

Public Accounts Committee

Oral evidence: Performance of the UK Security Vetting Service, HC 994

Monday 6 February 2023

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Members present: Dame Meg Hillier; Sir Geoffrey Clifton-Brown; Mr Jonathan Djanogly; Peter Grant; Jill Mortimer.

David Fairbrother, Treasury Officer of Accounts, HM Treasury, was in attendance.

Questions 1 - 90

Witnesses

I: Alex Chisholm, Chief Operating Officer, Civil Service, and Permanent Secretary, Cabinet Office; Patricia Dreghorn, Chief Executive, UK Security Vetting; Vincent Devine, Government Chief Security Officer, Cabinet Office.

Report by the Comptroller and Auditor General

Investigation into the performance of UK Security Vetting (HC 1023)

Examination of Witnesses

Witnesses: Alex Chisholm, Patricia Dreghorn and Vincent Devine.



- Q1 Chair:** Welcome back to the Public Accounts Committee on Monday 6 February 2022. We have moved on to our second panel. This is on a completely different subject, the performance of UK Security Vetting, which is the body responsible for doing all the background checks for most public sector staff, certainly Whitehall staff, who need clearance to do their jobs. This can be basic level clearance all the way through to so-called developed vetting, which is very much more time sensitive and vets people with access to the most top secret materials.

Since UK Security Vetting was moved from the Ministry of Defence to the Cabinet Office, it has failed to meet nearly all of its performance targets and backlogs have built up. These are issues that are familiar to us on the Committee. We have, only recently, looked at some other similar backlog issues in other Departments. We have senior officials here from the Civil Service to answer questions about what has gone wrong and how they are going to fix it.

I would like to welcome Alex Chisholm, the chief operating officer for the Civil Service and Permanent Secretary at the Cabinet Office, which now holds responsibility for UKSV, Patricia Dreghorn, the chief executive of the UK Security Vetting service—welcome to you; it is your first time at this Committee, Ms Dreghorn—and Vincent Devine, the Government chief security officer for the Cabinet Office. Is it your first time?

Vincent Devine: Not at this Committee.

Chair: Sometimes I have seen people on Zoom and I cannot recognise them, but I did not think that I recognised you. Thank you for coming, Mr Devine, as well.

- Q2 Jill Mortimer:** This is the first Report I have read properly for this Committee and I have to say that it does not make for very comfortable reading. You will probably agree with that. The UKSV has not met either of its two key performance targets and it actually hit its lowest level of performance in 2022. It is fair to say that the Cabinet Office has failed to get UKSV working effectively since it took responsibility in 2020. Mr Chisholm, why is that?

Alex Chisholm: I will make a contrast between the situations we had in the first year, in the second year and now, as we are heading into our third year of the ownership of this. In the first year, it came across in April 2020.

That was obviously the beginning of the lockdown period and that had an effect on all parts of Government. It had a particular effect on the performance of UK Security Vetting, because the nature of that business is heavily dependent on face-to-face interviews and access to particular infrastructure, which was not possible to do for all parts of the workforce during that time.

That meant that—you can see it in the NAO Report—the actual number of vetting operations to be carried out went down a lot that year. That pushed a lot of demand into the year afterwards. In that second year, at the same time, we had a surge in demand for aviation cases. If you



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remember, there was a change to the rules there, so all people working airside needed to get accredited. In February, we had Ukraine, which caused a massive increase in demand, and other cases through the year.

We are looking at an increase in volume of more or less doubling the total number of vet operations we have had carried out. It is true that the first half of last year was a very difficult period, and we fell well below the intended key performance indicators that we wanted to meet. That was a struggle for people working and a huge effort has gone into turning it around.

I am very proud and pleased that the team, under the leadership of Patricia Dreghorn as chief executive, has turned it around very substantially over the course of the second half of the year. We are meeting all the huge number of priority cases, which have to be turned around in days rather than months. We normally allow 3% for the number of priority cases, but it is now 13%. All those top priority cases have been turned around very satisfactorily and we are now beginning to eat into the backlog that you referred to.

Q3 Jill Mortimer: Could I take you back? You talked about the rise in aviation cases. That was largely because the aviation sector reopened and had to bring people back in.

Alex Chisholm: It was also a change to the policy. Anyone working airside needed to have a check, which was not the case beforehand. About 200,000 of those have had to be processed over the last year.

Q4 Jill Mortimer: Why did you not foresee that and do some sort of worst-case scenario planning moving forward?

Alex Chisholm: That particular change was foreseen and, indeed, was a real success story for UKSV. It was able to introduce a product that, effectively, turned around the checks within five days. We even got that down to a day, later in the year. That was foreseen and dealt with well, but that was happening at the same time as the huge demand coming from the invasion of Ukraine, which was certainly not foreseen. Overall, as the Report describes, Departments did not forecast demand accurately. In some cases, there was 20% or 30% greater demand than was forecast. In a very tight operating environment, that is a big difference.



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Q5 Jill Mortimer: You have said that the factors that were most to blame are Ukraine, Covid and all those things. There does not seem to be a significant enough increase in the productivity since you took over to only be explained by those things.

Alex Chisholm: You are right that it is on both sides, the demand and the supply. The demand side increased hugely, as we have described. We described that. On the supply side, we were expecting to see an improvement in the productivity as we introduced more and more automation. We have seen that, but it took a bit longer to come through. There have also been improvements in processes.

You can see really impressive productivity improvements. If you look at the resources in December last year compared to December the year before, there is about a 20% increase in total resource. If you look at the actual number of vetting operations carried out in that month, December 2021 was about 800, I think, for DVs—developed vetting—which is the more demanding kind. In December of last year, it was over 2,000, so absolutely chalk and cheese. There was a huge increase in the number of cases being dealt with. That speaks to the big improvements we have seen in productivity.

Q6 Jill Mortimer: Are we going to continue to see that level of improvement?

Alex Chisholm: Yes, and particularly in the more routine cases, so-called CTC and SC. Those ones lend themselves very much to even more automation being applied. That has been our experience already with those cases we have applied it to. In total, how much of the overall operation is digitised now is probably about 20%. We expect to get that up to 30% and then 40% over the next few years.

Q7 Jill Mortimer: You already knew that Russia was a major security threat, so, when you are saying there was an increased number of vetting procedures needing to be done because of the invasion of Ukraine, is that refugees that you are talking about there?

Alex Chisholm: No, it made a difference to the whole security posture across Government. These are policy changes in a sense. We take receipt of, rather than make, that policy. It is made in MoD, FCDO and other Departments. A lot of those decided that they needed to have a higher level of personnel security applied more widely than had been the case before.

Q8 Jill Mortimer: Is it fair to say that, at the moment, you are quite pleased with the way you are seeing the trend going?

Alex Chisholm: Yes, the first half of the year was really difficult because a lot of people were waiting longer than they wished to. The team was under pressure. It is not nice to work in an organisation when you are falling behind your KPIs. The turnaround in the second half has been really good to see and I really am, as you say, pleased with that.

