

Public Accounts Committee

Oral evidence: Reforming the UK border and immigration system

Wednesday 3rd September 2014

Ordered by the House of Commons to be published on 3rd September

Members present: Margaret Hodge (Chair); Mr Richard Bacon; David Burrowes; Jacqui Doyle-Price; Stewart Jackson; Austin Mitchell; John Pugh

Sir Amyas Morse, Comptroller and Auditor General, Gabrielle Cohen, Assistant Auditor General, Louise Bladen, Director, National Audit Office, and Marius Gallaher, Alternate Treasury Officer of Accounts, were in attendance.

Witnesses: Mark Sedwill, Permanent Secretary, Home Office, Mike Wells, Director of Immigration Operations, UK Visas and Immigration, and Mandie Campbell, Director General, Immigration Enforcement, gave evidence.

Chair: Welcome. We are seeing you on Monday again, and that's it, isn't it? Or are you coming on Wednesday as well?

Mark Sedwill: Not so far. What's happening on Wednesday, Madam Chair?

Q1 Chair: I think we are taking Monday as an example and then we are doing contracting in a wider way on Wednesday next week. Good. Welcome to all of you, and to the two of you here for the first time in your new roles, although you have given evidence to us before, haven't you?

I am going to start on asylum seekers. The backlog there has increased. I don't know which figure you want to take, but if you look at figure 14 on page 31, you still have 38% of asylum cases waiting more than three years, I think that is fair to say. Is that right?

Mark Sedwill: Sorry. Figure—

Q2 Chair: It's right through the Report. So if you have read the Report, there is a drop in performance on asylum seekers. It is one of the areas where if you look at performance, it is going in the wrong direction. The number of cases awaiting a first decision has increased hugely. Performance is going backwards, yet the whole reorganisation, which is now 15 to 18 months old, was supposed to lead to an improvement in performance. This is not good.

Mark Sedwill: There are perhaps two points, Madam Chair. Let me just set the context first. You are right to focus on asylum seekers. The asylum system is under pressure and Mike Wells can perhaps fill in some more of the detail in a moment. I can explain some of the reasons for that, but performance overall in the border and immigration system has improved across the board in the 15 months since the break-up of the UK Border Agency.

I can give you some examples and, to set the overall context, it is probably right to do so: 100% checks; no queues at the border; record seizures; backlogs in permanent and temporary migration, which we were told by another Committee might take decades to resolve, have gone; new visa products launched; immigration volumes from outside the EU down, quality up; and more people leaving the UK, with illegal immigrants leaving the UK 20% up on the year before, and 10% more foreign national offenders.

While the job is not done—I am not claiming that the system is perfect; we were never going to do it in one year—I think it is only right, as you will want to focus in on the areas where performance is still not good enough, that we do acknowledge that performance as a whole has improved, as the Report itself acknowledges.

Q3 Chair: I would challenge that, Mark. If you want me to, I can equally pull out a set of statistics. Your data is pretty appalling and when, in my briefing for this Committee, I said to the NAO, “I don’t understand some of these tables,” what they told me was that it is because the data they get from you is so dreadful that they cannot unravel it. You can point to a whole lot of these tables where, particularly in recent months, performance is going down. You have set lower service standards in all sorts of areas—work visas for one: you are now expecting people to wait two months on average for 90% of them to get a work visa, so you have created a lower standard for yourselves. All of us have problems with the Passport Office—I know it’s not entirely the subject of today’s interrogation, but you have a huge backlog of passports. We will come to backlogs in general, which I think are a problem here.

We can all draw on statistics. Given that the purpose of bringing it in-house was to improve performance, my reading of today’s Report is not as optimistic as yours. I think there is massive room for improvement, and I hope in the course of the interrogation to draw out the issues that give me cause for concern. I have started with asylum seekers. By the end of this afternoon, you’ll find I have a very long list, so let’s deal with the asylum seekers and then go forward. With asylum seekers, it’s going in the wrong direction. Far too many people—over 25,000 people—have been waiting years and years and years to have their claim dealt with; and performance is worse than it was.

Mark Sedwill: Madam Chair, I accept the point: the asylum system is under pressure. Let me make a couple of points on that and then I’ll let Mike Wells address the specifics in a little more detail. I am not suggesting that we’re there yet. We said that this system would take several years to sort out. All I wanted to suggest, in opening, was that there are—there have been improvements across the board against a situation which had been deteriorating in the past.

Chair: We will come to that by the end.

Mark Sedwill: We can come to that more generally. The asylum system is under pressure, really for two or three reasons. The first is that there was—to be candid—an ill judged decision taken in the last days of UKBA to downgrade the caseworkers in that area of work from HEO to EO. HEOs left. We reversed that decision and we’re recruiting HEOs—more experienced, more senior

caseworkers—back in to deal with the asylum casework, but that has had an effect on the capacity and capability in that area. We hope that effect will be temporary. Mike can talk a little more about that. That's on the capacity side.

On the demand side, there are two or three factors. The first is that, as we have dealt with the backlogs in the permanent and temporary migration, some of those people refused naturally then spill through into appeals, human rights litigation and the asylum system. Essentially, for those who wish to game the system—try to stay in the UK by any means possible—asylum is their last port of call, so we always expected that in year 2 of the new arrangements, we would see that spill-through effect into asylum. As I said, we have difficulty in dealing with it, because capacity in the caseworking area has taken us time to build up. So we have that effect coming through, and that will take the rest of this financial year, we think, to tackle. Of course, we are also conscious of the potential shocks from world events and the risk of more asylum seekers heading into western Europe more generally and of course a proportion of those to the UK—

Q4 Chair: I think I'd be more convinced by that answer if I didn't have this statistic, which I assume is correct—correct me if I'm wrong—38% of asylum cases avoided for more than three years.

Mark Sedwill: That's part of the legacy that we're—

Chair: That's now—

Mark Sedwill: No, that's absolutely right. That is part of the legacy we are dealing with. We are still dealing with the old backlog as we try to get on top of the new flow, but Mike will know more of the detail if you want—

Q5 Mr Burrowes: Mr Sedwill, how can we be more sure that the commitment now, as I understand it, to clear workable backlogs in asylum by March 2015 will be met, when the old commitment to clear backlogs by summer 2011 was plainly not met?

Mark Sedwill: Mike, why don't you pick up that point as well?

Mike Wells: To take the Older Live Cases Unit, which is in figure 14, first, those cases are cases that pre-date March 2007. It's clearly unacceptable, as you have said, that those cases are still awaiting a decision.

Q6 Mr Burrowes: How many are we talking about now?

Mike Wells: The number that are still awaiting a decision is now down to 11,000. The 29,000 that I think was referred to earlier is the total cohort. Within that, there are people who have had a decision; that decision is to refuse them leave, and they have still, as Mark has said, to leave the country. There is another group, which we are working through, that have yet to have a decision from us. We have committed to making decisions on all those cases by the end of this year, and I'm pleased that the Report does acknowledge that we are on track to deliver that. That's in relation to the oldest cohort—those that pre-date March 2007—

Q7 Mr Burrowes: Okay, stick to the old ones. Reference is made to workable backlogs. Does that come within your definition of workable?

Mike Wells: Those are all the older live cases. There is a defined cohort of those. It's the first block on figure 14. That's the group that the Chair was referring to and which I was answering in respect of. We are working through that group. We are making sure that we give decisions and communicate decisions to all of those people by the end of this year.

Mark Sedwill: That's the end of this calendar year, by the way.

Q8 Mr Burrowes: March 2015?

Mark Sedwill: No, December 2014.

Mike Wells: December 2014. We have been clear on that commitment and we are confident that we are on track to deliver that. That is in respect of those people. Clearly, with some of those people, we will refuse their claim. We may not be able to conclude all of those cases in the sense that those people might not have left the UK by the end of this year, but we have committed to giving all of those people a clear decision by the end of this year.

Sir Amyas Morse: Could I just check something before we move on through the data field? We took our information in this agreed Report at the end of the first quarter. You are saying that in quarter two of the year, you have taken it down by 14,000. Is that correct?

Mike Wells: No.

Sir Amyas Morse: I want to make sure we are being precise.

Mike Wells: To be clear there are two figures. There is the number of people in that cohort and there is the number still awaiting a decision. A considerable number of those people have had a decision to refuse them leave but have yet to leave the UK. There is another group within that cohort that have yet to have a decision. We have said that we will ensure that all of those people have received a clear decision, either to grant or refuse them leave, by the end of this year. That is in relation to the older cohort that is referred to in figure 14.

There are then the problems in relation to more recent asylum claims, some of which are in backlog, as Mark has said.

Q9 Chair: Where there has been a drop in performance.

Mike Wells: Yes, for the reasons set out. There has of course been an increase in the number of asylum claims. That has been increasing across the whole of the European Union. We have said that we will bring those cases back into service standard, because there will always be a flow of those cases. We will bring those back into service standard by March of next year.

Q10 Chair: March 2015.

Mike Wells: Yes.

Q11 Mr Jackson: What is the reason for these intractable seven-years-plus cases? Did you say 11,000?

Mike Wells: Yes.

Q12 Mr Jackson: What are the main reasons why they are still not being expedited and why they are so intractable?

Mike Wells: There are two main reasons. First, many of these have put in a series of further submissions. It would be misleading to think that those cases have been sitting on a shelf with nothing happening to them for seven years. Often asylum seekers will make a series of further submissions. They will say that there have been changes in their circumstances, sometimes quite genuinely so, other times perhaps less genuinely so. They will make further submissions and we are bound to consider those. We have made a commitment to reconsider all of those cases. Hence, that is why we are working through them. The second thing is that we inherited a very large number of these cases from UKBA. We have put resources—

Q13 Chair: The same people. You say you inherited them but they are the same people. All they did was switch from being with one headed notepaper to another.

Mike Wells: We have those cases. We have to work through them, in a balanced way, while also ensuring that we work through all of the other sorts of cases. We have 3.5 million applications a year. We are talking about some tens of thousands here. We have to balance our resources. We are putting resource into that to make decisions on all of these cases and communicate them by the end of the year.

Q14 Mr Bacon: For clarity's sake, there are 3.5 million applications a year for what?

Mike Wells: In total.

Q15 Chair: Not for asylum.

Mike Wells: No, across visas and immigration.

Chair: Asylum has been stable.

Q16 Mr Bacon: Let's be clear. What is it that 3.5 million people a year are applying for? You didn't say.

Mike Wells: All sorts of visas that our staff are working on.

Q17 Chair: But asylum has not gone up.

Mark Sedwill: It has, but not hugely. It has gone up from low twenties to mid-20,000. It has drifted up but not spiked up as it did a decade ago.

Q18 Mr Jackson: You have got 11,000. You said that their circumstances have changed, which I find a bit puzzling. Presumably, if you have come from Somalia claiming asylum you are not popping over to Somalia with changed circumstances, are you? You are still in the United Kingdom for more than seven years. How can it be that you cannot expedite a solution in eight or nine years?

Mike Wells: To answer your second question, we are expediting these now. I am not trying to defend the time that was taken to deal with some of them but we are now expediting them and dealing with them by the end of this year, as I said, to make decisions on all of them.

Q19 Mr Jackson: No, you are not answering the question. Why has it taken so long? I have constituents who were claiming asylum when I was first elected. I am in my 10th year now. That is unacceptable. Why is that happening? I am not asking you to say when they will be sorted out. I am just trying to get to why it is taking so long.

Mike Wells: That cohort of cases built up over a long time. There was a large influx of asylum claimants into the UK in the early years of this century—a very sharp increase. It was not handled well. As I said earlier, I am not trying to claim that the situation is acceptable as it obviously is not. We are dealing now with that. We are looking to make decisions.

Q20 Chair: Are you expecting to uncover any more files that you lost? In the past we have found rooms full of files that for some reason had been mislaid. Are you on top of that? Are there any more files around that had been lost for years on end?

