	Identity Cards for Foreign Nationals Programme Immigration Group Apollo House Wellesley Road Croydon CR9
Mr James Elsdon-Baker	Web www.ukba.homeoffice.gov.uk
13 January 2010	
Ref: 12874	

Dear Mr Elsdon-Baker

Thank you for your email of 25 September 2009 where you have requested information about the UK Border Agency biometric enrolment pilot with the Post Office for identity cards for foreign nationals. This falls to be dealt with under the Freedom of Information Act 2000.

As you are aware, section 10(1) of the Freedom of Information Act requires that we respond to requests within 20 working days. Your request was received by us on 25 September 2009 and the statutory date for our response to you was 23 October. Although I understand that you received a letter informing you that UK Border Agency would need more time in order to carry out a public interest test and the deadline was extended to 23 November, no subsequent update of the situation was given to you. This was a failure on our part to keep you properly informed of the progress of your case. It is clear to me that we have not met our obligations under the Act and I offer my sincere apologies for the delay.

You have requested details of the 17 Post Offices that are to be involved in the trial and these are as follows:

Office	Address		Postcode
Battersea	202 Lavender Hill	London	SW11 1AA
Beckenham	22 Rectory Road	Beckenham	BR3 1AA
Beeston	6a Chilwell Rd	Beeston	NG9 1AA

Office	Address		Postcode
Bracknell	High Street	Bracknell	RG12 1AA
Cambridge	9/11 St Andrews Street	Cambridge	CB2 3AA
Camden High Street	114/120 Camden High St	London	NW1 0RR
Durham	33 Silver Street	Durham	DH1 3RE
Earls Court	185 Earls Court Road	London	SW5 9RB
Kingstanding	25 Kingstanding Centre	Birmingham	B44 9HQ
Middleton	53 Manchester New Rd	Middleton	M24 1SQ
Old Street (205)	205 Old Street	London	EC1V 9QN
Oxford	St Aldates	Oxford	OX1 1ZZ
Redditch	Alcester Street	Redditch	B98 8AB
Romsey	15-23 Church Street	Romsey	SO51 8WA
South Shields	Kepple Street	South Shields	NE33 1AA
Stamford	All Saints Place	Stamford	PE9 2EY
Union Street	489 Union St	Aberdeen	AB11 6AZ

You have also requested any documentation, including minutes of meetings, correspondence and reports of the decision making process, cost and risk assessment of the trial. I have considered the public interest in disclosing information regarding our arrangements with the Post Office Limited. I have decided that a number of documents are suitable for release. In applying the public interest test I have balanced the arguments for and against releasing information and decided that some documents are suitable for release in full, some for partial release and others are not suitable for release at all for the reasons described below.

Section 42(1)

Some of the information you have requested falls within the scope of Section 42 Legal Professional Privilege.

I can confirm that we received legal advice regarding our contractual and commercial arrangements with the Post Office Limited. The content of the legal advice is however exempt under Section 42(1) of the Freedom of Information Act 2000. Section 42(1) allows public authorities to exempt information if a claim to legal professional privilege could be maintained in legal proceedings.

With regard to Section 42(1) we have considered the public interest there may be in the circumstances of this case in disclosing the information to you. There is a clear public interest in ensuring that there is a transparency in government decisions and a public interest in understanding how these are made. However there are strong public interest considerations in favour of protecting legal advice. There is a strong public interest in a person seeking access to legal advice being able to communicate freely with his legal advisers in confidence and in being able to receive advice from his legal advisers in confidence. The underlying rationale for having a strong rule against disclosure is that it encourages full and frank exchanges between clients and their legal advisers, which is judicially recognised as being something strongly in the public interest for a variety of reasons. It is therefore considered that the public interest in maintaining the exemption in Section 42 in this case outweighs the public interest in disclosing the information.

Section 35(1)(a)

Some of the information you request falls within the scope of Section 35(1) (a) Formulation or development of Government Policy.

I can confirm that the benefits, costs, risks and issues involved in deciding whether to proceed with the Post Office trial have been assessed and some of the documents relating to these are being released to you in full or in part. However I do not propose to release to you all documentation regarding these discussions. Section 35(1)(a) allows us to exempt information if it relates to the formulation or development of Government policy.

The use of this exemption also requires us to consider whether in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information. We have considered the public interest there may be in the circumstances of this case in disclosing the information to you. There may be a public interest in greater transparency making Government more accountable to the electorate and increasing trust, and a public interest in being able to understand the full considerations taken into account in any policy decision.

We have considered whether in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information. We have concluded that the balance of the public interest lies in favour of maintaining the exemption for some documents (or parts of documents), while for other documents or parts of documents the balance lies in favour of release. Disclosing all the advice and consideration regarding our options for biometric enrolment would constrain policy development with regard to the future direction of the programme, use of third party suppliers and the wider National Identity Service.

