



Home Affairs Committee

Oral evidence: The work of HM Passport Office, HC 238

Tuesday, 17 June 2014

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Written evidence from witnesses:

- [HM Passport Office](#)

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Members present: Keith Vaz (Chair); Ian Austin, Nicola Blackwood, Michael Ellis, Paul Flynn, Lorraine Fullbrook, Yasmin Qureshi, Mark Reckless, Mr David Winnick.

Questions 1 - 189

Witness: **Mike Jones**, Home Office Group Secretary, Public and Commercial Services Union (PCS), gave evidence.

Q1 Chair: Can I call the Committee to order? This is a one-off session looking at the work of the Passport Office as part of the Select Committee's remit into the work of the Home Office. Our first witness is Mr Mike Jones, the Home Office group secretary from the Public and Commercial Services Union. Thank you for coming this afternoon, Mr Jones. Last week you issued a statement in which you said, "We are getting thousands upon thousands of examples whereby it is taken nearly two months or more for people to get their passports. There is clearly a backlog." This was a very serious statement and we all know what has happened in the last few weeks. Why do you feel that there is a crisis in the way in which the Passport Office is operating?

Mike Jones: We are obviously getting feedback from our members, over a number of months now, certainly dating back from January where overtime has been used to an excess. I was also issued some figures that come from the Passport Office that talk about work in progress and that we feel are leading to the backlog. If I just read through some of these figures. From 16 March 2014, there are 289,892 applications as work in progress and that has risen steadily over the last few weeks and has hit a figure, on 8 June, of 93,289. In that case there has been an over 200,000 rise in the last couple of months and in the same period—

Chair: If it started at 289,000—

Mike Jones: 289,829.

Q2 Chair: On what date?

Mike Jones: That was 16 March 2014.

Q3 Chair: On 8 June?

Mike Jones: 493,289. A similar period last—

Q4 Chair: It has gone up by almost 200,000, you are telling this Committee?

Mike Jones: Yes. So they have lost control over the backlog that has taken place. If you look at last year's figure for a similar time as well, 17 March 2013, there is 72,586 and that rose steadily for a few weeks and months up to the middle of June where it was 146,939, which was around 70,000 increase. However, at that stage that figure was starting to come down again.

Q5 Chair: You would normally expect that people go on holiday during the summer months and that there would be peaking during May, June, July. That is right, is it not?

Mike Jones: Yes.

Q6 Chair: But what you are saying—

Mike Jones: But nothing like what we are seeing this year because we have lost control.

Q7 Chair: What you are telling this Committee is, whereas it was 146,000 last June, it is now 480—

Mike Jones: 493,289.

Q8 Chair: 493,000 this year. Where did you those figures from?

Mike Jones: That is from the staffing data from operational performance that is issued weekly to managers within the Passport Office.

Q9 Chair: Why do you think we have this extraordinary increase in the number of applications and why do you think we have this backlog?

Mike Jones: It is clearly down to staffing. We have been calling for the department to properly staff the Passport Office for a number of years. We have run a number of campaigns to get extra jobs in the Passport Office but, as you will know, since the Government came to power in 2010 we have seen nearly 550 jobs lost within the Passport Office. Obviously that is what has led to this crisis at the moment.

Q10 Chair: What percentage of that, in terms of the work force, is 550?

Mike Jones: You are looking at around 4,500, I think, or just under, that are in the work force.

Q11 Chair: Around about 10%, is it?

Mike Jones: It is more like 15%, probably.

Q12 Chair: But until this year that reduction in staffing has not materialised in very large backlogs? It is only this year, not last year or the year before, where we have seen this massive increase?

Mike Jones: There have been backlogs and there have been problems. What has happened is that staff have been working excessive overtime to try to deal with that and they have done a sterling job in doing that. Our members have been working really hard to manage a ship that has been sinking for years and it has eventually come to a crisis point now with the closure of 22 offices and also the processing centre as well.

Q13 Chair: Is that the offices in the UK that are closed?

Mike Jones: They are the offices in the UK, but also on top of that they closed the embassies abroad that used to be able to process passports as well.

Q14 Chair: Nobody has brought this to the attention of this Committee until it became a real crisis. When did you first bring this to the attention of the Acting Chief Executive?

Mike Jones: We had raised a major campaign in 2010-2011 over the threatened closure of the Newport office and 22 offices around the country as well. Obviously we highlighted that issue and we made representations to the Welsh Affairs Select Committee as well. We also threatened strike action after getting nowhere in negotiations in 2012, which resulted in a slight increase of jobs. We were promised 300 jobs at the time and that has materialised to around 200.

Q15 Chair: Obviously you conducted your industrial action, but it is the recent events that have caused concern to the public, to the Prime Minister, to the Home Secretary, to this Committee. It is the recent events that we are concerned with. When did you first draw attention to the very large amount of cases that have not been—

Mike Jones: I wrote in stark terms to the chief executive over a week ago and I have written to him since and on both occasions he has refused to even recognise that I have written a letter and he has not even responded.

Q16 Chair: That is in the last week. We have all written to him in the last week, with respect. Did you raise it beforehand?

Mike Jones: That has been raised in a number of meetings. I haven't been involved in that, but it has been raised. It has continually been on our agenda. We have had a "Fairness at Work" campaign since March 2013 that has been focusing on jobs, pay and victimisation within the Home Office right across the—

Q17 Chair: What was the reaction when you raised these very important issues?

Mike Jones: Nothing has taken place. We have seen an escalation of overtime being used and it is being used for months on end at the moment.

Q18 Chair: In respect of staff being redeployed, we have read that some staff have been moved from the Passport Fraud Office to deal with routine applications and that staff have been moved from the UK Border Force into the Passport Service. Can you tell the Committee anything about that? Are there any of your members involved in this?

Mike Jones: They are our members. I am not aware of any of the Border Force staff that have been moved. They have put out an appeal across the Border Force—I have seen the notice for that—but obviously the Committee will know about the staffing crisis within the Border Force at the moment.

Chair: Yes.

Mike Jones: They have moved people away from secondary—

Q19 Chair: What about your own members moving from the Passport Fraud section to mainstream work?

Mike Jones: That has taken place and we have concerns that some of the work that they were doing will be left. We have also heard that there is going to be a number of people coming from the UKVI to work in the Passport Office, around 100 staff from there. Although they are at similar grades, the work isn't simply transferable; they are being offered something—well, I know there are people in over the weekend having training. Our estimation is they will only get about a week's training when they should have six weeks' training on the job and what is being done is they are thrown into a crisis and trying to pick up the pieces on that. It almost seems like the scenario of taking 100 teachers out of a school, leaving the children there and not dealing with them. You put them into an emergency ward in a hospital and tell them to get on with the nurses' jobs without any proper training. Obviously they will try and do their best, but it is not really going to solve the crisis that is taking place at the moment, which is being led by the cuts that this Government has done.

Chair: Thank you. Lorraine Fullbrook, then Michael Ellis.

Q20 Lorraine Fullbrook: I am sorry, but we do not seem to have a biography for you. Can I ask how long you have worked for the Passport Office?

Mike Jones: I have never worked for the Passport Office; I work for PCS Trade Union. I have been a full-time official for around seven years at PCS and I have been on the Home Office patch for a year and a half.

Q21 Lorraine Fullbrook: You do not work specifically with the Passport Office?

Mike Jones: No.

Q22 Lorraine Fullbrook: You raised the issue that you brought this to the chief executive's attention a week ago. This has not only happened in the last week, so what have you done, in your position, to raise this previously with the chief executive? You can take this back to 1998 when there was queues around the Passport Office.

Mike Jones: 1999 I think that was as well. We have a team of people there who are elected by the membership to represent them going into certain areas. What we have is a team that leads the work on that throughout the year. Now, they report back to the Group Executive Committee on a three-monthly basis on the work that is being done. We get reports back on what is being raised and the committee discuss what actions need to be taken. It has been discussed at those committees about the cutting back, the problem about overtime has been raised and the problems over jobs as well.

Q23 Lorraine Fullbrook: You do not know how long this has gone back, that this issue has been raised with the chief executive?

Mike Jones: Yes, I do. It has been constantly raised in a number of meetings because it is part of our national agenda about job cuts that are taking place right across the departments, and specifically we have raised it on the issues of the Passport Office. As I said, we launched the campaign in March 2013, the "Fairness at Work" campaign, and we issued a charge for a better, fairer Home Office. The Passport Office was fully aware of the campaign that we have been running since then as well.

Q24 Lorraine Fullbrook: You talked about transferring staff within the Home Office to Her Majesty's Passport Office. Surely that is not a bad thing, being able to deploy staff who are trained in nationality-related matters?

Mike Jones: Not at all. We have been pushing that agenda for a number of years. The Passport Office has refused to do that. Even last year we were pressing in the pay negotiations for pay harmonisation across the Home Office because Passport Office staff are among the worst paid in the whole of the Home Office. We wanted proper harmonisation across the Home Office and we want single-table bargaining over pay as well. We have been pushing this issue for a long time and that is being resisted by the employer at the moment.

Q25 Lorraine Fullbrook: What is your issue? Is it staff-related pay or is it customer service?

Mike Jones: Our issue is about customer service, but you only get that if you properly staff the department, and obviously this department has not been staffed properly and that has led to the crisis that we are in now.

Q26 Lorraine Fullbrook: Do you disagree with the statement made by the Home Secretary about staffing levels last week?

