

Public Accounts Committee

Oral evidence: [Disclosure and Barring Service: progress review](#), HC 2006

Monday 11 March 2019

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Members present: Meg Hillier (Chair); Sir Geoffrey Clifton-Brown; Chris Evans; Shabana Mahmood; Stephen Morgan; Anne Marie Morris; Bridget Phillipson; Lee Rowley; Gareth Snell.

Adrian Jenner, Director of Parliamentary Relations, National Audit Office, Steven Corbishley, Director, NAO, and Marius Gallaher, Alternate Treasury Officer of Accounts, HM Treasury, were in attendance.

Questions 1-161

Witnesses

I: Sir Philip Rutnam, Permanent Secretary, Home Office, Adele Downey, Chief Executive Officer, Disclosure and Barring Service, and Scott McPherson, Director General of the Crime, Police and Fire Group, Disclosure and Barring Service.

Report by the Comptroller and Auditor General
Investigation into the Disclosure and Barring Service (HC 715)

Examination of witnesses

Witnesses: Sir Philip Rutnam, Adele Downey and Scott McPherson.

Q1 Chair: Welcome back to the Public Accounts Committee on Monday 11 March 2019. We are now on to the main part of our session, which is looking at the Disclosure and Barring Service, a project we have looked at before in this Committee thanks to a previous National Audit Office Report. This is really an update session, and I say to our witnesses that we may get this done and dusted in an hour if your answers on this are brisk; we will attempt to be brisk in our questioning as well. I warn the permanent secretary that we also want to touch on knife crime and Brexit preparedness very briefly at the beginning, as you are in front of us.

If I could introduce our witnesses, we have Scott McPherson, director general at the Home Office for the Crime, Policing and Fire Group, which includes the Disclosure and Barring Service.

Scott McPherson: That's right.

Chair: I think your title is getting longer and longer. Is it a sign of austerity, maybe? Maybe not.

Sir Philip Rutnam is permanent secretary at the Home Office, and a regular visitor to this Committee, and Adele Downey is the chief executive officer for the Disclosure and Barring Service. I believe, Ms Downey, you are not going to be there much longer.

Adele Downey: I am retiring in May.

Q2 Chair: Do you have any plans? Are you actually retiring-retiring, or are you going on to do something else?

Adele Downey: I am going to do a few little things, but follow other pursuits.

Q3 Chair: And your successor is in the throes of being appointed, as we understand it.

Adele Downey: That is correct.

Q4 Chair: Do you know whether that appointment will be back to back?

Adele Downey: No, there is likely to be an interim appointment in the meantime.

Q5 Chair: For a period of months or weeks, or does it depend on who is appointed?



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Adele Downey: I think the expectation is that the replacement will be ready by between July and October, depending on approvals.

Q6 **Chair:** Oh, yes; we know about the lengthy approvals process. There is a new chair, of course: Dr Gillian Fairfield. When was she appointed?

Adele Downey: On 1 December.

Q7 **Chair:** So there is a whole new team at the top.

Adele Downey: Yes. The Home Office has also appointed a couple of new non-executives, and she will be appointing a further one.

Q8 **Chair:** So quite a lot of change at the top. That is useful context.

Sir Philip, just before we get into the main debate, obviously there have been some very tragic events. I represent London, as Shabana represents Birmingham, both of which have seen terrible tragedies with young people being murdered or hurt on our streets through knife crime. I know that there was a summit only last week with senior police officers in the Home Office. Could you give us an update on what work you are doing, particularly working as the lead across Government, to try to tackle this scourge that is causing such problems for our young people?

Sir Philip Rutnam: As you say, Chair, it is an absolutely tragic series of events and a terrible phenomenon, and not just the Home Office but the whole of Government are determined to do everything we can to address this. You mentioned the summit that the Home Secretary held last week, and the Prime Minister has said that she will also be holding a summit in the coming days. That will be another sign and another mechanism to seek to ensure that, as I say, all Government efforts are directed towards this.

In terms of the strategy and the activities that the Home Office is leading and co-ordinating at the moment, I would call out two, essentially. One is a heightened effort by law enforcement; we have seen a very significant surge of resources, for example in the Metropolitan Police, which has a violent crime task force. There has been a major effort around law enforcement, and through the work that we have done in this area, we have identified the importance of links to the drugs trade. That is not a reflection in any way on what is happening behind each and every case; each and every case is a tragedy, but if you look at this as a social phenomenon, we do think the links to the drugs trade and the development of county lines are very important.

I mentioned that the Metropolitan Police have been prioritising this very firmly, but so have other territorial police forces—you mentioned the West Midlands—and also at the national level, the National Crime Agency has been prioritising work it does to co-ordinate the fight against county lines. It has established a new County Lines Coordination Centre, and is using its prioritisation powers to make sure that there is a real effort across policing nationally, so the first big strand is around law enforcement.



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The second big strand is around prevention. This is where we get into the importance of work with the Department for Education and the Department of Health and Social Care, using some key moments such as the experience of victims, families, and those who go to hospital for treatment as a very important moment of intervention—that is why I mentioned the Department of Health. There is also the whole question of the exclusion of pupils from schools. What can we do to make sure those who are excluded from school stay in meaningful, productive and rewarding education?

So far as the Home Office itself is concerned, I would call out the £220 million that the Home Secretary has allocated towards preventive activity, some of which is already funded and under way. I hope there will be further announcements on that shortly. We have a very significant programme of activity across the Pursuit strand, through law enforcement, and the Prevent strand.

Q9 **Chair:** How much extra money has gone into this? You talk about the £220 million, but isn't that just a rebadging of resources?

Sir Philip Rutnam: No, the £220 million was additional funding.

Q10 **Chair:** Is that from the Treasury?

Sir Philip Rutnam: There was a £220 million announcement at the autumn statement by the Treasury, in relation to serious violence—our preventive initiative. At the moment, we are going through a whole process to bring on board charitable, third-sector partners to assist with the delivery of that.

Q11 **Chair:** Sorry, I was talking about new money since the beginning of the year. We have now had over 10 murders in London. How much is new since the summit last week that the Prime Minister led? Is part of that focusing on new money?

Sir Philip Rutnam: I mentioned the £220 million. That is new resources in 2018-19.

Chair: In this financial year.

Sir Philip Rutnam: In this financial year. Ministers have not made any announcements about new resources in the last couple of weeks, but one of the things that the Home Secretary identified at the summit with police chiefs last week—the police chiefs themselves identified this—is the importance of resources. The police chiefs are considering what their needs might be. This is the subject of active discussion. However, on the subject of resources, it is very important to put this in the wider context of the additional nearly £1 billion—up to £970 million—that the Government have made available, either through central Government funding or by enabling police and crime commissioners to increase the precept for the financial year 2019-20. It is a very significant increase in the funding for the police in England and Wales.

Q12 **Chair:** Okay. We hear the advert for that, but this Committee is a bit



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sceptical of just increasing the precept. It doesn't necessarily bring funding. There is a backlog, let alone the issues around knife crime. Can I just pick up a couple of things? First, we understand that the spending review is likely to be delayed. Obviously, it may depend on what happens this week in Parliament around Brexit. Have you got any understanding of what the spending review settlement will be? Can you give any credence to the rumour, which is now quite widespread, that the spending review possibly won't take place, but there will be a roll-over of last year's settlement to this year?

Sir Philip Rutnam: I have heard lots of rumours, too, but I am awaiting the Chancellor's spring statement.

Q13 **Chair:** Do you expect certainty on Wednesday?

Sir Philip Rutnam: It would clearly be very desirable to have certainty on that, as on many other things that we are addressing as a country. I think the case for having a spending review this year—a multi-year settlement—is clearly very strong. I think that is firmly understood in the Treasury, from all my discussions with them. We will have to wait and see what the Chancellor says on Wednesday.

Q14 **Chair:** Okay, fine. We understand that that is above everyone's pay grade in this room. You mentioned pupil referral units and the issue of exclusions. Clearly, if we are going to see young people who are excluded given more time in schooling, that is potentially going to be very expensive. Again, there is another potential spending commitment there. Do you have any intelligence about where the Government's thinking is on investing in that preventive work to make sure those who are excluded are diverted enough so they don't end up picking up a knife?

Sir Philip Rutnam: I am going to suggest that Mr McPherson picks up on this, because he has been leading on our contacts with the Department for Education.

Scott McPherson: As you say, there is quite good evidence that there is a link between exclusions and children getting involved in knife crime and other offences, and also being victims of other crimes. We have been talking to the Department for Education about what we can do jointly with them to try to reduce the number of exclusions. Some schools have some really good practice and have had a very low level of exclusions. The Policing Minister and I visited a school in Birmingham recently that has had no exclusions in the last five years. It put a lot of investment into after-school clubs and other activities, which have had a really positive, beneficial effect on children.