Mark Sedwill: I think the short answer is no. Nor are there cases that are not on the system. This is part of the changes that we made in the past year. This is important around the service standards. Those that were not contained within the service standard could drop off the edge because there wasn't an incentive to process them. If they dropped past the service standard, there wasn't an incentive to deal with them quickly. The service standards are now—

Q21 Mr Bacon: When you say “drop off the edge”, do you mean that they stopped being counted?

Mark Sedwill: No, they were counted but a small proportion—of course, that accumulates—were not being actively worked.

Q22 Mr Burrowes: Are these straightforward and non-straightforward cases?

Mark Sedwill: I think these were mostly non-straightforward cases.

Q23 Chair: Are you talking about asylum seekers here?

Mark Sedwill: I am just talking in general terms. You were asking whether we have cupboards full of files we have not found. Eighteen months ago there were 60,000 cases—not of asylum seekers—in the migration area that were not even on the system. They were not even in the system to be counted properly as either part of work in progress or a backlog or whatever. So we have been addressing all of those very basic points. We are ensuring that we don't have cases that just drop off the edge, get left in a cupboard and just accumulate. To go to Mr Jackson's point, you will remember back in the early part of the decade, asylum intake was well over 100,000.

Chair: We know that.

Mark Sedwill: I was talking to a former Home Secretary about this. The system could not cope with that and that is partly why cases built up. Then when they are here for a long time—your first point, Mr Jackson, was one that Mike didn't get the chance to address—their circumstances change within the UK. They may have a family. They have children and so on and they gradually accumulate, if not asylum rights, more rights under the Human Rights Act—article 8 rights—to stay within the UK. That makes those cases more and more complex.

Q24 Mr Burrowes: You said you that you are going to clear the backlog by the end of the financial year. Are we dealing with all cases? There is reference to “workable”. Are there some unworkable cases that will not be cleared? Can you define “workable” and “unworkable”? Is it straightforward and non-straightforward? Are they the same type of terms?

Mike Wells: There are essentially three types of cases: straightforward cases; complex cases, but workable; and cases that are blocked. Cases that are blocked could be blocked for a variety of reasons. It could be that they are part of a criminal investigation. They might be awaiting prosecution. There are a variety of other reasons of that sort. There will always at any given time be some cases that are blocked and we cannot make a decision on them.

Q25 Mr Burrowes: But all other cases are workable?

Mike Wells: We expect the workable cases to be back within our service standards in respect of asylum by the end of the financial year.

Q26 Mr Burrowes: So their complexity isn't the issue and they are all workable if they are not blocked?

Mike Wells: We will be back within our service standards by the end of this financial year.

Q27 Chair: How many are blocked in asylum at the moment?

Mike Wells: I don't have the exact number.

Q28 Mr Bacon: How many are blocked altogether, whether asylum or other?

Mike Wells: I think across the temporary and permanent migration area, it is around 10% of cases at any given time.

Q29 Mr Bacon: How many? I didn't ask you for a percentage.

Mike Wells: At present, that is around 8,000.

Mr Bacon: 8,000 are blocked.

Q30 Mr Burrowes: And in terms of asylum?

Mike Wells: At any given time. Of course, it changes over time.

Mr Bacon: It is a cohort that is moving, yes.

Chair: And asylum?

Q31 Mr Burrowes: In terms of asylum claims?

Mike Wells: I don't have a specific number, I'm afraid, in respect of that.

Mark Sedwill: We'll see if we can get it for you.

Chair: I want to ask three more questions on asylum.

Q32 Mr Burrowes: If I could just follow through on the non-straightforward cases that are now coming within the service performance standards. Do any drop off? I am aware of constituency cases that have gone through whole years of process to the point of getting indefinite leave to remain, and then when they are dealing with the very basic issue of getting their paperwork and passport back to move on, that is the area of significant delay. They seem to drop off the proper communication standards with the HO. Are they included to the very end? Or, when you have made the decision, do they not get included in any service standards to get their passport and move on in their lives?

Mike Wells: On that particular point, the service standards I referred to are in respect of giving a decision. Clearly, if there are situations where people are otherwise waiting for something else from us, I would like to ensure that we give people a good service in that regard. Again, we recognise that we have got to improve.

Q33 Mr Burrowes: But there is no measurement of that. The suspicion is that there is firefighting to try to deal with the decision. As far as people's lives are concerned—not just about

making the decision—and getting the paperwork back to move on, they are left to wait months and months with their lives on hold. There is no priority given by the Department on that.

Mike Wells: It is actually in our interests, once we have made a decision, to deal with them as quickly as possible, because it reduces contact, allows people to get on with their lives, as you say, and us to get on with other work. I can assure you we are not doing that as a deliberate policy.

Q34 Chair: I just want to ask three more questions on asylum. The delay costs the UK taxpayer money. Have you calculated how much the UK taxpayer is picking up because of the delays that are beyond your service standards?

Mark Sedwill: I think we'd have to let you have detail on that specific point. Certainly, the asylum support budget has increased as a result of that. That is essentially the increased cost. It is underfunded, an increase in the asylum support. It is one of the reasons that I want to get this backlog down as quickly as possible this year.

Q35 Chair: There are two other issues on cost. One is that you lost the case in the High Court on the essential living needs of £5.32 a day that you give to asylum seekers, which leaves a lot of them virtually destitute. I understand that you have not changed that figure. Is that right?

Mark Sedwill: I don't know the answer, Madam Chairman. We'll have to come back to you. I'm sorry; I don't know the answer.

Q36 Chair: That was in April this year. I am not talking a recent High Court case. It had quite a lot of coverage at the time.

Mark Sedwill: Sorry, I just don't have it to hand.

Q37 Chair: £5.32 a day is just pathetic. You lost. One wants the cases dealt with quickly, so that they can get out of the system, but if you are keeping people waiting and putting them into bed and breakfast or hotel accommodation, they need enough to live on.

Mark Sedwill: We'll come back to you. We just don't have it to hand.

Q38 Chair: The final thing is that I understand, though I am not an expert on the new Immigration Act, that the expectation is that you will get an increase in asylum applications when you implement that now. That is assuming you are starting implementation in October/November. That will again lead to an increase in expenditure, because you will have to accommodate people in bed and breakfast and hotels. How are you going to manage that increase in expenditure in the constrained circumstances in which you operate?

Mark Sedwill: I will let Mike answer the second point, if I may. On the first, though correct me if I am wrong, it is not necessarily an increase in the total number of asylum claims; it is that they will make them earlier in the process, because we have essentially reduced the number of opportunities to make individual claims. The likelihood is that many of them would have ended up

making an asylum claim at the end of a protracted process of trying to make other claims as well. It will bring some of that forward. That does not undermine your point that there is an immediate caseworking and financial impact of that, if we get that effect brought forward. It is quite difficult to predict.

Mike Wells: You are exactly right, Mark. Our plans for this year assume an increase as a result of that.

Q39 Chair: How much?

Mike Wells: Well, as I said, we had a 5% increase last year. We are assuming something of the same sort of order—

Chair: Sorry, you are going to have to speak up.

Mike Wells: We had a 5% increase last year. I believe we are assuming something of a similar order this year.

Q40 Mr Bacon: Is that in the number of asylum applications?

Mike Wells: Yes, asylum applications.

Q41 Mr Bacon: And what do you assume is the financial impact of that?

Mike Wells: Overall, that depends partly on how many people seek accommodation as part of their support costs.

Q42 Mr Bacon: But you are budgeting. You must have a number if you are assuming an increase.

Mike Wells: Overall, our budget for asylum support this year is about £260 million.

Q43 Mr Bacon: How much is that up on what it was? So that is the total asylum support budget.

Mike Wells: Yes.

Q44 Mr Bacon: You said you were expecting a further 5% increase this year as you had last year. I was really asking you what your assumption was about the financial impact of that further 5% increase. You said that it depends. Obviously, it depends. You must have been making some assumptions around it, just as you are making assumptions that there will be a 5% increase. What is your assumption about the financial impact?

Mike Wells: The assumption is that it would follow through at roughly the same proportion.

Q45 Mr Bacon: So you would add 5% on to the £260 million?

Mike Wells: Exactly.

Q46 Mr Bacon: So another £13 million or whatever.

Mike Wells: But at the same time the effects of dealing with the backlog that we talked about earlier should bring that back down again. So we are looking to constrain the costs of the asylum budget to around the £260 million mark.

Sir Amyas Morse: Sorry, but just to be sure that I have understood this: looking at the backlog and the rate at which it is feasible for it to be brought down, I am just wondering how aggressive your assumption about getting it done in this calendar year is. I realise that it is a desirable thing to do, but you are re-recruiting the people who have left. The decision rate has dropped off. Even if it goes back up to where it was before, it is still 5,000 a quarter and you have a backlog of roughly 20,000. I cannot see that happening before the turn of the year, so do you have some other resource? I may have misunderstood how you will achieve this. Can you just unpack it a little bit?

Mike Wells: So, as I said earlier, the figure I think you are referring to, which is in respect of older live cases—

Louise Bladen: This is figure 10, so it is the number of claims and decisions outstanding.

Sir Amyas Morse: If you look at figure 10, what has dropped off as a result of reducing the caseworkers is the yellowish line which is the rate of decision making on cases. Even if you have got it back up to where it was before, on a good day it would be rolling at about 5,000 decisions a quarter. You are saying, on the face of it, you will make 20,000 decisions in two quarters, and I am just wondering where the capacity and the resources to do that would come from. Have you got a special team or something?

Mike Wells: We are going to do two things. We are deploying additional resources. That is the first thing. So, yes, there is additional resource going in, so it is not that we are going back to where we were. We are applying additional resources. Secondly, we are not saying that we will remove all cases, so I don't think your 20,000 is right. We are saying that we will be back within our service standards. At any given time, there are always cases in the system. Even if you go right back to the very beginning of that table—figure 10—in Q1, there were over 10,000 cases in the system. At any given time, there are always cases in the system.

Sir Amyas Morse: So if we are being realistic—I am not saying you weren't being, but just to understand it better—what we are saying you would do by the end of the year is get it down to something around 10,000 to 12,000 of backlog rather than what it is at now. Is that about right? Instead of 20,000—is that what we are saying?

Mike Wells: It is not backlog. There are always cases in the system.

Sir Amyas Morse: Forgive me. You are quite right. It was the wrong expression. You will bring cases waiting for a decision down to about 10,000 to 12,000. Is that the plan?

Mike Wells: We will bring that back to a position where there aren't cases in the system that are older than the service standards.

Sir Amyas Morse: Because I am an accountant, I like numbers.

Mike Wells: That will be roughly the sort of order that you are talking about, but I would need to check for the precise number.

Sir Amyas Morse: Thank you.

Q47 Mr Burrowes: On the impact of the Immigration Act and in terms of your scenario planning, which I understand from paragraph 3.13 that you have been doing, what scenarios have you come up with in terms of this 5% increase? Reference is made to the use of hotels "if initial accommodation becomes full". What is an example of a scenario you have planned for? Have you planned the amount of hotel accommodation that would be needed and the costs of that?

Mike Wells: We've done a number of different scenario plans, and we have a variety of different ways in which we would look to flex our resources if necessary.

Q48 Chair: Tell us about them. What are they?

Mark Sedwill: You may recall, when we looked at the COMPASS contracts at an earlier hearing, that one of the points—I think it was yours, Madam Chair—was that we hadn't been providing the contractors with our forecasts of demand right at the beginning. I then remember you said, "Are you now?" and I said, "Yes," and we are. We provide the contractors and suppliers with our forecasts, including potential scenarios, so that they can adjust their plans to provide accommodation. Of course, one thing they have to look at is what proportion of that they would expect to be long-term and should therefore be rented accommodation, and what proportion is short-term and might need hotel accommodation.

Q49 Mr Burrowes: In terms of accommodation, what are the worst-case and best-case scenarios?