Mike Jones: I think it was very misleading. What she did was she picked a certain period in the last five years where there was a slight increase, but that was on the back of a PCS national campaign for jobs within the Passport Office and we secured a number of jobs. However, if you look back to when the Government came into power in 2010, the figures have gone down by around 550 and that has led to the current crisis at the moment.

Q27 Lorraine Fullbrook: But surely that was because in 2010 the previous Government were going to introduce the ID cards and the ID database. Now that did not happen, this Government did not pass that, so now you are only dealing with passport applications.

Mike Jones: But that did not deal with the whole of the issue because all of the people who were involved in the ID scheme do not amount to that 550 figure. Also, the fact of the matter is that we have a crisis caused by a lack of jobs. No matter whether that was related to the ID cards, it does not go against the fact that we are in a crisis now because we do not have enough jobs; people are working excessive overtime for month and month on end.

Chair: Thank you. Michael Ellis, Yasmin Qureshi and then Nicola Blackwood.

Q28 Michael Ellis: Can I just explore this with you, Mr Jones? Can you confirm that the reflection that you have put on the 2010 figures and now is not an accurate comparison, because overall staffing levels with those from 2010 include those staff that were working on the Labour Government's ID cards and the ID database that is no longer happening? To make a comparison with staff that were working on something different, that is inaccurate, is it not?

Mike Jones: No. What I am saying is that we need to go back to the 2010 figures and properly staff the department. What we need is more examiners—

Q29 Michael Ellis: You are not answering the question, Mr Jones.

Mike Jones: I am answering the question. What we need is more examiners to deal with the applications that are coming in. They have been caught massively—

Q30 Michael Ellis: That is not the question I asked. I am asking you the question as to the number of staff now in the Passport Office that just deal with passport applications.

Mike Jones: But the nature of the work—

Q31 Michael Ellis: In 2010 they were dealing with the ID database and ID cards. They are not dealing with that any more, so the staff that used to deal with the ID stuff are not there any more. Your comparison between 2010 and 2014 is inaccurate, is it not?

Mike Jones: No, it is not. I am saying that we need to go back to the 2010 figure because we need that amount of staff. We have seen the closure of the embassy facilities across the globe. What we have seen is massive applications coming in from that decision, coming in to be dealt with in the UK. Now, that means that we need more examiners dealing with those applications and more examiners dealing with other things that are coming in.

Q32 Michael Ellis: Can you tell us about the reason why there were queues around passport offices in 1998 to 1999?

Mike Jones: That was mainly down to the introduction of a new computer system.

Q33 Michael Ellis: You are not putting that down to staffing issues?

Mike Jones: There may well have been staffing issues around there, but I wasn't dealing with the Home Office patch at the time. From my recollection, it was more to do with the introduction of a new computer system.

Q34 Yasmin Qureshi: We know that there has been work transferred from the Foreign and Commonwealth Office, the passports are coming to the Passport Office. Can you tell us whether your members have told you what impact that has had on their ability to be able to do their job?

Mike Jones: Obviously, as you have seen, there is the backlog that was denied for days upon days and has been denied previous to that by the Government Ministers. Now it is out in the open that there is a major backlog and our members have been trying to struggle to deal with that influx of work as it has been coming in. They have done sterling work, our members, over the months and over the years, to keep the Passport Office afloat when they have been under severe pressure. Those additional applications that were coming in have caused additional problems for them.

Q35 Yasmin Qureshi: Management were aware of the fact that there were staffing shortages already and then you have the Foreign Office stuff transferred to the Passport Office, so presumably the management must have known that if this is happening there should be resource issues there?

Mike Jones: Yes. It is what I quoted from before; they get projections on a weekly basis of what is coming in and what is being dealt with. Also, they know because of the Government decision to close the embassy fields and to deal with the applications and producing the passports there. They have known about that. Paul Pugh mentioned that in the annual report last year and stated that would cause another 350,000 applications coming into the system. They predicted there would another 350,000 applications coming into the system in 2014.

Q36 Yasmin Qureshi: The Minister made a decision to transfer this power, but without giving resources to allow your department to be able to carry out the work?

Mike Jones: Exactly.

Q37 Nicola Blackwood: I wonder, Mr Jones, if you could just clarify a few points of the evidence that you have given so far? To the Chair, when you were talking about the transfer of staff from other roles—or from, possibly, the UKVI—you compared this to the transfer of teachers from a school to an emergency ward in a hospital, but when you were talking to Mrs Fullbrook about the same issue you said you supported this as a union. I just wondered if you could be a little clearer as to whether you do support the transfer of staff from other jobs and other positions, or whether you do not support it and you think it is inappropriate.

Mike Jones: We do support it and we consistently kept to that position whereby the Passport Office were refusing to allow us to discuss that position. We believe that, with the proper training and the proper expertise that is brought in to deal with that—

Q38 Nicola Blackwood: So it is not like transferring teachers to a hospital position; it is just that you think that there should be the appropriate training?

Mike Jones: Well, a teacher could transfer to be a nurse if they are given the proper training, yes.

Q39 Nicola Blackwood: Like transferring a nurse to a different ward where they need—

Mike Jones: No, it is more like giving the proper training those staff deserve when they are doing such an important job.

Q40 Nicola Blackwood: If a teacher went into the nursing profession they would need to go through an entire degree process and I do not think it is appropriate to disrespect nurses in that way.

Mike Jones: I don't disrespect nurses; I think the Government has disrespected nurses.

Q41 Chair: Order. I do not think, for the purposes of *Hansard*, we can get who said what. We do not want your words to go into Ms Blackwood's mouth and vice versa. Finish your sentence. What were you saying?

Mike Jones: What we want is proper training for staff so that the skills are transferable. We have said that we want the staffing to be brought back up to the 2010 level and we want another processing office open. I think that with the proper training that could be done, but, also, if there was a need for people to move out if there was a slack period, then if the proper training was there we would discuss with the employer about doing that.

Chair: I think you have made that very clear. Now, Ms Blackwood, you put a question, if you wait for her to finish.

Q42 Nicola Blackwood: My next question is that you want to compare the 2010 staffing levels with the 2014 figures, despite the abolition of the ID card scheme, but when you were asked about the numbers of staff who were working on the ID card scheme, you did not answer that. I just think it would be helpful, for the purposes of the comparison, if we could have the exact number of staff who were working on the ID card scheme in 2010.

Mike Jones: I do not have those figures, but I am sure that the Passport Office, who have those figures, will be able to give you them. What I have been saying is because of the—

Q43 Nicola Blackwood: I understand what you are saying. I am asking a very specific question, Mr Jones. Do you have the exact numbers of staff who are currently working in the Passport Office?

Mike Jones: I don't have the numbers of staff, but it is around 4,000.

Q44 Nicola Blackwood: That is not the exact number.

Mike Jones: Sorry. Let me go to my notes. It says that 3,444 was what was there. It was quoted in Parliament and it was 4,000 in 2010.

Q45 Nicola Blackwood: Thank you very much. My last question is that you have identified staffing levels as the sole source of the problem in your union's view, and I just wondered if, given the figures that you have quoted to us of the numbers in the backlog, whether you also have similar figures of the number of applications for passports for the dates that you have given—6 March 2014, 4 June 2014 and the similar dates in 2013—so we can compare the processing figures as well as the backlog figures.

Mike Jones: I do not have them on me, but I will certainly get them to you.

Nicola Blackwood: That would be very helpful. Thank you very much.

Q46 Chair: Thank you, Ms Blackwood. Would we also be able to get these figures from the Passport Office?

Mike Jones: Yes, I would think so.

Chair: Paul Flynn, Ian Austin and David Winnick. We have about six minutes or so on this.

Q47 Paul Flynn: Sarah Rapson said, when she was proposing to close the Newport Passport Office, that by improving efficiency in the passport application processing network, IPS can be smaller and still deliver good customer service. What happened?

Mike Jones: The general public decide whether that was the correct statement or not because clearly there is a crisis that has taken place and there are clearly massive backlogs. What they have tried to do is reduce the staffing down so much that it is on a shoestring.

Then, to try to supplement that, when extra additional work comes in, in more of the peak periods, by using massive amounts of overtime to try to compensate. That has been in their business model, to use copious amounts of overtime, which burns out staff and causes problems there, and this is what has resulted in this.

Q48 Paul Flynn: Sarah Rapson's cunning wheeze was to reduce the staff and make the service more efficient. Her career has blossomed since then; 150 people in Newport Passport Office who were blameless, who were loyal workers and been going for 50 years, their lives were devastated.

Mike Jones: Yes.

Paul Flynn: Can you imagine the anger and frustration they feel now when they see the present chaos and answer them by saying, "We told you so."? Not just the staff, but the entire political group of parties who were opposed to it in Newport and the press saying at the time, "This is a stupid move and it will produce chaos." Your union had an honourable part in this. Are we not entitled to say now, now that those jobs have disappeared, the overtime is worked, that any new job—we hear talk of 100 new jobs in the Passport Service—should be allocated to places like Newport that have suffered so grievously from the cuts?