Section 43(2)

Some of the information you request falls within the scope of Section 43(2) Prejudice to Commercial Interests of any persons.

If I were to disclose all of the information you have requested, this would be likely to prejudice the commercial interests of both the Home Office and those companies with whom the Home Office enters into contracts.

This exemption requires us to consider whether, in every respect the public interest in maintaining the exemption stated above outweighs the public interest in disclosing the information. We have considered the public interest in disclosing all the information to you. There will be a public interest in immediate disclosure to ensure that there is full transparency in the Home Office's use of public funds and in particular to maintain the Department's accountability to taxpayers. Disclosure of this information would also enable the public to assess whether or not Home Office is getting best value for money in terms of its contracts with those who it procures contracts, such as those it commissions to carry out biometric enrolment on its behalf.

We have also considered the public interest in maintaining the exemption. There is a public interest in Government departments being able to secure contracts that represent value for money and anything that would undermine this is not in the public interest. Value for money can be best obtained where there is a healthy competitive environment, coupled with the protection of Government's commercial relationships with industry. Were this not the case, there would be a risk that:

- Companies would be discouraged from dealing with the public sector, fearing disclosure of information that may damage them commercially, or
- Companies would withhold information where possible, making the choice of the best contractor more uncertain as it would be based on limited and

censored data.

We have therefore concluded that, whilst some of this information is suitable for release, the balance of the public interests identified lies in favour of maintaining the exemption for the remaining information. This is because the overall public interest lies in ensuring that the Home Office's ability to protect its commercial competitiveness is not prejudiced. However, the overall costs of the identity cards for foreign nationals programme over the coming ten years are published every six months in the ID Cards Costs Report which is readily available in the public domain. This contains the costs of operating the Post Office trial.

Section 31(e)

Some of the information you requested falls under Section 31(e) Prejudice to the operation of immigration controls.

If we were to disclose information regarding the detailed operating processes (including security processes) for how the pilot with the Post Office will work this could substantially prejudice the operation of our immigration controls. These processes were assessed as part of the decision making process as to whether the trial with the Post Office should proceed and played an important part in assessing risks, costs and benefits. The disclosure of documents relating to these elements may enable individual immigration offenders or those seeking to undermine the system to evade detection. The use of this exemption also requires us to consider whether in all circumstances of the case the public interest in maintaining the exemption stated above outweighs the public interest in disclosing the information.

We have considered the public interest there may be in the circumstances of this case in disclosing the information to you. There is a public interest in disclosing the information as it will increase the transparency of the work of the UK Border Agency. There is also a public interest in ensuring that there is public confidence in the operation of our immigration controls, in this case through operating identity cards for foreign nationals, and disclosure would allow the public to assess the effectiveness of the methods employed to assess those seeking to remain in the United Kingdom.

We have also considered the public interest there may be in maintaining the exemption. There is a strong public interest in ensuring that those seeking to evade immigration controls in order to remain in the United Kingdom illegally or seeking to abuse the system are unable to do so. Through being able to access information regarding the detailed processes and security measures put in place for the Post

Office pilot, such offenders may be able to evade detection and others may seek to undermine the immigration system.

We have considered whether in all circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information. We have concluded that the balance of the public interest identified lies in favour of maintaining the exemption because it is in the overall public interest.

Summary of documents for release

The documents we are releasing in full or part comprise:

- Letters of communication between the Chief Executive Officers of the UK Border Agency and Post Office Limited;
- Memos between senior officials outlining why the UK Border Agency should go ahead with the Post Office pilot;
- Extracts from the Programme Board minutes pertaining to the Post Office pilot;
- Extracts from the business case;
- Extracts from the risk register; and
- Extracts from the commercial strategy.

I also thought you would find it useful if I described an overview of how the decision making processes with the UK Border Agency and wider Home Office operated in relation to going ahead with the Post Office trial.

As part of the roll out of identity cards for foreign nationals we have been assessing the options to provide enrolment accommodation or services as part of the wider business case. The preferred option needs to be affordable, achievable, secure, flexible for customers and provide good value for money.

We have been in discussions with the Post Office for a year. We have assessed the pros and cons of proceeding with a biometric enrolment trial within the existing governance structures of the programme, the UK Border Agency and the Home Office. These include updates on progress at our regular programme boards, scrutiny of the overall business case at the UK Border Agency Joint Approvals Committee and also the Home Office Group Investment Board. Senior Directors within the UK Border Agency have liaised with colleagues in the Identity and Passport Service, Legal Advisors, Home Office Commercial and colleagues in the IT and Security Directorates in weighing up whether to proceed with the trial.