It also means that they were then able to get out of the day-to-day fight to stay on top of the amount of work that comes in versus the amount of



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work that goes out every month. We process more cases than we receive, so we are eating into that historic backlog. That frees up time for the team also to begin to put more effort back into the transformation and the whole move towards the new, more automated and modern approach.

Q9 Jill Mortimer: If that is the case, when we look at people who need to be re-vetted, the legacy system, you have actually been kicking them forward into the long grass and not doing that. Is that why we have seen some slight improvement in the length of time it takes to get other people through? Is it because you have actually just moved resources from one area to another and, if you took it all across the board, there is no improvement at all?

Alex Chisholm: No, not exactly. It is the case that we, as a matter of policy, decided—it is not the first time this has happened—to prioritise new applications over renewals. That was risk-based and a decision taken with our customers. We were saying, “If we continue like this, we are going to be waiting a long time for those new cases to come on board”. Those are new recruits. They have hired somebody. They want to make an offer. They ask, “When can you start work on this area?”, so people are obviously very keen.

Q10 Jill Mortimer: The length of time has not been that significant.

Alex Chisholm: It has been absolutely significant, to be really clear on that. If you look back to the early part of last year, for initial DVs who are waiting, it was 177 days at the peak. That is now down to 98, so that is a huge improvement.

Q11 Jill Mortimer: Are we not still at 7% of people who should be cleared?

Patricia Dreghorn: We manage DV as a service line. You are correct. When we made the decision to separate out DV initials from DV renewals, we were determining that all of the resource would be focused on DV initials.

Q12 Chair: You are using a shorthand but you mean the people who have applied first time, to be clear.

Patricia Dreghorn: Yes, the new applications, absolutely. We also determined that, with the renewals, we had been doing that for several years, as you have pointed out, and therefore we take a very risk-based approach to what we are doing. National security is the primary reason for everything that we are doing in our service. Therefore, we concluded that we could take a risk-based approach to renewals.

We introduced data checks that we have never, ever introduced before. Therefore, we were not taking all the resources when we made that split and decided to move things out to the long grass, as you rightly say. We also decided to perform some fundamental vetting checks, data checks, automated checks. Should an adverse indicator arise, we absolutely then moved forward with the full process. What you have not therefore seen is



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that we have only processed initial DV applications. You will have seen that we have continually processed renewals, but at a lower rate because we have adopted that risk-based data-driven approach.

Q13 Chair: Ms Dreghorn, one of the issues since Brexit is that it has been harder to share information with certain other agencies around the country. Has this had any impact on your work at any level?

Patricia Dreghorn: No. Everything we do from a UK Security Vetting perspective is around sharing information within Departments across the UK. We work very diligently with Departments in sharing and, therefore, we have not had any impacts.

Q14 Chair: If you employed somebody who had a footprint in another country, would you not have to check with that other jurisdiction?

Patricia Dreghorn: Yes, absolutely. I obviously cannot talk about some of the checks in this scenario, but other agencies hold information that we require in those checks and those have a footprint within the UK.

Q15 Chair: For example, if you were vetting me and, for argument's sake, I had been born in another country, you would need to check those addresses were real to prove that what I was saying to you was real. That is what we would expect in a minimum vetting. If you wanted to check whether I had a criminal record or anything in another country, there would be no issue about data sharing with countries as a result of some of the changes since we left the EU.

Patricia Dreghorn: Some of the questions you are asking are very policy-driven questions around residency and criminality. There are restrictions imposed upon what I can share in a public domain. I can absolutely share all that information with you privately with a note, if that would be helpful.

Q16 Chair: Is it putting any limits on what you can do or making you have to go a long way round?

Patricia Dreghorn: No, the EU exit has not adversely impacted vetting in any way. All the information that we require sits within the various Government Departments across the UK.

Q17 Peter Grant: Ms Dreghorn, you are chief exec of an organisation that, effectively, has a supplier and customer relationship with Government Departments and some other outside bodies. What assessment have you made of the impact on your customers from your organisation's inability to deliver the service level that they expect?

Patricia Dreghorn: You are absolutely right. We are a customer-centric organisation. Our primary focus is the end user journey and experience. Our fundamental reason for being, however, is national security. That means that we cannot always delight a customer in terms of KPI, because investigations sometimes take a long time. If we find anything that we believe risks national security, we will always put that first. Our experience has been to put the customer at the heart of the user journey.



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We have designed new systems that focus very much on improving that user experience and that engagement with us. We work very closely with each Department that acts as a sponsor for applicants, whether they are coming in from the private sector entering public life, or whether we are dealing with industry. We work very closely with each of those Departments in ensuring that we understand their priorities, their drivers and what we need to do to improve our service. We take the feedback very seriously.

Q18 Peter Grant: The Permanent Secretary mentioned the big increase in the need for security checks on airport workers. Does your organisation carry out those checks on baggage handlers and these kinds of people on behalf of airlines?

Patricia Dreghorn: Yes. That is the new legislation that was implemented in January 2022, which is the airside check. We perform that. We built a platform in a very short time and I am very proud of the team, because we turned something around at rapid scale to ensure that we could meet the needs of that legislation. We provide technologies that enable all of Government to share data on an automated interface.

Q19 Peter Grant: There was a time not long after the airline industry tried to fully reopen, where certainly Heathrow airport and some airlines in particular were in absolute chaos. We had Britain's biggest airport telling Britain's biggest airline, "You are going to have to cut your schedules, because you are not honouring them". One of the factors that the airline quoted was delays in getting security vetting for new staff. Was it fair for them to put some of the blame for that chaos on your organisation?

Patricia Dreghorn: There are some differences in some checks that are performed, and sometimes there can be conflation and confusion. When anyone wants to work in the UK, they go through a right to work check. A lot of the data that are collected on a right to work check are very similar to the data that are collected for a vetting check.

What we have done with the airline industry is interface with the HR departments. Therefore, someone may have been waiting for a right to work check rather than a vetting check, but it is the same data sources that we use, and that was all to do with our drive to digitise and automate.

In some of those cases, the questions and the accusations that, as you have rightly pointed out, we received were refuted through some of the data that we delivered and that we shared. We worked quite closely with the CAA and the DfT to ensure that we prioritised. In one case, we had a very public apology from one of the airlines around the confusion.

Q20 Peter Grant: Mr Chisholm, in May 2022, in reply to a written question, your Minister at the time said that the Cabinet Office had not done an assessment of the impact of these delays on the work of other Government

Departments. I am assuming that either you or a very senior official within the Department would have signed off that response before the



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Minister made it. Why had you not done any assessment? You are the chief operating officer for the Civil Service. You have a responsibility for the whole of the Civil Service as well as the Cabinet Office. Why did you not do any assessment as to the impact it was having on other bits of the Civil Service when one of the agencies that you are responsible for was not delivering?