Mark Sedwill: I think we might have to come back to that. Broadly speaking, it is along the lines that Mike has been talking about—the 5% increase we were expecting. One of the lessons we learnt from the Passport Office's problems earlier this year is that there has to be a difference between your forecast and your planning assumption.

Q50 Mr Burrowes: Yes, but you must have quantified your worst-case and best-case scenarios in relation to accommodation.

Mark Sedwill: We'll have to come back to you.

Q51 Mr Burrowes: What about the results in reduced services? Are there worst-case and best-case scenarios for reduced services? Paragraph 3.13 says it "could result in reduced services

within those areas and possible income reduction.” Let’s go back a stage: in terms of using staff from other parts of the directorate, what is your scenario planning in terms of the amount of staff and the best-case and worst-case scenarios?

Mike Wells: What we obviously want to do in relation to our other work is stay within our service standards, because we have brought ourselves back within the service standards for our temporary and permanent migration. We would need to balance that, but potentially use the margin we have within that work to redeploy. We have been doing that this summer, across different areas of our work, so that we have a balance.

Q52 Mr Burrowes: I understand the reasons as a management rationale, but I am trying to understand what these scenarios are. Can you provide us with the details of the accommodation, the numbers of staff and the scenarios in relation to reduced services?

Mike Wells: Would it help if I give you a couple of examples? We have been able to redeploy around 100 staff to different areas of our work earlier in the summer, while staying within service standards. That gives you an order of magnitude of the sort of thing we would be looking at.

Q53 Chair: A hundred staff on what?

Mike Wells: We have been looking to recruit about 400 additional staff in asylum.

Q54 Chair: Four hundred?

Mike Wells: Yes. We have been able, as I said, to redeploy about 100 people into different areas of our work earlier in the year, which gives you an order of magnitude of the amount of flex we would be looking to try.

Mark Sedwill: That includes deploying people from nationality casework, where we were well within the service standard, to help out with the Passport Office over the summer. Those people are now coming back into Visas and Immigration.

Q55 Chair: You’re always firefighting, Mr Sedwill—always firefighting rather than planning.

Mark Sedwill: We’re doing both. We plan, but I suspect your predecessors and mine had this conversation, too. One of the things we are trying to do is improve our capability to redeploy caseworkers across all the boundaries between the Passport Office and Visas and Immigration, and across different cohorts of casework within Visas and Immigration, so that we have a more flexible pool. One of the problems in the past was called “junior football” by an earlier Home Secretary, in that everyone runs round after the ball; you go to the immediate crisis and something else goes wrong. We want to avoid that. While we are dealing with a system that is under a lot of pressure, we have pretty much managed to flex our resources to do so. We can let you have as much detail as possible.

Q56 Mr Burrowes: On the passport issue, while I appreciate they are now coming back, understandably so, what was the impact at the time on those other services where they came from? Did you do any assessment or measurement at the time?

Mark Sedwill: Yes. When we put decisions to Ministers about redeploying staff, how many staff and for how long, we were very clear with them about the predicted impact on service standards. It was mostly from the nationality casework team because they are the people with the skills set closest to the passport skills set. That work was already well within the service standard set for it, so we took an explicit decision, or Ministers did, that that work would drift a bit but stay within service standards to supplement passports. We were really clear with Ministers about the predicted impact.

Q57 Mr Burrowes: Finally, when looking back to some extent, can you now measure what the impact was?

Mark Sedwill: Yes. We predicted at the time and we monitored all the way. I cannot give you the numbers off the top of my head, but we managed the impact by maintaining the service standard in that case within nationality casework service standard times.

Chair: We will come back to other backlogs, but Austin has a question about asylum seekers. We need those figures because extra cost to the taxpayer is arising out of all this delay. I would like us now to be able to report and to bottom that out in a further note from you. So on asylum seekers, and then we will go to Richard and another backlog.

Q58 Austin Mitchell: Okay. On the 25,000 old but still active asylum cases dating back to pre-2007, you are hoping to clear workable backlogs by March 2015. That is in paragraph 8. Do we know what proportion of those are still in paid-for accommodation and therefore a charge on the taxpayer, as the Chair said? How many have disappeared and gone to ground?

Mike Wells: I think it would be best to cover that with the early material. We can give you information about the number who are receiving asylum support. I do not have that number to hand immediately, but we can give it to you.

Q59 Austin Mitchell: So it's purely guesswork. We don't know.

Mike Wells: No, no. We have the number. I just do not have the exact number to hand.

Q60 Austin Mitchell: You say you want to clear the workable backlogs. What is a workable backlog? How far can we clear the cases of people who have gone to ground? In similar circumstances and without the machinery of a police state, such as dawn raids on Christchurch—sorry, restaurants in North East Lincolnshire, where a cook was dragged off in front of astonished and incompletely fed diners as an asylum seeker—will you be able to clear that without police state methods? **Mark Sedwill:** I think, Mr Mitchell, that brings us to where I suspect the Chair might be going: the migration refusal pool.

Chair: Yes, I am.

Mark Sedwill: Sorry, Madam Chair, that was a bit presumptuous of me, but you warned me you were going to another backlog—and, again, I dispute that description. On the migration refusal group, you are absolutely right, Mr Mitchell, that there is a group of people in the UK at any one time who have gone to ground and haven't left. We will have a lot better information about that, including individual cases, when we have comprehensive checks, although it will take some years to build up the comprehensive data. Mandie can talk more about this, but where we are intervening in the way you described, we are largely doing so on the basis of intelligence about where people might be working or living illegally and some of the changes in the Immigration Act 2014 are designed to enhance our capabilities in that regard.

It will always be a challenge because people will, of course, do their best to go off the grid if they feel that we are going to take action against them. Some of the changes in the Act are designed to make it harder for them to do so. We will withdraw driving licences, and the announcement on the implementation of landlords' obligations was made this morning. More effective action against employers of illegal workers, etc. will make it harder for those people to operate in a modern economy and will therefore incentivise them just to leave the country without necessarily requiring the intense resource of an enforcement operation. Mandie can talk more about that, perhaps in response to further questions, Madam Chairman.

Q61 Chair: I was going to come to the migration pool and I think that is where Richard wants to come as well. I could not work this out. If we look at the stuff that you gave to Capita asking them to analyse who is in that migration pool, they looked at 250,000 people and 50,000 could not be contacted. Does that mean 50,000 have gone and simply disappeared into the system?

Mandie Campbell: What that means is that 50,000 people cannot be contacted, but it does not mean that they are in the country. They could be or have already left the country.

Q62 Chair: But you don't know.

Mandie Campbell: We don't know.

Q63 Chair: It is a scary fact.

Mandie Campbell: A number of checks are made, but there are more things that we can do and we are starting to do in co-operation with other Government Departments, to see if we can find out whether any of those people actually remain here.

Q64 Chair: Have you any intelligent estimate of how many have left?

Mandie Campbell: Of that group, we don't at the moment, because, as the Permanent Secretary said, we don't have comprehensive exit checks at the moment. As we get to the end of next year, when we have that data available with all new cases, from that point on, we will be able to say with confidence whether those people remain in the country or not.

Q65 Mr Bacon: Can I stop you? You said when you have that data at the end of next year. The Permanent Secretary said a moment ago, apropos comprehensive exist checks, that it will take some years. Are you saying that it will take one year plus four months?

Mandie Campbell: No. For people who come in after next year, a lot will come with visas that perhaps give them permission to remain for a number of years. Obviously, knowing that they have left the country will be some years hence, because they are properly in the country until that time. For people who have an adverse decision made against them from next year, we will be able to tell after that point whether those individuals have left the country or not.

Q66 Mr Bacon: The exit checks will be in place by what point next year?

Mark Sedwill: Exit checks will be in place by the end of March 2015. Of course, the data that one exploits from that—

Chair: So new people who are coming in who are refused, you will be able to do an exit check on.

Q67 Austin Mitchell: What does this say about how the Capita contract worked if you have got 50,000? Are they paid if they tell you that in the case of 47,000 that they have already gone? Is that 10 quid to Capita for that information? About 60,000 couldn't be contacted, which you should have known in the first place, and in 121,000 cases there was a barrier to contact and Capita passed the cases back to you. If they have disappeared and there is a barrier to contact, you should not be putting them out to contract if you are going to get value for money. You should not be paying somebody to tell you what you don't know.

Mandie Campbell: If I take the barrier cases first, it is not that there is a barrier to contact. It is when they have been contacted by Capita, there is a barrier to being removed from the country. For example, they have already been refused once. The migration refusal pool, as the Permanent Secretary said, is not a backlog of cases waiting to be dealt with. It is people who have already been dealt with. They have had an adverse decision made about them, but they have not left the country.

Once Capita made contact with them again they then said, "There has been a change in my circumstances and there is more information you don't know. I wish to make a different claim in a different category." At that point, Capita passed the cases back to the Home Office for casework and a further decision.

Q68 Chair: Can you give an assurance to this Committee that you know where all those 121,000 are?

Mandie Campbell: We have made contact and determined that those cases have another claim in the system.

Q69 Chair: You know where they are. Mr Sedwill shook his head. We know there are 50,000 you don't know, some of whom might have left. There is another 121,000 who may try a new claim

in a different way—I can think of a lot of my constituents who might do that. Out of those 121,000, how many do you know? Could you hand us a list of addresses or be able to contact them?

Mandie Campbell: We have a contact address or details for all of those people at the last point that they made the last application to us. But, as with any individual, they could move house tomorrow and then we wouldn't know where they were.

Chair: And then you'd lose them.

Q70 Mr Jackson: Let me just explore something. You said in reference to the 50,000 that you do checks. You also said that you have no way of knowing where they are. There is a bit of a discrepancy there. What checks do you do? Do you do the checks and then conclude that you do not know where they are, or do you work on the basis that you do not know where they are? What are the specific checks that you do?

Mandie Campbell: Capita do a range of checks on the individuals to try to follow up last named addresses. There are checks on standard available databases and some special checks with credit reference agencies to try to determine where they are, as well as checking with our advance passenger data information that is available at the moment to see if we have any record of them leaving the country and across any Home Office systems. A range of checks take place to try to determine their location. As I said, with that group, we do not know whether they have left the country and gone out through a route where we have no data until that data comes on stream next year.

Q71 Chair: Can you define that group? Is that the 50,000 or the 121,000?

Mandie Campbell: That is the 50,000, I think, that Mr Jackson was talking about.

Q72 Mr Jackson: Okay, are you saying that all those 50,000, or a huge proportion of them, are submitting a second and third stage claim?

Mandie Campbell: No, that is a different group. We have had no contact with that group at all.

Q73 Mr Jackson: So if you have an address for them, are you actively seeking them out to remove them from the United Kingdom as having no legal basis to remain?

Mandie Campbell: We are not sending enforcement officers to that address because we have a limited amount of enforcement resource and we apply that resource on a harm basis. If there was any evidence that those individuals were causing harms—criminal offending—then we would prioritise those cases.

Mr Jackson: You don't know, do you? You don't know who they are. You don't know where they are, who they are or what they are doing. Do you think they are going to turn up at Portsmouth and say, "Can I check in on your embarkation system please and leave the country?" It is just not going to happen. It's a lot of people. It's not 500 people; it's 50,000 people that you have just lost.

Q74 Mr Bacon: Presumably, those 50,000 people are entitled to benefits of various kinds. Is that correct?

Mandie Campbell: No, they are not entitled to any benefits.

Mr Bacon: Nothing at all. They are not entitled to any payments of any kind.

Q75 Mr Jackson: So none of them have national insurance numbers.

Mandie Campbell: They may well have national insurance numbers, but they are not entitled to claim benefits.