Mike Jones: Firstly, I would like to put on record PCS's thanks to you, Paul, for your efforts during that campaign, because you did sterling work and our members still talk about the work that you did around that campaign. I think you are absolutely right; this crisis has been caused by the types of decision that were made by taking the processing centre out of Newport. If we remember, the initial plan was to close the Newport office completely, but because of the campaign we saved that office. However, this crisis has been caused by acts like that and staff are very, very sore over it. I have been down to Newport on a number of occasions recently and the feeling is still high there. I am going to Newport tomorrow to do a members' meeting as well and members will be telling us that.

Q49 Paul Flynn: Thank you. Just very briefly, the staffing in the Passport Office after those cuts in 2011 was left in an emaciated state where it could not cope with any kind of crisis, any kind of surge of new applications, and we have seen the collapse and the misery and anxiety of the last few weeks. Is it not essential to build up the staff again?

Mike Jones: Yes, I believe so. That is why we have written to Paul Pugh as the head of the Passport Office asking for urgent negotiations on that and he has still refused to respond to our letter.

Chair: Thank you, Mr Jones, and thank you for reminding us that Mr Flynn is a legend in Newport. Ian Austin.

Q50 Ian Austin: Can you assure us there is no plan or proposal to take industrial action in the Passport Service at the moment?

Mike Jones: Well, obviously the response that we received from the Passport Office at the moment—when there is a clear crisis, there are clear massive backlogs, and they are still refusing to even engage with the trade unions—that frustration is being borne out by members. What we want to do is sit down and do a proper critical analysis of the work that is done at the moment in the Passport Office and then looking at projecting, going forward, and having the proper staff in place.

Now, the departments have refused to sit down and negotiate with PCS and if that remains then we will be going out to members and we will use any means of looking at what we may well do in the future. But, at the moment, we want negotiations and we want to secure 600 jobs to get to near the levels in 2010. We want a commitment for no further privatisations—they just cause problems—and we also want to see fair pay for the staff as well.

Q51 Ian Austin: Let us not run through the manifesto now. Can you tell me, would it not be completely irresponsible to bring your members out on strike at a time when hard-working taxpayers are desperately worried about getting passports to go on holiday?

Mike Jones: I don't know what you would feel, Ian, if you were continually ignored and you were continually put in the position whereby people are feeling massive amounts of stress at the moment and then pressure is put on to them on a daily basis.

Q52 Ian Austin: I can promise you it will do absolutely nothing to enhance the PCS's reputation with the public if you bring your members out on strike while hard-working taxpayers—

Paul Flynn: They are hard-working members as well.

Ian Austin: I am sorry, I did not interrupt you. They are hoping to get their passports and go on holiday, but if you do do this, when might it be?

Mike Jones: We haven't made any decisions on that at the moment. What we are wanting—

Ian Austin: Weeks, months?

Mike Jones: What we are asking for is proper negotiations from the employer. If we do not get proper negotiations from the employer, then—

Chair: Order.

Ian Austin: I know what you are asking for—

Chair: Mr Austin, could we have order. What is extremely important is for everyone to follow what people are saying; that we wait for the sentence to be finished before we go on. Are you finished, Mr Jones?

Mike Jones: What I wanted to stress is what we are calling for is proper negotiations at the moment. We do not have plans for strike action at the moment. However, if we are

continually ignored we will go out to our members and ask them whether they are prepared to take action if they feel that that is necessary.

Chair: Thank you, Mr Jones.

Q53 Ian Austin: We have heard that. What I am trying to ask you is, when that might happen?

Mike Jones: When will negotiations start? If you can tell me that I can tell you whether those negotiations will be successful and whether our members will need to go out on strike.

Q54 Chair: Let me summarise what you have just said to make this easier because we do have another witness. Is this what you have said? That you have no plans at the moment to take strike action, that you are discussing the situation and that there is no question at the moment of strike action, or am I wrong in getting—

Mike Jones: We are keeping all of our options open as we always do. Through the will of our members we will do that because—

Chair: Thank you. We are now going to ask Mr Austin to continue and repeat his question.

Q55 Ian Austin: The question I am trying to ask you, which you have not yet answered, is, you are saying that they are not negotiating with you. You are saying that if they do not negotiate with you you will go to your members and ask them whether they want to take industrial action. What I am saying to you is, by what point will you decide to do that? That is your decision if the Passport Office do not, as you see it, negotiate with you.

Mike Jones: That is the members' decision.

Q56 Ian Austin: Well, no, it is the PCS's decision at what point you will go and ask the members. That is the question I am asking you.

Mike Jones: That is right. So what we—

Chair: Mr Jones, if you can give us a brief answer I would appreciate it. You do not have to repeat your bargaining position; I think the Committee does understand. You have been very clear in what you want for your members and we understand you are here to put your members' views. If you could be very brief in your answer to Mr Austin.

Mike Jones: I am being asked how long is a piece of string. We have not even gone into negotiations, so we cannot give that answer.

Chair: Thank you very much. Thank you, Mr Austin. Mr Winnick has the final question.

Q57 Mr Winnick: Mr Jones, would you take the view that if the department had been more sensitive—more willing to respond to what the union has been urging for some time—this crisis would not have arisen in the first place?

Mike Jones: That is our belief, yes.

Q58 Mr Winnick: What was the attitude of the chief executive and his senior colleagues when the union were trying to explain that this was a crisis that was bound to occur?

Mike Jones: We have consistently been given the brush off by the Home Office and the Passport Office when we wanted to sit down and seriously discuss these issues and the excessive use of overtime. As I have said previously, we have talked about wanting to have harmonisation of pay across the Home Office and we have been coming up against a brick wall a lot of the time when we have been trying to raise that.

Q59 Mr Winnick: When you say you, the union, have been up against a brick wall, does that mean that the chief executive has not met with the union or refused to do so or delayed meetings or what?

Mike Jones: Meetings have taken place; however, there has been, in our opinion, no genuine attempt to address the issues properly and the serious concerns that we have raised.

Q60 Mr Winnick: Since the crisis has become, to say the least, high profile, with the answer last week to an urgent question from the shadow Home Secretary, has there been any different attitude or response?

Mike Jones: No, we have had no response from the Passport Office. I have written twice now to the chief executive and he has not even responded or acknowledged my letters.

Q61 Mr Winnick: When did you write those letters?

Mike Jones: We wrote the back end of last week and the middle of the week that has just gone.

Q62 Mr Winnick: So despite this being very much high-profile headlines—the position in Parliament and the exchanges that occurred—the union has written two letters in the last week and no response, no acknowledgment whatever?

Mike Jones: Yes. This is what we have had to put up with for a long time.

Q63 Mr Winnick: I want to ask you, and it is arising from questions that have been put to you regarding strike action, I take it your union would be most reluctant to see industrial action being taken?

Mike Jones: We do not want to see industrial action taken because we want our members to be doing the jobs that they are there to perform for the public, which they do a sterling job on a day-to-day basis. However, if you are pushed and pushed and you feel you have a Government that is saying that there is no backlog when they clearly know that there are backlogs and there are problems, when the Government is trying to tell Parliament that they have raised staffing numbers when they have cut them by around 550 during this Parliament, then members start to get frustrated and get to the end of their tether, don't they?

Q64 Mr Winnick: Mr Jones, none of us wants to see industrial action if it can be avoided. It would cause hardship to our constituents and I think that is recognised by the union. Therefore, any action that could be taken to try to prevent industrial action would be welcome. What can be done to try to prevent such action being taken by the union on behalf of its members?

Mike Jones: With this Committee's help, hopefully we can get the employer around the negotiating table and we can start to seriously discuss the real issues for our members, which is the lack of staffing, the massive amount of overtime that is being forced on to them, the pay harmonisation, and we want a commitment for no further privatisations of the Passport Office.

Q65 Chair: Thank you very much. Could I ask a question? What is the number of members of the PCS? You gave us a figure of 4,000 staff at the Passport Office.

Mike Jones: There is 3,400 in the Passport Office.

Q66 Chair: How many members in your union?

Mike Jones: We have around 85% membership density.

Q67 Chair: Can I say, I went round Globe House and I met some of the members of staff. They are very hard working and they are very committed to the public. Some of them are very new to their job—I think quite a few of them had only been working for a couple of weeks—but they are very committed to helping the public and that is a very good sign. The Home Secretary came forward with some very important measures last Thursday, emergency measures that resulted in, I think, some of these offices being open for 24 hours at a time almost, 7.00 am in the morning until midnight. That clearly, from the public's point of view, will help get these passports processed as quickly as possible. Do you agree with that?

Mike Jones: Well, if you have staff there and adequately trained staff as well. When you do not have adequately trained staff and you have staff who are almost burnt out now from the overtime that they are being forced to do—

Chair: Indeed, we take that point. Thank you very much for coming in here to see us today, Mr Jones. If you would like to hang on, we have the head of the Passport Office and maybe you can remind him on the way out that he has not replied to you.

Mike Jones: Yes.

Chair: Thank you for coming.

Mr Winnick: We would remind him as well.

Chair: Order. Could we have Mr Paul Pugh?

Examination of Witness

Witness: **Paul Pugh**, Chief Executive, HM Passport Office, and Registrar General for England and Wales, gave evidence.

Q68 Chair: Mr Pugh, thank you for coming to give evidence today. I am sorry that you have been waiting. We had a Division in the House that has delayed our proceedings by roughly 15 minutes. You are now confirmed—I think, earlier this year—as the permanent Chief Executive of the Passport Agency. Is that right?

Paul Pugh: That is correct, yes.

Q69 Chair: Just for the record, if you could remind this Committee of your salary scale?