Alex Chisholm: We did not have a complete assessment of the impact, and the NAO Report has certainly helped give us a very useful overall picture of that. We did have data about the number of cases that we were receiving and processing at the different vetting levels, and it was absolutely being discussed with the customer Departments about what the impacts of that would be in terms of how many more cases they would expect to be sending to us and how long they would have to wait against our KPIs, which is why we put in place that stabilisation programme.

Q21 **Peter Grant:** Could I ask you to share that information with the Committee on a not-for-publication basis, if necessary? It would certainly be useful for us to know how much of an impact this has had on some of the other service failures that we have been looking at in other Departments.

Alex Chisholm: Happily, for the further information that you have asked for. A lot of it is in the NAO Report, which has been useful.

Q22 **Mr Djanogly:** Do we know how many people are going for alternative jobs because they cannot be vetted on time?

Alex Chisholm: No, but we have some indications of that, if you look at the number who have cancelled and that kind of thing.

Vincent Devine: The short answer is no, we do not. We track how many people withdraw from the process at any one time, and there is quite a useful indication of that in the NAO Report. Once I had read the NAO Report about the cancellation numbers, I was prompted to look at numbers in some detail, and it is right that there appeared to be increasing cancellations in October and November of last year.

However, I can be broadly reassuring, in that it is proportionate to the overall increase in the cases we are seeing, so the percentage of cancellations has not increased, and it is not a consistent pattern. After the cut-off date for the NAO figures, the cancellations in December were down year on year, so there is no clear pattern of cancellations growing.

Q23 **Chair:** What is the reason why people would cancel?

Vincent Devine: I did wonder about that, so I looked at the detail of the data a bit further. We know that, of the 216 cancellations in October, 146 were renewals, so these were people who were already in post, not people who were seeking a new clearance. In November, it was 125 out of 202. These are people who are already in post and moving on. There are multiple reasons why they may no longer require a clearance. If you move from a developed vetting job to a job that does not require



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developed vetting, you do not need to renew your clearance. If you retire— and we did see this great retirement phenomenon last year—you do not need your DV. If you change projects in an industry that is a big customer, again you might move from a DV project to an SC project.

The cancellations are not people pulling out of the process. There seems to be a pretty consistent percentage of cancellations over the last two to three years. There are multiple reasons why people cancel. Sometimes they do not enjoy the process and they withdraw.

Chair: Is that a euphemism?

Vincent Devine: It is a euphemism. Sometimes it is clear that they are not going to pass and they withdraw. Sometimes the cancellation is a timeout: they have failed to comply with the process and to provide the information in time. Sometimes they seek other employment and do not take up the post. For the moment at least, there does not seem to be any evidence that, even in a very competitive job market, the vetting process is losing good candidates. That is something that customers worry a lot about, so that is why I thought I should dig into the numbers.

Q24 **Mr Djanogly:** In terms of the 72% of claims that have taken longer than the 25-day target, you would normally think of these as people looking for longer-term jobs, but, in my experience, a lot of vetting is short term— someone needing to be brought in for a project. As an MP, someone might come in to help me on a piece of legislation for a few months. I do not want them to be working here for a long time, but just to have the benefit of their expertise, and they need to be vetted. Presumably, a lot of the people who you guys are vetting are the same. Can you just give some idea as to what proportion is short term and to what extent they are having problems?

Vincent Devine: I do not think that I can give the data on how long we are vetting people for, because we often do not have that at the beginning of the clearance. I do know how many people we prioritise because they need to come in on an urgent project, and we could give you that data relatively easily.

Chair: That would be helpful to have.

Q25 **Mr Djanogly:** It would be helpful to have. So you are saying that you do not have information on who needs to come just for a short period. You would not be told, or would you?

Vincent Devine: I do not think that we are told that.

Chair: Presumably, the vetting process is the same, whether it is 25 days or three years.

Alex Chisholm: We would know urgency but not duration, necessarily.

Mr Djanogly: Perhaps you should know.

Vincent Devine: We have discussed this a number of times over recent years. We do not want to disadvantage companies, particularly if you are



working in shorter-term projects, by insisting on a fixed term for clearance. Some of the small and medium enterprises, for example, might come in on shorter-term projects. If we insisted on lengthy clearances only, we would accidentally disadvantage those companies.

Q26 Chair: I am a bit puzzled, though, that you used to allow customers to label up to 3%—the NAO has it on page 20, paragraph 1.8, for anyone who is following—of their clearances as priority cases, but that has risen, Ms Dreghorn, to 13%. How sustainable is it to prioritise 13% instead of 3%? That must be very difficult to do, or it must mean that you are cutting people off at the other end.

Patricia Dreghorn: My team will be delighted that you have recognised it is difficult to do. We have prepared a very different process to enable us to triage in a streamlined way. It is about identifying those cases with the customer as part of that customer engagement. We identify where those priorities are and we ensure that they go through to a fast-tracked team who manage things through in rapid timescales. That has increased to 13%, as you rightly say.

That is not sustainable in the long term, because we would not want to continually prioritise one over another. We want to assure everyone that it achieves the KPI and the turnaround time. To get us through the crisis, we concluded with all of our customers that that was the right approach, and that allowed us to deal with the kinds of examples that had been raised. It allowed us to determine where we were impacting perhaps employability or where we were impacting programmes. We would like to see us moving into everyone getting their clearance within the standard time, and that is absolutely the goal that we are working towards.

Q27 Jill Mortimer: I just want to go back to the increased demand that we saw post-Covid. It was not just in the airline industry. Is it fair to say that you failed to predict that increased demand?

Alex Chisholm: It is not us who do the demand forecasting process.

Patricia Dreghorn: Demand is determined by each of the host Departments. Some of that forecasting can be really straightforward. If you are a Department that is 100% developed vetting, for example, you understand your employees, your budgets and your programme spend, and you can make some fairly accurate decisions and predictions around forecast. If you are, however, a Department that relies very heavily on industry to support a lot of your programme spend, there can be wide variation and it can be very difficult to forecast.

All of our funding comes directly from customers, so we are not sitting with a view on what programmes and what policies are driving everything that sits behind that customer demand. We are relying on the customers to get that demand forecasting more accurate than they have been. Some Departments are very good. Some Departments struggle and vary widely.



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We are providing data and we have improved a lot of our MI to help us work with customers and to help with some of that predictive analytics, because, in the past, it has proven to be challenging on both sides. It is not particularly helpful for customers if they are under-forecasting and, therefore, underfunding in the SR review. Equally, if they are overforecasting and overfunding, we are then crediting them, so it does not help the entire enterprise, not just UKSV.

We have put a huge amount of effort into working on improved management information to help improve that situation. You can see some of that. As you have looked at the last couple of years that the NAO has reviewed, you can see that, at the beginning, the performance around forecast was particularly bad. When you came out of Covid and moved into 2021, there was quite wide variation, as the NAO has highlighted, but, as we are moving into next year, we are constantly refining that forecast with each of the customers, so that we can be much more accurate.

