament. For the statutory audit carried out on this report and accounts for the work undertaken on an IT Governance review, the UKPS paid notional fees to NAO of £155k and £20k respectively.

In order to further strengthen the UKPS governance arrangements the board

structure has been revised by establishing separate Strategy and Executive Management Boards with respective responsibilities for strategy development and the tactical delivery of corporate objectives. Key sub-boards are being allocated responsibility for specific objectives and Key Performance Objectives.

Additional Executive Directors have been appointed to strengthen the Agency in the Operations, Business Change and Systems areas. Full details of the Board and Directors are included on pages 60–62 of the Annual Report.

Pension Scheme

Comprehensive details of the various pension schemes available to UKPS employees are contained within note 7 to these Accounts.

Efficiency Strategy

The UKPS Efficiency Strategy has been developed in line with recommendations under the Gershon review and the need to mitigate the impact of the Integrated Change Programme (ICP) on passport fees. The strategy includes a focus on procurement savings, productivity improvements and realising the benefits from e-enabling labour intensive processes.

Resource Accounting and Budgeting

The Home Office are preparing resource accounts for 2004–05, which will consolidate the UKPS accounts. The UKPS provides accounting data to Home Office on a monthly basis. Consistency of accounting policies and treatment has been assisted by the requirement on both parties to prepare accounts in accordance with the Resource Accounting Manual (RAM).

Euro

The UKPS is keeping closely in touch with developments on the Euro, and is taking steps to ensure that its financial and operational systems can be flexibly adapted to facilitate the Euro as and when required.

Call Centre

The UKPS continued to develop its contact centre service during the year to help deal with the large volume of enquiries from the public which exceeded 4.3 million calls during 2004–05. The introduction of the PASS system availability to the call centre has enhanced the service to customers enquiring on progress of applications. This service, Improved Call Handling (ICH), was implemented in September 2004.

Payment Performance

The UKPS payment performance is outlined on the inside cover of the Annual Report.

Research and Development

The UKPS has continued to undertake research into the factors influencing the volume and pattern of demand for passports. The UKPS continues to implement improvements to the passport issuing process through the use of digital and biometric technology. All these costs are charged to the Income and Expenditure Account.

Senior Management Team

The names, positions and brief personal details of the Senior Management Team are as set out on pages 60–62 of the Annual Report. The Chief Executive is a permanent member of staff appointed by the Home Office under senior civil service terms. Executive Directors’ remuneration is within the UKPS agreed pay scales adjusted by the Remuneration

including the two other Non-Executive Directors as members.

- Regular reports by internal audit, to GIAS standards, which include recommendations for improvement. The UKPS internal audit services are provided on an outsourced basis.
- Individual risk registers at regional offices, directorates and corporate levels. During the current year the most significant risks to our corporate objectives identified have been summarised in a strategic risk register for consideration by the UKPS Executive Management Board.
- A Risk Assurance Group, which meets on a monthly basis to review UKPS risk management and business assurance arrangements. This is a sub-group to the Executive Management Board, with a dotted line to the Audit Committee, reporting on an exception basis where there are significant areas of risk.
- A self-assessment process of Internal Certificates of Assurance, carried out by UKPS senior managers, which is used to inform internal letters of assurance. The whole framework for these certificates, including supporting documentation, has been refined in 2004–05 but further work is needed in 2005–06 to improve the reporting of evidence used to support the assurances given.
- Internal compliance reviews in other key areas of risk, including policy, HR and finance systems. Action commenced in the year to bring a more co-ordinated and risk-based approach to these activities. Further action will take place to build upon this in 2005–06.
- Given the nature of UKPS business, I also have a separate Security Team, with a Head of Security reporting to the Chief Operating Officer who is responsible for informing the Management Board and Audit Committee on all matters of

passport security. Internal control in this respect is also exercised by a developing system of checks designed to mitigate the risks of passport fraud.

- Business continuity plans to manage the risks of loss of key premises and processes. Business Continuity processes are overseen by a Steering Group which meets on a quarterly basis.
- Strengthening of the operations, strategic planning, programme and commercial functions, including additional appointments at Director level.
- A Quality and Security checking initiative has commenced to improve the consistency and application of associated processes.