In keeping with the spirit and effect of the Freedom of Information Act, all information is assumed to be releasable to the public unless exempt. The Department will, therefore, be simultaneously releasing to the public the information you requested together with any related information that will provide a key to its wider context.

If you are dissatisfied with this response you may request an independent internal review of our handling of your request by submitting a complaint within two months to the address below, quoting reference 12874. If you ask for an internal review, it would be helpful if you could say why you are dissatisfied with the response.

UK Border Agency
Central Freedom of Information Team
11th Floor
Lunar House, Short Corridor
40 Wellesley Road
Croydon
CR9 2BY

During the independent review the department's handling of your information request will be reassessed by staff who were not involved in providing you with this response. Should you remain dissatisfied after this internal review, you will have a right of complaint to the Information Commissioner as established by Section 50 of the Freedom of Information Act.

Once again please accept my apologies for the inordinate delay in responding to you.

Yours sincerely

Rob Carolan
ICFN Programme Director

Item 1 - Letter from Post Office Limited to Lin Homer

5th November 2008

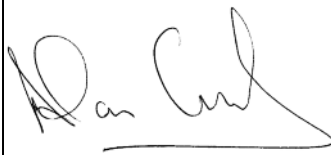
Dear Lin

In response to the United Kingdom Border Agencies' request I am pleased to provide you with this outline of how a Biographic and Biometric enrolment service could be piloted for the Foreign National Identity Card programme. I believe that our response is based on providing you with a value for money, secure, flexible and scaleable service that provides convenience and assurance to your customers and administrative cost-savings to you. I would add that we are committed to working with you to ensure that we meet your timelines.

We have responded to your requirements by suggesting an innovative service which drives toward further automation. This service, I am sure, will continue to provide benefits to both your customers and the United Kingdom Border Agency.

I am delighted to give my personal support to this response as it builds upon the existing service that Post Office Ltd and DVLA are currently embarking upon and I look forward to building a successful partnership with the United Kingdom Borders Agency.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alan Cook', with a long horizontal flourish extending to the right.

Alan Cook
Managing Director
Post Office Ltd

Item 2 – Note from Jeremy Oppenheim to UKBA Board

From: Jeremy Oppenheim
Regional Director (NEYH)
National Lead, Economic and Family
Migration
4th Floor (Steel)
Vulcan House
0114 207 1773

Cc: Rob Carolan

21 October 2009

UK Border Agency Board Members and Regional Directors

Update on implementing identity cards for foreign nationals

I wanted to update you on how we are getting on with implementing identity cards for foreign nationals. On 24 September the Home Secretary announced that we had hit our target of issuing 75,000 cards by November two months early. To date we have issued over 95,000 cards. This demonstrates the first class work by the operational teams, the ICFN programme and our delivery partners (internal and external). Overall resilience of the system is also much improved and we have entered student surge in good shape.

The Home Secretary also announced our plans to accelerate the programme by introducing cards for those extending under Tier 2 from the New Year. We have agreed arrangements for a biometric enrolment pilot with the Post Office which will help support the increased volumes through student surge and beyond. We went live from the Post Office's model office in London on the 28th September and we will roll out across 17 sites over the next few weeks. Together with our PEOs and the four IPS offices, this will increase capacity and customer choice.

We recently launched the UK Border Agency's first online booking service for those booking premium in country appointments or biometric appointments. This went live on 18th September and was delivered in just 8 weeks. Over 25,000 users have already registered and more than 6,000 appointments have been booked.

October has seen another first for the programme – colleagues in London and the South East have enrolled the first medical case using the mobile biometric equipment. Using this discretionary service we take the kit to the person's home or hospital for those who cannot travel to enrol. We also have a few FNP's being enrolled during October using this equipment. We are currently reviewing extending this to those willing to pay for a personal service in time for the implementation of ICFNs for Tier 2 on 6th January 2010.

Our new card reading pilot is also going well. We have deployed the new hand held machines at [REDACTED] and [REDACTED]. Colleagues in Border Force have been verifying 50-60 cards each week at these ports – this technology allows us to check the person's fingerprints against those encrypted on the chip on the card. We have also deployed a card reader at [REDACTED].

Jeremy Oppenheim

Item 3 – Note from Tony Mercer to Justin Holliday seeking funding agreement

Resource Management Directorate

Room 1206
Apollo House
36 Wellesley Road
Croydon
CR9 3RR

Tel +44 (0)020 8760 8525

Fax +44 (0)020 8760 8529

Email: Tony.Mercer@homeoffice.gsi.gov.uk

Web www.ukba.homeoffice.gov.uk

To Matthew Coats, Justin Holliday, Jeremy Oppenheim, Julian Kelly

Cc Lin Homer, Jonathan Sedgwick, Simon Elwell, Az Ootam, Maria Woolstenholmes, Rob Carolan

From Tony Mercer

Date 10 February 2009

Subject **ICFN – Opportunity to pilot biometric enrolment at Post Offices.**

Further to Lin's meeting with James Hall on 29 January, I wanted to write to you to formalise the position regarding the potential to use Post Offices for identity card biometric enrolment.