Q15 **Chair:** It is very nice to talk about after-school clubs, but some of the young people who I know are excluded—I have talked to headteachers in my constituency about this in the last week—are not excluded lightly. When they endanger other pupils, it is a decision that many headteachers take reluctantly. I do not doubt that, on the whole, most headteachers do not want to exclude. My point was about pupil referral units, where you can be in education sometimes for as little as 10 hours a week and have



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a lot of time on your hands depending on the exact set-up that you are provided with. Is there any discussion with the Department for Education about providing more input for young people who are at great risk of getting involved in other activities if they are not in school full time?

Scott McPherson: I would say that they recognise the value and the importance of properly looking after those children, both from a Home Office perspective, in terms of reducing crime, and from the perspective of education.

Q16 **Chair:** Okay, we all recognise that that is important, but is there any money for it?

Scott McPherson: I do not think that it is for the Home Office to make a commitment to on behalf of the Department for Education.

Q17 **Chair:** No, but is how to fund PRUs effectively part of the discussion, so that they are providing that?

Scott McPherson: We are certainly talking to them about the value of those services and their importance from a Home Office perspective and from a wider public service perspective.

Q18 **Chair:** Forgive me if I am cynical, Sir Philip—it is not cynicism for cynicism's sake—but when I was a Home Office Minister, we had summits, and some things happened and then frittered away. The danger is that summits with lead politicians do not always lead to long-term action. I will rest my points there.

Can I just ask one particular question? You sought £500 million from the contingency fund to meet a shortfall in March. You have not said what that was for. You have indicated that you will pay that back. Are you able to give us any information about how that has been spent and where you are going to get the money from to pay it back?

Sir Philip Rutnam: As I recall, that is related to the timing of our cash receipts vis-à-vis the spring supplementaries and is just to do with the cashflow of—

Chair: It is unusual. I cannot recall anything like it.

Sir Philip Rutnam: It is, but the Department is very busy at the moment. Of course, it was announced earlier in the year that we would receive very significant additional funding—to be delivered at the spring supplementaries—in relation to Brexit.

Q19 **Chair:** So that announced money is simply being delivered now? Is that what you are saying?

Sir Philip Rutnam: As I recall, it is principally to do with the mismatch, if you like, between the announcement on Brexit that we had earlier in the year—£395 million, which we will spend—and the fact that that is being delivered at the spring supplementaries, which come right at the end of the financial year. We are running our finances very tightly this year.



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Chair: We think that is a good thing—up to a point.

Sir Philip Rutnam: It is a good thing. Of course, we absolutely need to make sure that there is no overspend, but the level of margin that we have is very small. Compared to a normal year and given the tightness of our finances and the fact that our activity levels are growing because we are recruiting people for Brexit, I am not surprised to find that we have this temporary cash shortfall.

Q20 **Chair:** I will hand over to Sir Geoffrey Clifton-Brown in a moment. If you could you write to us explaining what that drawdown is for and breaking down exactly how it is being spent, that would be very helpful to the Committee.

Q21 **Sir Geoffrey Clifton-Brown:** Good afternoon, Sir Philip. Under the withdrawal Act, we leave with no deal unless Parliament amends the Act. I'm afraid I need to ask you one or two questions about leaving without a deal. Are you satisfied that if we leave without a deal, all the security and serious and organised crime arrangements with the various European organisations and with our own organisations will function properly to enable those matters to be discussed?

Sir Philip Rutnam: If we leave without a deal, there will be a range of impacts—I will come specifically to security and law enforcement in a moment, but I want to paint a general picture. We have done and are doing our best to mitigate those impacts but I want to be clear that not all of those impacts can be mitigated. There will be some that cannot be mitigated. I could give an example on the border if you like, but let me turn to your specific question about law enforcement and security.

At the moment, through our presence in the European Union, we are party to something like 40 different legal instruments, which provide for co-operation in the realm of law enforcement between the UK and our European partners. Some of those operate exclusively at EU level. They range from the Schengen information system, which essentially provides a very large database against which you can match people coming across the border or people in whom the police are interested, to the European arrest warrant, or quite specific individual things, such as the Prüm arrangements for DNA, fingerprints and vehicle records.

There is a whole range of different instruments. If we leave without a deal those instruments will fall away. In relation to most of those instruments, but not all, there are alternatives. However, the effectiveness of those alternatives varies quite widely and can be dependent itself on other steps, which are not always under our control. If I take the example of the Schengen information system—SIS II, as it is known—if we are not in the EU beyond 29 March we will not be able to use SIS II. The alternative to that, which is available to us, and which we do use, is Interpol notices. Interpol notices are an alternative which has real value—a very important means of law enforcement co-operation; but the functionality is not the same as SIS II, which operates in real time. Interpol notices do not operate in real time. SIS II also requires not just information; it requires



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action—whereas Interpol notices require a further step to be taken for action. I will try to speed up my answer.

The long and the short of it is there will be, as the Home Secretary has said, if we leave without a deal in relation to law enforcement and security instruments, a shortfall in capability. There will be a drop in capability. In some respects that drop in capability will be significant. However, the Home Secretary has also been very clear that this is a safe country, and he is clear that it will continue to be a safe country if we leave the European Union without a deal, not just because of the mitigants that were put in place but also because of the effort that would go in on the part of not just Government but our vital partners in law enforcement, the criminal justice system, to make sure that those alternatives are as effective as possible.

- Q22 **Sir Geoffrey Clifton-Brown:** We have questioned HMRC at length about arrangements for getting goods in and out of this country. Are you relatively happy that the customs arrangements for getting people in and out of this country—in terms of passports, visas and so on and so forth—will work satisfactorily from day one?

Sir Philip Rutnam: In terms of managing the flow of people across the border, the effect of change—the effect of leaving the European Union without a deal—is much less than in relation to the flow of goods. A principal reason for that is we already have a 100% check. Save for the common travel area with the Republic of Ireland, in relation to anybody arriving from the European Union, we have a 100% check on all persons arriving.

- Q23 **Chair:** Not at some private airports and some small—

Sir Philip Rutnam: The principle of a 100% check applies. For all scheduled flights, charter flights and so on, that is very firmly in place. There are some areas, which I do not think are affected by Brexit—general maritime and general aviation—where there is more risk.

Chair: Yes, it just that we hear that it is 100%, but we know it is not exactly 100%.

Sir Philip Rutnam: For flows of people across the border there are some minor changes, but essentially the principle is we already apply all those checks and we would continue to apply those checks after we leave the European Union.

- Q24 **Sir Geoffrey Clifton-Brown:** While that is reassuring in terms of flows of people, what about the flows of undesirable people—the criminals? Are you happy that without SIS II you are going to be able to screen out either those criminals who should not be coming into this country or our own criminals who should not be leaving this country?

Sir Philip Rutnam: The loss of SIS II would have a real effect. I rely here on the advice of our operational partners in policing and the National Crime Agency, as well as, of course, our own assessment. Our assessment is that the loss of SIS II will have an effect. We do not want to lose SIS II.

Indeed, we want very much to continue being part of SIS II. We have made that very clear throughout. I will not pretend that it would not have an effect. What we would do, with our law enforcement partners, is, of course, use all the other mechanisms that are available, including Interpol, to try to make up for any adverse effect associated with the loss of SIS II. While SIS II is important, the unanimous view of law enforcement and our own assessment are consistent with that. The UK was not part of SIS II until, I think, 2015, so it is relatively new, but it is also important, and the level of threat that we face continues to change and develop—it is not static. Generally, and sadly, it is on an upward curve.

Q25 Chair: On passenger name records, what is happening?

Sir Philip Rutnam: Passenger name records are particularly challenging, because there is no alternative to the EU instrument in relation to PNR. We get some information through advance passenger information, but we get a lot of additional information through PNR, including booking information and all sorts of things that are relevant. That is very valuable too. PNR is an interesting case, because there would continue to be legal obligations to provide PNR data to the UK if we leave the European Union without a deal. At the same time, there will be a legal issue for European airlines and European transport operators in relation to their ability to comply with that, consistent with European law. It is slightly abstract, but there is a very practical issue about continued access to PNR, with a potential conflict between two legal systems. The answer to that, if we leave the EU without a deal, will have to be urgent negotiation between the UK and the European authorities.

We do not want to be in this scenario—we do not want to have to find any loss of capability that I have discussed—but it is important to recognise that there is a common interest in relation to PNR and many other instruments. It is in the interests of our European partners to have access to the information that we can provide.

Q26 Chair: How long do you think those negotiations would take? You were talking about one element that needed negotiation, but you said that there were several.

Sir Philip Rutnam: I am not going to predict that.

Q27 Chair: It is not likely to be 24 hours, is it? There could be a period of time where there is no agreement in place.

Sir Philip Rutnam: There could be a period of time where there was no agreement in place, or a period of time where there was only the most basic standstill arrangements in place.