Q76 Mr Jackson: That is not the same as not claiming benefits. You are saying they are not entitled to claim benefits. They could have a council tax reference. They could be on the electoral register. Just this week, incidentally, cross-referencing with the Home Office, I found three people who were on the electoral register to vote. One of them voted at the local elections. That is one example of someone who had no legal basis to be in the United Kingdom voting in our elections. There is this idea that they are just disappearing into thin air. This is an important public interest and public safety issue. It seems that there is an element of complacency here: “50,000, well they might turn up and they might not.” It is not acceptable really. I will come to another issue that I do not think is acceptable about the openness and transparency of the Home Office in a particular case that I had in July. Sticking to this 50,000 case, there needs to be a much more robust methodology for tracking these people down and ensuring they are formally removed from the United Kingdom or leave of their own volition.

Mandie Campbell: Part of the response to that are the measures that we have taken in the new Immigration Act. The idea behind those measures, first and foremost, is to create an environment where people are not able to access benefits in this country. That makes this country a less attractive environment in which to remain. The driving licence measures are a good example of that. Measures were brought in in the new Act to prevent people who are in the country illegally from holding driving licences—acquiring and renewing them—and to revoke driving licences of people in the country without leave. In the six weeks that those measures have been in operation—since 14 July—having provided information to the DVLA, they have now revoked over 3,600 driving licences.

Q77 Mr Bacon: In six weeks?

Mandie Campbell: In six weeks. They have also refused to issue a further 600 driving licences on the basis of the data.

Q78 Mr Bacon: That is by working their way through the case load. So, crudely, could one assume that in 60 weeks—slightly over a year—you might find 36,000 at that pro rata rate?

Mandie Campbell: I think it is a law of diminishing returns.

Q79 Mr Bacon: Probably, but it sounds like a lot of people. It could even be Mr Jackson's 50,000 or a significant chunk of them.

Mandie Campbell: We are working closely and now have arrangements with the DVLA to exchange data with them. Of course, people provide addresses for driving licence applications. They may well be addresses that were not previously known to the Home Office, and we are exchanging that data. So we are taking these measures in the Act to enable us to have much closer relationships with organisations who can give us the data that will help us to locate people.

Q80 Mr Bacon: Mr Jackson distinguished rightly—he took the words out of my mouth—between not being entitled to claim benefits and successfully claiming benefits. Of the 50,000 of whom you say none is entitled to claim benefits, am I right in thinking that you cannot be completely confident that some of them—apparently some have driving licences—are not holding down jobs and have got payments from the state of one kind or another? You cannot guarantee that, can you?

Mandie Campbell: I can't guarantee that.

Q81 Mr Bacon: One of the things you said was that it was about resources. If the state is paying them resources through benefit payments, that is money that could be used to cause them to leave the country, couldn't it?

Mandie Campbell: The people in this pool are not asylum seekers. These are a group of people who were never entitled—

Q82 Mr Bacon: I don't think I mentioned the word "asylum". You did. I was talking about this cohort of 50,000 people; you don't know where they are and you said that they are not entitled to claim benefits. Mr Jackson said that they are not entitled to claim benefits but they might none the less be claiming benefits. I asked you whether you can guarantee that this cohort of people, none of whom is entitled to claim benefits, are not somehow managing to claim benefits. You said, no, you could not guarantee that. Therefore, I was making the point that you cannot guarantee that money from the state, from our constituent taxpayers, is not being used to pay them. My point was that those are resources of the state which, were you more organised, could be being used to add to your pile of resource, the lack of which you prayed in aid a minute ago, to remove them because they don't have the right to be here. That is right isn't it?

Chair: Say yes.

Mr Bacon: We are spending money paying people to be here who have no right to be here. Instead of paying them to be here, we could use that money to track them down to get rid of them.

Chair: She was worried her bosses won't like it, but the answer must be yes.

Mr Bacon: Is that correct?

Mark Sedwill: I think—

Q83 Mr Bacon: Mr Sedwill, Miss Campbell has not said very much and I am looking forward to her answer. Is that right?

Mandie Campbell: This is a group of people who were not entitled to claim benefit—

Q84 Mr Bacon: Is that right? Is what I have just said correct?

Mr Jackson: I think what Mr Bacon is saying—

Mark Sedwill: You need to let us answer the question.

Mr Jackson: With respect, can I finish my point before you come back in, thank you very much? Right. The point Mr Bacon is making, I think, is that a national insurance number is a gateway to other benefits. So you are going to access school places. You are going to access social housing. You are going to access health. Therefore, it is important that that 50,000 is prioritised. There is obvious evidence that an effort is being made to apprehend those people and to remove them within the law to the place where they should be and not the United Kingdom, where they have no legal basis to reside.

Mr Bacon: Can I get the answer to my question? Is what I said right?

Mandie Campbell: Theoretically, those people might be in the country and those people theoretically might have access to a benefits system. What I cannot say to you—

Q85 Mr Bacon: I appreciate that you cannot guarantee. We are not speaking in the language of guarantees. The fact that you don't know very much about these people at all means that we cannot issue guarantees. But it is possible, is it not, that the scenario that I painted is quite correct? Some money is being used from our taxpayers to support these people. We do not notice 50,000 people wandering round in the street, naked and hungry. So presumably something is happening somewhere. Either they are working illegally or the state is paying them benefits that they are not really entitled to. That is correct, isn't it?

Mandie Campbell: Perhaps I can give you some reassurance on this point in relation to the action that we taking. Back in July, we ran a two-week multi-agency operation.

Q86 Mr Bacon: Hang on. You are giving me an example. A minute ago you started talking about theory. I am still looking for a clear answer to my question. That is right, isn't it? They could be in the position that I described. We are using taxpayers' money to support them in some way or another. That could be correct. You can't say it is wrong. You cannot say that is not the case.

Mandie Campbell: It could be correct and we are working closely with the DWP to exchange information about people who are not in the country lawfully. In July we had an operation involving a number of agencies—including HMRC, the DWP and Trading Standards—where over a two-week period we mounted more than 160 multi-agency operations, resulting in the arrest of more than 500 individuals who were not in the country lawfully.

Q87 Mr Bacon: Are those 500 part of this 50,000 cohort?

Mandie Campbell: Not necessarily, but they could overlap into them. Within the terms of those multi-agency operations, of that 500, more than 400—

Q88 Mr Bacon: Hang on. You say “not necessarily”, and that is fair enough because they might fall into one of the other categories, but when the authorities arrested them and you compared the identities of the 500 people who had just been arrested with your list of 50,000 people of whom you do not know the whereabouts, were some of them the same?

Mandie Campbell: I don’t have the data here. That cohort is changing all the time as we find people. Within the terms of that operation, the DWP made about 400 searches against their information and initiated 33 investigations into various forms of benefit fraud. HMRC identified just under £5 million of potential tax frauds. For ourselves, there were more than 500 people without permission to work who were working unlawfully.

Q89 Mr Bacon: So my theory and my surmise is more than a theory and a surmise: you cannot quite pin down the quantity of it, but I am correct in the scenario that I described. To some extent—you cannot say exactly how much—that is happening, yes?

Mandie Campbell: Inevitably people are working and claiming benefits without permission.

Q90 Mr Bacon: Right, okay. Figure 14 describes the 301,000 people in that last bar chart. We can see the dark blue migration refusal pool, which is the 175,000. Underneath that is this green sliver that represents the foreign national offenders living in the community. They are described in paragraph 2.16 as: “People who have served their sentences and are now awaiting deportation.” So am I correct in thinking that all the people in that green tranche fall into the category of people who have served their sentences and are now awaiting deportation.

Mandie Campbell: That is correct.

Q91 Mr Bacon: How many of them are there?

Mandie Campbell: There are just over 4,400 in total.

Q92 Mr Bacon: And they are all out of prison and living in the community.

Mandie Campbell: They are.

Q93 Mr Bacon: And they have no right to be in the UK—is that correct?

Mandie Campbell: That is correct.

Q94 Mr Bacon: And at the moment they are being put in accommodation somewhere—obviously they are not entitled to work.

Mandie Campbell: No, they are not given any accommodation.

Q95 Mr Bacon: So where do they live? Are they in ditches somewhere? Are they sofa-surfing?

Mandie Campbell: They are self-supporting.

Q96 Mr Bacon: They are self-supporting. Do you know where they are?

Mandie Campbell: Approximately 87% of those individuals are bailed by a court, and a further 6% are granted bail by the Department—so they are bailed to live at a specific address. A further small number are subject to mental health provisions and so on.

Q97 Mr Bacon: So because they are bailed to live at a specific address, your expectation is that, in most cases, that will be the address where you will find them.

Mandie Campbell: It will, because if they breach bail, they can be recalled. A number of those would be within the terms of their licence—

Q98 Mr Bacon: So the taxpayer is not supporting their stay at that address in any way whatever, as far as you are aware.

Mr Jackson: So they are not in bail hostels?

Louise Bladen: Can I just jump in? We have a Report on foreign national offenders coming out in October, and it contains a breakdown of the figures for FNOs released in the community, so you will have that in due course.

Q99 Mr Bacon: Okay. Are there any in bail hostels?

Mandie Campbell: I don't have that information.

Q100 Mr Bacon: So it is possible that some of them are being supported by the taxpayer.

Mandie Campbell: It's possible.

Q101 Mr Bacon: You just said that that was not the case, but at least some of them might be.

Mandie Campbell: They are not given benefits through the immigration and asylum provisions.

Mr Bacon: No, but I was talking about the cost of their accommodation somehow falling on the taxpayer somewhere.

Q102 Mr Jackson: Are they in social housing?

Mandie Campbell: They would not have an entitlement to social housing.

Q103 Mr Bacon: Right, okay. We will have to look at the NAO Report on that when it comes out. The figure you said was four thousand and what?

Mandie Campbell: It's 4,400.

Q104 Mr Bacon: Since they have been in the community awaiting deportation, how many of those have committed further offences?

Mandie Campbell: I don't have a specific figure, but if they commit more offences they will come back into the criminal justice system, so they would not feature in that number.

Q105 Mr Bacon: They would be removed from that number.

Mandie Campbell: Yes, because they would be back in the prison system.

Q106 Mr Jackson: So there is no risk assessment of the likelihood?

Mandie Campbell: There is, which is why the Department opposes bail in all the cases granted by the courts. In just under 90% the Department opposed bail.

Q107 Mr Jackson: Did you say you know where they are?

Mandie Campbell: We have an address as a condition of bail.

Q108 Mr Jackson: But it's a reactive system. You are hoping they do not commit a crime to get back into the criminal justice system, which opens another can of worms as to where they go across the prison estate.

Mark Sedwill: Mr Jackson, we seek to remove as many as we possibly can. This will come out in a later Report, but we increased our removals of foreign national offenders last year from—

Mandie Campbell: 4,700 to 5,097.

Q109 Mr Jackson: But if you do not have the details, you cannot risk-assess them, because you do not know where they are. They might be living near community facilities: schools, bail hostels, or private sector housing. 4,000 is a lot.

Mark Sedwill: There is a risk assessment of the individual by the courts when they consider bail. As Mandie says, we oppose bail in those cases. But in terms of prioritising those we are seeking to get out of the country to the countries where we can do this, we look at the hierarchy of risk from those prisoners to the wider community.

Chair: They should be deported.

Q110 Mr Jackson: Why aren't they deported? You are the primary stakeholder. The minute they walk out of any penal institution in the United Kingdom, they cease to be the responsibility of the Ministry of Justice and they are your responsibility. So why are they not put on a ferry or a plane and got rid of straight away?

Mark Sedwill: We are doing more of those than we have ever done before. As we said last year, the numbers that we have been able to deport went up by another 10%. We have to have documents. The country of the national has to accept that they are from that country and take them back. We cannot simply put them on a plane. We have to document them before we send them back.

Q111 Chair: We are coming back to this. I want to move on to important expenditure issues, but there are two things about people disappearing that we have not quite bottomed out. We have bottomed out the 50,000, but then there are the 121,000. I cannot remember what you call them—"barrier to contact", whatever that means. I wish we did not have such ghastly terms, but we've got them. Your answer to me earlier suggested that we may have lost contact with some of these people.