We will never get it right. Productive analytics will never be correct, but we are certainly in a situation where we are understanding now what policies, what programme spend and what SRs have been signed off to drive some of the commitments that will impact us.

Q28 Jill Mortimer: So what you are saying is that the customers got it wrong, not you. That is like saying that the customers decided to come into the shop and buy bananas, but you only had oranges because you had not worked out that they wanted to come in and buy bananas. Is that what you are saying?

Vincent Devine: Could I add to that? I was the chief customer of UKSV until January last year, because I was the chief security officer in MoD. The vetting community together builds a forecast and, therefore, a resource plan for UKSV for the coming year. Customers are responsible for forecasting. That is then consolidated by the Government security board, which I now chair. That provides the baseline for UKSV for the following financial year.

There is an excellent diagram in the NAO Report—I think it is figure 7—that demonstrates just how poor forecasting has been over recent years. It is entirely understandable why customers over-forecast dramatically in 2021, because Covid stopped recruitment and stopped activity, so the forecast was way over the top.

It is less excusable in retrospect that we, as customers, under-forecast so significantly in 2021-22. There are probably three reasons why the forecast was wrong. First, we had underestimated the impact of Covid, in that it had frozen everything, which would then restart in 2021-22.

Secondly, we had not fully taken account of the changing threat environment. If you look at the diagram in figure 10, you will see the overall demand for security clearances increasing, which feels right. It



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reflects our lived experience of the increased threat and increased awareness of security across Government.

Thirdly, we had underestimated what you could call societal changes and this big changeover of employment in 2021-22. There are some very interesting figures in the Whitehall Monitor report that was released last week, showing that transfers—moves within the Civil Service, in and out—doubled after Covid. We had underestimated that. If somebody moves out of a DV process and somebody else moves in, and that was unpredicted, you are going to get a new demand.

Forecasting is critical. We, as a community—customers and the centre—need to accept that we could have done better in the past. As Trish says, we now have much better management information. It is one of the big innovations that Trish has brought. We know what is going on below the surface in vetting, and I am confident that our forecasting will be better in the future. It will still be susceptible to shocks like Covid—I accept that— but it will be better. You and the Report are right to say that forecasting is at the centre of improving the performance of UKSV.

Q29 Jill Mortimer: Going back a little bit, you have extended existing DV clearances rather than conducting the full renewals. Can you tell me why you decided to do that? Is that because you did not have enough staff in place? What was the thinking behind this?

Vincent Devine: You will find in vetting that there is a long history to many of these issues, which Lee and his team found as they were doing the study. We first extended clearances in 2018 in response to the challenges that UKSV faced at that time. We extended all those low-risk clearances that were due for renewal in financial year 2018-19. That created an artificial reduction in demand and allowed the 2018 recovery to take place. We then repeated that in 2019, so we were back to natural demand but we did not deal with the problem that we had created in 2018.

In 2020-21, for entirely understandable reasons, my predecessor extended all clearances that were due for renewal that year, so two years' worth of clearances. In 2021-22, we tried to bite off those clearances in one, so we took all those clearances back in. Clearly, that was part of the charge that we faced in 2021-22.

To answer your question, extending renewals in order to manage initial clearances is an entirely sensible risk-based decision, as long as you only do real risk decisions. Doing it cumulatively in the way that we have done over recent years creates additional challenges, but if you have a choice between waiting nine months for someone to come in and do a critical job, or extending a renewal that has been in place for seven years and no risks have been identified with the individual, all the customers around the table agreed that that was the preferable way to go. Does that answer your question? I know that it is a horribly complex issue.



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Q30 Jill Mortimer: It does. I understand it. It is an awful compromise that you have had to come to, but can you just explain why you failed to meet those aftercare checks for four years? I know that you have backlogs, but it is not really acceptable, is it?

Patricia Dreghorn: From an aftercare perspective, we had a queue that the NAO commented on of around 5,000. That has now reduced to 2,500. We are on track to get back within BAU holdings, which is around 1,000, over the next few months. We are targeting summer to achieve that.

You have a direct causal relationship between demand and the number of individuals who are vetted within the system, the number of applications and the number who, therefore, move into the high-risk category and require aftercare.

When we have looked at our priorities, we prioritised the DV initials, as we mentioned earlier, so the new applicants coming into roles that impacted top secret access to programmes or to roles. Given that we made that resourcing decision, it left us in a situation where our resourcing and aftercare was not at the new levels, but at the original levels.

In that scenario, we again made a very clear decision to resource and prioritise in particular areas. We have been increasing our resourcing. We have been doing that. We have been working very diligently on increasing resourcing, and that has allowed us to positively address the queue, hence we have now halved that queue. We have had a 50% improvement.

The other thing about aftercare, which is something that we all need to recognise about vetting overall, is that our focus is on risk. Sometimes the data might indicate that there is a medium or a high risk there that requires an investigation. That investigation requires human input. It requires human input from us within the security vetting agency, but it also requires that from supervisors, from referees and from the individuals themselves, or maybe from other Government agencies, depending on what data sources we are reviewing.

That all takes time and, unfortunately, some cases can be quite complex. Our view is that we want to mitigate any issues or any adverse indicators. We want to work with individuals and try to reduce the risk. Our view is not that someone has an issue and, therefore, we should revoke their clearance, so we sometimes put a lot more time and effort into aftercare, because what we want to do is to find the right outcome. That sometimes means that we do not achieve a KPI from a performance perspective, but we are achieving the right outcome for the individual and for Government security.

Q31 Chair: Can you give us an example in public session of what that would mean?

Patricia Dreghorn: I probably could not, but I could share cases privately. I could not do that in public session.



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Q32 **Chair:** It just seems extraordinary, on the face of it, that someone is cleared and then crosses a line, and you cannot mitigate that.

Patricia Dreghorn: If it is a renewal situation and you end up in an aftercare scenario, circumstances change. Our lives change. Our families change. Things happen, absolutely.

Q33 **Chair:** There could be a new partner or something.

Patricia Dreghorn: There could be anything at all—anything that we would view as a risk—but that is probably as much as I can say at this stage.

Chair: It is just helpful to have a picture in our minds.

Q34 **Jill Mortimer:** If something were to happen, God forbid, as a result of somebody's aftercare not being done, because you had chosen to take on a new person instead, would you feel comfortable with that?

Patricia Dreghorn: Not at all. National security is our fundamental reason for being. That is absolutely our focus. What we have done is introduce triage across everything that we do in the national security vetting agency to ensure that, where there are high-risk cases, we are focused on that immediately.

Q35 **Mr Djanogly:** Moving on to your attempts to recover performance, there was a 2017-18 recovery plan. You will appreciate that there is a degree of a feeling of, "We have seen all this before", being realistic. You have a new recovery plan that has been in place for a year now. You are still missing your main targets. How can we have confidence that this plan is going to work?