Risk priorities in the year have been:

- Maintenance of high levels of operational performance against record demand levels.
- Development of the capability to deliver a significant Integrated Change Programme (ICP).
- Preparation for the implementation of significant product and operational changes.
- Strengthened counter-fraud activity.
- Active engagement in the Identity Cards scheme.

5 Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Risk Assurance Unit, internal auditors and executive managers within the UKPS who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

I have been advised on the implications

of the results of my review of the effectiveness of the system of internal control by the Management Board, the Audit Committee, the Head of Risk Assurance and the Risk Assurance Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

In addition to the monthly Executive Management Board review of significant corporate risks, the UKPS Strategy Board has included on its agenda a bi-annual review of strategic risk management. The Audit Committee meets quarterly and oversees the system of internal control, receiving reports from the UKPS internal auditors, and NAO, as external auditors. My Directors provide me with annual certificates giving me assurance on the systems of internal control for which they are individually responsible, identifying any control weaknesses, together with their plans to address these.

My Head of Risk Assurance acts as Risk Improvement Manager, reporting to my Director of Finance, and is responsible for developing and improving the UKPS risk management capability. We have reviewed the UKPS risk management capability and effectiveness in the current year, using the HM Treasury Risk Assessment framework. This exercise will be repeated in 2005–06 to enable me to assess the progress that has been made in improving our risk maturity.

Assurance activities are further informed by, facilitated and supported by the Risk Assurance Group, which meets on a monthly basis to address the key elements of risk management and business assurance.

A risk-based approach to internal audit activity has been followed in the current financial year, with a supporting programme of activity, which is approved by the Audit Committee. There has been late delivery of some elements of the programme for 2004–05 and action is being taken to complete outstanding

United Kingdom Passport Service Balance Sheet as at 31 March 2005

	NOTES	£'000	2004-2005 £'000	2003-2004 £'000 [re-stated]
Fixed assets				
Tangible assets	1.3, 10a		59,064	32,267
Intangible assets	1.2, 10b		407	-
			<u>59,471</u>	<u>32,267</u>
Current assets				
Stocks	1.5	1,213		3,734
Work in progress	1.6	348		396
Debtors	11	13,594		10,981
Cash at bank and in hand	16	7,489		41,597
		<u>22,644</u>		<u>56,708</u>
Creditors (amounts falling due within one year)	12a	<u>(43,866)</u>		<u>(69,937)</u>
Net current assets/(liabilities)			<u>(21,222)</u>	<u>(13,229)</u>
Total assets less current liabilities			38,249	19,038
Creditors (amounts falling due after more than one year)	12b		(3,200)	(3,400)
Provisions for liabilities and charges	1.15, 13		(831)	(548)
			<u>34,218</u>	<u>15,090</u>
Taxpayer's equity				
General fund	14a		29,242	12,981
Revaluation reserve	14b		2,419	1,479
Government grant Reserve	14c, 1.14		2,557	630
			<u>34,218</u>	<u>15,090</u>



Bernard Herdan
Chief Executive
United Kingdom Passport Service
24 June 2005

The notes on pages 39 to 59 form part of these accounts.

NOTES TO THE ACCOUNTS
For the period ended
31 March 2005

1.0 Statement of Accounting Policies

Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Resource Accounting Manual (RAM), the Companies Act 1985 and the accounting standards issued or adopted by the Accounting Standards Board so far as these requirements are relevant.

In light of the Home Secretary's announcement that a new Agency will be established to deliver the Identity Cards scheme, incorporating the functions of the UKPS, subject to the approval of the Identity Cards Bill, the accounts have been prepared on a going concern basis and no adjustments have been made to the carrying value of assets.

1.1 Accounting Convention

The accounts are prepared using the historic cost convention modified by the inclusion of fixed assets at current cost.

1.2 Intangible Assets

Software Licences

Software licences covering a period in excess of one year are capitalised and amortised over their useful life to a maximum of 5 years, in accordance with FRS 10.