Mandie Campbell: All those individuals have been found to have submitted a fresh application.

Q112 Chair: They could submit an application and disappear.

Mark Sedwill: It goes to Mr Mitchell's earlier point about the nature of British society and government. People can move.

Q113 Chair: So the 50,000—

Mark Sedwill: Individuals can move. That is the point. If somebody moves and does not notify anybody, they go off the grid. That is true of any member of society.

Q114 Chair: And they would eventually appear on your 50,000 list?

Mark Sedwill: This goes to the point of the Immigration Act. The new powers in the Immigration Act are making it much more difficult for people to disappear. There are new obligations on landlords and the removal of driving licences and so on. As the Immigration Act comes into real effect, people will really have to go off the grid. That was not the case before, and that is partly why this pool has built up over many years. The Act in a sense is the answer to Mr Jackson's question about whether we are trying to take action to deal with it.

Q115 Chair: A partial answer, Mr Sedwill. One final category and then Austin wants to come in. It is more Border Force—I accept that—but on an FOI you talked about the Home Office data that showed a dramatic increase in the proportion of immigrants who vanish after being stopped during border checks for carrying false passports. The figures released by you show that 3,527 immigrants absconded at the border—I just can't get this; except, again, I got an explanation before the hearing started—after failing border checks last year. Out of those 3,527, only 846 were found, which means that three out of four disappeared and they remain at large. While I accept it is not in one of your other directorates, you, Mr Sedwill, are responsible for a lot, and that seems to me such a basic thing. If you stop someone at the border, you do not then let them get through, escape and disappear into nothingness.

Mandie Campbell: I think there is a slight misunderstanding with those figures. Those figures, as I understand them, came from an FOI request that asked for data across a number of categories, including people who were in the country and had failed to comply with conditions applied in this country as well as some elsewhere. So it was not just border cases. This was a range—

Q116 Chair: But there are border cases in there.

Mandie Campbell: Well, if people come into the country at the border, are granted temporary admission because their case cannot be dealt with on that day and then they fail to comply—

Q117 Chair: Let me read again: they were stopped at border checks for carrying false passports or incorrect visas. Louise told me that it is quite easy to jump out of the pen and disappear. Somehow, that is what they do.

Louise Bladen: That was something we saw at Heathrow, where there was a pen, but I think there are other ways.

Q118 Mr Bacon: You saw it happening?

Louise Bladen: We saw the pen.

Mr Bacon: There was nobody in it. They had all left.

Q119 Chair: This is shocking. It is such a basic thing. It adds to the number of people who come in and disappear into the system. We are not talking about illegals who come in the back of lorries; these are people who are stopped at the border.

Mark Sedwill: We will have to come back to you because I don't know the specifics.

Q120 Chair: It is an FOI from you.

Mark Sedwill: It may be, Madam Chair, but I was briefing up for this Report. It is a big system and I cannot remember every detail on it. It is important to recall, however, that we do not have the legal authority to indefinitely detain everybody that we encounter at the border who we think is in breach of one of our laws to enter the UK. Not all of them are escaping from detention; that isn't, in all cases, part of our powers. They may have travelled, for example, on a false document and then claimed asylum at the border, in which case we then have to deal with their case.

Q121 Mr Jackson: We are not talking about that. We are talking about you saying, "You have a false document. Go into this holding pen and we will try to sort out a communication channel with you to find out what the true situation is," and then they disappear. We are not talking about the early stages of a protracted legal process. We are talking about people who are placed somewhere and then disappear.

Mark Sedwill: Mr Jackson, those numbers are tiny and it might well be at the first stage of—

Mr Jackson: It is still not acceptable. When I go to John F. Kennedy airport and I get pulled over because my wife's visa is slightly dodgy—which happened two years ago—I get kept in a holding pen for 1 hour and 40 minutes. There is no chance of me just saying, "I don't fancy this; I'm just going to stroll out." It just does not happen; it cannot happen. It would not happen in France and would hardly happen across Europe.

Mr Bacon: It happened after he said, "Don't you know who I am?"

Mr Jackson: That never even occurred to me.

Mr Bacon: They said, "We know exactly who you are, Mr Jackson."

Mr Jackson: "I'm a good friend of Richard Bacon's," which is why it was an hour and 40 minutes.

Q122 Chair: We do laugh about it; but in the context of what we are all worrying about with British jihadists, it is a nonsense that somebody comes in, has their documents questioned and then jump out of the pen.

Mark Sedwill: We will have to come back to you because I do not have the details to hand to be able to give you the full answer.

Q123 Mr Bacon: But it is obviously happening.

Mark Sedwill: There is a risk that we are caricaturing it—

Q124 Mr Bacon: I know, and it is a serious point; but it is fairly plain that it is happening and the Government, in answer to an FOI—I appreciate that you cannot brief for every single point—have said that it is happening. How is it happening and why is it being allowed to happen? The obvious answer might be that they know people at the airport and that there are staff there who help them. I do not know if that is right; that is surmised. Or maybe they jump out of the pen. There are lots of possibilities in a big place such as an airport the size of Heathrow where things might happen that enable them to get through. Knowing that that is a potential problem, we would like to know what steps you are taking.

Mark Sedwill: I will come back to you on that. To be clear, I do not disagree at all that somebody escaping from a place in which they are supposed to be detained is unacceptable. I was not specifically aware of this FOI—as you can imagine, we have a lot of those. I will look into it and come back to you.

Q125 Austin Mitchell: My question is on numbers and colour balances. It follows that if you have got a Government who are determined to reduce the numbers coming in and they cannot reduce the numbers coming in from Europe because they have to be happy Euro-partners, the reduction is going to fall mainly on other categories such as the Commonwealth. In Commonwealth immigration to Britain, there is old Commonwealth and new Commonwealth. As a former resident of New Zealand, I must say that Britain has benefited substantially from New Zealand immigrants, from Rutherford to Geoffrey Cox, Bryan Gould and my lovely lady wife—I hope you are listening, dear, to this tribute. New Zealanders coming here has increased the IQ of both countries. What is the balance in reduction in immigration between old Commonwealth countries—Australia, Canada and New Zealand—and new Commonwealth countries, which are a different colour?

Mark Sedwill: I think we would have to come back to you, unless you know the number off the top of your head, Mike? Of course you are right, Mr Mitchell. You are talking about migration, so the migration rules apply to all of these. The new Commonwealth—

Q126 Austin Mitchell: Fewer are coming, aren't they?

Mark Sedwill: Yes, they are. The total numbers have gone down. Net migration from outside the EU is now the same level it was in the late 1990s—the lowest level since then. The average quality of that migration has gone up, so that is essentially how we have met the Government's requirements on immigration from outside the EU.

Q127 Austin Mitchell: How do you assess that—apart from my wife?

Mark Sedwill: The proportion of students applying for university courses as opposed to lower-quality courses, if you like, in the tertiary sector or whatever has increased. If you look at the nature of that migration, the economic benefit has increased proportionately, while the total numbers have come down.

Q128 Austin Mitchell: Can you give us a note on that?

Mark Sedwill: We will try to.

Q129 Mr Bacon: On that point, since you mentioned students, the Prime Minister has been very clear that there is no limit on tier 4 visas. You will be aware of the controversy around the inclusion of student numbers in immigration numbers. There was an interview on the “Today” programme with Evan Davis about this last week. I remember having an Adjournment debate on it a couple of years ago. The vice-chancellor of my local university has raised it with me and Universities UK has been campaigning on the issue. There is support across the House of Commons for changing it. The Government response I have had so far is along the lines of it being the United Nations definition, although there are other definitions, including the OECD’s definition. The Australians, having made the mistake of doing this and having seen their university sector damaged have backed away from it very fast, and we are seeing one of the most successful UK exports—the university sector—being severely damaged and the Americans and Australians benefiting. Is the removal of the student cohort from immigration numbers under active consideration?

Mark Sedwill: From the migration target, no, because that is not the Government’s policy. There is a technical answer and a policy answer. The technical answer is ONS, like other countries, defines anyone who is here for more than a year as a migrant.

Q130 Mr Bacon: And they base that on the United Nations definition?

Mark Sedwill: That is an ONS decision.

Q131 Mr Bacon: My point is that most other sensible countries have now stopped doing that.

Mark Sedwill: Indeed, but there is a separate question, which I assume you are getting to, which is a policy question: irrespective of how the ONS count this, it is open to the Government to make a policy which either includes or excludes students who are here for more than a year, but that is a policy decision for the Government.

Q132 Mr Bacon: I understand and it was outside the scope of this, but you were the one who mentioned students.

Mark Sedwill: I am aware of the counter-argument.

Chair: I am going to stop this because we have dealt with that issue before. That point is slightly off the topic.

Q133 John Pugh: The number of educational visas does not appear to have gone down at all on figure 2.

Mark Sedwill: I don’t think it has.

John Pugh: Despite the vice-chancellors—

Q134 Chair: It has gone up a bit. You're right.

Can I move to IT expenditure? I want to move to some of the expenditure issues. We are going to have a separate sitting, as you know, because you have asked the NAO to do a Report on e-Borders, but I just want to get a handle on what is happening in the Home Office because it is, to me, rather disturbing. If you look at the termination of the e-Borders contract and the letter that the Home Secretary sent to Keith Vaz, the cost of that contract could rise to somewhere around three quarters of a billion pounds. That is massive. I know that you are at the end of the negotiation, but that is massive. It is a huge and appalling waste of money. What then disturbed me, looking at today's thing, is that on top of that three quarters of a billion pounds, you have the immigration casework programme, where it looks to me that you, in effect—you can argue that you have used a bit of it—wrote off £347 million when you closed that programme last August. I accept that you are doing a little on student visas, but beyond that, nothing.

You are now planning to spend in excess of £200 million on something else, and we still do not have the e-Border exit checks, where you desperately need to get a handle on the figures that we have just been talking about. Honestly, that is more than £1 billion spent by your Department on ICT that has not produced any results worth having. That is shocking. I know it did not all happen while you have been there, but it is such a shocking waste of public expenditure. I just want to know what on earth you think about that, what lessons you have learned and what you are doing about it. It is a big, big number. It is the sort of number that, if we ever see it, it is in defence contracts. To see it in an immigration and asylum bit of the Home Office is gobsmackingly awful.

Mark Sedwill: I share the sentiment, to be honest. That is why, as soon as we had the settlement in—we were not able to do it before, but I wanted to learn these lessons anyway, and that is why I wanted the NAO to come in. Sir Amyas was kind to agree to the NAO having a proper look, not just at the contract and Raytheon and so on, but the whole e-Borders programme. I remember talking to you when you came in on Privy Council terms to look at the original full business case, which we could only share a redacted version of with the rest of the Committee. You informally commented to me that you were pretty sceptical about how it looked. That is why I want the NAO to have a proper look at the entire programme.

Q135 Chair: I just want to add that I was sceptical about that, but I am also sceptical about how the Home Office terminated the contract. I think your termination of the contract has landed us with a much bigger bill to the taxpayer than if you had handled it properly.

Mark Sedwill: Let me come back to that point in a second, because that is not quite right. In terms of the broader lessons learned, again, we will see what the NAO says. I guess that we will see the same sort of lessons emerging from this and ICW as you have looked at with other contracts. Those lessons are one of the reasons why there has been a significant change in how procurement is done in Whitehall. Instead of handing these big contracts in a single chunk to a single supplier, they are disaggregated and delivered in a more agile fashion.

If I may, Mr Bacon, the conundrum that your book talks about is that extremes are always wrong in this area. In response to an earlier era of Government failures in IT in the previous Parliament under the previous Government, there was a sense in which we had to hand the whole answer to the whole question over to big IT suppliers. They would say to us—I remember having these discussions—“Don't give us the solution. Tell us what the problem is, and we will provide the solution to you.” That was partly in response to Government having failed in the past to deliver big

IT programmes. We have learned since then that going to the extreme of handing the whole thing over in a single package gives you a single point of failure, and that is what has happened in many IT projects, including these.