Alex Chisholm: Let me start, and my colleagues will probably want to come in. It is right, in the way that you have done, to look at the long picture there and to see that, at various times, security vetting has struggled. You will remember that UK Security Vetting itself was a merger of MoD-based staff—

Chair: We know the history.

Alex Chisholm: Coming into the Cabinet Office, it was a decision taken before my time, but I inherited that in April 2020. We would have expected to be able to get a good grip on this quickly and to improve that performance. I have described already the impact of Covid and the increase in demand, and the inability to run an efficient service during lockdown, so that has pushed to the right our aspirations there.

However, we are now beginning to see some of the benefits. Coming into the Cabinet Office, we wanted to move from a single customer base to being able to consolidate multiple customers. We now have over 100 customers for centralised decision-making. That is over 70% of the total, so that is bringing a big consolidation and an improvement in consistency and quality.



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We also wanted to see the policy part of security lined up with the operations part, and we have seen, frankly, the benefits of that coming through not only in managing the flow that we have had this year, but also in identifying new threats and improvements to the overall approach.

The last bit, which we are just beginning to see, is the move towards modern, cloud-based, highly automated procedures interacting with multiple data systems. We have started on that route. We have moved to a new data centre. We are going on to the cloud in the immediate period just coming up. We have automated around 20% of the total volume of what we are doing, with plans to do the rest of it.

It is beginning to get to the situation that we wanted to see. I am disappointed that I am saying that in 2023 rather than a year or a year and a half ago, but I am pleased that we have dealt with the problems that accumulated and have stabilised the system, and that we are now set fair for the year ahead.

Q36 Mr Djanogly: With all of that, when do we get rid of the backlog? When do we return to normal?

Alex Chisholm: We expect to have finished the backlog around the course of the summer.

Patricia Dreghorn: Yes.

Chair: Summer this year.

Alex Chisholm: Yes.

Patricia Dreghorn: There are different vetting lines, as you know. There are different products. In the lower-level security clearances, we can automate more. It is more transactional. We are working on a trajectory to clear those backlogs by the summer. Developed vetting is slightly different, as you know, because of the investigations and the face-to-face interviewing that are involved.

We are working on some plans, where, from a DV initial perspective, we are very confident. We are already in a place where we are sitting with a holding level that would deliver us to complete within 60 days as opposed to 95. From a DV initial perspective, we feel as if we are there. From a DVR perspective, we are assuming October.

Alex Chisholm: I just wanted to make a point, if I could, for the Committee, because I know that we often look at backlogs in other contexts, and all the cases are of equal value. That is not the case here. All the cases that have most value have been dealt with as a priority, and then all the new initial cases, which would have a big impact if we did not deal with those efficiently, are back on track. The backlog that is left is the low-risk renewals. It is not good that there is a backlog, and we will catch up, but it is not as significant as if the backlog was in high-priority, highrisk cases.



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Q37 Peter Grant: Mr Chisholm, you have spoken about the impact of a number of events that led to a significant upsurge in demand for vetting. How can you give us reassurance that UKSV is now resilient and able to deal with sudden upsurges in demand in the future without causing the delays that we have seen in the past?

Alex Chisholm: The first thing is the improvements in forecasting that Trish has described. That is working much better between us and the customer Departments.

Secondly, in terms of our ability to deal with increased volume, the more that is automated, the easier that is. With the huge number of cases that we had—over 200,000 accreditation checks for the aviation industry—we could not have done that in a non-automated way, so that gives us a lot more flexibility.

The third thing is probably to do with our resourcing model and the skills that we have. We have added permanent resources, but we have also added some contingent resource as part of that. It is a good thing to have a degree of temporary workers—both surge people coming from elsewhere in the Civil Service and some contractors—because that gives us a degree of marginal capacity that you will not have if you have just your fixed, permanent workforce.

Q38 Peter Grant: Mr Devine referred to quite a widespread failure across Government Departments to properly forecast the demand for vetting after Covid. How much responsibility for that lies with the chief of the Civil Service?

Alex Chisholm: Mr Devine described well how that arose and, indeed, it is in the NAO Report, if you look at it. A particular point is that you could be out by, as in some months, 10%. In a big operational environment like this, that can have a huge impact on the number of days that some cases are waiting, so is important to try to get closer and closer. If you look at the right-hand side of that chart in figure 7, they are hitting it on the nail on the CTC and SC, and we are under now on the DV. That is encouraging. What is critical is that, going forward, that is a predictable amount as much as possible, and that is why the improvements that you heard about will be important.

Q39 Peter Grant: Going back, Ms Dreghorn, to one of your early answers, we would all appreciate that getting the vetting right is more important than getting it quick. You said that, if you find potential risks to national security or to a national interest in the early stages, it will slow down the processing of the application. Has there been an increase in the percentage of applications where you are finding things that you need to dig into a bit more deeply compared to, say, five or 10 years ago?

Patricia Dreghorn: I will be limited with what I can say, but, again, I can give you stuff privately. The threat profile and landscape have changed, and we are seeing threats that we would not have considered a few years ago. For instance, if I can use a standard one such as internet



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usage or social media, we may identify risks today that we previously would not have. Covid had a serious financial impact, which impacted a lot of our thresholds that sit within policy. That is probably as much as I can say in this environment.

Chair: We get the picture.

Patricia Dreghorn: We need to respond to that landscape via policy.

Q40 **Jill Mortimer:** Can I just pick up quickly on your staffing numbers? In April 2021, you had a 32% shortfall and, in March 2022, a 25% shortfall. Are you using surge teams, as you just mentioned? If you are, where are they from and how quickly can you stand them up when you need them to be used?

Alex Chisholm: Those percentages are a comparison between forecast numbers of people we would need and the actual number of people we have, and they are estimates.

Jill Mortimer: We know how good forecasting is.

Alex Chisholm: This is on the number of employees needed to do the work. The improvements in productivity that I described there are really helping to close that gap. Also, we are continuing to recruit people a lot. If anyone is watching this, we are recruiting actively in York and in Glasgow.

Chair: So more people for you to vet, Ms Dreghorn. Do you prioritise your own staff?

Alex Chisholm: As you say, we do use surge capacity. The team is based in HMRC. We have about 20 or so who have come from there and are working with us at the moment. We also use contractors. We expect to get to around 800 permanent staff, with between 100 and 200 temporary contractors.

Q41 **Chair:** Ms Dreghorn, you are based in Glasgow and York. Do you not use people from the Passport Office? There is a great team there that must be vetted, because they will deal some of the most difficult stuff.

Patricia Dreghorn: We use surge staff where we can. It tends to be HMRC, as mentioned. We have also looked to the military police if they are unable to perform active duty. We look there, mainly because they are already vetted. Both of those routes make it much easier, quicker and slicker, and it impacts the demand, as you just said, and the load on the agency. We also look to the broader Civil Service resourcing pool, where maybe someone is displaced from one Department to another. We look to all of those features.