Background

As you are all aware, we have successfully rolled out biometric enrolment at six public enquiry offices (PEOs) around the UK and at the IPS office in Armagh [REDACTED]. Our volume projections show that these arrangements will provide sufficient accommodation until the student surge in the late summer. We need to agree and implement plans for additional accommodation well in advance of this so we have time to test processes fully prior to implementation.

The IPS long term strategy is to develop market enabled front office services for the wider NIS with one or more commercial partners. IPS are in discussions with a range of potential providers at present (such as [REDACTED], the Post Office, [REDACTED] and [REDACTED]) but it is unlikely that the market will provide this service before 2010/11 (although IPS may set up some pilots with providers to test the concept). At the meeting with James Hall on 29 January Lin expressed her support in principle for this and agreed it is an option for UKBA in the longer term, should it fit with our target operating model, but it cannot satisfy our immediate need to build capacity in 2009.

The Challenge

IPS have also recently informed us that they are keen to utilise capacity within their own accommodation (Interview Office Network and regional offices) and offer us additional accommodation. On paper it would appear that the spare capacity within these offices could cope with the additional UKBA footfall but in spite of this we are keen to keep other options open to ensure we meet our timescales and build a flexible solution for the future. We need to increase our network to cope with the additional footfall, improve accessibility and coverage and to protect service standards.

For the last few months we have also been engaging in discussions with the Post Office and DVLA regarding an option for outsourcing biometric enrolment on a pilot basis (either a direct contract with the Post Office or via the DVLA framework which is already in place).

I recommend that in the short to medium term we look to implement a mixed economy of enrolment solutions that balance our own accommodation, IPS (where possible) and the Post Office.

The Post Office Proposition

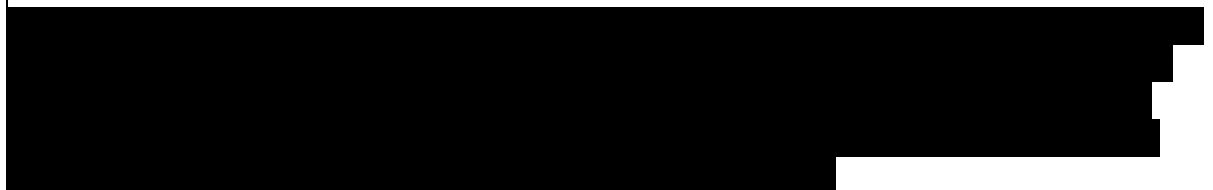
The Post Office is already building a biographic and biometric capture capability across its network. DVLA are looking to utilize this service for the renewal of driving licenses with the capture of an image and digital signature.



The current delivery schedule allows for a pilot before full scale implementation. Via this framework it is possible for the Post Office to enhance the service to provide UKBA with:

- Biometric capture for postal applications (and send securely to UKBA)
- Check and send and biometric capture (applicants can take their completed immigration forms and supporting documents to the Post Office who would check completeness before forwarding to UKBA).

The Post Office have recommended we start with just biometric enrolment (we could think about check and send if the pilot is successful). The Post Office has proposed to run a pilot for six months at a number of Post Offices nationwide (up to 20 depending on our requirements) so this can be evaluated. At the end of the pilot we could continue and ramp up volumes or end the service. At this point we will have more information about the progress of the IPS market enabled service and may be able to take part in some of their commercial pilots.



Potential Costs

There would be no upfront costs for the Agency in using the DVLA Post Office contract. The Post Office investment in the wider contract is already guaranteed by DVLA transaction volumes (██████████). There would be no contractual tie-in to the DVLA contract should we chose not to extend beyond the pilot.

The costs have not yet been finalised and we are still negotiating but they are likely to be below £██████ for a biometric enrolment (our current working figure). By utilising the DVLA framework we are likely to be able to reduce this slightly as the contract has a mechanism which reduces costs as overall volumes grow.

We have two options about how to apportion these costs – they could be fully covered by UKBA or fully / partially charged to the client by the Post Office. As we have already set fees for 09/10 it may be assumed that we will need to pick up all the costs of the pilot.

Over a 6 month pilot we might expect the Post Office to handle up to 50,000 applications which would cost up to £██████. We are in the process of comparing the detailed costs but indications are that this will cost less in set up and running costs than that which is within the funding allocation for running ICFN in 09/10.