Q28 Chair: The irony is that it was the UK that did that first and persuaded the other 27 to join in, but here we are now, potentially outside. I am going to leave it there, because we could discuss no-deal Brexit for ever, but we do not know yet what is going to happen. We obviously have votes this week that will determine where things go.



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We are going to move to the main session. We appreciate your answers, Sir Philip—it is useful to have discursive answers on such issues, but we are now moving to questions from Mr Rowley. Even if my patience does not wear thin, his will if you do not answer his direct questions very directly. That is a fair warning, at which point I will pass the questions over to Mr Rowley.

- Q29 **Lee Rowley:** I will give you a discursive question to start with. Would you give me a brief outline of where you think DBS is vis-à-vis the contractual position—what has been rolled out and what has not?

Sir Philip Rutnam: First, it has exercised partial termination of the contract with TCS, which we discussed a year ago. The partial termination is in relation to the deployment of the modernisation solution known as R1 across the disclosure products, which will not proceed. DBS has given notice of an intention to extend the TCS contract by at least six months, and up to 12 months. That goes from March—the end of this month—to a period between the end of September and the end of March 2020, so there is an extension, but not for R1 for disclosure. DBS has, with the full support of the Home Office, begun a tender process for two contracts, which would be successors to TCS: one in relation to technology services, and one in relation to the contact centre operated by TCS. Those services are being unbundled and put out to the market for new tenders.

- Q30 **Chair:** So that is the Liverpool centre.

Adele Downey: No, TCS delivers some business processing for us in different parts of the country, not just the contact centre. They also do the opening of post and issuing of certificates, so all that business processing will be put under one contract.

- Q31 **Chair:** Okay. Is there anything left in Darlington?

Adele Downey: The contact centre is in Liverpool.

Chair: Oh it is in Liverpool.

- Q32 **Lee Rowley:** Can you tell me what has actually been modernised and what has not?

Sir Philip Rutnam: Adele Downey might want to add to this, but the things that are in my mind are the delivery of R1—the modernised solution—the barring service and the basic service, and the provision of online access for basics, which was not done by TCS, so you can apply for a basic certificate online and do it all online if you can and you wish. There are some other specific services, such as an online referral form for the barring service. A bundle of things has been modernised, but much less than the full scope of modernisation as intended back in 2012 or 2014 and that we discussed last year.

- Q33 **Lee Rowley:** So I am clear, then, on disclosure, have basic certificates been modernised in totality?

Sir Philip Rutnam: They have, yes.



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Q34 **Lee Rowley:** Standard certificates?

Adele Downey: No.

Q35 **Lee Rowley:** Enhanced certificates?

Adele Downey: No.

Q36 **Lee Rowley:** Enhanced certificates with check of barred lists?

Adele Downey: No.

Q37 **Lee Rowley:** Disclosure update service?

Adele Downey: No.

Q38 **Lee Rowley:** Maintenance of barring lists?

Adele Downey: Yes.

Q39 **Lee Rowley:** Point of contact business processes?

Adele Downey: Some of them.

Q40 **Lee Rowley:** Application and document handling?

Adele Downey: Some of that in relation to barring, but not the main disclosure.

Q41 **Lee Rowley:** Payment handling?

Adele Downey: Paper.

Q42 **Lee Rowley:** Printing?

Adele Downey: Printing is already part of the modernisation service delivered by TCS.

Q43 **Lee Rowley:** Distribution?

Adele Downey: I am not sure what you mean by distribution.

Q44 **Lee Rowley:** It was in the NAO Report last year; I am going off that. General IT application management and development?

Adele Downey: IT application management and development is owned by TCS to deliver. They have done that in some aspects, which Sir Philip talked about, but not in full. We will change the approach to that with the new providers.

Q45 **Lee Rowley:** Of 10 or so, two have been delivered in total, and some more have been delivered in part. What would you say is the percentage of the original scope that has been delivered, roughly?

Adele Downey: In terms of the modernisation, it is probably—if you look at the scale of our volumes, we do about 2 million basic; we are going to do about 1.8 million of those a year. We do 4.3 million of the enhanced and standard disclosures a year and 1.5 million of the update service. So over a third.



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Q46 **Lee Rowley:** We have got to about a third of the way through modernisation as it was originally described. Since you were here, almost a year ago to the day, what has been delivered?

Adele Downey: When I was here last time, we had launched the R1 on barring and on basics. We were learning from that implementation. When I was here, I said that if I was not satisfied about the ability to deliver the more complex products of the disclosure applications from a safeguarding perspective, I was not going to implement that. We had some commercial discussions about whether they were going to provide me with enough confidence that I would be satisfied that the safeguarding element of what we do would be safe. The conclusion that I reached, supported by the Home Office, was that it was not, because it was a more complex implementation than the basic and the barring ones. We took the decision in late summer, which we advised TCS and the Committee about last year, that we were not going to proceed with any further modernisation of that system, but that we would seek to get other providers.

Q47 **Lee Rowley:** Has anything been delivered since you were last here?

Adele Downey: No.

Q48 **Lee Rowley:** What was in scope to be delivered when you were sitting here this time last year? Am I right that it was supposed to be everything? At that time, you were telling me that it was still possible to do the other two thirds.

Adele Downey: Absolutely. That was our intention at that time. The other two thirds primarily would have been about rolling out the R1 system on to enhanced and standard disclosures, and the update service. That element has not happened because I don't feel it would have been safe enough from a safeguarding point of view to have done that to our live services.

Q49 **Lee Rowley:** When did you make that decision? What is "late summer"?

Adele Downey: In June we had agreement from our board that we would cease to proceed with that. We went through a very significant Home Office and Cabinet Office assurance process to reach a final decision on that in September. In accordance with the notice period, we advised Tata Consultancy Services that we would not be extending their contract by a full three years, because we were not confident that they could deliver the R1 system on to the new services.

Q50 **Lee Rowley:** Why did that process take so long?

Adele Downey: Assurance processes have to go through a lot of different elements. We had some technical reviews of our proposals at the time. It just takes that long.

Q51 **Lee Rowley:** How much do you think it cost to get to that decision? How long additionally are you going to have to run a contract that you don't think is working, as a result of that decision?



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Adele Downey: We need to remember that Tata Consultancy Services also deliver the business process to services, so our live service is not at risk in any way, shape or form. We are delivering against that, and I will expect them to do that through the life of the contract that will remain.

Q52 **Lee Rowley:** But you are accepting that this contract isn't working, in any way, shape or form—my words rather than yours—and therefore, you are accepting a substandard level of service and a change to costs? Something isn't doing what it should be doing for a longer period than you would want, because of having to go through a long assurance process.

Adele Downey: The element that is not working effectively for Tata Consultancy Services is the modernisation. They are supporting DBS and delivery of the live service. We are issuing upwards of 6 million disclosures every year and they support us with some of the business processes in that. That will continue, but we have taken the decision not to extend the modernisation system any further, because that would have been too great a risk for the live service, in the view of the board and the Home Office.

Q53 **Lee Rowley:** What does "safe" mean?

Adele Downey: My view last summer was that additional complexity was involved because of the disclosure service. If we take the basic implementation, it was a brand-new product, starting in small numbers. We were only doing about 300,000 in total in the first four months; we do 350,000 standard and enhanced disclosures a month. If we had transferred and implemented a system that I was not 100% satisfied with, the danger was that those decisions would not be made and people who were applying to our service on a daily basis would not get into those jobs. That was a risk that was too great for us to take.

Q54 **Lee Rowley:** You are describing the product of that, but what is the safety problem?

Adele Downey: The safety problem is that the safeguarding element of what we deliver on a daily basis would have been at risk if we couldn't have got those disclosures out of the door or couldn't have delivered the level of productivity that we do today. The productivity in the basic product is not as good as it is in our standard and enhanced product, and therefore it would not satisfy my test that we would be able to get and meet the requirements of our customers.

Q55 **Lee Rowley:** By what quantum?

Adele Downey: It is actually better now than it was at the start. We expect our agents to do about 120 matching decisions a day. That is what we get in standard and enhanced. When the basic product was first launched we were getting about 57 a day per person. Through different elements of improvements, we are now reaching 87 matching decisions a day on the basic product. So, if we had taken that cut in productivity, as opposed to moving over to enhanced and standard, that would not have been acceptable to me or the customers from a safeguarding perspective.



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- Q56 Lee Rowley:** What caused the drop? You must have signed off the requirements, the design, the operating model and the technical standards, so either something did not work or you signed off that reduction in productivity.

Adele Downey: The contract for Tata Consultancy Services delivers on an outputs basis. They delivered the system to us. There was some element of testing, but it was not tested in the live environment until it went live. Tata Consultancy Services then spent quite a long time with our support to try to find out the root cause of that. We believe that one root cause is a flaw in the design and architecture of the system, which we could not then transfer into standard and enhanced disclosures. That is clearly still subject to dispute, but that is our position.