Paul Pugh: My salary scale? I am on the salary scale that applies to senior civil servants, pay band 2.

Q70 Chair: Which is what?

Paul Pugh: My current salary as a matter of record is £104,000 a year.

Q71 Chair: Thank you. Now, this Committee wrote to you last week, as we do to witnesses where we are dealing with very complicated and important inquiries, and asked for some figures—some basic figures—about the number of applications that have been made and the number of applications that are still pending. Do you remember receiving that letter?

Paul Pugh: We received a request from the Committee yesterday, I think, for some detailed information, yes.

Q72 Chair: Why is it that you did not reply to this letter until 2.45 pm today, bearing in mind you were due to give evidence at 3.15 pm?

Paul Pugh: Which letter are you referring to, Chair?

Q73 Chair: If we could pass this to Mr Pugh. A letter asking you how many applications were made for each month since January this year, figures we thought you might have; the number of applications for adult passport renewals; the number of first time adult applications and the number of children's applications; service standards and staff numbers and unit costs. Why have you not been able to provide this information to the Committee today and why did you not have the courtesy of informing the Committee that these very important pieces of information would not be available for us? You have known for some time that you have been going to give evidence to this Committee.

Paul Pugh: Yes, Chairman. To the best of my knowledge, the request for this information was only received yesterday and that the information is being compiled and being checked and validated, and as soon as that has been done it can be made available to the Committee.

Q74 Chair: When you say "checked and validated", if a Minister asked you—as I am sure the Prime Minister has, because he answered these question in the House last week, and the Home Secretary has—how many applications were made in April of this year, do you not have those figures to give to Ministers?

Paul Pugh: Some of that information is available, but some of it is—

Q75 Chair: Well, give us the information you have because we would like to base this evidence on facts, Mr Pugh, rather than supposition, and for you to give us the information after the evidence hearing does not help us try and establish the facts. Perhaps you can tell us, what is the total number of applications that you have had, for example, for May of this year?

Paul Pugh: I can give the total number of applications that we received since 1 January this year, which is now approximately 3.6 million. The total number of applications that we have received since 1 April, the start of the financial year this year, is now approximately 1.9 million.

Q76 Chair: What is the current backlog that you have? I know you are reluctant to use the word "backlog" because you do not regard anything above your service standard as a backlog, but the Prime Minister told the House last week that there were 30,000 applications that, in your words, were not straightforward. Is that figure correct? Did you give the Prime Minister those figures?

Paul Pugh: I think we are talking about slightly different figures, Chair. I do not want to—

Q77 Chair: Let us ask about those figures. Is it correct that 10% of the applications that were made—the figures the Prime Minister gave the House, very openly and transparently last week—were the passports that were not transparent, the applications that were not straightforward?

Paul Pugh: I can give you some updated figures, again quite high level because I do not have all the detailed statistics on straightforward to hand, but I can confirm that since 1 January we have issued just over 3.14 million.

Q78 Chair: No, I do not want to know those figures. Why are you giving me figures I have not asked for, Mr Pugh? I am asking you for the outstanding numbers, not how many you have issued.

Paul Pugh: I am just coming on to give you those.

Q79 Chair: We would like to know those, if you could tell us. What are the outstanding figures?

Paul Pugh: You mean the ones that have not yet been processed?

Chair: Yes. That is normally what “outstanding” means.

Paul Pugh: Yes. We have a significant amount of current work in progress.

Q80 Chair: No, what is the figure?

Paul Pugh: The figure, as of Monday, I think, was just under 480,000 work in progress. We receive over 150,000 applications each week and our output similarly in a week is over 150,000. In fact, our output was over 160,000 cases completed last week alone.

Q81 Chair: At the moment you are dealing with 480,000 applications?

Paul Pugh: Broadly speaking, yes. I cannot confirm the absolute number, but it is certainly of that. That is the order of overall level of work in progress that we have to work our way through.

Q82 Chair: We were given some figures as a comparison by the unions, though we would have preferred to have the figures from you as you are the chief executive of the agency. You have now given us some figures that are the same as the union figures. Is this more or less than last year?

Paul Pugh: It is more than last year.

Q83 Chair: What was last year’s figure by comparison?

Paul Pugh: It was nearer to 280,000 at this time.

Q84 Chair: So it has roughly doubled?

Paul Pugh: I would need to confirm that, but it is perfectly—

Chair: Is it roughly double?

Paul Pugh: It is perfectly normal for us to have to have a high level of work in progress, and as we have indicated previously, we certainly have a much higher level of work in progress this year than we would normally expect to have at this time of year. That is because we have a substantially higher intake and a substantially different pattern of demand this year than we ever experienced before.

Q85 Chair: But you of course highlighted that there would be changes, didn't you? You highlighted that the application numbers would have gone up. Last year, in your foreword to the annual report, you said that the closure of the overseas posts would result in an additional 350,000 applications being received onshore. You highlighted that, didn't you?

Paul Pugh: Yes, but I think it is important to understand the context of those figures. What I indicated there is that, over the course of a full 12-month period, we would expect to receive, broadly speaking, 350,000 overseas applications. Having looked more closely at the numbers since last spring, our forecast overall intake on overseas applications during the course of 2014 we expect to be in the order of 390,000 to 400,000 over the whole of the 12-month period.

Q86 Chair: So the forecast you put in your report was wrong, your introduction? You expected 350,000, but in fact it is more?

Paul Pugh: It was a broad-brush indication based on historical patterns of applications submitted to the Foreign Office. Of course the number of applications overseas and domestic will vary from year to year, and each year, ahead of the year in question, we will do quite a lot of detailed work during the planning period in the autumn to try to establish more clearly what the actual forecast intake will be in the year in question.

Q87 Chair: So you knew that there would be an increase. Given what has happened over the last few weeks, do you think that the public is owed an apology from you as the chief executive of the agency for what appears to be a genuine crisis in the Passport Agency? Do you think you would like to take this opportunity to apologise for the fact that the public have had to go through these very large delays?

Paul Pugh: Oh, I would like to say that we—we in our organisation—recognise and fully appreciate how important the passport is, not just as—

Chair: I think we all do.

Paul Pugh: A travel document, but as an important indicator and confirmation of an individual's identity. It is our job and we expect each year to serve over 5.5 million customers every year—year in, year out—and I would like to put on record that we realise the impact that it has on individuals, on individual members of the public, when we do not meet their needs.

Q88 Chair: Mr Pugh, I understand that. You sound like a brochure for the Passport Office. We know how many you deal with. I asked you would you like to apologise, because the Prime Minister, who is not responsible for the Passport Agency—he has other things to do with his life—and the Home Secretary, who is not responsible for doing your job, have both recognised the distress that has been caused. Would you like to take this opportunity to apologise to all those who have been waiting? I have a sheaf of letters from members of the public and Members of Parliament who are very, very angry. You do not seem to recognise the fact that people are very upset and angry. Would you like to apologise?

Paul Pugh: Absolutely. I absolutely, Chair, recognise the anger and distress that some people have suffered and I would like to put on record, yes, that in every case where we have not met our service standards, where we have not been able to meet the customer's need, yes, certainly, we are sorry for that.

Q89 Chair: So we take that as an apology?

Paul Pugh: It is an apology.

Q90 Chair: It is? Excellent. Having made that apology, could I ask you about what the Home Secretary announced on Thursday? The Home Secretary announced some very important emergency measures to try to help you. This is her decision, when she came before the House on Thursday to try to help clear this backlog of 480,000 cases. Do you think that that will now deal with the issue for the public? Do you think we now have a way out of this situation?

Paul Pugh: Yes, we are facing a very difficult and challenging situation. We have experienced very high levels of—

Q91 Chair: No, I know all that. Do you think what she has proposed is going to be helpful to clearing this backlog?

Paul Pugh: Absolutely, I think it is helpful. It is helpful alongside a whole set of other measures that have we have already taken, that we are already taking, that will make sure that in the short term we increase our capacity to make sure that we are able to get back to our service standards for every single one of our customers as soon as we possibly can.

Q92 Chair: Are you aware that there is still a problem, because I myself had a passport issue case on Saturday, where a constituent of mine travelled from Leicester to Durham, was told to collect her passport and when she arrived there, having gone all the way to Durham to collect her passport to go on holiday on Monday, that passport was not available. Do you know who I rang in order to resolve this issue, Mr Pugh?

Paul Pugh: I am aware of that particular case, yes.

Q93 Chair: Good, because I rang you and I rang your office, which I assumed would operate an emergency number like all the other members of staff who are there from 7 am to

midnight. Nobody picked up the phone, so I had to text the Home Secretary herself. I then received a call back from her Private Secretary, who then sorted out the problem and had the passport issued. Isn't it an embarrassment to you that a Member of Parliament has to ring up the Home Secretary because they cannot get through to the chief executive of an agency who is paid £104,000—more than the Minister for Immigration—to sort out a constituency case in Leicester? Isn't that an embarrassment?

Paul Pugh: In any case where we have not been able to deal successfully with queries that members have raised with us, of course that is not right, it should not happen.

Q94 Chair: It is not her job, is it?

Paul Pugh: It should not need to be the case. I know people were in the office during that time, because I was there myself at the time, so I do not understand why it would have been difficult for you to get through on the phone.

Q95 Chair: Nobody picked up the phone, because I did ring you first. Finally, did you receive a bonus last year?

Paul Pugh: No.