Benefits

At present there are few options that are likely to implementable in time for the summer and this is our best opportunity to increase the capacity for enrolling biometrics. It does not lock us into a contract for any significant length of time and is flexible enough to meet our needs. The Post Office option builds on work we are already doing with DVLA and they are keen for us to join with them on this initiative (there are also cost reductions built into their framework as volumes grow so we could benefit from this). Other benefits of working with the Post Office are:

- Post Office has vast experience of dealing with the public;
- Government supportive of building services within Post Office;
- Wide national network of offices (we could pick those that meet our geographic need);
- No accommodation set up costs for UKBA;
- Builds on DVLA service;
- UKBA would need fewer additional resources and less capacity (although we need to bear in mind the drive to create jobs in the public sector);
- Quicker process for applicants as they do not need to go through the PEO and wait for the results;
- Lessons learned for longer term enrolment by commercial partners for the NIS.

At the same time we should pursue working closely with IPS on this to utilise any spare capacity in their office network and the wider market enabled service but stress that we only want the basic enrolment service at this point with the least complexity possible.

Item 4 – Note to Finance Director, Commercial Director

From:

Rob Carolan, ICFN Programme Director
08 April 2009

Jeremy Oppenheim, Julian Kelly, Maria Woolstenholmes

Cc: [REDACTED]

Update on Post Office Negotiations for biometric enrolment

I wanted to update you on the progress we have made with the Post Office work, particularly regarding costs. Tony Mercer wrote to Matthew and Justin and others on 10 February to gain their agreement to the general Post Office approach and this was agreed. We have now reviewed our accommodation requirements over the year and in terms of PEO, IPS and Post Office and have recommended that we require 14 sites from the Post Office (and this will be kept under review).

That note contained high level details of the potential costs and we have now been able to firm up on these as follows:

- There are no upfront costs for the Agency in using the DVLA Post Office contract. The Post Office investment in the wider contract is already guaranteed by DVLA transaction volumes ([REDACTED]). There would be no contractual tie-in to the DVLA contract should we chose not to extend beyond the pilot.
- There are our own start up / connection costs ([REDACTED]) that would be needed for any new site. It is estimated that this will cost in the region of [REDACTED]. This is included within our programme resource levels for 2009/10.
- The Post Office have proposed to charge **UKBA £[REDACTED]** per biometric enrolment undertake. This is in line with the fee that they are charging the DVLA for their basic photo service as part of the wider parent contract so we are unlikely to be able to negotiate this down any further. In fact we are getting more for our £[REDACTED] than DVLA. This is cheaper than UKBA providing additional accommodation, staff and equipment for this service so benchmarks well.
- Additionally, they will charge the **applicant £[REDACTED] handling charge**. This additional £[REDACTED] charge will be administered by the Post Office and is completely separate to our charges (much like the current passport check and send service or a photo-me booth). Whilst this is an additional charge on top of the immigration fee, we can develop robust lines about how it will help make life easier for foreign nationals applying for cards as the Post Office sites are more accessible and quicker than coming to a PEO. The option to attend the PEO and not pay the additional £[REDACTED] will remain an option should applicants prefer not to pay for this convenience.
- There will be a nominal handling fee charged to us from DVLA (~£[REDACTED] per month) which will pay for our proportion of the administrative costs.

We need to agree the **duration of the pilot**. We had initially discussed a 6 month pilot but I recommend that it makes better sense to run this until the end of the financial year. We will then have time to embed the changes and still have time to renegotiate and change our minds if needs be. We do of course need to bear in mind that if we do not progress the Post Office solution past March 2009 we will need significant additional accommodation and would need time to implement this. Over a 9 month pilot we would expect the Post Office to handle between 50,000 and 70,000 enrolments depending on how efficient they are and the overall supply volumes. This would cost UKBA between £[REDACTED] and £[REDACTED] and is well within our 2009/10 budgets (we have ring-fenced £[REDACTED] operational spend for alternative providers)

Jeremy, Julian and Maria – subject to final commercial and technical agreements which [REDACTED] and I are taking forward are you content that this is affordable and can be signed off?

Handling

There has been significant interest in this initiative from BERR as they try and build up the role of the Post Office. We do not want to overly publicise this service as we need to carefully control the flow of applicants to the Post Office branches participating in the pilot so we will need to develop and approach to advertising and media interest in this. Post Office are supportive of this.

We also need to consider the impact on the wider IPS led market enabled initiative that is currently underway. Whilst it is not anticipated that other providers will be on board before 2011/12, we will be setting a precedent with the Post Office and shaping the market with a price. We have attended IPS' first Front Office Services Development Group with the potential suppliers and they are not yet aware of our work with the Post Office. IPS are of course aware of our progress and the risk it poses. We need to work with them to ensure careful handling in this area.