- Q57 Lee Rowley:** But your architect must have signed it off?

Adele Downey: The contract was not done in that way. The contract was output-based, and it was delivered—this is not the way it would be done now—in a black-box scenario. We did some user acceptance testing against some really detailed scripts, but it was not until it went into the live environment that the performance of the system was noticeable.

All the performance testing delivered against what we would have expected, but in the live environment it did not. It took a long time for anybody to really understand why that had happened. That length of time was not acceptable to me, so I made the recommendation that we should not proceed any further with the roll-out of the system.

- Q58 Lee Rowley:** Just so I am clear, DBS/Home Office/Government had zero input into any design—architectural or conceptual—or creation or build of the system?

Adele Downey: TCS's responsibility within the contract is to—well, it is not actually within the contract. The contract is a service contract, not an IT contract. As part of that, TCS was going to introduce modernisation and change the systems, so that it could actually reach more efficient levels and make its money, if you like, towards the latter years of the contract.

TCS decided what it was going to build and how it was going to do it. It worked alongside DBS and other suppliers that we have hosting, as we heard last time, through the infrastructure changes. We did some user acceptance testing, which was our role.

- Q59 Lee Rowley:** But UAT comes at the end of the process, when you have already designed something. My simple question is, at the outset of this, when this system was being designed, was there zero input from DBS? That cannot be true, because TCS would not have known how to design—

Adele Downey: They would have had a lot of requirements at the very beginning of the contract. However, the contract was output-based, so the requirements would have been about what our expectations were, in terms of delivery of the service, rather than that the service must do a certain process or link to a certain page.



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Q60 **Lee Rowley:** You must have signed off an operating model or business processes. At some level, you must have signed off on something that indicated to you what the productivity was.

Adele Downey: As I understand it, when the contract was written and delivered to TCS, which was before DBS, a significant set of business design documents were given to it. However, the actual build and design, and implementing those design requirements, was clearly within TCS's accountability, and is what it did. We tested it at the end. We monitored its performance testing stats.

Q61 **Lee Rowley:** Testing is not my point. You never signed off the design?

Adele Downey: I didn't, no.

Lee Rowley: The entity you represent?

Q62 **Chair:** It was in October that TCS came in and December when DBS was formally set up.

Adele Downey: Tata came in 2014—

Q63 **Chair:** Sorry; that was in October 2014, but you were created in December 2012.

Adele Downey: Correct, but it was in October 2012 that the contract was signed with TCS. DBS took responsibility for the programme in October 2014.

Q64 **Lee Rowley:** I am trying not to be flippant, but I find it utterly extraordinary that you, as the client, had no concept of what TCS was building. If TCS had proposed an operating model based on unicorns, presumably that would have been unacceptable, so you must have had some kind of impact on it.

Adele Downey: It was an outcome-based set of requirements. If it would help the Committee, I will write back to you and tell you exactly what Home Office, CRB and DBS involvement has been during the process of the delivery of this system.

Lee Rowley: That would be very helpful.

Q65 **Sir Geoffrey Clifton-Brown:** On those answers, if you had no input in the design, who owns the intellectual property?

Adele Downey: From my recollection—I can confirm this afterwards—the contract provides for us to be able to take responsibility for the IPR at the end of the contract.

Q66 **Chair:** Even with the dispute that is going on?

Adele Downey: That is not under dispute.

Chair: That bit is not. Once you have sorted out the other legal issues, the intellectual property will be—



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Adele Downey: Yes. The new providers will be taking over the existing systems of R1 and R0 as they are. They will not have to build something new. They will be taking existing systems.

Q67 **Sir Geoffrey Clifton-Brown:** So you will be taking over all the source codes free of charge, and will be able to give them to the new supplier.

Adele Downey: We paid for that through the ticket prices. It is not free of charge. We have already paid for that.

Sir Geoffrey Clifton-Brown: Yes, but TCS will not be making a charge to you for those intellectual property rights.

Adele Downey: No, because we have already paid for it.

Q68 **Chair:** How will you exploit that intellectual property? We are the only country in the world that does this.

Adele Downey: I do not understand the question.

Q69 **Sir Geoffrey Clifton-Brown:** Clearly, that computer system is worth something—the action. You have paid for the design. They have gone away and designed it. It is worth something. You are going to pass the source codes over to the new supplier. So there is a value in that. How will you maximise that value?

Adele Downey: In the future, when we get new providers in, and they understand the issues, the systems and the design, the idea is that we will work with them to iterate improvements. There will no longer be a big bang, as if we are going to chuck everything out and start again. We will be working in an agile, developmental and iterative way, to exploit what we have, and build and develop it with our new providers in the future. We are going to a more disaggregate model, rather than a big-bang model. We will not be doing another R1 implementation. That is not the intention.

Q70 **Sir Geoffrey Clifton-Brown:** Are the plans to maximise the value in this by selling it to other countries, for example?

Adele Downey: Ah—

Chair: Sir Philip is shaking his head.

Sir Philip Rutnam: To be honest, our top priority is ensuring that DBS continues to deliver a safe and secure service, and meets its service level commitment, and, having effected the transition from the existing supplier to the new suppliers, that it develops an appropriate strategy for the way forward. There may be some commercial opportunity downstream. I want the team at DBS, from the chair downwards, focused on those tasks.

Q71 **Sir Geoffrey Clifton-Brown:** Can you give us an absolute assurance, on behalf of the Department, that the intellectual property rights in this system and any iterations of it will still continue to belong to the Government?



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Sir Philip Rutnam: I have to say that on that point I am reliant on Adele's expertise and testimony. I think it may be helpful for us to write to you on the detail of what the intellectual property position is. Given past transactions that I have been involved with, DBS may well not have the ownership, but have an indefinite licence to use. I suggest that we write to you on that.

Chair: It would be helpful if you could write to us.

Sir Philip Rutnam: They have the access, which is the key point.

Q72 **Lee Rowley:** On testing, your point about productivity is that when it went into your live environment there was a problem somewhere. Did you not do any model office testing?

Adele Downey: We did some user acceptance testing.

Q73 **Lee Rowley:** But that is not in a live environment; that is in a test environment. Did you test in a live environment?

Adele Downey: There was no live environment testing.

Q74 **Lee Rowley:** Why did you accept it?

Adele Downey: Because it passed all the scripts, and all the information from their testing that we were monitoring seemed to suggest that it would have been acceptable. With hindsight, I agree with you. One lesson we will learn, particularly with the sensitivity of the data that we use, is whether we can exploit live data environments to be able to test it. I think that is something that we will need to consider for the future.

Q75 **Lee Rowley:** As somebody who used to run UAT and model office testing, you never accept things into a live environment. You never, ever do that. Was that the recommendation from your IT guys? You must have had some kind of small IT team.

Adele Downey: We had a very significant assurance process of all the different testing that had been done and all the scripts that we were following. The programme board accepted that all of those activities have been completed in accordance with our acceptance criteria, and the system was accepted.

Q76 **Lee Rowley:** Were your environments level? Were they the same?

Adele Downey: That is too technical for me. I will come back to you.

Q77 **Lee Rowley:** I simply do not understand how a sign-off could have been achieved on testing if there was no attempt to do anything live beforehand. There are multiple methodologies—model office, friends and family, weekend testing, late-night testing and reversals—to prevent these things happening. I just do not understand how that was possible. That is a total derogation of responsibility. How was that signed off? Who signed it off?

Adele Downey: The programme board accepted the criteria. That was implemented and then it was signed off by the programme board.



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Q78 **Lee Rowley:** And the programme board reported to whom?

Adele Downey: I chaired the programme board.

Q79 **Lee Rowley:** On what date was this introduced?

Adele Downey: We introduced barring on 4 September—

Lee Rowley: September 2017?

Adele Downey: Yes, September 2017. Then we started introducing the basic system on a gradual, incremental basis, up until the end of January, because Disclosure Scotland was delivering basics before DBS took over the basic product, so we had a transfer of responsibility at the end of January. At the end of January, DBS took full ownership of delivering the basic product.

Q80 **Lee Rowley:** So you knew all of this last March, when you were in front of us—that productivity was off a cliff and there were real problems.

Adele Downey: At that time we were in very small numbers, and we were working very closely with TCS about how we could improve productivity. We worked for a significant period to try to improve that, but the root cause of the situation did not become apparent in our analysis fast enough, which is why, when we got to June, we felt that the decision for the protection of our services was the right one to take.

Q81 **Lee Rowley:** The problem with that statement is that last year you told me—in answer to Questions 53 and 54—that it had been done in full. Either you were incorrect last March, when you told me that it had been introduced in full, or the statement that you have just made is incorrect.

Adele Downey: Basics was introduced in full, but not the rest of it. I never said that it had been—

Q82 **Lee Rowley:** In answer to Question 53, you said that “the barring element has been done in full”.