Q42 **Chair:** It seems to us, when we are looking at this, that you are having to work with one hand tied behind your back, because you do not have enough people to do the work. While the Report stands and we are concerned by it, you do not have the resources that you need, do you?

Patricia Dreghorn: Resource has been a challenge, absolutely.



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Q43 Chair: That is a very good Civil Service response, sitting next to the Permanent Secretary. Do you really need more people and need them more quickly?

Patricia Dreghorn: We are in a situation where I am very proud—and I hope that some of my team are watching this, because I genuinely am—that we have made changes that will drive sustainable productivity. We have not just looked at sticking plaster-type solutions. We have made changes to process and policy that will drive increased productivity as we move forward. Therefore, where we see increases in demand going forward, we will be in a much more resilient space than we were, because, previously, everything has been labour-related.

However, your point is correct. To address the backlog, we need to resource that. There is no other option. We have to resource it. We have been working very closely around budgets and some of the broader aspirations and challenges that the Cabinet Office has around Civil Service headcount numbers, et cetera, and we have arrived at a model that says, “Let us flex more on the contingent labour aspect”. The issue with contingent labour is that, by the time you recruit, you vet and you train, it takes a long time. That is the issue. Vetting is not something that you can train within a week. It takes a lot longer, unfortunately.

Q44 Jill Mortimer: Could I just pull into that a little bit? You are talking about increasing productivity. How do you assess individual productivity? What data do you have on that?

Patricia Dreghorn: My staff who are watching this will not be happy, but we have individual targets. Each member of staff, depending on what function they are working on, is given an individual target. There are very clear capacity planners, and we measure daily performance. That is part of individual daily performance.

Q45 Jill Mortimer: Is that the number of people who they have vetted in a week or something like that?

Patricia Dreghorn: Yes, absolutely. It is down at the individual level and at the team level, and we review that data. That data is visible to everyone, and to customers too. We drive performance hard. We are a production unit, at the end of the day, so we do drive performance hard. Some individuals find it much easier than others, and some cases are much easier than others in terms of the data that we are checking. We are trying to standardise, where we can, but we are dealing with human beings, and human beings all present with different characteristics and traits.

Q46 Jill Mortimer: It sounds like it should really be self-standardising, because you will get a long case and a short case, and that should be the same across the board, should it not?

Patricia Dreghorn: Yes, absolutely.



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Q47 **Jill Mortimer:** Do you have any data on the effect of productivity when people are working remotely, for example, compared to when they are in the office?

Patricia Dreghorn: We have some data on that. There are GDPR constraints that do not allow us to assess some of that.

Q48 **Jill Mortimer:** Can you give us an indication of whether people are more productive or less productive? Which way is it?

Patricia Dreghorn: The hybrid balance that we have, where individuals spend a bit of time working remotely and a bit of time in office, is the optimum. When they are in the office, they are working with other teams. They are maybe working with colleagues and getting some advice. When they are at home, they can just focus on casework. When diaries are planned and prepared in the right way, we find the hybrid highly productive.

Q49 **Jill Mortimer:** That is what you feel, but do you have any data that supports that feeling?

Patricia Dreghorn: Yes, and, again, we could share that data if you would like to see it. As I said, we have it down to individual productivity data stats.

Q50 **Jill Mortimer:** Could you improve your productivity until more processes are automated?

Patricia Dreghorn: That is my mantra. We absolutely are driving productivity increases day to day.

Alex Chisholm: Maybe just talk about the improvements of working with other Departments in terms of the arrangement of meetings and coordination type productivity rather than purely internal.

Chair: Are you having a private conversation? Ms Dreghorn, do you want to add anything?

Patricia Dreghorn: Part of the challenge with vetting is that you cannot always drive straight-through processing. Each of us will use other Government services, like an HMRC or a DVLA. You go on to the website and the portal does not allow you to pass go. You will receive a red response telling you that there is a problem and the data has not checked. That is part of what we are building in the future. That is part of what we are building right now with our automation.

In the current process, that level of intelligence is not there, because it is very manual. Therefore, we receive a lot of applications that are incomplete or have erroneous data, and that drives a loss in productivity. We are working with all the Departments around education, around improvement, and around what an individual as well as what a sponsor can do to help streamline the process.



Q51 **Chair:** A bit like Post Office check and send for passports, but check and send for Whitehall Departments.

Patricia Dreghorn: Exactly.

Chair: So it is quite a basic thing.

Patricia Dreghorn: It is a very basic thing. If you go on to our new level 1 beta website, you will see that all that intelligence is there. In our existing systems for our existing checks, that does not exist. It is what we are introducing, so all of that intelligence will be there, and that will absolutely drive even greater productivity.

Q52 **Jill Mortimer:** You talked about productivity of your staff, you are very proud of the levels of it, and you are comfortable and happy that you are getting good levels of productivity out of them. That seems to fly in the face of figure 12, which says that you have really high levels of disengagement with staff. How are you getting these high levels of productivity out of people who are really disengaged and not proud of the organisation that they are working for?

Chair: Ms Dreghorn, what is your magic?

Patricia Dreghorn: This organisation is full of people who have immense pride in the role that they perform around national security. Not a day goes by where a member of staff does not remind me that what we are doing protects the nation. There is an innate pride.

Q53 **Jill Mortimer:** Could I just cut in there? That is not really supported by the figures in the Report, is it? Of the people who work in the Civil Service, 67% are proud when they tell others that they are part of their organisation. In the UKSV, it was 43% in 2021 and has now fallen to 41% in 2022. That does not strike me as people who are all telling you how proud they are of where they are working.

Patricia Dreghorn: There is a dichotomy.

Jill Mortimer: There is.

Patricia Dreghorn: There absolutely is. It is the challenge, as the Chair has pointed out, that I have to face every single day. The staff are immensely proud of the role that they play in national security. What they are concerned by—and the people survey scores are very clearly telling us this—is that there has been tremendous change. We have had individuals who came from the Foreign Office and from MoD. They are now in Cabinet Office. They have been on this constant change curve and are definitely experiencing a little bit of change fatigue. They are, therefore, disengaged as a result of some of that.

Some of the things that have happened directly from a policy perspective have driven change that some of the staff are uncomfortable with. For example, pre-Covid, we would always have performed vetting interviews face-to-face, and now we are looking at driving digitisation and automation. We are, therefore, having to change the skills and some of



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the tools that individuals would use to perform vetting. That is a change on top of the change from Departments, the change from identity, the change from systems, and even down to the basic tools that they use.

Jill Mortimer: They are not really proud, though.

Patricia Dreghorn: They are very proud.

Q54 **Jill Mortimer:** "Strong personal attachment to my organisation" is less than 20%. It strikes me that, to get the levels of productivity when you clearly have a really disengaged workforce, it does not sound convincing and it is making me question what your targets are.