The judgment is about the termination, so I have to be careful about what I say—the legal period for challenge and questioning does not close until 15 September. I will be happy to talk more about that once that date has passed and perhaps in the context of the NAO Report. We are clear that the decision to terminate was right. The Committee rightly criticises accounting officers and others when we do not cut our losses. The decision to terminate e-Borders and also the subsequent decision to terminate ICW, which was done on my watch shortly after I became Permanent Secretary, were right because those programmes were not delivering the benefits set out for them. In the case of the termination of e-Borders, although we lost the case and therefore have a substantial settlement awarded against us, any alternative—continuing with the contract or trying to negotiate an exit with the supplier—would have cost us more, certainly given what the supplier was asking.

Q136 Chair: We'll have to wait for the Report, but my challenge there is not the fact you took that decision; it's how you took it.

Mark Sedwill: Madam Chair, that's absolutely the subject of the tribunal's award. I understand you will want to come back to it, but perhaps we can leave it until after we have had the chance to conclude the legal process.

Q137 Chair: Today, we have the immigration casework, which is another £347 million—that is how I came to over £1 billion being spent.

Mark Sedwill: Yes, that did not deliver the benefits we wanted from it; it delivered just under £100 million worth of benefit, which is not acceptable and that is why we terminated that contract. I do not want to prejudge what the NAO will say, but it is a similar kind of problem. It was a bespoke, inflexible system that was essentially delivered by a single external supplier. The programmes with which we have replaced those—the border systems portfolio and the immigration platform technology programme—are designed along the lines of what is now the best practice across Government, and so are disaggregated into individual packages. As your book points out, if you go too far in that, you lose cohesion and there are other risks. It is a balance one has to strike. They have been disaggregated into more manageable projects, and if you look at the risk rating against the NAO reasons that programmes fail, IPT is broadly in the amber to amber-green space, whereas ICW was in the amber-red space.

Q138 Chair: We are coming back to the e-Borders case, but has anyone been held to account on this immigration casework? I don't think this is politics; this is at the heart of the bureaucracy, to be honest. I don't think any politician of any political party would want to waste this sort of money.

Mark Sedwill: No, I agree, Madam Chair. The programme was run under the old UKBA.

Q139 Chair: So have you held anyone accountable? We are in a tougher world and it would be nice to feel, occasionally, that with hundreds of millions pounds going, some analysis has been done to hold someone to account.

Mark Sedwill: That is certainly the case. In circumstances like this, whether it is smaller or big questions like this, we do look at whether there are individual performance issues and, indeed, whether those might step into something more serious. I cannot comment on individuals, but where programmes or decisions go wrong, we look right down to individual decisions—did someone follow the operating mandate?—and right the way up to these programmes. Most of the people who were responsible for this, of course, are no longer at the Home Office.

I think the decisions to terminate these programmes—I recognise this is controversial, and I absolutely recognise that this Committee is quite rightly critical of it. As you can imagine, I am not comfortable, given the financial pressures I face, to be in the circumstances we are in. We do not have the information technology we need, which is another general point the NAO Report makes. We will have to scramble, frankly, to deliver technology very quickly.

Q140 Chair: You'll never get to the people we don't know about until we have exit checks.

Mark Sedwill: Exit checks is on track.

Q141 Chair: Is it? When are you supposed to deliver that by?

Mark Sedwill: March 2015. It is on track. I can talk about exit checks, although it's not the subject of this Report, partly because I just have it in my head. But it is on track. You are absolutely right that we have to learn the lessons of these big programmes.

Q142 Mr Bacon: How is it that the Chinese manage to have a system that works? I was in Shanghai airport last autumn and the arrivals area looks like the bridge of the Starship Enterprise. There's technology everywhere and you're photographed; you look here and put your hand there and it's all recorded. It's the same on the way out and has been like that for some years. How is it that this learning and knowledge is extant—it's out there—and we are spending thousands of millions of pounds not getting it? That is what fascinates me. I find it extraordinary that that is possible.

Mark Sedwill: If we are talking about the border, we do have systems very like that, depending on where you are flying to. If you go through Heathrow Terminal 5, you go through a system very like that in order to check in. As you come through, we have 100% checks on return, including of British citizens. Those include the biometric checks. If you come through an e-gate, for example, or through the desk your facial image is taken and checked against the chip on your passport.

The e-gates technology is now better at making that match than a human being, which was not the case a few years ago. We don't have embarkation controls here; we do have exit checks—there is a difference—whereas in China and other countries they do. You don't see an immigration officer on the way out. The exit check is done electronically.

Q143 Mr Bacon: You were kind enough to mention my book. I can arrange a bulk sale at a discount, if the Home Office is interested.

Mark Sedwill: I looked at the Kindle version.

Chair: Is it value for money?

Q144 Mr Jackson: I know we are going to look at foreign national offenders in a future sitting and Report. I want to raise the issue of the early removal scheme. I don't expect you to comment on an individual case. However, I was rather concerned in the summer in my constituency about a Lithuanian serial burglar called Mantas Pronckus who was deported twice and came back twice to Peterborough, the second time to recover jewellery that he had stolen from a woman who lives round the corner from me. That unfortunately included jewellery related to the woman's mother who was dying of cancer, so it was a very distressing case.

The wider political and policy point is whether you are properly monitoring the early removal scheme, which as you know arises from the Criminal Justice Act 2003. How is it allowed to happen that someone who is a persistent criminal, who "volunteers" under the auspices of the Home Office to leave the UK and go back to their country, whether it is Poland or Lithuania, can keep coming back? That causes me concern and I wonder what your views are. Have a way to measure the effectiveness of the scheme. I know it will not be hundreds and thousands of people, but in this case it is a particularly unpleasant career criminal.

Mandie Campbell: I completely agree it should not happen. When people are removed under the early removal scheme, they are subject to a deportation order, which means that they have a minimum 10-year exclusion from the UK. For the large majority of them, that means a life exclusion and they won't come back while the deportation order is in force.

As they are removed through the early removal schemes, their details go on our warnings index system. If they present themselves at a port of entry in that identity, they would be prevented from entering, and removed again from the country. The difficulty and challenge for us comes when people circumvent the immigration controls. We have had examples like the one you described where people are able to enter the country either clandestinely or through another means that does not involve coming through one of our ports of entry. As in the example you have given, we will find that will be the case.

Q145 Chair: Was that an EU case?

Mark Sedwill: Yes, an EU citizen.

Mandie Campbell: That happens when people come in clandestinely.

Q146 Chair: Can you stop EU nationals coming back?

Mandie Campbell: We can. We stop all EU nationals who are subject to the deportation order if they come back through a regular port of entry and present themselves; there is an absolute bar on their re-entry.

Mark Sedwill: We have tightened that up. There are, as you know, issues around freedom of movement. We have actually tightened up our definitions to try to prevent people coming. We can give you more detail. I can't remember exactly when that happened. Deportation has been the case for some time.

Mandie Campbell: For deportees there is a minimum 10 years.

Q147 Mr Jackson: He wasn't deported, though, as such. He self-deported, to use the jargon.

Mandie Campbell: Nobody is removed on the early release scheme unless they are already made subject to a deportation order. We only allow people to leave through that scheme if we have already signed a deportation order against them. They can say, "I'll go; I would like to go early in my sentence." The early release scheme is a special legislative provision that says that they can discount a small part of their custodial sentence if they agree to leave the country immediately at that point. They say, "I'll go now, rather than serve the full term of my sentence," but they are still deported as part of that scheme.

Q148 Mr Stewart Jackson: How robust are you at interpreting EU law? I gather that now—it must be true because James Brokenshire, the Immigration Minister has written to me about it—it is not based on the custodial sentence any more and is not time-based; in other words, it used to be 12 months, I think, or 24 months and if it went over that you were automatically deported, but now it is your value judgment as to whether they, under EU law, enunciated by our Euro lords and masters, "represent a genuine, present and sufficiently serious threat affecting one of the fundamental interests of society." How robustly are you interpreting that?

Mandie Campbell: I think we have probably one of the most robust interpretations, if not the most robust, of anywhere in the European Economic Area. We now, as you mentioned, take deportation action against any EU national—10-year or life-ban action—for anybody who has committed an offence for which they get a custodial sentence of 12 months or more. We also take action against people who have multiple low-level offending on public policy terms, because we recognise that, for the people who are subject to those criminal offences, that is a real and significant harm, too.

Q149 Mr Jackson: Sorry, can I clarify that? The Minister says in his letter to me, dated 22 July, "We no longer operate fixed custodial sentence thresholds for consideration of deportation. Anyone given a prison sentence will now be considered." So the 12 months—

Mandie Campbell: That's right; they are considered, but if you go over that, it is automatic, and if you are below that, you are still considered for deportation on public policy grounds.

Q150 Mr Jackson: That's a helpful clarification.

Finally, what slightly disappointed me in this case is what I described in the media—I think, quite rightly—stonewalling from the Home Office. When the Home Office was pressed on this particularly case by print and broadcast media, it was not willing to properly discuss it or clarify any of the issues and just came out with this generic, “Well, we’re deporting X and it’s up X since.” I think people were slightly concerned at that level of lack of engagement between the Home Office and the media on this issue, because it did cause significant concern. That is an observation, not necessarily for you to respond to immediately.

Chair: Okay. John. And we are going to get a vote soon, so I would ask you all to come back in 10 minutes, because there are a number of really important issues that we still have got to cover.

Q151 John Pugh: I’ve got a few questions on basic efficiency. On the previous Report, not the current Report, there was a useful little diagram—figure 2, I think, on page 15—which gave a cost per migration decision for the Department, which went up slightly, which surprised me, even though manpower had fallen quite a bit at that stage, although I know you have now made some adjustments. What is the figure looking like today, in terms of cost per migration decision?

Mark Sedwill: It has come down. It is actually on a poster in one of our lifts and I saw it as I was coming down, although I cannot remember the exact number. Mike, do you have it?

Mike Wells: We have that. It has come down to around £173 in 2013-14. In fact, I think we published those figures at the end of August. That is quite a considerable reduction on the previous year.

Q152 John Pugh: One other measure of efficiency, if I can just persist with that, because I have a fair amount of correspondence, as do all MPs, with your agency from time to time. Sometimes, we feel decisions are made badly in the first instance and then need to be revised and challenged at a later date. Do you keep stats on the number of decisions that you make that are changed as a result of a challenge? That would be another measure of how efficiently you are doing the process. If you are getting it right first time, you do not need to have a prolonged conversation with an MP or whoever is advocating on behalf of the person who has not got the visa they thought they should have.

Chair: Very quick answer, because we have a vote.

Mike Wells: Yes.

Q153 Chair: And it is about a third, isn’t it? About a third get overturned.

Mike Wells: No, that is not quite right. We do keep those stats, but it is not necessarily always the case that it was the original decision that was correct.

Louise Bladen: Paragraph 4.17.

Chair: 44% get overturned.

John Pugh: Is that going up or down?

Chair: God, that is higher than I thought.

Let's go and vote. Don't leave us inquorate—back in 10 minutes and then I will whip through some really important issues that we need to get through.

Sitting suspended for a Division in the House.

On resuming—

Chair: We are quorate, so let's get going.

Q154 John Pugh: Just going back to the 44% of successful objections to decisions made, that is not a remarkably good record for decision making. If you were a parking warden service and you had 44% of challenges being successful, there would be public outrage of one kind or another. I am wondering what the incentives are for you to make the decisions better in the first instance. I assume that when people put in their appeals and processes, there is another flow of income in your direction. Is that right?

Mark Sedwill: Mike can answer that, but I have two points for clarification. First, that is 44% of appeals, not 44% of decisions—

John Pugh: Of course. I thought I had made that point.