1.3 Tangible Fixed Assets

a) Motor Vehicles

The motor vehicle used to transport internal post around London is capitalised and will be written off over 5 years.

b) Furniture and Fittings

New furniture and fittings to facilitate the operation of Passport Application Support System (PASS) are capitalised and written off over 10 years.

c) Refurbishment

All refurbishment work in regional

offices is capitalised over the length of the lease agreements.

d) Telecoms

All telecommunications equipment such as video conference equipment and PBX with a value over £750 is capitalised and written off over 5 years.

e) Electrical Equipment

All electrical equipment such as computers and printers with a value over £500 is capitalised and written off over 5 years.

f) Development

Expenditure on development in connection with a product or service, which is to be supplied on a full cost recovery basis, is capitalised if it meets the criteria specified in the RAM.

Most development expenditure within UKPS relates to IT development.

Projects, which involve development expenditure, are capitalised when incurred on projects that will improve our services to the public. The expenditure is capitalised as tangible assets and is depreciated over the expected useful life of the benefits envisaged, limited to a maximum of 5 years. There is no de minimus level set for capitalisation of development costs.

Expenditure, which does not meet the criteria for capitalisation, is treated as an operating cost in the year in which it is incurred.

g) Research

In accordance with SSAP 13, expenditure on research is not capitalised.

h) Assets under Construction

All tangible assets being developed and not in operation at year end are capitalised as an asset under construction. Until the asset is brought into use no depreciation is recognised, however, once the asset is brought into use, a full year's depreciation is charged. Such assets are then transferred to the relevant Regional Office 'Fixed Asset' registers at the start of the following financial year.

i) Revaluation

The UKPS is required to disclose fixed assets in the balance sheet at current cost. The UKPS policy is to revalue by applying appropriate indices compiled by the Office of National Statistics to each class of asset (excluding IT development and Assets under construction).

j) Depreciation

A full year's depreciation is provided on all tangible fixed assets in the year of acquisition at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life as follows:

Motor vehicles	5 years
Furniture and fittings	10 years
Refurbishment	over the period of the lease
Telecoms	5 years
Electrical equipment	5 years
IT development	5 years

k) Capitalisation

The minimum level for capitalisation of tangible fixed assets (excluding furniture and fittings, Telecoms and IT development) is £500 per item.

1.4 Operating Leases

Rental payments for land and buildings occupied by the UKPS on the basis of operating leases are charged to the Income and Expenditure account on a straight line basis over the term of the lease.

Lease incentive income received is deferred over the term of the lease on a straight line basis. This accounting treatment is in line with Urgent Issue Task Force 28.

1.5 Stocks

Stocks are valued at the lower of current replacement cost and net realisable value and comprise new digital

1.15 Provisions

The UKPS accounts for any provisions in accordance with FRS 12. The Agency provides for legal or constructive obligations, which are of uncertain timing, or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

1.16 Contingent Liabilities

The UKPS has disclosed any contingent liabilities in accordance with FRS 12. Any possible obligations that arise from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events (not wholly within UKPS control) are disclosed.

In addition to contingent liabilities disclosed in accordance with FRS 12, the department discloses for parliamentary reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote. These comprise:

- a) items over £100,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to Parliament by departmental Minute prior to the Department entering into the arrangement;
- b) all items (whether or not they arise in the normal course of business) over £100,000 (or lower, where required by specific statute or where material in the context of resource accounts) which are required by the Resource Accounting Model (RAM) to be noted in the resource accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under FRS 12 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by FRS 12 are stated at the amounts reported to Parliament.

1.17 Contingent Assets

Any possible assets that arise from unplanned or unexpected past events, whose existence will be confirmed only by the occurrence of one or more uncertain future events (not wholly within the control of the UKPS) that give rise to the possibility of an inflow of economic benefits are disclosed, in accordance with FRS 12.

1.18 Value Added Tax

Most of the activities of the department are outside the scope of VAT and, in general output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

5 Distribution costs

	2004-2005 £'000	2003-2004 £'000
Postal charges	1,942	2,369
Secure Delivery *	17,208	2,682
Application form distribution	806	487
Postal services	3	-
Courier Services	15	-
	19,974	5,538

* The Secure Delivery programme was implemented in February 2004.