Q96 Chair: You did not? How many people in the Passport Office of your management team received a bonus?

Paul Pugh: Of my management team, two, I believe, last year.

Q97 Chair: What was the total amount that they received?

Paul Pugh: Of course the bonus arrangements for senior staff are those that apply across the Home Office as a whole—they are not within the gift of the Passport Office—so I do not recall exactly what the specific amounts were.

Q98 Chair: You do not know how much bonus your staff received at senior level?

Paul Pugh: I do not know what the individual amounts were, that individual members—

Q99 Chair: What is the total amount then, Mr Pugh?

Paul Pugh: For individual members—

Chair: No, no, the total amount of bonuses that your management received last year.

Paul Pugh: I do not know the specific answer to that, because it is not my decision. I am not the person—

Q100 Chair: No, I know it is not your decision. You mean people who serve under you on your board can get a bonus and you, as the chief executive, have no knowledge as to how much that is?

Paul Pugh: The arrangements for bonus awards to senior staff are those that apply to senior civil servants across the Home Office. Therefore, the decisions as they apply to me individually and to those who receive—

Q101 Chair: Basically you do not know what the amount is? No one has told you?

Paul Pugh: No.

Chair: No one has told you how much—

Paul Pugh: The scale of the amount is published in our annual report, so I am—

Chair: But you do not know it?

Paul Pugh: I know broadly what it is, but I do not know the exact amount.

Q102 Chair: What is it broadly then, Mr Pugh?

Paul Pugh: I think you will find that is less than £5,000 each.

Q103 Chair: What is the total?

Paul Pugh: Well, two of them, it would be less than £5,000.

Q104 Michael Ellis: Mr Pugh, you are on £104,000 a year. Are you planning to take a bonus this year if you are awarded one?

Paul Pugh: No.

Q105 Michael Ellis: Can you confirm whether or not the Passport Office was in deficit back in 2010 and whether it is in surplus now?

Paul Pugh: Yes, I can confirm that. Yes.

Michael Ellis: So it was in deficit in 2010 and you are now running a surplus?

Paul Pugh: We now return a surplus to the Home Office, and through the Home Office to the Treasury, yes, that is correct.

Q106 Michael Ellis: Right. The staff under your control and authority, are you content that at all times you have oversight of those staff, that they are working efficiently and that they are serving the public in the way that you would expect as their chief executive?

Paul Pugh: Yes, I am, but I would like to put on record my gratitude and admiration for the many thousands of staff across the organisation who are exceptionally committed, who are very proud of the work that they do. I receive examples every day of members of staff who have gone the extra mile.

Q107 Michael Ellis: Yes, thank you, Mr Pugh, for that, and we all acknowledge the good work of your staff, but are you satisfied that all of the staff under your control are operating efficiently and doing the job that they are paid to do?

Paul Pugh: In so far as it is possible. You can never be certain, and I do not suppose one would ever get to a position of being able to say they are working perfectly efficiently. In any organisation there are always improvements that can be made and I am sure if I were to talk to any of our front-line staff, they would—and I would be very delighted—have ideas about how things could be done better in their particular area of the organisation.

Q108 Michael Ellis: Forgive me, because you sound a little bit cagey, Mr Pugh. I am sorry if I am interpreting your answers incorrectly, but you do sound a little bit cagey. You have line managers, you have supervisors under your chief executive authority. They must be reporting back to you on a regular basis. Have you any reason to believe anecdotally or otherwise that there is a history of not operating efficiently and competently?

Paul Pugh: I do believe before 2010, yes.

Q109 Michael Ellis: Can you elaborate?

Paul Pugh: Because I think looking at the history of the organisation before 2010, first of all, it was gearing up to implement the National Identity Scheme and creating all the infrastructure that was necessary for that at the same time as running day-to-day business.

Q110 Michael Ellis: Yes, but you are getting your excuses in before you have given us the answer.

Paul Pugh: No, I am not giving any excuses.

Michael Ellis: Sorry?

Paul Pugh: I was not in the organisation at this time—

Michael Ellis: All right, so what are you trying to say?

Paul Pugh: That was long before my arrival. When I did arrive, I did find that during the quieter months of the year, outside the summer peak season, many staff in passport operations simply did not have enough to do. They were under-employed, and as a result, many of them were dissatisfied and demoralised.

Q111 Michael Ellis: What were they doing if they did not have enough to do? I do not follow you.

Paul Pugh: They were finding ways of filling their time, frankly.

Q112 Michael Ellis: Can you elaborate?

Paul Pugh: Well, tidying the office, keeping things up-to-date, filing, in some cases reading books.

Q113 Michael Ellis: Right, so you are saying that has not been happening since 2010?

Paul Pugh: That has certainly not happened since 2010, no.

Q114 Michael Ellis: It has not happened under your watch?

Paul Pugh: Absolutely not.

Michael Ellis: You are sure?

Paul Pugh: Yes.

Q115 Michael Ellis: Can you tell us how many passport applications were processed last week and how many of those were within service standards?

Paul Pugh: I can, yes. Last week, it was just over 165,000. Of those, across all types, I think it was approximately 90% were within the agreed service standards.

Michael Ellis: 90%?

Paul Pugh: 90%, yes.

Q116 Michael Ellis: How many customers do you believe, therefore, received their passports in line with service standards last week?

Paul Pugh: Last week? It would have been that number.

Q117 Michael Ellis: Right. Is it right that a passport now is cheaper than it was back in 2010?

Paul Pugh: Yes. We reduced the fees by £5 about two years ago, yes.

Q118 Michael Ellis: What are you doing to correct the issue? 90% is well and good, but those 10% represent a significant inconvenience to a large number of taxpayers and our constituents. What are you doing to address the issue of that 10%?

Paul Pugh: We are doing a great deal to address that 10% and have been over many weeks and months since we have been experiencing these levels of demand. On top of our existing complement of staff, we have already redeployed 250 staff into passport processing.

Q119 Michael Ellis: Where from?

Paul Pugh: Internally.

Michael Ellis: Internally? Within the same department?

Paul Pugh: No, within the agency, and we need to make sure we have efficient and effective customer contacts as well as passport processing. We have been redeploying staff to make sure that we are dealing with customer inquiries as promptly as we can. We are planning even now to increase capacity still further by temporary redeployment of staff from some other parts of the department, so we will overall increase capacity by an additional 400.

Q120 Michael Ellis: Thank you. The final question from me is, extra staffing will get you through the short term, moving them within the department will cope with the demand, but in the long term, surely the answer is to improve the efficiency of your systems and learn from the errors in forecasting and modelling, because it is a seasonal business largely, isn't it, what you are doing? Do you think there is room for improving the efficiency of your forecasting and modelling?

Paul Pugh: Certainly what we have experienced this year has been completely out of line with the forecast, which has been reliable over previous years for many years.

Q121 Michael Ellis: So you do need to improve that?

Paul Pugh: Certainly, yes, I have asked for a kind of independent external review of our forecasting.

Q122 Chair: Mr Pugh, were you the author of the memo that was leaked to the press, to *The Guardian*, which stated that there had been a request to relax the scrutiny of overseas passports?

Paul Pugh: There had been no request to relax the scrutiny of overseas passports.

Q123 Chair: What was the relaxation that was required then?

Paul Pugh: I think the memo you are referring to, Chair, is one that talked about a procedural change in the processes that apply to certain types of overseas application, particularly to evidence that is required of—

Chair: This is what was in *The Guardian*.

Paul Pugh: An alternative address for applicants.

Chair: Yes, this is what was in *The Guardian*.

Paul Pugh: Yes. This is not a request to relax scrutiny, because what the procedural guidance makes clear is that that discretion should only be applied in those cases where the person considering the application is satisfied on other evidence that there is no indication of fraud.

Q124 Chair: But were you the author of this? Did it go through you? Did you approve it going to Ministers or did it not go to Ministers, because Ministers—

Paul Pugh: It did—

Chair: Can I just finish? Ministers were not prepared to support what you were proposing? Is that right?

Paul Pugh: That is right. No, it did not—

Q125 Chair: Did Ministers come back and say, “Do not do this. This would be wrong.”?

Paul Pugh: It did not go to Ministers and certainly I accepted—and indeed said to Ministers directly—that it was an error on our part that before putting this particular procedural change into place we should have sought their agreement so they could take a full view of the impact and effect of it. It is important to see, however, it was part of a series of proposals emerging from looking at our approach to processing overseas passports.

Q126 Chair: Given that error and what has happened in the last few weeks, did you ever consider your position as to whether you should resign as the chief executive of the agency, given the crisis that has embroiled the Prime Minister and the Home Secretary, indeed Parliament? Did you ever consider this, Mr Pugh?

Paul Pugh: In the light of all that has happened over the last few months, of course I have considered whether it would have been right for me to step down, whether it would be helpful for me to do so, but my job is to lead the agency through tough times as well as through less tough times, and that is what I intend to do.

Q127 Chair: You do not think somebody better could do this, given that the forecasting was wrong, memos were produced that had errors in them and the very large backlog? You do not think somebody else should do this job?

Paul Pugh: It is my job to lead the agency and that is what I intend to do.

Q128 Ian Austin: I have had more constituents contact me in the last few weeks than in the last nine years, so it is clear that there has been a huge backlog and that has caused big

problems, but I think it is only fair to say that on each one of those, I have contacted your office personally and every single person from Dudley who has been worried about getting their passport in time to go on holiday has been sorted out, so I think it is fair to put on the record my gratitude to you and your office for having ensured that my constituents who have contacted me have been able to go on holiday.