Mark Sedwill: It is important to be clear. Most categories do not have a right of appeal, and many people do not appeal anyway. In many of those appeals, it would not be right to say that it is all about decision quality. Mike may know more of the details, but about half of appeals that are allowed are allowed because new evidence has been introduced by the applicant at the appeal stage. The court is then allowed to grant leave to enter or to remain in the UK. Applicants are permitted to do that, which is something that most immigration officers find deeply frustrating, because had the officers had that information available to them, they might have made a different decision, or they might not have done. It happens quite a lot—about half of those. It is just important to clarify the numbers a bit.

In terms of the incentive, with the appeals and indeed subsequent processes, the longer people stay in the UK working their way through the system, the harder it becomes to remove them, because in many cases—certainly with those who are determined to game the system, in order to prolong things, rather than to get a result—the more likely they are to get involved in a relationship and to start to accumulate rights that will permit them to stay under article 8, or at least to give them a case to make under article 8. So if we want to remove people from the UK and to maintain the integrity of the control, which is our primary objective, then getting them through these processes—one of the reasons why we have reduced the number of appeal rights—is absolutely in our interest, and not having cases going to appeal is absolutely in our interest. An appeal is also very expensive. Mike may be able to add some detail.

Mike Wells: I will add a little context to that, although you have covered most of it. Just to give you an order of magnitude, we made about 0.75 million decisions in the UK last year. Of those, we had 105,000 appeals. Of those, 77,000 went to tribunal or were considered on the papers by the court. The 44% you referred to were found in the appellant's favour rather than in our favour. So we won 56% of those cases. As the Permanent Secretary said, a number of those that we lose are

because further information is provided after the point of decision. So it is not right to assume that 44% of our decisions are incorrect.

Q155 John Pugh: My concern is primarily about the cases where the error is on your side and maybe information has not been sufficiently attended to. In order to get the position rectified, the person has to provide another sum of money, another source of income, to you. Just on the income side very briefly, figure 19 gives an appreciable contribution to your resources from fees of various kinds. There is a cap on this by the Treasury. Is that the case? Does £44 million go?

Mark Sedwill: So, the Treasury rules only allow us to cover the costs. We cannot make a profit. If we generate more income than covers our costs—covers the cost of the system, not just in the specific category concerned but the costs more generally—that money goes back into the Consolidated Fund. If that happens over several years then we are asked to look at the pricing of the various products.

Q156 John Pugh: But there's no fixed ceiling in terms of fees?

Mark Sedwill: There isn't a cash limit. It is about the Treasury rules about recovering costs—I am getting nods from the Treasury, so I think I am on the right explanation here. It is supposed to be a costs recovery system. We are allowed to over-recover costs to a small proportion, but beyond that the money goes back into the Consolidated Fund.

Q157 John Pugh: But if your costs go up, it is in your interests to try to boost your fees and try to increase the income as well.

Mark Sedwill: Well, when you say "our" I need to make a point about Government as a whole. Any proposal—the Chair will remember this from her time as a Minister—from the Home Office to increase fees in almost any visa or migration category is controversial across Government. Other Departments, for the reasons Mr Bacon is talking about in the education sector, will resist firmly any proposal to increase fees. For the Government, it is always a balance between funding the immigration system and providing us with the income we need. It covers about £1.1 billion of the £1.8 billion that we spend on the immigration system, so income is a very significant proportion of covering the immigration system's costs. But also in a wider economic interest, we want the country to be competitive. So we don't want tourists or students coming to the UK to be deterred by the visa fee, for example.

Q158 Chair: I want to take you back to the expenditure and money. Paragraph 7 states: "The former Agency planned to reduce costs by £594 million between 2011-12 and 2014-15, but the Department was not able to provide us with a complete picture of what has happened to these plans, or how it now monitors them."

Mark Sedwill: So, of the £594 million that was set out in the plan to reduce costs essentially over the life of the Parliament, or almost the life of the Parliament, £345 million of those savings were delivered by UKBA in 2011-12 and 2012-13, which leaves £249 million after UKBA was dissolved.

Q159 Chair: Do you accept that, Louise?

Louise Bladen: When we looked at this two years ago, the £594 million was the figure we had for the total. We looked at what had been delivered. So, yes, there was a balance that had not been covered that would have been—

Q160 Chair: Okay. So you took it in house to be more efficient. I cannot remember the rationale for taking it in house.

Mark Sedwill: It was more about effectiveness than efficiency to be honest. If you look at the Home Secretary's statement—the key criteria are set out in the NAO Report—as you would expect she did not major on efficiency. It was really about the effectiveness of the organisation, if I can characterise it that way.

Q161 Chair: Go on.

Mark Sedwill: So of the £249 million savings, those have been allocated across the three successor organisations: Border Force, Visas and Immigration, and Immigration Enforcement. They are required to live within the financial envelopes that have been set, which incorporate those savings. It is a fair criticism about tracking specific efficiencies, but they are focusing on designing new business models and in particular on improving productivity, which is a point we were touching on earlier. The savings are in the financial envelopes that those organisations have.

Q162 Chair: I am not sure that is good enough. We should track them. Although you are not overspending—I accept that you are within your budget projections—if you look at the Report, one reason that John highlighted is that you are managing whichever part of it is yours, Mr Wells, because you have put fees up, so that has given you additional income to meet your expenditure. Ms Campbell's part of the world is managing it because she has underspent. Either your budget was too fluffy in the first place and should have been cut or you are not delivering the services you are expected to for the money. Certainly, there aren't visible efficiency savings in there.

Mark Sedwill: We can pick up the specific points, and I suspect both colleagues will want to come in and answer your two critiques, but again there is a broader point to make here. First, we know that the overall envelope is declining and is going to decline. Certainly, the taxpayer-funded component of this is going to decline along with everything else—it not only has done over this Parliament but will do over the next Parliament, from what all the parties have said—so we are now looking at how we need to revise the business models over the next five years in order not only to live within tighter financial constraints but to deliver the higher expectations of the system. That has been done rather incrementally in the past.

We are starting at 2020—that is one of the benefits of a fixed-term Parliament—and working back. We are in the process at the moment of looking at what we think is going to be available, for example, for immigration enforcement at that period and how the business model should be adjusted to reflect that, what new technology is going to be required and so on. We are going through that more strategic process at the moment.

But you are right to point to efficiency as a question. We are not as efficient as we should be. For example, I am sure that the caseworking system is not as productive as it should be. We introduced changes overseas a few years ago that are now being introduced onshore and are raising individual productivity; that is one of the reasons we believe we will be able to get on top of the asylum numbers—because we want to improve the productivity per head of asylum caseworking. All of those things are in train.

With immigration enforcement, it was the case, for example, a year or two ago that we would have a large number of officers—eight or more—going out on fairly routine enforcement operations. They are adjusting that so it is much more risk-based, so if it is a low-risk operation, two or three officers do it, and so on. So we are introducing productivity measures all the time.

The priority for the first year of the new arrangements—and the Home Secretary was clear about this—was to stabilise the system and get performance on to an upward trajectory, and then, having done that and given ourselves a more solid platform, given all the problems we were inheriting, to plan for the transformation of the system to deliver both better effectiveness and efficiency.

Q163 Chair: I hear that, Mr Sedwill, but if we had another Department up, such as the DWP, which is not my favourite Department, they too have huge transformation programmes right across all their business, but are doing those in a context of reducing their budget and seeking efficiency. It is not an either/or. I accept that the Home Secretary might have had the view that settling the new system down is a priority, but nevertheless, in the current climate and given pressures on budgets, efficiency should be there. It is pretty irritating to find that, in what started off as quite an ambitious programme, you have changed the structure and suddenly the focus on trying to find the efficiency savings has gone.

Mark Sedwill: Well, it hasn't gone. I don't want to mislead you about what the Home Secretary was saying. I was just making the point that her statement and the focus were about the effectiveness of the organisation. That was the priority because that was her concern. This was an organisation that was failing to deliver and that is why she made the decision to break it up. We have retained the focus on efficiency. We can give you examples of that. Another example would be that we brought all of the back office functions within UKBA back into the Home Office.

Q164 Chair: That is £1.5 million. That is in the papers.

Mark Sedwill: Indeed. The number has gone up beyond that.

Q165 Chair: On the £500 million or whatever it was—£600 million?

Mark Sedwill: Well, there were around 2,000 staff in corporate services functions in UKBA who have been brought back into the Home Office. We have consolidated that and have saved 200 posts already. That is 10% out of the corporate services in one year. I can give you examples of it.

Q166 Mr Bacon: What were they all doing if you were able to make that many savings that quickly?

Mark Sedwill: Actually, one of the costs of agencies is running a separate set of systems. I remember talking this over with one of the Ministers. As you know, shared services across Government are very much the way we are trying to go. We didn't really even have a shared service in the Home Office two or three years ago, because these functions were being performed in the agency—in this particular case, a big chunk of the Home Office—and by the core Home Office. So some of this was duplication; some was each corresponding with the other; and some was just rather old-fashioned ways of working.

So we have a focus on efficiency. We did parcel out the efficiency targets among the various organisations, but, to be honest, we need to get the productivity across the whole organisation up to, essentially, the best that those organisations are already achieving to know what the impacts will be of the marginal pound spent on one rather than the other. The system is simply not yet developed enough to do that. It is not that we have lost focus on it; it is just that we are doing it in the right order.

Q167 Mr Bacon: What's amazing is that these are really not new debates. At the time of the foreign national prisoners crisis in 2006, one of the statistics the National Audit Office published that particularly struck me was that, of the 14,500 people working in the then immigration and nationality directorate, 540 worked in HR, and this is eight or nine years ago. What you are describing now is a struggle to deal with that same phenomenon—that same problem. What is it that makes it so difficult?

Mark Sedwill: Sorry; so difficult?

Q168 Mr Bacon: To deliver those improvements. The phenomenon we are talking about is really not a new one—the business of getting more effective and efficient economic performance and getting productivity up. This is not a new debate; Gus O'Donnell was talking about productivity 10 years ago. What is it that makes this so difficult to deliver?

Mark Sedwill: I think there are a lot of reasons why any business change is challenging. If you look at what we have done, we have delivered a lot already. Quite a lot of this is in almost quite old-fashioned things, like improving staff flexibility. If I look at the Border Force, for example, they introduced annualised hours a couple of years ago. Because of the rigidities of the shift system, they were not able to deploy enough staff at 6 am or 6.30 am, when there was a surge at Heathrow in passenger traffic. By introducing annualised hours, flexible working and moving teams around, they bring people in earlier to be able to handle that peak. That is part of the reason the Border Force is able to do the 100% checks without queues. That is not about new technology and some of the things that were tried before; it is about improving staff flexibility. Other, similar changes are happening in the other two organisations. I would not underestimate the difficulties of introducing those changes—

Q169 Mr Bacon: No, but you make it sound as if it is only when there is absolutely acute, sustained financial pressure because of the austerity we have all had to face—local government, national Government—that it is actually possible to push through these changes.

Mark Sedwill: I think, if you talk to any business going through change, they will talk to you about the burning deck phenomenon. In terms of winning consent, it is easier to push through

radical change if people see there is a severe problem that needs to be dealt with, not just that you think change is a good idea. You are absolutely right: the financial pressure is part of that, but the expectation to deliver a better, more modern organisation is part of that as well.

Q170 Mr Burrowes: In terms of work to do on efficiencies, are there are still duplications—the Border Force interviewing students who have entered the country, and then the UK Visas and Immigration team in Sheffield interviewing them when they apply? Are there still those duplications to sort out?

Mark Sedwill: There will be any number. That example was in the Report, and my colleagues may want to answer the specific point. We are just over a year into this, and there is undoubtedly a long way to go within the current business models to improve productivity and efficiency. We are on it; we are making progress. The corporate services consolidation was a good example of that—10% of those posts were removed in a year, which is a significant step in a year. But you are absolutely right: there will be other areas where there is duplication. The hand-offs aren't right. We're not processing things as smoothly as we should, and those are exactly the areas we are addressing.