Patricia Dreghorn: It is a challenge, but I am not doing a good job of articulating the immense pride that the workforce has in the role that they perform. They are frustrated that the leadership—and I will take this on the chin—

Q55 **Jill Mortimer:** It is more of a problem with governance then.

Patricia Dreghorn: It is more that they would like a bit of stability and some investment. They have not had a period of stability for a very long time.

Q56 **Chair:** That is a good cue to move on. First of all, Mr Chisholm, we mentioned staffing a bit there. You said that there are going to be 800 staff, but figure 9 on page 32 of the NAO Report tells us that there were already 800 staff from May of last year. What is the total staffing complement? Was that 800 referring to the existing staff? There are not going to be 800 new on top of that, are there, unless I have misread the Report?

Alex Chisholm: That might be total staff, and I was talking about permanent.

Q57 **Chair:** It is already over 800. That does not include contingent labour, but still.

Alex Chisholm: Yes, exactly.

Q58 **Chair:** It is dead on 800 vetting staff in November.

Patricia Dreghorn: Today, we have 866 staff, to be precise, in the organisation.

Q59 **Chair:** Is that full-time employees?

Patricia Dreghorn: That is between the two. There are about 50 contingent labour, and the rest are all civil servants. We are sitting with around 810 civil servants right now. We are onboarding around 30 new civil servants at the moment, and we have campaigns that are live, which we would equate to around another 100.



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Q60 **Chair:** What is your total complement going to be when you have done all that?

Patricia Dreghorn: The total complement at the moment will be the 832 plus 200, which the Report talks to.

Q61 **Chair:** That is what the yellow line in the Report comes up to.

Patricia Dreghorn: Yes.

Q62 **Chair:** I just wanted to be really clear about that. This is funded by the customer who is paying the fee for it. Is there enough money in the system to make sure that you can get those staff, keep them and get them running? You are nodding, so the answer to that is yes. You have an IT system that needs modernising. We are looking at this across Government. How long can you work, Ms Dreghorn, with this old legacy system? This is impacting what Ms Mortimer was talking about in terms of productivity, because you cannot do a lot of these things. How long can you continue to operate effectively, with the number of staff that you have, with this old system? When do you need this new system to be up and running?

Patricia Dreghorn: If we had a magic wand and we could build a new system tomorrow, we absolutely would.

Q63 **Chair:** It is going to take longer. I think 2025 is what you are predicting.

Patricia Dreghorn: Yes. The reality is that it will take time. We have a lot of governance around any investment. We need to ensure that every customer is comfortable with everything that we are planning to change, because the change impacts not just us as the agency, but how they will operate and how they will work. It changes the standards that will be applied that can no longer be unique to the Department. The change agenda affects everybody, and that is one of the reasons that it takes time.

Q64 **Chair:** In terms of the transformation programme, we will come back to Mr Chisholm on the money that had to be redistributed. Mr Devine, you have overall responsibility for security across Government. Are Departments just being a bit too prissy about their own particular way of doing things or are there genuine differences that are really hard to overcome in setting a common standard for MoD, FCDO and all the others?

Vincent Devine: There is very broad consensus on the overall vetting transformation programme of the content and the intent of all the new products that we are introducing, and the timelines and the platform.

Q65 **Chair:** So they are on board, you are saying.

Vincent Devine: They are all on board.

Q66 **Chair:** They say that they are on board, and then, when you start arguing about individual points, they will say, "But we are different".



Vincent Devine: There is one issue on which we need to move forward with the Departments at the pace that Departments are comfortable with, and that is centralising decision-making. Tricia's organisation currently takes the decision on 70% of clearances across Government, but some Departments retain the right to take those decisions internally for themselves, taking account of their own particular circumstances, which are very different between, for example, FCDO and DWP. That is the only issue where we are continuing the debate on the pace of change.

Q67 **Chair:** What is the challenge of that? You make the decision, Ms Dreghorn, and your staff do their vetting. They come up with, for argument's sake, red, amber and green. I am sure that it is much more complicated than that. That then goes back to some Departments. Will they then look at all that paperwork again, or do they just take your assessment and apply it to the situation? How does that work?

Patricia Dreghorn: The goal is to achieve the former and to have everyone vetted to the same level, and we are driving standardised security vetting. However, the challenge is that, from a departmental perspective, they might be looking to place someone in a role overseas, for instance, and, therefore, the demands from a security perspective may be slightly different than someone who is going to be based on British soil. There are challenges that are nuanced by the role and perhaps the function that that particular Department performs.

What we are doing is looking at, "Let us resolve that at the policy level" and perhaps, in some cases, we will deliver more checks to deliver more security and more assurance, so that we can drive that transferability. We are improving and increasing a lot of those checks, so that we can drive that transferability.

The only way that I or any other departmental lead can drive those sustainable productivity changes is through standardisation and streamlining, but what we cannot ask for is a compromise. In some cases, we are saying, "Where are the genuine differences?" When you boil it down, as you have pointed out, not everything is unique, but there are a couple of things that we absolutely do need to take into consideration, and there are some exceptions to the rule.

Q68 **Chair:** So this is all part of your transformation programme.

Patricia Dreghorn: Yes.

Q69 **Chair:** So you will get to 98% or 99% that you do centrally.

Vincent Devine: I think 96% to 97% is the challenge.

Chair: Those are very precise figures, Mr Devine.

Vincent Devine: There is some logic behind that number.

Q70 **Chair:** Are you confident that they are good reasons to have an exception?

Vincent Devine: Yes, I am very confident that we have consensus on that.



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Q71 **Chair:** It is putting more trust in your organisation, so your vetting of your own people, and empowering them and making them feel valued, is very important.

Patricia Dreghorn: Absolutely.

Q72 **Chair:** Mr Chisholm, the customers—the different Departments—have been paying for the transformation. The money could not be spent and so went back to the Departments, which is a bit useless, frankly. People sometimes say, “It must be great that it has not been spent”, but it is not great, is it? We know that, because the planning is not there. It went back to Departments at a point when probably most of them could not spend it sensibly. You are the accounting officer, so what do you have to say about that?

Alex Chisholm: We thought it was right to give the rebate rather than trying to keep it for ourselves, but you are right that we had not planned that. We would normally expect to be using the funds.

A couple of things happened. The first of those is that, as we discussed, in trying to get the right level of resources, we did not want to take any more people than we thought were needed, especially in terms of permanent staff. Trying to get the right number of permanent and temporary staff, and then to train those up, took a bit longer, so we were a bit below our optimum resourcing level.

Q73 **Chair:** It seems to me that there is a bit of a theme here, Mr Chisholm. Overall, you have responsibility as the Cabinet Office, but we have sat here opposite you often enough, talking about triaging cases, flows, IT systems, working out how long a process will take, and then tracking back to recruitment. This is all bread and butter for the head of the Cabinet Office, I would say. Do I mean that as a complement? Well, there you go. You can take what you want from that.