But the thing I want to ask you about is how much of the increase in demand that you are experiencing is in relation to applications from people living abroad, because as I understand it demand is up by about 300,000 compared to previous years, but a similar number of passport applications were dealt with abroad in previous years, so hasn't a substantial part of the problem been caused by Ministers' decisions to transfer applications that have previously been dealt with abroad back to the UK?

Paul Pugh: It is important to understand the kind of history of the overseas work. I think the figures that you are referring to are a bit like comparing apples and pears. We knew when we were preparing to take over the overseas work that we would need additional capacity to deal with that work. That was planned for, that was built into the organisation and indeed we recruited a substantial number of staff and trained them specifically in expertise of overseas work to make sure that that could be dealt with. What we have seen in first few months of this year is an intake that is more than 400,000 more than the equivalent period in 2013 and almost 500,000 more than the forecast for 2014 would have suggested would be expected in this period.

What we do not yet know, of course, is whether over the course of the 12-month period we will see the overall intake for 2014 rebalance itself, so the issue that has presented us with such a challenge is not so much simply the sheer volume of work, but the fact that it has occurred in a pattern of demand that is completely unlike anything we have ever seen in terms of customer behaviour in previous years.

Q129 Ian Austin: It has been reported that applications from overseas have experienced the lengthiest delays. Why has that been the case?

Paul Pugh: Again, I think it is important to understand why the transfer of overseas work took place. Broadly, there were three key aims behind that. One is to ensure consistency of processing, because historically different standards have been applied in different regional centres. One was to improve security and integrity of the process on the basis of a more evidence-based risk assessment. The third was around value for money for customers and we have been able substantially to reduce the overseas fees. Now, a lot of the work is very different to domestic work. Domestic work for our processing staff is high volume, but broadly very consistent. The overseas work is of a different kind. It is low volume and highly variable, depending upon which country people are applying for. I think the other factor that has been important is that in order to enable the transfer of overseas work to take place, we introduced a new online application channel for customers to make it possible for them to apply and to submit their application online. What we found in transition is that we need to improve the information for customers to make sure that we are getting the right information first time, because a substantial proportion of overseas work, we have discovered, has required further rework, further inquiry, further documentation for the customer. We also need to make sure that our staff develop their

familiarity and therefore we can get to a position where we are in, if you like, a kind of steady state on the overseas work.

We know we are not where we want to be yet on the overseas work, but I think it is important just to recognise that the lengthy periods that people have talked about are not universal. The way that an overseas case is processed will differ very significantly depending upon the country, depending upon the level of risk and depending upon the complexity of the application, so I would expect over the next few months for us to get to a position where we would be able to see the great majority of straightforward properly completed overseas applications being turned around in no more than four to six weeks.

Chair: Thank you.

Q130 Ian Austin: A final question from me. On this question of forecasting demand and preparing for it, are you able to tell us at what point, both months ago and during this recent crisis, when you asked for more staff and more resources, how quickly those decisions were taken by Ministers? You probably cannot tell us that now, but can you write to us and say, “We asked for these resources on this day and we received an answer then,” and so on? Would you be able to do that for us?

Paul Pugh: I can broadly answer, and the answer is very quickly. When we felt we had come to a point where in order to maintain our service standards and to keep them where we wanted them to be we needed to be able to mobilise staff from other parts of the department, those discussions with other parts of the department and with Ministers took place in a matter of days. I cannot recall exactly which days, but it was very, very quickly and we are already seeing some of the staff have been deployed from UK Visas and Immigration taken into our Liverpool office, being trained, getting down to work this week.

Q131 Chair: Thank you. Mr Pugh, on the overseas sections, who took the decision to close them and redeploy into onshore?

Paul Pugh: That was taken by Ministers several years ago.

Q132 Chair: We were in Nairobi and we met a woman, who was 92 years of age, a British citizen who has been waiting three months for her passport to be extended. We went to the entry clearance office in Nairobi and we were told that it could not be done in Nairobi any more, but it took her three months to send the passport, you to consider it and then send it back. Surely you should look again at this decision and allow some of this work to be done overseas. The Home Secretary, after all, has announced an extension for those who are overseas, an automatic extension. This is probably a good time to look at this again.

Paul Pugh: That would be a policy decision for Ministers to take, not an operational one that would be within my remit.

Q133 Chair: No, I understand. I am not asking you to take the decision now—I would not dream of putting you in that position—but is this something perhaps we should look at again?

Paul Pugh: Personally, I think we are still learning from experience. There are a number of processes and other improvements that we can make. I am sure there are lessons we can learn from some of the recent experience. I am not aware that Ministers have considered giving any consideration to the basic policy, for the reasons that I said at the outset as to why that transition was decided upon in the first place.

Q134 Mr Winnick: How would you describe, Mr Pugh, your relationship with the union representing the passport staff?

Paul Pugh: My relationships with many representatives of the PCS are extremely good. Whenever I visit an area office, I nearly always meet the local PCS representatives and we have very fruitful and constructive discussions.

Q135 Mr Winnick: At national level?

Paul Pugh: At national level, if I remember rightly, late last year the national PCS representatives for the Passport Office attended, at my invitation, a meeting of our management board and had a very sensible and constructive discussion with all the members of the management board for the first time ever, I think, in the history of the organisation.

Q136 Mr Winnick: That must have made them happy. We have heard evidence from Mr Mike Jones; you are familiar with the name Mr Mike Jones?

Paul Pugh: I am familiar with the name, yes.

Q137 Mr Winnick: You are familiar of course with the job that he does. He told the Committee in evidence just before you came in, Mr Pugh, that it has been very difficult to get positive results from talks, that in the main the attitude of management—presumably yourself and your predecessor—has been, to say the least, rather negative. You would refute that, would you?

Paul Pugh: I would absolutely refute that, yes. I have not met Mr Jones. To the best of my knowledge, Mr Jones has never asked to meet me. Obviously I was not in the room when he was making his remarks. Therefore, I do not know the detail of exactly what he said, although I did hear the very beginning of his remarks, some of the comments made about the nature of the organisation, which I, and I think many of the members of staff, would not agree with.

Q138 Mr Winnick: During his evidence, he said to the Committee that he has written twice to you as chief executive in the past week. There has not even been an acknowledgement. You deny that, do you?

Paul Pugh: I have replied to his letter today.

Mr Winnick: Today? I see.

Paul Pugh: Yes.

Q139 Mr Winnick: Just a coincidence it happens to be the time when both of you were giving evidence? That is purely a coincidence, Mr Pugh?

Paul Pugh: Perhaps it also a coincidence that he did not write to me ever or contact me at all until last week.

Q140 Mr Winnick: Mr Pugh, can I put it to you or ask you whether you really feel that the job of a union is a perfectly legitimate one in trying to negotiate on behalf of their members? You accept that, do you?

Paul Pugh: Absolutely, and indeed, I have been a trade union member myself for nearly 30 years.

Q141 Mr Winnick: Do you really feel that you have responded in the way that should be the response of management, not necessarily agreeing—obviously no one has ever suggested that should automatically be the position—but a willingness to listen, to understand the concerns of the staff? You accept all that?

Paul Pugh: Absolutely, yes, yes. I think, as I said, my contacts with PCS representatives across our organisation are generally extremely good and I meet them frequently.

Q142 Mr Winnick: You see, if that is so, why should Mr Jones come along and tell us something that is quite different? Clearly both of you have a different interpretation of what has been going on.

Paul Pugh: That is clearly a question you would have to ask of him rather than me.

Q143 Mr Winnick: There is a possibility, as you know, that the union may consider consulting their members about industrial action and we all know the repercussions on our constituents if industrial action occurs. What do you think can be done to prevent the union coming to a decision that they should consult their members? They would not do so lightly, presumably?

Paul Pugh: It is not for me to really take a view about how the PCS trade union conducts itself internally and how they arrive at—

Q144 Mr Winnick: No, no one has suggested it is. What I am asking you really is that if the union is in such a concerned mood on behalf of their members, presumably they are not making it up as they go along; they are not seeking industrial action for the sake of industrial action. I doubt anyone would want that accusation. They must have very serious concerns on

behalf of their members. All I am asking you, Mr Pugh, is a simple question: what can be done by management to try to negotiate and listen carefully to what the union is seeking and obviously to seek a compromise whereby industrial action is not likely to occur?

Paul Pugh: All I can say, Mr Winnick, is that I talk to members of staff every day in my job, I listen to what they have to say. What they tell me about the mood and feeling and morale within the organisation and their commitment to the organisation is not the picture that I think, as far as I understand, Mr Jones has given to you. Now, clearly I am very happy to listen to the views that Mr Jones has to put about the picture of our organisation as he perceives it, but I do not believe that the PCS union are the sole means by which the views of staff within the organisation are legitimately expressed.

Q145 Mr Winnick: So you are saying you have a better understanding of the staff than the union that the members belong to? Is that what you are saying?

Paul Pugh: I am not saying that. I am saying I probably spend a lot more time in our organisation talking to our staff than Mr Jones does.

Q146 Mr Winnick: Does that mean that you are not very willing to discuss the outside issues?

Paul Pugh: I am very willing to meet Mr Jones, or indeed any other representatives of the union, and discuss any matters that they would like to.