Adele Downey: That is absolutely right; barring had been delivered in full in September 2017. Basics started its roll-out in September 2017, and it completed its roll-out by January 2018.

Q83 **Lee Rowley:** You said, in answer to Question 50, “We have introduced it for basic certificate...That has already been introduced in full. Yes.”

Adele Downey: Where are you looking?

Lee Rowley: Questions 50 to 52 from last year’s evidence session.

Adele Downey: That is correct. They are two different things. Electronic referrals refers only to the barring service, and to nothing else. That was introduced in full in September 2017. We did two things with it: we introduced barring, and we introduced a new product, basics. That was the correct answer to that question about electronic referrals for barring.

Q84 **Lee Rowley:** So last year, when you were here, the productivity was off a cliff, albeit with a smaller set of volumes than you wanted it to be, and



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you were still hoping that productivity would increase, as it has done. Why did we not start the testing on the other elements until you made a decision?

Adele Downey: We haven't done any testing on the standard enhanced disclosures—

Lee Rowley: I know, but why not?

Adele Downey: Because we were focusing on making sure that the current implementations were performing as they should be, and that was the element that was damaging my confidence levels. I wanted to make sure that that was going to be able to work effectively before we extended it to the more complex environment of standard and enhanced. We had to fix what we had first.

Q85 **Lee Rowley:** What should have happened in order to give you confidence? What were you hoping for?

Adele Downey: Ideally, I would have expected TCS to be able to get to the root cause of the performance issues very quickly and then be able to ramp up the performance level to satisfy my requirement; to give me confidence that we would have been able to deal with the increased level of volumes that standard and enhanced disclosures deliver. That did not happen.

Q86 **Lee Rowley:** What was your cut-off date for having to have that confidence in order to make sure that you could still achieve everything you told us you were aiming to do last March?

Adele Downey: It was June. I wanted to make sure that after six months of full operation, although it had started in September, it would be meeting my requirements. The main driver for that was that the contract with TCS was ending in March 2019, and any extension to that contract had to be arranged six months in advance. So I had to be sure that by September, I was going to be ready to extend the contract sufficiently to allow them to implement the R1 into disclosures, standard and enhanced. I was not satisfied or confident at that stage, and that was supported by the Home Office as well as my board. So we took the decision at that time that we would not proceed with implementing the modernisation any further, and that we would look for new providers.

Q87 **Lee Rowley:** How much code has been thrown away?

Adele Downey: No code is being thrown away, because we are using the systems that have been implemented, and they will be enhanced in an iterative fashion in the future. The element—

Q88 **Lee Rowley:** TCS said last time they were here that they had built the code for the next phase.

Adele Downey: Yes, I was just going to come on to that. The element that had been built, and that we had already paid for, if you like, through



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the ticket price to TCS, was £9.4 million that we wrote off in our annual report and accounts.

Q89 **Lee Rowley:** That is the development that you chose not to test, and which you have binned.

Adele Downey: That is an element that is part of our dispute.

Q90 **Lee Rowley:** Is that code accessible to you, or are you not touching that code?

Adele Downey: We are not touching that code.

Q91 **Lee Rowley:** Is your concern about that code that it will be full of bugs, or that the operating model upon which it was based is incorrect, or something else?

Adele Downey: My technical team advised me that they believed that the design and architecture is potentially flawed. My personal concern as chief executive of delivering the services that we do is that it would have impacted on my level of productivity and caused very difficult issues if people could not get into jobs safely, and if employers could not get the decision that they need.

Q92 **Lee Rowley:** So it was a conceptual problem, basically—a problem that has been there from the beginning. It is not about whether it was built right; it is about what you were building in the first place.

Adele Downey: No, it is not, but I have to base this on my experience of what was happening with the basic product, and my knowledge that the enhanced and standard product is a far more complex one to implement, because that is where it interfaces with the police, and with 2,000 registered bodies, whereas the basic product does not interface with the police at all and has 50 registered organisations. My team built, with the support of another supplier, the element of basics that is digital to direct customers.

Q93 **Lee Rowley:** Okay—we are where we are. Looking forward, you are going to retender for two contracts. What are you seeking from those new contracts?

Adele Downey: We are using the Crown Commercial Service's frameworks—that has tested capability of the providers. We will be looking, particularly from the technical services aspect, for them to take over existing services, make sure that they fully understand the design and architecture, and then, at the end of that, work with us to begin to plan a road map to what our disaggregation model might look like for the future.

We need to make sure that the services are safe, and that the systems are stable. That is what the tech services will do. The business processing will take over subcontracts that TCS already has, as well as implement a contact centre. And they will also be taking, exactly as they are now—so it is a re-procurement of existing services—and then they will look to work with us for improvements in due course.



Q94 **Lee Rowley:** When you say “safe” and “stable”, does that mean that it is not safe or stable at the moment?

Adele Downey: It is safe. This year we will do 1.8 million basic disclosures, and we are meeting our standards. The main issue there is that I have had to do it with more resources to make sure that I can deliver the service that my customers want. That is an aspect because of the productivity; it is a productivity issue.

We also need new providers, because TCS has been less than co-operative with sharing documentation and information with us. We need to make sure that all of that is well documented by new providers, so that we can work out where the opportunities will be for any further iteration and improvements to the system. That is what I mean.

Q95 **Lee Rowley:** Safety and stability mean very specific things in technical contexts, so what you are actually saying is that you are not using a technical definition of “safe” and “stable”: the platform works, the bugs are fixed. So this is actually an operating model question—an efficiency and productivity question. Am I right?

Adele Downey: Yes, because the performance of the system is not as we would expect. It is slow and clunky, essentially.

Q96 **Lee Rowley:** You told me a few moments ago that that was primarily an issue with the architecture and the design—well, those were my words rather than yours. How will you extract more productivity out of a conceptual, architectural problem?

Adele Downey: As I say, some of it is slow and clunky, so we will be looking for improvements in screen design and how my staff can move more quickly from one aspect to another. For some of the design, our staff are giving us information from live use about how it could be better. The customers do not like the portal that is being delivered, which is really quite clunky as well, so we need to take information from them about how they want to interface and look for improvements. To do that properly, we need to have the design documentation, so that the new providers can fully understand that a change they make in one place will not have repercussions elsewhere in the system. That is a sensible way to approach it: we will re-procure the services, they will take them as they are—they are working; they are just not providing the efficiencies that I was expecting—and then they will move forward, working with us, so that we can have control of what changes are made and when.

Q97 **Lee Rowley:** So you are going to build it again.

Adele Downey: No, we are not. We are going to take it as it is, and there will be incremental, agile change as we identify opportunities. At this stage, there is no question of big bang—of chucking it all away and starting again. That is not the intention.

Q98 **Lee Rowley:** This is an architectural problem, so you can go only so far with productivity gains. It is like saying that you would like your house to be different, but needing to change all the walls. That is not reconcilable.



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Adele Downey: But you can change the design of your house, to make it more economic to move around.

Q99 **Lee Rowley:** You can, but you have told me that you still have a 30% productivity problem.

Adele Downey: Yes, that is my point. We will need to have a look at the design, when we get all the design documentation from TCS, to see where the opportunities will be for us to improve how the system performs. That is fully our intention.

Q100 **Chair:** But it will be the new contractor doing that, not DBS.

Adele Downey: With us. Not TCS—it will be the new contractor who will come. They will take it as it is—

Q101 **Chair:** To take Mr Rowley's analogy, it is a bit like when a builder goes bust on a project and no one wants to take it over halfway through. Will that not become quite a problem in the retendering?

Adele Downey: No, actually. We have gone to the Crown Commercial Service, we are looking at frameworks and we have held very positive supplier days with a number of very interested suppliers of those frameworks. We have had two supplier days, and we are very confident that we will get sufficient interest. We have been very honest with the suppliers about the likely level of documentation and the likely lack of co-operation during the transition, but the suppliers we have spoken to are very keen to engage with us. They see this service as very important. We will definitely know in the next few weeks, because the tenders are due back at the end of this month.

Q102 **Lee Rowley:** Just so I am clear—so that I can summarise it in my head—we took a service, we “modernised” it and productivity dropped off a cliff by a half. It has now got a little better, and we are about to go through a total re-procurement to use the same system, which you are concerned is architecturally flawed, in order to get us back, potentially, to close to where it was before it was touched. Is that the summary?

Adele Downey: Yes, because that is the sensible way to go about it.

Q103 **Lee Rowley:** It is not a very sensible story to happen, though, is it?

Adele Downey: It would not have been a sensible thing to continue to pursue the implementation to standard and enhanced.

Q104 **Chair:** So if we do well, we are back where we started?

Adele Downey: I am hoping we will be able, through iterative change, to improve it. That is the whole point—we want to improve it.