The point is that it is not new to have a system that needs logistically sorting out, needs resourcing and needs to go through the Whitehall political—with a small “p”—machinations of what different Departments want and how you bring all that together. Why are we still having such challenges in what are very important but very small numbers of people, relatively, in Whitehall?

Alex Chisholm: It is right that Ministers and I would not want to take any more staff to do the job than was necessary. We had a surge demand and wanted to see whether that was going to be sustained. We were also in the process of introducing more automation to improve productivity. We expect to grow things through that and have begun to see that.



Q74 Chair: There are people in your Department or across Government who can predict this. Although there have been rocky moments with passports and driving licences, there are people in those systems who understand about predicting flow. HMRC has to do it with tax returns every January and how it manages its staff. It is not new science to Whitehall.

Alex Chisholm: It is a very different context. I will not go back over all the things that we have already discussed about the forecasting of demand and how that happened, but that was a genuine issue that meant that we were a bit short of the number of people we needed. As you heard from Tricia, to get people on board, to attract them to come into work and to train them up has taken time. That is the main reason that we have more money than we have spent, so we need to give it back.

The other factor is that that has funded the rate at which we could be spending on the transformation programme. We have been cautious, absolutely. The first or second time of asking, we did not approve that, because we were not totally happy with the plan. That has meant that we have underspent. On the other hand, that it is better than spending unwisely.

Q75 Chair: We like to see good business plans, but, on the other hand, this is pretty business critical to Government, so it is disappointing. Ms Dreghorn, when you resubmit the business case, what are you going to be doing differently and what went wrong the first time round?

Patricia Dreghorn: We have taken all of the lessons learned from the previous iterations. We have determined that we need to evidence that we are capable of delivery, and so we have decided that, rather than taking a big bang approach, we will adopt a very agile, iterative and low-risk rollout approach to the way that we are managing this. That has proven successful, and that, for me, is the difference. Therefore, my expectation is high that, when we go forward with the next version of the business case, it will be approved.

Q76 Chair: It is a moving system, but have you run a major transformation programme before?

Patricia Dreghorn: Yes, absolutely.

Q77 Chair: Was that in the same area?

Patricia Dreghorn: Before I was in the Cabinet Office, I was in Ofgem and worked on quite a few transformations on E-Serve, on social schemes, et cetera. Prior to that, I spent a decade in the private sector, transforming private sector businesses. I was in outsourcing and that is what I did. That was my day job.

Q78 Chair: Has that been very different when you moved to Whitehall? How have you found it?

Patricia Dreghorn: There are similar challenges in terms of change management.



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Q79 **Chair:** We would love a candid response, because we are not here to catch people out. We are here to find out why Whitehall sometimes finds this very difficult.

Patricia Dreghorn: The governance is probably the difference.

Alex Chisholm: If your picture about UK Security Vetting is Whitehall, that is the wrong picture, because they work in a barracks in York.

Q80 **Chair:** We use “Whitehall” in its widest sense. Mr Chisholm, you have that oversight across the policy being made and what the impact is going to be. That is part of what the Cabinet Office is there for. Did you miss a trick in not seeing that there would be challenges as policies were changing and those policies were coming through? Was someone not telling you that Departments were going to be starting to, for example, vet everyone working in an airport?

Alex Chisholm: It is possible that we were a little optimistic with the rate of transformation that we thought we could achieve. That is the case.

Chair: As ever, optimism bias, was it?

Alex Chisholm: We have had to, relatively speaking, put the brake on some of that, and the accelerator on the day-to-day business, to catch up with the level of demand, which has pushed to the right the transformation programme.

Chair: We hear where that responsibility lies.

Alex Chisholm: That is absolutely what has happened in the course of the year. The other thing, which I make no apology for, is that we were pretty cautious, having seen some previous unsuccessful transformation attempts, to be sure that this one was going to work. The method that my colleague described there of doing it in stages—agile, iterative, and proving at each stage what you can do and what the benefits are before going on— is a better approach and may take a bit longer, but it is a much lower-risk approach, and we are getting benefits already.

Q81 **Chair:** Whose idea was it to do it in one big hit first time around—the one that failed?

Alex Chisholm: The previous scheme, called future vetting system, was more like a big leap forward.

Chair: We have lessons that we have learned from other reports that we have done on big leaps forward.

Q82 **Mr Djanogly:** What are you doing to ensure customer and stakeholder support buying into this transformation system?

Vincent Devine: This is not something imposed from the centre. The transformation programme has been agreed at every step with customers in the security world, through the Government security board, but also with chief operating officers and Perm Secs. This is a cross-Government programme that has been endorsed at every level.



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I should also say that the decision to focus on stabilisation over the last 12 months and accept that there would be slippage to transformation was something that was agreed with the customers, because stabilisation was the priority in terms of getting clearances through. I am pretty sure that the NAO did not find any significant differences of opinion on the aims or the content of the transformation programme across Government.

Q83 **Chair:** Ms Dreghorn, are you content with your IT support? You are relying on external IT contractors. Do you have that resource in house? Is that something that you are also recruiting? We know that you are working with an outside contractor.

Patricia Dreghorn: We have a blend.

Q84 **Chair:** Have you had a problem recruiting any other people who you need in house? We see this with digital skills across Government.

Patricia Dreghorn: We are no different from any other Civil Service Department in terms of attracting digital skills. After trying, testing and determining the best solution, we have concluded that having the senior roles to set the standard and to hold any contractors or any partners to account is the most efficient method in the development phase. We have then determined that we will need a smaller, core set of expertise in the run stages of any future programme.

Q85 **Chair:** What percentage of your IT or tech and digital support needs to be super vetted? A lot of this is the mechanics of systems. Is there an element of it that needs really high vetting?

Patricia Dreghorn: If you have access to data, yes, clearly.

Q86 **Chair:** What percentage is that?

Patricia Dreghorn: That is a low percentage, because we have segregation of duties all the way through.

Q87 **Chair:** Are you allowed to pay those people more money than the Prime Minister? Do you have any freedom?

Patricia Dreghorn: I am not sure that I can respond to that question directly.

Q88 **Chair:** Mr Chisholm, are there any freedoms? This is pretty mission critical for Government if you cannot recruit the right people.

Alex Chisholm: We certainly have improved the pay scales.

Q89 **Chair:** I am not suggesting, by the way, for anyone listening who is working for you, that they should be paid more than the Prime Minister if it is not market competitive.

Alex Chisholm: We have recently moved to strengthen the pay scales across digital data and technology right across the Civil Service.

Q90 **Chair:** When you say "strengthened", the cap is—



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Alex Chisholm: They are higher than they were, and they have quite wide ranges as well.

Patricia Dreghorn: Cyber roles too.

Chair: We are not a Committee that likes to see money spent unwisely, but, on these skills, if it is spent well, it can be more cost effective. Thank you very much indeed for your time. The transcript of this session will be published uncorrected in the next couple of days, and we will be publishing a report, probably before the Easter recess. Thank you very much for your time.