6 Administrative expenditure

	£'000	2004-2005 £'000	2003-2004 £'000 [re-stated]
Staff		25,020	17,070
Accommodation		11,148	7,868
Other costs		10,006	6,737
IT running costs		6,691	3,372
Telecoms charges		1,042	904
Publications, stationery and printing		1,285	1,544
Depreciation		5,431	4,321
Amortisation of Intangible fixed assets		234	-
Diminution in assets *		2,116	201
Non cash costs			
HO Payroll and Accounts Branch	273		294
External audit Fees	155		137
Other Assurance Services	20		
		448	431
		63,421	42,448

* Diminution in assets includes contingency stock write off of £1.8m.

b Senior staff salary and pension allowances Pension Benefits								
Senior Staff	Title	Real increases in pension and related lump sum at age 60 (£k)	Total accrued pension at age 60 at 31/03/05 and related lump sum (£k)	CETV at 31/03/04 (nearest £k)	CETV at 31/03/05 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)	Employer contribution to partnership pension account including risk benefit cover - to nearest £100	
Mr B Herdan	Chief Executive	0 - 2.5 plus 2.5 - 5 lump sum	15 - 20 plus 55 - 60 lump sum	306	343	3	-	
Mr K Sheehan	Chief Operating Officer	Consent to Disclose Withheld						
Mrs R Pearson	Director of Human Resource	0 - 2.5 plus 0 - 2.5 lump sum	0 - 5 plus 0 - 5 lump sum	18	39	21	-	
Mr A Cook	Director of Finance	2.5 - 5 plus 10 - 12.5 lump sum	15 - 20 plus 55 - 60 lump sum	141	186	41	-	
Mr J Davies	Director of Systems	5 - 7.5 plus 15 - 17.5 lump sum	25 - 30 plus 85 - 90 lump sum	396	521	113	-	
Mr R Bowley	Director of Identity Projects	5 - 7.5 plus 20 - 22.5 lump sum	30 - 35 plus 95 - 100 lump sum	410	556	134	-	
Mr A Wilkes	Director of Strategic Planning	0 - 2.5 plus 0 - 2.5 lump sum	1 - 5 plus 0 - 5 lump sum	4	14	10	-	
Mrs D Rampling	Commercial Director	0 - 2.5 plus 0 - 2.5 lump sum	0 - 5 plus 0 - 5 lump sum	8	24	16	-	
Miss C Nickles	Director of Communications	0 - 2.5 plus 5 - 7.5 lump sum	5 - 10 plus 20 - 25 lump sum	95	131	33	-	

**b Senior staff salary and pension allowances
Pension Benefits**

Senior Staff	Title	Real increases in pension and related lump sum at age 60 (£k)	Total accrued pension at age 60 at 31/03/05 and related lump sum (£k)	CETV at 31/03/04 (nearest £k)	CETV at 31/03/05 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)	Employer contribution to partnership pension account including risk benefit cover - to nearest £100
Mr P Wylie	Director of Programmes (Start date April 2004)	0 - 2.5 plus 0 - 2.5 lump sum	0 - 5 plus 0 - 5 lump sum	0	18	0	-
Miss J Vickers	Director of Operational Change (Start date Jan 2005)	N/a	N/a	N/a	N/a	N/a	-
Mr R Larter	Director of Systems (Start date March 2005)	N/a	N/a	N/a	N/a	N/a	-
Ms S Rapson	Director of Operations (Start date 29 March 2005)	N/a	N/a	N/a	N/a	N/a	-

N/a = information not available prior to UKPS employment.

Cash Equivalent Transfer Values

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the CS Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

c Pension costs

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but UKPS is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation www.civilservice-pensions.gov.uk.

For 2004–05, employers' contributions of £5.6m were payable to the PCSPS (2003–04 £4.9m) at one of four rates in the range 12 to 18.5 per cent (2003–04: 12 to 18.5 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. Rates will increase from 2005–06. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). New entrants after 1 October 2002 may choose between membership of premium or joining a good quality money purchase stakeholder based arrangement with a significant employer contribution (partnership pension account).