Q105 **Sir Geoffrey Clifton-Brown:** You said that you are in dispute with TCS over part of this contract, and that you are having difficulty in getting information out of them. You have tenders coming back in the next few weeks, but that is dependent on getting the information from TCS. How confident are you of being able to get all that information from TCS—let



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alone the source codes, if you think you own the IP?

Adele Downey: We have given the potential suppliers a very robust set of documentation already about the services they are going to take over, and we have asked them to be very specific about what they require—what they have an absolute dependency on with TCS—during that transition and what they are able to come in, take over and, during the transition period, go and find out for themselves. They will determine and tell us what they need, and once we have that information it will become part of the conversations we have with TCS about gaining that documentation.

Q106 **Sir Geoffrey Clifton-Brown:** But in the initial phases, they will not necessarily know what information they need.

Adele Downey: That is the purpose of the transition period.

Q107 **Sir Geoffrey Clifton-Brown:** Yes, exactly. Surely you are going to be requiring TCS to hand over all the information they have, plus the source codes. Then there can be no question of them withholding any information.

Adele Downey: Correct, but the new providers are going to be working on the basis that that might be quite difficult to get.

Q108 **Chair:** From the letter that Tata sent, it is obvious that there was a slightly tense exchange. I must say you were very restrained in your response, Ms Downey, but there was a rather threatening letter from TCS. Is that typical of the kind of information received?

Adele Downey: Yes.

Q109 **Sir Geoffrey Clifton-Brown:** Is this likely to cause a delay—yet further delays—in the whole system?

Adele Downey: A delay in the whole system? We are not going to be—

Q110 **Sir Geoffrey Clifton-Brown:** Well, you have retendered and your new suppliers are coming in, but if they cannot get the information they need out of the old supplier—TCS—that is inevitably going to cause a delay.

Adele Downey: There is potential for that, but we have spoken to the new suppliers to say, “You may have to use the transition period to come in and have a look at the architecture.” We expect that a lot of the existing staff who are working on it will TUPE across to the new provider because they will want to retain their employment in these areas. We expect that to happen. We have assumed a six-month transition period to enable that learning to take place for that transfer, but we are waiting to see what suppliers tell us they want. We will have that conversation with them during the process as we consider the tenders, which are due back in the next few weeks.

Q111 **Chair:** Tata do say in their letter that they do not think it is a very long transition process, but obviously, given that there is a dispute going on as well, six months is quite optimistic. Are you expecting that to extend?



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Adele Downey: I would not want to pre-empt what the suppliers are going to tell us. We have said to them, "This is what we've assumed," but we want them to tell us what they think is an appropriate period. A lot of the suppliers are suggesting that it will be faster than six months, but I will want to make sure that they are being sensible and not too over-optimistic themselves. The difference this time is that they are taking services as they are. On Friday, TCS leaves; on Saturday, somebody else comes in. We are not changing anything for employers or for the staff. We are not changing any services whatsoever. We are not changing any IT. It is all just as is. We are just changing who is running it, and then we will work with those suppliers to move, on an iterative basis, to improve the services we deliver.

Q112 **Sir Geoffrey Clifton-Brown:** Either we are not understanding you in our questioning or you are not understanding us. New suppliers come in on a Monday; the previous suppliers having finished on the Friday. It is almost as if they cannot get into the code of the computer, basically. How are they going to do their job?

Adele Downey: Let me clarify that. That is after the six-month transition period. There will be a six-month period when TCS and the new supplier will be working alongside each other. That is the transition period that—

Q113 **Sir Geoffrey Clifton-Brown:** But whether it is six months or a year—however long it is—how are you going to manage the new contract if, effectively, you cannot get into that code? Let's cut to the chase: have you sought any guarantees from TCS that they are going to hand this stuff over?

Adele Downey: We have lots of conversations with TCS. They are obliged to give us a service transfer plan, which, once we get into exit, they will do. As part of that, they are obliged to give us the documentation that they have. My experience so far has been that they are less than co-operative and they will take a long time to do that, so we need to be open to the fact that this will be a difficult transition. We have been open with potential suppliers about that, but from the conversations we have had, suppliers are saying that they have done this before—they have had to step in when a supplier has been terminated, for whatever reason, and create the documentation and consider what is necessary. TCS have committed in their letter that they are keen to make sure that they support and protect the services we deliver. My expectation is that they will give us the information we need to ensure that we can continue to deliver the good services that we do.

Q114 **Sir Geoffrey Clifton-Brown:** I don't want to labour this, because we are not really getting anywhere, but what conversations have you had with potential tenderers about how, if they get no information, they will still be able to build a database?

Adele Downey: They do not have to build anything; they are taking over what is already there, being delivered by the staff and working on a daily basis. They are not building anything, but we have had supplier days with all the relevant suppliers twice now, and once after the tender was—

Q115 **Chair:** How many people have come to supplier days? How many companies?

Adele Downey: A number of suppliers—in double figures—are on the Crown Commercial Service's framework.

Q116 **Chair:** And they have all come along?

Adele Downey: They all came to the first one. We then did non-disclosure agreements with nine or 10 of them, and then we had a supplier day where I think about half a dozen came, after we had issued the procurement, so they could come and ask detailed questions. All of them—all big, well-known companies—have said they are quite confident about how they would be able to manage that in the event of unco-operation.

Q117 **Lee Rowley:** Just so I am clear, what are you actually tendering for? You are tendering to hand over the service as is on day zero, and then how will the tender be structured in terms of future iterative development—that they must do it, that they can do it or that they will do it? What will be the mechanism in the contract to pay them accordingly?

Adele Downey: The contract, essentially, is to take over the current services and then to work with us to build a road map for what disaggregation would look like by the end of the contract.

Q118 **Lee Rowley:** What does disaggregation mean?

Adele Downey: At the moment we have everything either in R0, which is the existing disclosure, enhanced and standards, and we have R1, which is basics and barring. When R1 was considered, it was big bang, it was everything all at once—the whole service for interface with the police, staff and customers, all in one go. The disaggregation will take elements of the design and service and look at where we can iterate and make things more digital and automated, but in pieces, in a modular fashion, not saying, "We're going to be taking the whole of the system in all aspects and completely replacing it." It will be building on what we have, going forward.

Q119 **Lee Rowley:** So back to the original question—thank you for that—what does your tender look like in terms of development? Are you paying them on a piece-by-piece basis, or what?

Adele Downey: It is a fixed-price basis for the tech services and a transactional basis for the BPO and contact centre.

Q120 **Lee Rowley:** So it is zero cost: you agree, "I want to change this bit of the framework or this bit of the tech," and—

Adele Downey: No; the tech services is about taking over what we have, helping to ensure the documentation is right, helping and working with us on a road map for disaggregation in the next two years—that is what we expect. That is what it will be for and we will be paying a fixed price. The ultimate aim is that they will also support DBS in building capability internally on systems integration and service management, so that by the



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end of that period we can decide what we want and we will go to the right people. Potentially, the existing supplier at that time will be in a very positive position to be able to help us to begin that disaggregation and improve the system on an iterative basis.

Q121 **Lee Rowley:** So you are paying them for consultancy to understand what you already have?

Adele Downey: No, we are paying for them to take over the service and manage the IT.

Q122 **Lee Rowley:** "Consultancy"—you are paying them for technical consultancy about what you already have and where you might want to take it.

Adele Downey: No, I don't agree with you. What we are doing is paying somebody to come and manage our IT, maintain the existing IT systems that we have and ensure that everything is designed and sorted out properly.

Q123 **Lee Rowley:** That's maintenance, I agree with you, but in terms of where you go next, you are paying for somebody to come in and consult with you about where you want to take it.

Adele Downey: We have not decided where we are going to go next, but they will be helping us to build our capability and working with us on the road map, and we will become more in control of what we do and when and how we do it.

Q124 **Lee Rowley:** And you are paying a fixed price for that?

Adele Downey: Yes.

Q125 **Lee Rowley:** Is that a fixed price for—in my words—the consultancy to decide where you are going, or is that a fixed price for the consultancy plus some development?

Adele Downey: It is a fixed price for the delivery of this contract to maintain and manage the IT services, with those elements, to support us to reach a disaggregated model.

Q126 **Lee Rowley:** I'm accepting your maintenance is in.

Adele Downey: Can I finish? They will be providing a fixed price, but we do not know what that is until those tenders come in, and it will be one standard price within that. If we want them to do other work along the way, because collectively we see an opportunity to begin enhancements earlier, there is a set pricing model that comes as part of the commercial services contracts. We will be able to use those pricing terms, so that we can develop the system earlier should the opportunity arise.

Q127 **Lee Rowley:** Okay. So we are moving from a delivery model in which we know where we are going and which we could not achieve to one in which we don't know where we are going and we do not know whether we can achieve it.

Adele Downey: I think we know that we want to improve our digital services, that we want more automation, that we want to be faster and that we want it to be more accessible for customers. We know the sort of outcomes we want from the system. In terms of how best to do that, that is still to be worked out through this road map.