Rob Carolan

SUMMARY MINUTES

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. ICFN Programme update

[REDACTED]

[REDACTED]

[REDACTED]

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- RC confirmed delivery date for Post office as 03/09/09.
- [REDACTED] mentioned further slippage to delivery date due to issues around [REDACTED] potentially moving the delivery date back to the 3/10/09.

AC-031 – [REDACTED] to set up workshop with PO colleagues to discuss issues outlined and possible solutions to getting the original delivery date of 3/9/09 agreed.

AC-032 – Post office to be discussed at the next Board with discussion topics clearly outlined.

3. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Title of meeting ICFN Programme Board
 Date 11th August 2009 Time 14:00-15:30
 Venue Apollo House, Croydon
 Chair Jeremy Oppenheim Secretary [REDACTED]
 Attendees See Annex A Copies to Annex A and B
 Apologies See Annex B

ID	Action	Owner
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
AC-051	[REDACTED] to liaise with POL and confirm that utilising the model office as a live customer environment is a possible option and report back to [REDACTED] by week ending 21/8/09.	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

- JO asked ■ how much of an impact Front Office going live at 5/10/09 would have on student surge.
- ■ expressed that this would impact the business in terms of dealing with another change at the same time as student surge.
- JO recommended that the ICFN Programme team work closely with SL in terms of key dates.
- JO queried where we are at with IONS
- ■ replied that all four ION sites are now live however there is a second line (for DR purposes) which is not yet in place. This is causing IPS to impose a limit of 100 enrolments per site per day.
- ■ has suggested that the ramp up take place asap so if any teething problems are to occur they can be worked through and fixed prior to student surge.
- ■ commented that ATOS can support the POL in bringing the live environment forward to suit the model office delivery date of the last week of September.

AC-051- ■ to liaise with POL and confirm that utilising the model office as a live customer environment is a possible option and report back to JO by week ending 21/8/09.

Title of meeting ICFN Programme Board
 Date 8th September 2009 Time 14:00-15:30
 Venue Apollo House, Croydon
 Chair Jeremy Oppenheim Secretary [REDACTED]
 Attendees See Annex A Copies to Annex A and B
 Apologies See Annex B

ID	Action	Owner
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

SUMMARY MINUTES

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Item 8 – extracts from BRP Business Case

service, and that suitable test environments are available prior to acceptance of new systems.

The June 2007 Business Case used variations within these capabilities to define its options. These were subsequently refined in the papers sent to JAC and GIB in September and December 2007.

Additional Capabilities developed Since December 2007

Since approval in December 2007 additional capabilities have been added to the core BRP system. These have been reviewed individually by senior UKBA officials and endorsed by ministers. This update to the June 2007 Business Case focuses on the costs and benefits of these additions. The additional capabilities are described in the following table:

Additional Capability	Description
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
Enrolment at Post Offices/IPS / FOS providers	This is part of the record biometric capability and allows customers to enrol their biometrics at designated offices within the Post Offices/IPS networks. It is only for the recording of biometrics – no caseworking or delivery of cards will be made through these channels. The Post Office and IPS have more geographically extensive networks than UKBA and so are nearer the heaviest concentrations of national applicants. The provision of this capability significantly reduces the travel time and costs required to enrol, but does not deliver any other significant benefit directly to the BRP project. [REDACTED]

Verify biometric before issuing	0%	20%	0%
CONS			
Inconvenience to Applicant	none	20%	none
Risk of loss/interception	high	medium	low

Although the preferred option from the previous 2007 business case did not include secure delivery, it was subsequently decided to use the Secure Mail Service provided by DVLA and has been endorsed by Ministers. It also contributes to the quantified benefit that arises from the fact that we will not need to replace cards that are lost in the post. This benefit is only quantified to the value of £[REDACTED] over the project lifespan; however this quantification does not reflect the wider economic and security-related harms that might occur as a result of cards falling into the wrong hands.

2.1.1 Accommodation and enrolment

Accommodation / biometric enrolment is a core requirement because UKBA cannot operate the card service without enrolment facilities run by UKBA **and** additional non UKBA provision. The costs are spread across all the capabilities that require accommodation.

The original business case concluded that it was unlikely that the existing UKBA estate would give the best possible coverage for the target applicants. For this reason, we explored the use of other local office networks to implement a hybrid UKBA – external solution, such as the DVLA, who are producing the card.

Since this Business Case was submitted in June 2007 there have been several developments affecting the provision of BRP accommodation:

- DVLA stated that the decision to deliver biometric enrolment at their offices would need cross-Ministerial agreement and it is not in line with their current business model (as such was ruled out);
- IPS were approached about using the ION network offices for foreign national biometric enrolment. Initial feedback was that it was not possible for UKBA to use their office. However, the IPS reviewed this decision and concluded that it was possible to share some accommodation with BRP. Plans to develop enrolment facilities at selected sites in the ION network are being implemented (to date four sites have gone live);
- We have investigated the use of Post Offices to enrol applicants' biometrics. We are advanced in the negotiation of an agreement to use their network. Its extensive network across the UK, its developing experience with taking biometrics for the DVLA and its role as a trusted source for government business meant that it was a very attractive partner.