(a) Classic scheme

Benefits accrue at the rate of 1/80th of pensionable pay for each year of reckonable service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 1.5 per cent of pensionable earnings. On the death of a member with two or more years' qualifying service, pensions are payable to the widow(er) normally at a rate of half the member's pension. On death in

service, the scheme pays a lump sum benefit of twice pensionable pay (to the member's nominee) and also provides a service enhancement on computing the widow(er)'s pension. The enhancement depends on length of reckonable service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

(b) Premium scheme

Benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum, but members may commute some of their pension to provide a lump sum up to a maximum of 3/80ths of final pensionable earnings for each year of reckonable service or 2.25 times pension if greater (the commutation rate is £12 of lump sum for each £1 of pension given up). For the purposes of pension disclosure the tables assume maximum commutation.

Members pay contributions of 3.5 per cent of pensionable earnings. On the death of a member with two or more years' qualifying service, pensions are payable to the widow(er) or eligible partner at a rate of 3/8ths the member's pension (before any commutation). On death in service, the scheme pays a lump-sum benefit of three times pensionable earnings (to the member's nominee(s)) and also provides a service enhancement on computing the widow(er)'s or eligible partner's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction. Where the member's ill health is such that it permanently prevents them undertaking any gainful employment, service is enhanced to what they would have accrued at age 60.

(c) Classic plus scheme

This is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic. Pensions payable under classic, premium, and classic plus are increased in line with the Retail Prices Index.

(d) Partnership pension account

This is a stakeholder-type arrangement where the employer pays a basic contribution of between 3% and 12.5% of pensionable earnings (depending on the age of the member) into a stakeholder pension product. The employee does not have to contribute but where they do make contributions, these will be matched by the employer up to a limit of 3% (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of risk benefit cover (death in service and ill health retirement). The member may retire at any time between the ages of 50 and 75 and use the accumulated fund to purchase a pension. The member may choose to take up 25% of the fund as a lump sum. The death in service lump sum benefit is three times pensionable earnings.

There were no UKPS staff retired on the grounds of ill health leading to additional liability during 2003–04 and 2004–05.

g Remuneration of the Non-Executive Directors

There are three Non-Executive Directors: Jim Michie, John Holden and Linda Walton. During 2004/05 Jim Michie received £19,600 (2003–04: £28,607), for his services as a member of the UKPS Management Board, as the Chair of the UKPS Audit Committee and for work carried on the UKPS Management Conferences. John Holden, a Non-Executive Director, received £13,022 for his services as a member of the UKPS Management Board, the UKPS Audit Committee and the UKPS Remuneration Committee (2003–04: £13,022). Linda Walton, a Non-Executive Director, received remuneration from UKPS, the total costs in the year were £32,620 (£3,722.16 related to 2003–04) of which £12,120 related to her work on the Passport Verification project (2003–04: £15,594). The Non-Executive Directors received no pension benefits or benefits in kind during the year.

8 Operating surplus

The surplus for the period is shown after charging:	2004–2005 £'000	2003–2004 £'000 [re-stated]
Hire of Plant & Machinery	683	380
Bad debts	7	17
Depreciation	5,431	4,321
Amortisation	234	-
Other operating lease costs	7,356	5,420
External audit fees *	155	137
External audit fees –Other assurance services*	20	-
Internal audit fees *	127	139

* The auditors have received no remuneration for non-audit work.

9 Interest on capital

A notional interest on capital charge is made, calculated in accordance with the Treasury guidelines at a rate of 3.5%.

	2004–2005 £'000	2003–2004 £'000
Cost of capital	1,010	1,050

b Intangible Fixed Assets

The department's intangible fixed assets comprise purchased software licences.	Purchased Software Licences
Cost or valuation	£'000
At 1 April 2004	-
Additions	641
At 31 March 2005	641
Depreciation	
At 1 April 2004	-
Charge for year	234
At 31 March 2005	234
Net book value 31 March 2005	407
Net book value 31 March 2004	-

11 Debtors *

	2004-2005	2003-2004
	£'000	£'000
Trade Debtors	39	36
HMG Debtors	6,073	3,226
Staff Debtors	166	208
Prepayments and Accrued Income	5,458	5,171
Partnership Debtors **	1,858	2,340
	13,594	10,981

* All debtors shown above fall due within one year.