Q128 **Lee Rowley:** So is your definition of modernisation still what was outlined in 2012, or has it changed now?

Adele Downey: I think modernisation never stops. We have a continuous improvement programme within DBS and we will continually improve our services, exploiting the changes in technology that happen around us. The way in which technology is delivered now is very different from in 2012, and what was envisaged with this contract—

Q129 **Lee Rowley:** I don't need a lecture on the changes between now and 2012. You had a definition of modernisation in 2012—

Adele Downey: It is continuous improvement.

Q130 **Lee Rowley:** Continuous improvement is a meaningless phrase. You had a specific definition of modernisation in 2012 that was in your business case. Is that still what you are seeking to achieve? You must have a series of overarching principles in order to work through your tender, so I want to know what your destination is, irrespective of how quickly or slowly your tender may get there.

Adele Downey: I definitely think that the elements that were in the business case, of the objectives that we were aiming for, are still valid today in terms of digital, automation and faster services. How we implement it is slightly different, and will continue to change as technology moves on and changes. We want to ensure that we use an agile approach so that we can do things in a smaller way, and faster—and fail fast. If we make a mistake, we don't want to take three or four years to find out that something is not working—we want to do that quickly. We want to take on board more customer views on exactly how that will be delivered. It will continue to change.

Sir Philip Rutnam: I think Adele has answered you to a significant extent, but I want to make the point that if you think about the strategy for this organisation, a particular strategy was adopted back in 2012—actually even before DBS existed. I think there is a piece of work to be done about the strategy for this organisation and its services for the 2020s, which needs to involve, in particular, a deeper understanding, as we were discussing last year, of the customers—

Q131 **Chair:** You say it is needed; are you doing that? Is it something you are setting in train?

Sir Philip Rutnam: It is starting, yes. I think there is more to be done. The arrival of the new chair in the organisation will help with this. The Department will have a very important role—

Q132 **Chair:** But I would have thought it would be important for the



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Department to have a role because DBS came from bodies that were creatures of the Department, to a degree—quite a large degree.

Sir Philip Rutnam: Let me just give my example in terms of customer insight. It is a very complex customer landscape, with millions of potential employees moving into roles, the employers and the registered bodies that exist at the moment. More work needs to be done, yes by the Department, but also with DBS about the forward-looking strategy.

Q133 **Chair:** Can I just quick-fire to you then? On the number of registered bodies, there is always talk about reducing them. Is that something you think this review should look at, or are you already doing it, Mrs Downey?

Adele Downey: That is a constant process. We currently have about 1,600 registered bodies—

Q134 **Chair:** And some will do only a handful of cases.

Adele Downey: Correct.

Q135 **Chair:** So there are still too many.

Adele Downey: Yes.

Q136 **Chair:** That was being talked about a decade ago, before DBS—

Adele Downey: But a decade ago there were 14,000 registered bodies, so it is a continuing improving picture.

Q137 **Chair:** Volunteers all get free checks.

Adele Downey: They do.

Q138 **Chair:** If you are the sort of person who has the time to volunteer, you may volunteer in three or four different bodies and have different checks with them. Would it not be sensible to think about a proposal to make the checks free only if they are done through the continuous update process, because of the huge cost to the system of the volunteers? Is that something that is in your plan?

Adele Downey: Yes. On the application for a volunteer process, not all employers or volunteers will accept the update service.

Q139 **Chair:** Which brings me to the point about not having employers' systems, as we discussed last time. If you are a teacher and you are checked every three years and you have to have a paper certificate, there is no point in being on the continuous update service, because your employer's systems do not recognise that. It could be that—I look particularly at Sir Philip or maybe at Mr McPherson—if Government as a whole deals with volunteers in the sense of charities and other bodies, and if you want to have this for free still, you need to look at getting into the continuous update process. That would be a way of saving a lot of money and a lot of hassle for volunteers and the many bodies involved. Is that something in your plan to look at?



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Sir Philip Rutnam: It is not an idea that I have personally come across before. It links to my wider comment about the need to lift our sights a bit and think about where do we want—

Q140 **Chair:** We are here to look at efficiency and economy. It is not our job to decide the policy on volunteers. That has been a long-standing policy, but it does not seem to be very effective. If you volunteer in five places, you have to have five different paper certificates, which costs DBS a lot to administer, and yet there is still, however many years on, no attempt to deal with the fact that the volunteers cost. They are quite a drain—not a drain, but an additional cost.

Adele Downey: We currently have more volunteers as a proportion of paid in the update service than we do as a proportion of the paid disclosure service. So there are more volunteers in the update service. We have currently got 1.5 million people in total who use it, which is tracking identically to our 2014 business case forecast. It will continue probably to maximise around 1.9 million. We don't think it will go much further than that at this stage. I wrote to you and told you about the research that we did. One of the things that employers want is to be told when something has changed. It is quite easy for people to check because they literally just have to have a computer: three clicks and they can find out whether a disclosure in front of them has changed. Schools can do it, and some schools are using it. It is more that they do not want to have to plan in that time to say every three months, "I'm going to check on my staff." They want the Government to tell them, but that goes against the policy that was introduced on proportionality and the individual owning their data. That was introduced with the Protection of Freedoms Act 2012, so that is a Government decision whether that changes.

Q141 **Chair:** Also, I can see huge system issues if someone has left that employment.

Adele Downey: There would definitely need to be system changes as well as legislative changes.

Chair: It would be very complicated.

Q142 **Sir Geoffrey Clifton-Brown:** Sir Philip, you hinted that the Department needed to get a better grip on this organisation. From everything I have heard this afternoon, it sounds a bit like an organisation that is just drifting, to put it kindly. Can we have a commitment that the Department will come up with a comprehensive remit for this organisation? If that is the case, what sort of timescale do we envisage?

Sir Philip Rutnam: I don't think I said any of those things either exactly or by implication.

Q143 **Sir Geoffrey Clifton-Brown:** Tell us what you did say and what you would commit to.

Sir Philip Rutnam: What I did say is that I think we need to get through this procurement, the transition, and get those issues resolved. But we also need—I think it has been some time since it has happened—to think



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about the forward strategy for the organisation and the services it provides. That inevitably will link into policy. I don't think I can give a commitment here, but there is a need for that. In terms of the remit, there is of course a remit for DBS and the DBS board. The arrival of the new chair, who is now getting her feet under the table, is a very important opportunity to recalibrate expectations for the board going forward.

Adele Downey: I just want to come back on the point about the organisation drifting. Since it started, DBS has issued certificates to 29 million people. We have barred 21,000 people from getting into services. We have started our digital service with basics. That is another 1.8 million that we have done and we expect that to happen. We have a 90% satisfaction rating from customers. We are doing things faster than ever: 60% of our basic disclosures are delivered in 24 hours, and 35% of the standard and enhanced ones are delivered in 24 hours. The organisation is also delivering cheaper than it was before. In the last five years, we have increased our volumes by 78%, but our cost base has only increased by 3%.

To come to the strategy point, we are currently in the middle of a three-year strategy; we are about to go into the final year of that. The new chair, with the board, will be working out, with Home Office support—Ministers have to sign off the strategy—what the strategy for the next three to five years is going to be, as part of the normal cycle. Once we have a clear view of what that strategy is, that will then determine what our portfolio of change programme is, to make sure that we are focusing our efforts on improving the areas in the system that are going to deliver what the new strategy is going to deliver.

Sir Geoffrey Clifton-Brown: Thank you for that very good answer.

Sir Philip Rutnam: May I just add one thing? I want to give credit to Adele for that great record of achievements and the very professional service that the DBS provides, day in and day out, in a vital area of public interest. I also want to give credit to the DBS's staff, having visited both Liverpool and Darlington. Another great asset that the DBS has is its 1,000 or so very committed and professional staff. So we have great, great resources here.

Q144 **Lee Rowley:** I want to go back to your point, Sir Philip, about a piece of work that needs to be done to understand where you are going. If that is the case, I can't quite understand why we are tendering for a new and very important contract at this stage. When we are not sure what the destination is, how can we choose the car that we need to drive there?

Sir Philip Rutnam: I recognise the question. I think we have to recognise also the situation we are in. We need to make a transition to new suppliers that are capable of delivering the existing services in the way that Adele has talked about, but also of working flexibly, creatively and effectively with the client on the future. So in the tender process, we will be looking for somebody who is able to work flexibly and effectively. There is plenty of experience out there. At the same time, another very important



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development within the DBS is to continue boosting its own IT capability—its own capability as a client—and of course, across Government, we are doing all we can to provide support to that. I recognise the point and I think that, if we were in a purely logical world, I would agree with it, but we have to work with the situation as it is, and I do believe we can do these things very much in parallel.