Since UKBA does not have the capacity to provide the accommodation to process all applicants and because the recording of ID biometrics is not part of the DVLA business model we have based the accommodation / enrolment costs on the assumption that the Post Office and IPS will provide the capacity which UKBA lacks until the IPS FOS starts in 2011/12, and that UKBA will utilise some of the FOS solution. The costs are competitive especially when compared to the alternative of developing additional UKBA sites. Therefore we have used the latest indicative costs they have supplied, although these are still subject to detailed review and negotiation.

. The wider NIS business cases include the costs of the wider work and UKBA's requirements will be included when developing the standards that suppliers should use. UKBA does not own any of the POL equipment and as such there would not be de-commissioning costs.

Therefore enrolment facilities will be provided through a mixture of sources. The assumptions used in the business case model are summarised in the following table:

Estimated sourcing of Enrolment Capacity

% split per provider	UKBA	IPS Interview Office Network	POL	FOS
2009/10	60	25	15	0
2010/11	40	24	36	0
2011/12 onwards	20	0	0	80

In selecting the optimum distribution of the enrolment network we originally undertook population density mapping of the foreign national population in order to ascertain the likely locations where our applicants live and where our locations should be. This is based on the 2001 census. The table below illustrates the population densities that were used. The census information for all non EEA foreign nationals was taken and scaled down proportionately (the census covers over 3 million non EEA foreign nationals but only about 770,000 of them will get a BRP each year in steady state).

Since the 2007 business case BRP went live in November 2008 we can analyse actual addresses of applicants to date. From this we can work out their actual geographical distribution.

The distribution works out as follows:

Region	2007 Business Case Assumption %	Analysis of BRP Applicant Addresses %
London and South East	56	59
Midlands and East of	21	5

NEYH	7	12
North West	7	10
Scotland and Northern Ireland	4	6
Wales and South West	5	8
Total UK	100	100

This information has allowed us to review the number and select the locations of the sites where we will get reasonable and cost effective national coverage and work out the social costs of applicants travelling to and from their nearest enrolment centre.

Contingency Plans for enrolment

If the FOS programme did not go forward or if the market could meet our requirements then an alternative enrolment / accommodation strategy would be required. This should be known by mid 2010. If an alternative was required it is assumed that a competition or market test for continued use of the Post Office would be required. This could impact ongoing costs of the service (if there was a charge to UKBA for this service), but if the Post Office were to provide this service for greater volumes there would be potential to drive down costs.

From 2011/12 we have assumed that 80% of our enrolment would be undertaken by FOS. This equates to somewhere between 60 and 100 enrolment points at Post Offices, depending on average throughput and peaks in demand (the pilot we will have 17).

[REDACTED]

[REDACTED]

2.1.2 Enforcement for applicants whose biometric enrolment causes concerns

The decision to refuse an application is linked primarily to the immigration decision. This will take place after the biometric event as part of caseworking processes. The vast majority of our refusals ([REDACTED] of applicants in total) will occur in this way and therefore any enforcement will not be in scope of the BRP project, rather it sits in business as usual for caseworking.

[REDACTED]

Resource Set Up	██████	██████	██████
Capital Set Up	████	██████	██████
Operating Resource	██████	██████	██████
Operating Capital	████	████	████
Total Present Value Social Costs	██████	██████	██████
Total Present Value Quantified Benefits	██████	██████	██████
TOTAL NET PRESENT VALUE	██████	██████	██████

2.1.1 General Conclusions

Some of the key points from the analysis cost and benefits are:

- The modified Option IV (Secure and Manageable) generates a higher Net Present Value. The inclusion of the IDENT1, SMS delivery and Mobile Enrolment capabilities and the use of the Post Office / FOS to record biometrics in sum create a net present value to the economy, with the higher costs of the enhancements offset by savings in the provision of record biometric capability and forecast decreases in the number of applications
- The operational RDEL cost of modified Option IV is slightly higher than the original Option IV, although the cost structure is very different. In short the modified Option saves UKBA staff and accommodation and the purchase of biometric recording equipment but adds the cost of Post Office and IPS charges, IDENT1 checks and secure delivery and increased contact centre charges.
- The modified Option IV generates a slight increase in social costs because applicants have to travel a little further to their appointments to have their biometrics recorded.
- This shows that the difference between the economic costs of these options is driven by the number of people whose biometrics are verified.
- Card services costs have increased with the modified Option IV because cards are delivered through secure courier delivery rather than through ordinary postal services.
- We generate operational savings in the production of vignettes. These are realised as card production ramps up and replaces vignette production.