** The balance due from POL at 31 March 2005 was £1.8m (2003-04: £2.3m), see note 22.

14 Reconciliation of movements in Government funds:**a General fund**

	2004-2005 £'000	2003-2004 £'000 [re-stated]
Balance at 1 April 2004	12,981	27,784
Surplus on operating activities	69,122	69,780
Non-retainable element of the passport fee for consular protection	(42,744)	(40,650)
Transfer from Revaluation reserve	86	36
VAT Recovered by Home Office*	-	(4,153)
Non cash cost	448	431
Home Office funding for concessionary passports	(5,092)	-
Amounts owed to the Home Office	(6,569)	(41,297)
Cost of Capital	1,010	1,050
Balance at 31 March 2005	29,242	12,981

The UKPS made a surplus of £26.4m after deducting the non-retainable element of the passport fee.

* Amount shown in 2003-2004 represents a non-cash item, VAT is now accounted for on a cash basis and is therefore no longer shown in the General Fund.

b Revaluation reserve

	2004-2005 £'000	2003-2004 £'000 [re-stated]
Balance at 1 April	1,479	1,074
Movement in Year: Fixed Assets	1,209	510
Stock	89	-
Backlog depreciation (unrealised)	(272)	(69)
Movement to General Fund	(86)	(36)
Balance at 31 March 2005	2,419	1,479

The revaluation reserve represents the difference between the net book value of the fixed assets on a revalued basis and on an historic cost basis where the revalued amount is higher.

15b Movements in working capital other than cash

	2004-2005 £'000	2003-2004 £'000 [re-stated]
Decrease in stocks	784	619
Decrease in work in progress	48	91
Decrease/(Increase) in debtors (including VAT)	(2,613)	4,778
Decrease in creditors (excluding GTA)	2,679	6,275
Increase in provisions	283	379
	1,181	12,142

The 2003-04 VAT included in Debtors and Creditors is now shown in the above movements.

16 Analysis of movements in cash balances

	£'000	2004-2005 £'000	2003-2004 £'000 [re-stated]
Opening balance 1 April 2004		39,356	29,093
UKPS non-fee accounts	(690)		(583)
Fee accounts due to consolidated fund	<u>(34,728)</u>		10,846
Increase in cash		(35,418)	10,263
Closing balance		3,938	39,356
Balance at office of Paymaster General	2,602		26,990
Balance at commercial banks and cash in hand	<u>4,887</u>		14,607
Cash at Bank and in hand		7,489	41,597
Bank overdraft		(3,551)	(2,241)
Balance as at 31 March 2005		3,938	39,356

17 Contingent liabilities

The ten-year Public/Private Partnership Agreements with Siemens Business Services (SBS) and Secure Printing and Services Ltd (SP&SL) contain termination and expiry clauses, which if activated by the Agency would result in financial liabilities being incurred. The Agency believes that the likelihood of these liabilities materialising is remote, but as a possibility remains, they are disclosed here for completeness.

UKPS is funded centrally by the Home Office for the 'Free Passports for those born on or before 02/09/29' and the war veterans initiatives. At the end of the year there were 29,588 applications that were eligible for a refund but where the agency has not made a refund with a value of £1.2m.

20 Capital commitments

Contracted capital commitments as at 31st March 2005 for which no provision has been made totalled £6.0m. This includes ePassports £3.3m, 'Electronic applications' £1.8m and 'Liverpool relocation' £0.2m (2003-04: £5.3m).

21 Euro expenditure

As at 31 March 2005, the Service had incurred no direct expenditure ensuring the Service's computerised systems are compliant with the introduction of the Euro. The Service is, however, represented on the Home Office Euro Steering and co-ordinators Groups.

22 Related parties

The United Kingdom Passport Service is an Executive Agency of the Home Office and is headed by a Chief Executive who is responsible to the Secretary of State for the Home Department.