Q147 Mr Winnick: So you are willing to meet Mr Jones—

Paul Pugh: Absolutely.

Mr Winnick: In the very near future?

Paul Pugh: Absolutely, yes.

Q148 Mr Winnick: Can we work on the basis that, arising from what you have just said, a meeting will take place either this week or early next week?

Paul Pugh: I am happy to make myself available.

Q149 Chair: Thank you. We are very keen that you do that, because obviously members of the Committee would not like to see industrial action. Perhaps on your way out you could start the process in the corridor.

Mr Winnick: It is easy to talk to him. He is just behind you.

Chair: Then at least the Select Committee would have been of some use to try to resolve this problem.

Can I bring in Nicola Blackwood just before you, Mr Reckless? I am sorry, because she does have to be away and I missed her earlier on. My apologies, you will come in next. Nicola Blackwood.

Q150 Nicola Blackwood: Thank you, Mr Chairman. There has been quite a lot of focus on people waiting for passports who are going on holiday. I would also like to make the point that some people waiting for passports are also trying to go away on business and so that is something we would like to look at as well.

You mentioned earlier in your evidence about some lessons that need to be learnt about the situation and also you have spoken about some of your concerns about the failures of forecasting and how your forecast of 350,000 was not adequate for the level of demand that you are now experiencing. You also mentioned the fact that when you contacted Ministers, you did have a very quick response, and you are now redeploying staff and so on in order to deal with the situation. I just wonder if you think that you should have contacted Ministers earlier, you should have taken more pre-emptive action when you realised that the demand was rising so quickly. What do you think that you could have done in order to circumvent the situation that we are in now?

Paul Pugh: We put in place, and indeed took, a series of kind of planned management measures from January onwards. Some of it is our normal planning, for example, introducing staff who are on part-year appointments, who are on evening shifts; that normally starts at that time of year. When demand is high, and of course it can fluctuate from month to month or week to week, we have a range of management interventions that we can put in place, which we did over the succeeding weeks. I think as it became clear that the pattern of very high demand was persisting over a longer period, we took a further series of measures, some of which I have already described, about internal redeployment of staff. Throughout that period, I had a very open sharing of the position and describing what we were doing with Ministers. At no point did I ever feel that there was anything that I was asking for or that I needed that I was not receiving.

Q151 Nicola Blackwood: No, my question is that with hindsight, do you think that there are actions that you could have taken that would have improved the situation or do you think that you could have spotted this rise in demand earlier if you had used different analysis? What do you think that we could do to prevent this happening again?

Paul Pugh: I think one of the things arising from all this is clearly the forecasting model that we have used and that has been, before 2013, reliable over a long period, at most years to within 2% or 3% of overall intake. That forecasting model has not at all accurately reflected the pattern of demand that we have seen this year. Therefore, I think, yes, we need to go back to, is there a better way, what can we learn from the pattern of demand that has occurred this year and does it represent a significant permanent shift in the pattern of seasonality?

Q152 Nicola Blackwood: So what do you think is different about this pattern of demand? We heard some speculation that it is overseas applications or it is new citizenship applications. Is it something other than that?

Paul Pugh: I hope I was clear with Mr Austin that I do not believe that the overseas applications is the factor driving the overall increase in demand, other than that which we have allowed for. I did hear some speculation that it was related to newly naturalised citizens. That is not the case at all, I do not think. Newly naturalised citizens represented last year only roughly 100,000 of all our applications and I do not think we have seen any significant increase in them, so I do not think that is a factor.

What it appears to be is a significant shift in the seasonality of customers' behaviour. We did do some analysis to try to understand whether what we were experiencing in 2014 was demand that could have occurred in previous years but did not. That is to say were there people whose passports expired in previous years but chose not to renew them, that sort of latent demand.

Chair: Thank you. Mr Reckless, my apologies for coming to you so late.

Q153 Mark Reckless: Thank you, Mr Chairman. I think it is widely accepted as just discussed, but also stated in your annual report, that demand was not modelled accurately in 2012, 2013. Are you aware of any organisation that accurately forecasted the record rise in employment and turnaround in the economy we have seen since then?

Paul Pugh: Am I aware of any? No.

Q154 Mark Reckless: Could you take into account in advance the recent rise in the level of sterling, which has made holidays cheaper for people from this country?

Paul Pugh: It would be extremely hard to take into a passport demand forecasting model fluctuations in currency rates in the short term.

Mark Reckless: Thank you, Mr Pugh. That has answered my questions.

Q155 Lorraine Fullbrook: Mr Pugh, can I ask, some people say it is very easy and simple to process a passport application, particularly a renewal of a passport. How exactly has the British passport, as an important security document, obviously, changed in recent years and how does that compare to foreign passports?

Paul Pugh: Particularly in one respect. We introduced a new design of the passport itself in 2010, I think, which was a much more sophisticated design in terms of the security features that are part of the book itself. For obvious reasons, I would not want to go into the exact detail, but in terms of the security of the UK passport, it is recognised worldwide as one of the most secure in the world and our passport processes are recognised as one of the most secure in the world. As result of that, a British passport holder has access without visa or without additional checks to more countries than virtually any other citizen of any other country.

Q156 Lorraine Fullbrook: Given the gold standard reputation of the British passport, what freedoms does this give travellers to other countries?

Paul Pugh: It enables people to travel freely to other countries—in more cases, I think, than almost any other citizen; I am not sure it is absolutely the first in the world—without them having to go through any additional checks that are required by that particular state before the person is permitted entry.

Q157 Lorraine Fullbrook: Can I just ask one final question about the modelling and forecasting? From here on in, how are you going to change how you model and forecast?

Paul Pugh: I think it will depend upon the independent review of our forecasting model, which I have now asked should take place. I want to make sure that we get the best possible advice, the most expert advice, which tells us both what can we learn from what has happened in 2014 up until now, but I guess more importantly, in looking forward, what is the most robust, the most reliable way of forecasting into the future in order to understand whether we have seen any significant permanent demographic shift in the population of customers.

Q158 Lorraine Fullbrook: Thank you. Can I just ask finally what impact do you think industrial action would have on the Passport Office?

Paul Pugh: I think it would be extremely damaging. It would be extremely damaging to our customers and to our public.

Lorraine Fullbrook: Thank you.

Chair: We all hope it does not get to that if you start negotiations, courtesy of Mr Winnick, who is acting as a kind of Acas in respect of these matters. Paul Flynn, and finally Yasmin Qureshi.

Q159 Paul Flynn: You say you understand the anger of families who have been left distraught in recent weeks by worry, by the possibility that their holidays were going to be cancelled, the extra expense of travelling to Liverpool or wherever it might be. Do you appreciate how much satisfaction they might get if you now resigned?

Paul Pugh: I am not sure my resignation—

Paul Flynn: It is worth a try anyway.

Paul Pugh: I am not sure how it would help people in any way. It certainly would not—

Q160 Paul Flynn: It would allow them to vent their anger. Particularly if I asked my correspondents whether they would like you to stay in office, I am quite certain they would say with unanimity, “He should go.” Who is responsible for this? We know the Prime Minister is not, we know the Home Secretary is not, so who is it, Mr Pugh?

Paul Pugh: I am responsible for the operation.

Q161 Paul Flynn: Would you describe your style of running the service as management by panic? The Home Secretary introduced several new measures, obviously brand-new measures, into there to deal with this crisis. Isn't that worthy of a resignation when you behave in that way?

Paul Pugh: As I have explained, what we have done over a number of months, in response to a wholly exceptional set of circumstances, is implemented with care, with proper planning and with absolutely no compromise on the quality and security of decision making—

Q162 Paul Flynn: So it is the public's fault for being so inconsiderate as to demand passports at time when it was awkward for the Passport Service? Can I tell you this—

Paul Pugh: I did not say that at all, Mr Flynn. Sorry, I think that is—

Paul Flynn: We are just interpreting as best we can, rather than have another discursive explanation. I have represented hundreds of passport workers since 1972 as a local councillor and as an MP, and a major passport centre has been in my constituency all that time. There has never been a crisis like this, has there?

Paul Pugh: There has never been a challenging situation of this kind, not in recent years certainly.

Q163 Paul Flynn: It has caused a great deal of heartache, you would agree with that, you had the grace to apologise—

Paul Pugh: Absolutely, I apologised earlier and I would just like to say that I absolutely recognise and empathise with the distress and frustration in any case where we haven't been able to meet the requirements of our customers.

Q164 Paul Flynn: You will be fully compensating financially all those who suffered losses because of failures by the Passport Service?

Paul Pugh: We have a very clear approach to compensation in relation to where someone has suffered a financial detriment as a result of our error.

Q165 Paul Flynn: How much will that and the overtime and all the other additions you had cost?

Paul Pugh: It is not possible to put a figure on something that is part-theoretical.

Q166 Paul Flynn: Would you agree that the present situation was exacerbated or possibly created by cuts made in the past that left the service in a position where they could not respond to unusual demand?

Paul Pugh: No, I don't think that is a right representation of the position. The size of the organisation has increased by roughly 300 people in the last two years.

Q167 Paul Flynn: You have employed an extra 100 people recently. Why didn't you employ them in Wales, where the Passport Service took away the only counter service that existed in Wales? You did that in 2011. Wouldn't it have been more sensible to reintroduce the best service in Wales for all the people from my area or from Newport or Cwmbran who, in panic, in order to get their holiday, had to travel to Liverpool, and some of them stayed overnight?