Q171 Mr Burrowes: Is that a genuine duplication or an efficient way of doing it?

Mike Wells: In that particular example, your basic point is right that there are opportunities to become more efficient. I talked earlier about the fact that we have brought down the cost of decisions quite considerably from £217 per decision to £173. The specifics of that issue of interviewing people are a little more complex than just interviewing the same person. What happens is that the interview when someone applies for a visa may be some considerable time before they actually arrive in the UK. Their circumstances may change between the two. There are wider reasons why someone might be interviewed at the time they come to the UK, beyond the fact that they are going to study in the UK.

Q172 Mr Burrowes: So there may be a need for more than one interview, but the issue is the fact that it is UK Visas and then Border Force. Is that duplication?

Mike Wells: The visa application could be some considerable time before someone arrives in the UK. There is always the possibility that it may be appropriate to interview someone on both occasions. The general point, however, of working closely to ensure there isn't duplication is one that we absolutely accept.

Q173 Mr Burrowes: I understand there may be cases that need two or more interviews, but is there a continuity issue? Could that be done more efficiently?

Mark Sedwill: They both have access to the same set of records. Let me bring this alive with a concrete hypothetical example: a student might apply in India in March but not enter the country until June or July. They have been given the visa and were interviewed in India by UK Visas and Immigration. At the point that they cross the border, if the Border Force officer has a concern, they may wish to conduct a further interview to check the veracity of that student. The circumstances might have changed, particularly if there is a long period between the two. It is right that those are

two separate organisations because they are dealing with the person at different stages of their journey.

Q174 Chair: Who is responsible for co-ordinating this cross-directorate work for the system as a whole?

Mark Sedwill: You will have seen the system map in the Report. I was rather surprised when I came into the job, as that is the first time that has been done. The short answer is that, in the end, I am.

Q175 Chair: But in reality, who is responsible?

Mark Sedwill: Thank you, Madam. *[Laughter.]*

Q176 Chair: I accept that you are the accounting officer.

Mark Sedwill: I get the point. The first thing that was taken out of the Border Agency was the policy function which, rather bizarrely for an agency, sat within it before. Within one of my policy directorates—within the core Home Office—there is the immigration and international policy group, which is responsible for the system-wide view, including analysing vulnerabilities in the system and how someone might try to exploit them. They have been doing work on clandestines and others quite recently. That group provides the overall work on the system.

One of the other changes we made was to bring all the performance management into the core Home Office, and the NAO refer to the improvement we have seen in the management of information. I, as Permanent Secretary, have better management information than not only my predecessors but the chief executives of UKBA. That is because we have a performance and compliance directorate within the core Home Office who give us that view. I am, in the end, responsible for it and I exercise that governance by chairing a monthly strategic oversight board for the system, which has all of my DGs on it, including the operational DGs. That is when, as Mandie can attest to, I get to sit where you are sitting and they get to sit here. I say, “Right. There’s pressure here. What’s that?” That is provided for me by the secretariat.

Q177 Chair: Okay. You are taking responsibility, which is good, but there are two issues arising out of this. One is about data. I said to the NAO that it would be nice to have it more upfront but it is hidden away on page 48, paragraph 4.16, which someone drew my attention to. Data is still a huge problem, which you can see there: “84% of removal cases did not have minimum data”, nor did a third of asylum cases. You may be getting better management information, but it might well be based on data that is questionable.

Again, one of our recommendations last time round was: you’ve got to get better at this stuff. It is disappointing to see that there has not been more improvement in the last couple of years since we reported.

Mark Sedwill: Madam Chair, again this sentiment is one that essentially I share. On the specific figures here, again my two colleagues may want to come in and explain whether there is a

particular reason for that. One of the consequences of the problems we had with the big IT programme was that they were designed to address this, so we would have had an individual piece of caseworking information at the micro level that would cascade seamlessly right the way up to provide robust management information automatically at the top level. That was one of the objectives of those programmes, but of course they did not deliver and therefore they did not deliver that.

The NAO is right. Although the management information we have is much better now and asking the right questions—not all of it, of course, is input and output measures of this kind; a lot of it is about quality and impact, looking at high-risk nationalities and so on—it is still essentially having to aggregate data that is sitting within quite old-fashioned caseworking systems. One of the objectives of the immigration platform technology programme—the border systems portfolio programme—will be to address that gap, but this is, I am afraid, one of the costs of having those IT programmes that did not deliver.

Q178 Chair: I am sure that your predecessors had the same ambition—that is the depressing thing. I do not know whether the new system will work. Clearly it is in everyone's interest that it should. If we had your predecessor—

Mark Sedwill: Absolutely right. There is a considerable effort to cleanse the data. As you may have seen elsewhere in the Report, one of the most striking features, which goes back to the earlier debate with Mr Jackson, was how many duplicate records there were. So the structure of our old caseworking systems was—I forget what the numbers were—such that you might have half a dozen cases applying to an individual, because of the structure of the system. Do not ask me why—yes, Madam Chair, your expression is exactly the same as mine was.

What we want to have is each individual to have one record on the system, with a unique identifier, and, as we were discussing earlier, one record that we can check against the national insurance database and so on across the rest of Government. This is a feature of Government databases as a whole which we are striving to correct, but, of course, we will have to get the new ICT capabilities in place to do that. But we have improved the management information. It is now pretty robust and, as I think the NAO would acknowledge, that enables us to interrogate the right issues and that is the crucial point.

Q179 Chair: And the other criticism, as shown in figure 16, is the whole plethora of committees and boards. To address the point that David was reaching, just looking at it, it strikes you, and you think, “Crumbs! There is bound to be duplication and things running through bits.” It just looks too complicated and bureaucratic.

Mark Sedwill: They have listed them all there. One of the things I did when I came in as Permanent Secretary was cull a whole load of these things, so you can just imagine what it might have looked like. But, just to give you an example, the first two, the executive management board and the border and immigration system strategic oversight board, are the same board. It is the executive management board, which is essentially me and my directors general, meeting on the border and immigration system and providing strategic oversight, so that is a single meeting once a month. The EMB does other things, but, when it is doing immigration, it meets as the border and immigration system strategic oversight board. That is the top level governance within officialdom.

As the Report points out, Ministers of course have their own meetings. They want to hold us to account as well, which is always an additional complexity in Government, but that is quite right, so there are regular meetings that the Minister of State has with the DGs and he will then, on occasion, have meetings with them as a group.

The other boards are mostly within the individual businesses. Each of the businesses has its own executive board that meets and then they have other groups, such as tasking and co-ordination groups and so on. So the functions of these things are distinct. You can always streamline this, and we have streamlined it quite a bit, but the functions are distinct.

Q180 Austin Mitchell: I get the impression that you have got committees and boards stumbling over each other. If they are that good and effective, why didn't they spot the crisis in the Passport Office?

Mark Sedwill: Well, I don't think we have boards stumbling over each other. There is an underlying separate point that very much goes to your point, Mr Mitchell. One of things we have changed is that there is now a single version of the truth. There is a single set of management information that works its way up. Obviously, it is more granular at the level of the businesses than I would look at, or the Minister of State or Home Secretary would look at, but beforehand we used to have lots of different graphs and charts asking nearly, but not quite, the same question. We have now streamlined all of that so that we essentially have a single version of the truth, which cascades up through the system.

Q181 Mr Burrowes: You say it's gone up. Let's look at morale. Thirty-six per cent. of UK Visa and Immigration staff and 25% of immigration enforcement staff—so working our way up—do not agree that the board is as clear in its vision as you say.

Mark Sedwill: Morale and staff engagement is an issue across the civil service and you are absolutely right that those numbers are low. I am concerned about that and it was one of the first things I observed when I came into this job. Of course, it has gone up. You would not expect it to turn around dramatically, but it has gone up by about 5% in both cases in the first year of this. To be honest, I was concerned, given the scale, scope and speed of the change we were imposing on them, that we would see it go down.

Q182 Chair: Actually, if you look at the figures, in figure 18, as I read it, it has gone down. In the latest one from January 2014, everything is going in the wrong direction.

Mark Sedwill: It is a pulse survey. Pulse surveys and staff surveys measure the data slightly differently so it's apples and pears. Generally, we do not think that morale has gone down and we will be in the staff survey fairly soon.

Q183 Chair: What is that measuring? I am looking particularly at UK Visas and Immigration.

Louise Bladen: So it's got three different pieces of information in there. One is at a big annual survey that surveys everyone in the Department. Then there are subsequent updates to that

that are just a sample of people, so you are getting different cuts of the data at different points in the year.

Q184 Chair: So what's your view? Is morale up or down? I read that as being down.

Louise Bladen: I think overall we are saying there are small improvements, but it is still pretty low compared to averages.

Mark Sedwill: I would agree with that. It is worth remembering that this is a group of staff who have been through multiple reorganisations and many crises over the last decade, and have felt blamed as individuals when things have gone wrong. We all remember some of the language that was used around the whole organisation around eight to 10 years ago. That is very damaging to morale. It might be the right thing to do, but it is damaging to morale. I took a deep breath because I expected that morale would decline because people would think, "Oh, yet another one," although fortunately not driven by a crisis this time. It is really important to me that we demonstrate that the new structure is successful and therefore it can be stable. It is on that basis, as we build the distinct identities of the three different organisations, that we will increase the sense of professional pride and morale. I am absolutely not complacent about it; that is the reason I am making this point. We are moving up from a low base and it is going to be a long haul.

Q185 Chair: Mr Sedwill, just to draw your attention to the Report, it says on page 49, paragraph 420 that the Department does not have a clear single version of the truth.

Louise Bladen: So can I clarify what we meant by that? That is talking about some of the raw data sets that we requested during the field work for this piece. We were getting different sets of raw data and having to try to amalgamate those to get a sense of what was going on. We are talking in terms of that really raw data coming out of the systems.

Mark Sedwill: What I meant was the management information. I was not suggesting that we had completely resolved the data quality issues.

Q186 Chair: Okay. My very final question is one that arises out of some parliamentary questions I put in around fraudulent language testing for foreign students. You were unable to really answer the questions. Just for the purposes of the Committee, I asked what the costs were of identifying and removing student visa applicants who entered the country illegally as a result of fraudulent language testing and you couldn't tell me. Then I asked how many had come in, how many had gained illegal entry as a result of fraudulent language testing in the last 10 years and how many had now been removed. Are you in a position to provide me with better information on that?

Mike Wells: I think the answer that was given was the information that was set out in the Minister's statement to the House on 24 June. We are publishing information quarterly and the latest transparency data was published at the end of August and ran to the end of June. We will publish updates quarterly.

Q187 Chair: So what do the August figures tell you?

Mike Wells: The most recently published figures run to the end of June.

Q188 Chair: Right. So do we know how many—

Mike Wells: I think the answer was set out at the time of the Minister's statement, which showed that there were 29,000 invalid results at that point, and that more than 19,000 questionable results had been provided.

Q189 Chair: And the cost?

Mike Wells: The cost will rise as the work continues.

Q190 Chair: So you are not telling me anything more.

Mike Wells: We haven't got further information beyond the end of June that has been published.

Q191 Chair: But the 29,000 will go up?

Mike Wells: It will go up, yes.

Q192 Chair: And the cost will go up?

Mark Sedwill: It is worth noting that this is almost the biggest change we have tried to make to the system when we talk about immigration enforcement as a robust law enforcement body. Immigration enforcement 10 years ago was essentially an activity that took place at the end of the caseworking chain and we are now focusing—this is essentially the task that Mandie has set herself and we have set for her—on the criminal risk to the system. In this particular case, it was an organised criminal attempt to undermine the system, and we are seeking to build immigration enforcement's criminal capability especially so that it can take much more effective action against the organised crime groups involved in organised immigration crime, which was not something that the agency or, indeed, IND and so on really had the capability to tackle in the past. It is one of the benefits of creating enforcement as a separate and clearly defined uniformed law enforcement body.

Q193 Chair: Okay. Good.