The Home Office is regarded as a related party. Material transactions between the Home Office and the Agency which occurred during the year are as follows:

- a) Amounts paid to Home Office during 2004-05 totalled £79.6m (2003-04: £66.5m) which included: £38.3m for the non-retainable element of the passport fee (2003-04: £36.1m) and £41.3m CFER transfer from 2003-04 (2003-04: £30.4m). Additionally, the UKPS payroll service is provided by the Home Office Pay and Pension Service (HOPPS) resulting in transactions amounting to £53.9m (2003-04: £45.7m). The Home Office also funded all capital acquisitions in the year.
- b) Net accommodation costs paid by the Home Office during the year 2004-05 amounted to £0.645m (2003-04: £1.0m).
- c) Identity Cards scheme initiative receipt of £406k.

The Foreign & Commonwealth Office (FCO) is also regarded as a related party. Prior to the fee increase in October 2003, the Agency collected £9.40 per adult standard, £2.35 per child passport and £14.10 per jumbo passport to recover the cost incurred by the FCO for providing consular protection. From October 2003, £9.65, £2.41 and £14.49 was collected respectively. The total collected in 2004-05 was £42.7m (2003-04: £40.6m).

Other Government Departments and Agencies which the UKPS transacted with in the normal course of business during the year include the Benefits Agency, the Department for Constitutional Affairs (formerly the Lord Chancellor's Department), the Department for Trade and Industry and Her Majesty's Customs & Excise, and the Foreign and Commonwealth Office. The UKPS had paid £14.4m to the Benefits Agency and Customs and Excise and had received £19.5m from other agencies, the total value amounted to £33.9m (2003-04: £26m).

Post Office Limited (POL) paid over passport fees during the period amounting to £98.3m (2003-04: £76.5m). The balance due from POL at 31 March 2005 was £1.8m (2003-04: £2.3m).

During the year none of the Board Members, key management staff or other related parties had undertaken any material transactions with the UKPS.

23 Financial instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of its activities and the way in which government agencies are financed, UKPS is not exposed to the degree of financial risk faced by business entities.

Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The UKPS has very limited powers to borrow, invest surplus funds or purchase foreign currency. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the department in undertaking its activities.

As permitted by FRS 13, debtors and creditors which mature or become payable within 12 months from the balance sheet date have been omitted from the currency profile.

The UKPS has no borrowings and relies primarily on funding from the Home Office for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk. The fair value of cash is the same as the book value.



Diane Rampling, BA(Hons), ACIS, MCIPS

Commercial Director, 50 years old

Diane has a career background of senior Procurement and Commercial positions in both the public and private sectors and joined the UKPS in September 2003.



Alan Wilkes, MBA, BSc(Hons)

Director of Strategic Planning, 34 years old

Alan joined the UKPS in September 2003. He has previously held positions with international strategic and environmental consultancies, together with undertaking scientific research in the natural gas industry.



Sarah Rapson, MBA, BSc(Hons), ACIB

Operations Director, 38 years old

Sarah joined the UKPS in March 2005. Her prior experience is in financial services, designing and managing distribution networks and implementing global client services for Woolwich, Barclays Bank and American Express. She has an MBA from London Business School.



Joanna Vickers

Operational Change Director, 35 years old

Joanna joined the UKPS in February 2005 from a secondment to the Home Office where she worked in the Identity Cards scheme. Joanna was responsible for developing the solution for delivering the Identity Cards scheme and planning the transition into a new Executive Agency. Prior to that Joanna worked as a management consultant advising and supporting public sector organisations through significant business change.



Christine Nickles, DMS

Director of Marketing and Communications, 54 years old

Christine joined the UKPS in April 2000, following four years with the Driving Standards Agency. Her career has also encompassed local government, charities and the private sector.



Paul Wylie, BSc(Hons)

Director of Programmes, 52 years old

Paul joined the UKPS in 2004 after a long career as a senior manager in the Royal Mail delivering major change programmes. Additionally Paul is a member of the Association of Project Managers.



Rob Bowley, BA(Hons)

Director – Identity Projects, 56 years old

Rob joined the UKPS as the Peterborough Regional Manager in 1987. He has previously held Home Office posts in the Prison Service and civil defence, and also spent some time as an immigration officer.