Paul Pugh: First, let me say that we have not taken away the counter service in Wales. In Newport is one of our customer service centres where the full range of counter services is available.

Q168 Yasmin Qureshi: Just three small questions. Going on from the point that Mr Flynn just mentioned, you have taken 100 people from the naturalisation unit. How many weeks is it going to take to train them up to be able to deal with passport applications?

Paul Pugh: What, the staff from UK Visas and Immigration? We have deliberately selected staff from UK Visas and Immigration who are already well familiar with nationality law and, therefore, that is one of the key aspects of being able to take decisions about passport entitlement in relation to understanding nationality. Therefore, those staff already come with those skills.

Q169 Yasmin Qureshi: They already know how to process passport applications?

Paul Pugh: They know the legal background and the legal context. What we need to train them to do is how to apply their existing knowledge in the specific context of a decision about a passport application.

Q170 Yasmin Qureshi: A normal training course is about six weeks, I understand, for people coming afresh.

Paul Pugh: Yes.

Yasmin Qureshi: How long would these people be trained for?

Paul Pugh: No, the training course isn't normally six weeks. A brand new recruit fresh off the street who has no previous knowledge of anything of this kind would expect to probably spend two weeks in the classroom and then a number of weeks with a mentor or a desk trainer working alongside them. The majority of the time that they spend in the classroom would be spent on getting them familiar with nationality legislation.

Q171 Yasmin Qureshi: Right. Is it right that from the year 2012 to 2013 your department had a budget surplus of £73 million? Is it also right to say that with delays happening a lot of people were paying the higher urgent rate? Did that contribute to the £73 million surplus?

Paul Pugh: What, the number of people choosing our premium or fast-track services?

Yasmin Qureshi: Yes, because of delays in the passports with the normal service.

Paul Pugh: No, I don't believe that was a factor, no.

Q172 Yasmin Qureshi: I know you said you have not had a discussion with Mr Jones, but it is quite clear from what evidence we heard from Mr Jones that there have been issues where employees of the Passport Office have tried to tell the management that there is a chronic shortage of staff. Were any attempts made to increase the number of staff, bearing in mind that you have £73 million budget surplus for the last year?

Paul Pugh: We have increased the number of staff by approximately 300 full-time equivalent posts in the last two years.

Q173 Yasmin Qureshi: Then my final question, which is, last week we had the Home Secretary saying there is no problem, there is no backlog. A photograph appeared in *The Guardian* showing a whole load of files stacked in meeting rooms in the Liverpool office and then the next day the Prime Minister said that there was a backlog. I understand your department has started an investigation to find out who took that photograph and, therefore, you are obviously spending a lot of money and resources on this. Do you think that is appropriate in light of the fact this person has probably done a great service for the country?

Paul Pugh: What we did was remind our staff of the existing policy and protocol that applies to all civil servants and all people within our organisation about contact with the media. We are all bound by the Civil Service Code and, therefore, the rules that apply to public comments and providing information. What the picture demonstrated was a well-ordered, well-contained area for holding work ready for consideration and processing.

Q174 Yasmin Qureshi: You are not carrying out an inquiry into it, then?

Paul Pugh: I am not aware that there is a specific investigation.

Q175 Yasmin Qureshi: There is a circular, which was issued by Andy Bannon, who says, "This is being viewed as a serious security breach and I've notified the internal investigation team accordingly. They will be making a full investigation and if there is clear evidence linking a member of Her Majesty's Passport Office, Steria or our contracted staff to the breach, formal misconduct procedures will be considered." If that's not an inquiry and a witch hunt against somebody who has provided public service, what is?

Paul Pugh: It would be perfectly normal practice whenever there is an indication that a member of staff had unauthorised contact with the media to try to establish how that happened and how it took place.

Q176 Chair: Can I just clarify because we are coming to the end of your evidence. You gave us a figure of 489,000 applications. This is work in progress, is it?

Paul Pugh: I think I gave a figure of approximately that number. That number will vary from—

Q177 Chair: Of course, but can we just stick to the facts. I don't need an explanation for a moment. If you just answer these it will be helpful to the Committee because we don't have the figures that we asked for. You don't regard any of this as being a backlog?

Paul Pugh: I don't see a large amount of work in progress in an organisation that is receiving and processing 150,000 cases a week—

Q178 Chair: No, I understand that. Can I just explain? You don't know the history of this because you don't know the Committee's concern about service standards and the way in which the Home Office has used this in order to say there is not a backlog. In terms of plain English here, do you regard any of the 489,000 cases as being a backlog because the Prime Minister last week gave us a figure of 30,000 that are outside service standards? Do you regard things that are outside service standards as being a backlog or not?

Paul Pugh: I don't want to get into a debate about terminology.

Q179 Chair: No, it is not a debate. I am just asking a question. Do you regard this as a backlog or is this work in progress? "Backlog" is a fairly simple word that we have used in many, many reports that we have produced over the last 20 years? A backlog is where it is not within service standards. What is your backlog?

Paul Pugh: That would not be my day-to-day interpretation of what a backlog constitutes.

Q180 Chair: Right. What is a backlog to you then?

Paul Pugh: To me a backlog is an accumulation of work that is not likely to be dealt with in a reasonable time.

Q181 Chair: What is a reasonable time?

Paul Pugh: A reasonable time would depend upon the nature of the piece of work.

Q182 Chair: This is why we get so confused and why the public get so worried and frustrated. You have talked about a reasonable time and depending on the piece of work. That does not give any clarity to this Committee but you are saying that the work in progress, the applications you have at the moment, is 489,000?

Paul Pugh: I will need to absolutely confirm the current figure because it will change from day to day, but at the present time the total level of work that we are working our way through would be of that order.

Q183 Chair: There are a number of members who have emailed us before this meeting. Given what Mr Austin has said, I am going to hand you these urgent cases because he is quite right, when we ring up your private office, when we get through—of course, you were not there or they did not answer on Saturday, hence my call to the Home Secretary. There is a private secretary called Farooq Belai, whom we would like to commend for the way in which he responds very swiftly, not just to me and Mr Austin, but other Members. If you are looking for someone to run the Passport Service, well, he must be one of the candidates because he does come back to you immediately in respect of these matters. A big thank you to him. But, of course, the members of the public don't always go to their Members of Parliament, who have the privilege of ringing your office. Many go to the hotline and the problem with the hotline, as we have discovered from these emails, is that they are not getting back to Members quickly enough, so Members can't get back to their constituents. It is a customer service issue. It is in the emails. We would like you to look at them and respond to them.

Paul Pugh: Certainly, I will look at any individual cases that—

Q184 Chair: Yes, we will pass them on. Secondly, in respect of our letter to you requesting information, you have signed off these figures, have you?

Paul Pugh: I have not yet received or seen those figures.

Q185 Chair: Right. When do you anticipate receiving them?

Paul Pugh: To the best of my information, before I came into this meeting my information was that the figures were still being compiled and validated.

Q186 Chair: Right. Who is compiling them?

Paul Pugh: It would be a number of people responsible for statistics and management information within the Passport Office and the Home Office.

Q187 Chair: Who validates them?

Paul Pugh: It would be the statisticians and those who own the information would have to confirm their accuracy.

Q188 Chair: Can I suggest—this is just a suggestion because you are running the Passport Agency, not the Home Affairs Select Committee—that you get these figures on a weekly basis, so if Ministers and Members of Parliament, whom I know have tabled a lot of questions, ask these questions they are able to be given to Parliament in a very quick and efficient way. We will expect this answer, all these figures, by 12 pm on Friday—I am giving you extra time. The way to deal with Select Committees, Mr Pugh, is if you cannot meet a deadline you write in plenty of time, send us an email and give us an explanation, not at 2.45 pm on the day you are giving evidence. If they are not with us at midday on Friday I will

expect to see you back at this Select Committee next Tuesday with an explanation. Do you understand that?

Paul Pugh: Yes, I absolutely understand that.

Q189 Chair: Thank you. Let me go, finally, to the day you were appointed as chief executive. When you were appointed, Mark Harper, who was then the Minister, described the service, and he said this, “It continues to provide a gold-plated passport service to British nationals in the UK and abroad,” and we went on to say, Mark Sedwill of you, “Under Paul’s watch the UK passport has remained one of the most secure and trusted documents in the world. Paul has worked for the Home Office for almost three decades and his experience and professionalism is indispensable.” You said in that press release, “I am delighted to be taking on the role of Chief Executive permanently. I look forward to continuing our work to modernise how to provide passport and civil registration services, building on our great customer service and the security and integrity of all those we seek to protect.” At the moment, this Committee is not impressed with what has happened over the last few weeks under your watch and we would expect to see a rapid improvement in the services that are provided.

Let us be clear, I want to see these figures by midday on Friday. If not, you will appear before this Committee again on Tuesday with an explanation. We would like to see you in a month’s time, after the Home Secretary gives evidence to this Committee, with a confirmation that the work-in-progress figures have been reduced to such an extent that the public is satisfied that the service is working and you live up to the very good words that Mark Sedwill and Mark Harper said about you when you were appointed. Do you understand, Mr Pugh?

Paul Pugh: Absolutely.

Chair: Thank you very much for coming. Order, order. That concludes the Passport Services evidence session. We now move on to extremism in Birmingham.