Q145 Lee Rowley: So you would accept, logically, with the decisions that you are going to make over the next few months—whatever your timeframe is—either you will be signing up to a contract that is very broad and very generic, and will probably be paying for that as a result, or you are going to limit the choices that you probably have as a result of that strategic review or whatever you decide to call it?

Sir Philip Rutnam: No, what I would say is that what the tender process, as I understand it, will do is seek to bring on board a partner in the technology area in whom we can have confidence around the delivery of the services, but who also has the expertise and capability to work effectively with a client in developing the set of options, essentially, for the path into the future. There are plenty of suppliers out there, as we will see through the tender process, in terms of quality—the capability, the management team they are willing to bring to this—but also price.

Q146 Lee Rowley: But you know as well as I do that lots of suppliers will say that is perfectly likely to happen; they will promise the moon, and actually they all have their individual expertise, knowledge, bases, and background that would be better fitted—but I get your point about how you are where you are.

I have a final point on the technology before I move on. On the decision not to complete the modernisation or to create a slightly more fluid process around modernisation, what legacy and obsolescence issues does that cause in your technology base, and how much run rate is that going to cost you on your operating costs in the coming year?

Adele Downey: If I understand your question correctly, the legacy system that currently provides the services for standard and enhanced has been in existence since the CRB was delivering those services. It is a very high-performing system.

Q147 Lee Rowley: Roughly how old is it?

Adele Downey: It is from 2002, believe it or not. It very rarely has any outages at all, and it is delivering these 6 million-plus disclosures, plus the 1.5 million updated services every year. We will be working with TCS and Vodafone, which provide the infrastructure, on looking at upgrading the infrastructure to enable it to last a bit longer. That is what we are doing. It is a very robust system that, so far, has not had any major outages at all in the last 17 years.

Q148 Lee Rowley: Do you expect it still to be in operation in another 17 years?

Adele Downey: I would hope not.



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Q149 **Lee Rowley:** The reason I ask is that there is a disconnect in describing your future tender as agile and piecemeal, and seeing what we can do and can't do, if you have fundamental legacy obsolescence issues underneath, which I would suggest a 17-year-old system probably has.

Adele Downey: The infrastructure is going to be upgraded. That is the first thing that is happening. After that, we will be looking to iterate, develop and disaggregate, as I mentioned to you before, to make sure the service is not only modernised, but continues to deliver the good service that we have got. There may well be parts of the system that are working perfectly well, but we will continue to evolve the bits that aren't. I wouldn't like to pre-empt the work that is still to be done about what that iteration is going to look like, because we haven't identified or developed the roadmap for that yet.

Q150 **Lee Rowley:** This is a statement, rather than a question. I fundamentally worry about how you reconcile some of these statements. You have decades-old systems that fundamentally require replacement at some point, and a desire to go into a multi-year process of agility, flexibility and piecemeal break-up. Those things are very different. You are either replacing, and it is a high-impact, high-intensity replacement activity that takes a number of years—that is what you were originally doing from 2012—or you are not, and then you are accepting a load of additional risks. I don't see how those things are reconciled, but I will perhaps let you guys come back to this Committee in time when you have a clearer view.

Can I talk more about fees? Last year when you were here, you accepted that there was a challenge with the fees. Particularly on one of the products, people were overpaying. What is the status of the product review that you were undertaking last year?

Scott McPherson: When we were before the Committee last year, we committed to doing a full review of the entire fee structure, in collaboration with DBS and the Home Office. That review has been completed. We have developed some proposals to reduce fees, which we are currently discussing in Government between the Home Office and the Treasury, because Treasury approval is needed for fee changes, in accordance with "Managing public money". Our expectation is that we will be reducing the fees later this year. It will require a statutory instrument to make the changes. I anticipate that we will be making it before the summer, with the expectation that fees will be reduced in the autumn.

Q151 **Lee Rowley:** Is that an across-the-board reduction, or a reduction for just some of the products? Can you say which ones?

Scott McPherson: I think that will reduce all the disclosure product fees.

Q152 **Lee Rowley:** And that will take effect within this financial year if the SI goes through?

Scott McPherson: In the autumn of this calendar year.

Q153 **Lee Rowley:** You had a problem with unit costs last time you were year—



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£22 for the one for which you were actually charging £13. What is the current unit cost?

Scott McPherson: I will have to look to Adele for the details of the unit costs.

Adele Downey: If I told you the unit costs, I would be telling you what we think the fees are going to be, and they haven't been agreed yet. Maybe we could write to you on a confidential basis afterwards and tell you what our proposals are.

Chair: That would be helpful. We can hold you to that.

Q154 **Lee Rowley:** I agree with the Chair. Can I ask a supplementary question? Is the unit cost still £22?

Adele Downey: No.

Q155 **Lee Rowley:** Is it significantly or marginally lower?

Adele Downey: It is lower.

Q156 **Chair:** My last question is for Sir Philip. You have talked a lot today about the new chair. You repeated that. It is interesting, when people have a message to get across, how often it gets repeated when we look through the transcript. There is a change of leadership. Ms Downey has been there for some time. Were you there under Steve Long?

Adele Downey: I was.

Q157 **Chair:** So Ms Downey has been involved for quite some time. What about your senior management team? How many of them have been involved in the system for that length of time, just at DBS?

Adele Downey: We have a very strong senior management team. I recruited quite a number of them during my tenure as chief executive.

Q158 **Chair:** So there is going to be some continuity. What I am trying to drive at is that you have been there a long time, through previous versions of—

Adele Downey: Absolutely. A very strong team.

Chair: But you have got this change of leadership. Sir Philip, are you convinced that there is going to be continuity, from a Home Office perspective? You have a new chair and a new chief executive coming in. I suppose it could potentially be an internal candidate with experience, but it could be somebody with no experience of the system. Are you worried about that change of leadership, with all these major plans underway?

Sir Philip Rutnam: Change of leadership in DBS? Well, one should always pay close attention to it; it is always an area of risk. However, I do have confidence, and not just in the new chair who is being recruited and appointed, and who is very—

Chair: Yes, you have said this several times; this is my point. You have got so much confidence in the new chair—



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Sir Philip Rutnam: Not just in that. It is DBS's recruitment rather than the Department's. However, building on the very significant achievements and record that Adele has been responsible for as chief executive, I am confident that we will be able to recruit a strong chief executive. It is a really important job. It has, in a sense, the advantage of not being located in London, so we are appealing on the civil service salaries to a different sort of job market, and I think it is a great job.

Q159 **Chair:** I have visited both Darlington and Liverpool—it was a long time ago now—and I pay testimony to the staff putting in hard work. It is just a shame for many people that they are working in quite a glue-like system at the moment, as the intended changes haven't come to fruition—I think there is some frustration there. Ms Downey, do you go with your head held high, or do you wish that you could stay longer? You are off to do unspecified other things.

Adele Downey: I go with my head held high. I leave an organisation that is delivering faster, simpler processes, with cheaper unit costs, and we are delivering against our digital agenda, so I go with my head held high.

Q160 **Chair:** If you were to leave a note for your successor—we asked a witness this in a previous session earlier this afternoon—what would be your top tips? Sir Philip will not be sitting next to you when you have gone, so you can say what you think.

Sir Philip Rutnam: Go on.

Chair: I don't think he has any influence over you now. Now is your moment to tell us.

Adele Downey: I knew that you would ask me this question, so I have thought about it, but my main mantra for this job is that safeguarding is at the heart of everything we do, and that must always stay at the forefront of all the decisions that we make. That is the chief executive, public sector side of me. I have done 37 years in the civil service, most of them in the Home Office, and I am proud of what I have achieved within the Home Office.

Q161 **Chair:** What does that practically mean? If I were to take over from you, and I were to get a note from you about the top three things I ought to be watching out for, would it be about the Home Office changing policy? Is it the numbers going up?

Adele Downey: Clear delegation on authority levels, particularly as accounting officer, needs to be at the top of the next chief executive's mind. That has not always been as straightforward as I might have personally liked—it has been a source of frustration on both sides at times—but that needs to be very clear for any chief executive.

They should be very clear that safeguarding has to be the No. 1 priority for anything, and make sure that they get out and really, thoroughly understand the business. It is a brilliant service that we provide, keeping people safe every day, but it is really important to understand what makes



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the organisation tick and how to implement change within it. It is not always as easy as it might seem on the surface.

Chair: I think you can pick up our concerns about some of the processes; we always hear lots of promise about the future, but we still have not got to where those original plans were. However, I think it is worth remembering what happened in Soham, and why we are where we are now. That is vitally important, and it is, for all its faults, not replicated anywhere else in the world. That is partly why we were asking about IP—maybe there is an opportunity there, Mr Rutland, to fill that £500 million gap by exporting this around the world.

Thank you very much for your time. The uncorrected transcript will be up on the website in the next couple of days, and we will be producing a short report, possibly before Easter. I am looking at the NAO, who might give us some assistance in that. Thank you very much indeed for your time.