Class	Description	Format/Availability
Biometric Trial Reports	Description: - Enrolment Trial Report - Enrolment Trial Management Summary	www.passport.gov.uk
Complaint Procedures	The procedures for making and handling complaints relating to the UK Passport Service	www.passport.gov.uk
Customer Surveys	The results of regular surveys of UK Passport Service customers	Printed version from the Communications Manager
Job Opportunities	Recruitment opportunities in the UK Passport Service	www.passport.gov.uk
Welsh Language Scheme	The UK Passport Service Welsh Language Scheme	Printed version from the Communications Manager
Press Notices	Press Notices from December 2002 relating to the UK Passport Service	www.passport.gov.uk
Contracts Advertised	Notices of UK Passport Service contracts awarded above £100,410 from November 2002	Supplement to the Official Journal of the European Communities. Website at: www.eurpoa.eu.int/eurlex/en/seach/seach_oj.html
Contracts Awarded	Notices of UK Passport Service contracts awarded above £100,410	Supplement to the Official Journal of the European Communities. Website at: www.eurpoa.eu.int/eurlex/en/seach/seach_oj.html
Corporate and Business Plans	The Corporate Plan sets out the operating environment and the strategies the UK Passport Service intends to pursue. The Corporate Plan also outlines what the UK Passport Service will do to manage risk and uncertainty for the next five years. The Business Plan sets out the top-level performance indicators and targets the organisation has been set for the next 12 months in pursuance of its longer-term strategies. Indicative targets for a further four-year period are also shown	www.passport.gov.uk Printed versions are available from the Head of Business Planning

Annex (d) – Diversity Actions

The following table details employment figures for black and minority ethnic (BME) staff within the UKPS by grade; in total the UKPS employs 13.89% BME staff. The UKPS is disappointed that it just fell short of the Government target for HEO grades as it has done in previous years. To understand the reasons why and to strengthen our commitment to diversity actions we have upgraded the role of our Diversity Manager and will be providing additional resources to these tasks.

Grade	Government target for employment of BME staff	UKPS	Difference
All grades	Unspecified	13.89%	N/a
HEO	11.0%	8.89%	-2.1%
SEO and Grade 7	3.5%	11%	7.5%

The breakdown by gender is:

Grade	Female	Male
All Grades	65.1%	34.9%
HEO	59.5%	50.5%
SEO and Grade 7	42.7%	57.3%

The organisation values its staff and makes an effort to be as flexible as possible, within operational constraints. The following summary statistics provide evidence of this:

- Childcare vouchers** 104 staff members used childcare vouchers regularly throughout the financial year
- Part-time staff** 309 staff work part-time
- Adoption leave** 19 members of staff have used this during the year
- Flexible working** 80% of staff work flexible hours

Q4. How easy did you find the Report to read? (Please tick one box)

Very easy Easy Acceptable

Not very easy Difficult

Comments

Q5. How easy did you find the Accounts to read? (Please tick one box)

Very easy Easy Acceptable

Not very easy Difficult

Comments

Q6. We would appreciate any other comments you have regarding this report. For example, what improvements would you like to see made, and/or what additional information would you like to see featured in the report?

Comments

Thank you for taking time to fill in this questionnaire

We would be grateful if you could provide us with your name and organisation details, but there is no obligation.

Name:

Organisation:

Please return to: Corporate Strategy, Globe House, 89 Eccleston Square, LONDON, SW1V 1PN, Fax: 020 7901 2468, or e-mail: businessplanning@ukpa.gsi.gov.u



Contact

If you wish to receive further information on any of the issues in this document or have any questions relating to the services provided by the UK Passport Service, please contact:

Marketing and Communications Directorate
UK Passport Service
Globe House
89 Eccleston Square
London SW1V 1PN

Or via the Passport Service website:

www.passport.gov.uk

You can also contact the Passport Adviceline (24 hours a day, 7 days a week)

0870 521 0410

(Calls are charged at national rate)

All media enquiries should be directed to the Home Office Press Office:

020 7273 4545.