The observation from this table is that Option IV Modified provides a slightly higher level of economic cost than the original Option IV but generates higher benefits. In the 'Request for Remaining Funding' paper of December 2007 the selected Option IV had

a net present cost of £[REDACTED]. Option IV Modified has a net present cost of £[REDACTED], providing an additional £[REDACTED] of additional economic benefit.

This is because the more complete and secure the implementation, the greater the benefits. In addition the Option IV modifications and greater understanding of costs and suppliers have enabled costs to be reduced, particularly the use of the Post Office to record biometrics; at the same time the inclusion of IDENT1 brings additional benefits compared to the Option IV solution that was agreed in December 2007.

We have analysed the options on a very prudent basis, and have only quantified benefits where we are satisfied that there is a sufficiently robust method available for doing so. Details of the benefits we have quantified are set out in Annex C.1 and in the benefits section below. We have worked closely with the NIS cards Business Case team to avoid double-counting of benefits.

Use of the Post Office to record biometrics changes the cost profile of the different options. The indicative Post Office agreement means that the UKBA avoid the need to find additional accommodation and the purchase of biometric recorders. On the other hand these savings are balanced by Post Office charges to applicants. The net effect of these changes is to increase social costs by just over £[REDACTED] over the whole of the project.

The addition of IDENT1 checks does raise the set up costs to develop the core BRP system and will incur additional transactional costs. However this raises the deterrent effect of BRP and so gains additional quantified benefits.

The other key change between the modified Option IV and the original Option IV is the use of secure mail delivery. This raises operating costs by the extra cost of the courier service multiplied by the volume of applications. However it secures modest quantifiable benefits from the reduction of cards lost in the post and, more importantly, makes the whole system more secure.

2.1 Recommendation

We recommend Option IV Secure and Manageable (Modified) as the preferred option for implementation, for the following reasons:

- It has the best balance of costs, benefits (financial and non-financial) and risks
- It allows us to comply with the EU Regulation
- It has a positive NPV and delivers substantial intangible benefits.
- It delivers £[REDACTED] million in quantified benefits over the project lifespan

1. Financial Case

3.1 Summary of budget profile and funding arrangements

The Financial Case is designed to ensure the preferred value for money option is affordable when assessed in terms of the available capital and revenue resources, and ongoing funding requirement.

The following tables show the breakdown of funding requirements for the preferred option. We show the required and available funding followed by a surplus or deficit. This is shown year on year and for the whole life of the project.

The following table compares the affordability between Option IV from the December 2007 submission to the GIB of the business case and Option IV (modified). These costs reflect the functional specifications for the project, figures from market analyses, experience from the pilot and other operational experience, and recent figures obtained from our likely delivery partners in DVLA, the Post Office, International Group and Home Office IT.

£million

	Option IV – Secure and Manageable	Option IV Secure and manageable (Updated for the Sept 08 GIB Update)	Option IV – Secure and Manageable Modified
Whole Life Costs	■	■	■
DP08 Costs	■	■	■
Total Setup Costs	■	■	■

*These figures do not include £■■■■ of CDEL although it was reported as the whole life cost figure in the December 2007 submission or £■■■■ of CDEL in the DP08 figure. Therefore the Dec 2007 whole life cost figure should be £■■■■ and the DP08 figure £■■■■

Between the December 2007 business case costings and June 2009 there have been a large number of changes resulting in a slight increase in whole life costs. The main changes and cost impact are listed below:

Reason for Cost Change	£'000
DECEMBER 2007 TOTAL COST	■■■■
Revisions in forecast volumes of enrolments and cards issued	■■■■
Increase in contact centre charges and average times per call	■■■■
Switch from PEO provision of enrolment services to Post Office and IPS ION	■■■■
Use of IPS FOS from 2011/12	■■■■
Operational Enhancements to BRP Capability (IDENT1 checks, Mobile enrolment, secure delivery)	■■■■

Reduction in verification costs due to revised biometric enrolment arrangements	████████
Reduction in card collection due to Secure Delivery operational enhancement	████████
Increase in Corporate and Programme costs to deliver enhancements and resolve issues	████████
Adjustment for reductions already accounted for in baseline (represents reductions reported in September 2008 submission to GIB)	████████
Other changes (net)	████████
Revised Total Cost	████████

These changes can be explained as follows (together with the drivers for the changes):

- Increase in Contact Centre Costs**
 These charges have increased because the average time of calls experienced to arrange appointments in the pilot and in operation have gone up and we have received increased charges per call from the provider. The assumptions used in the original business case were incorrect.
- Switch from PEO provision of enrolment services to Post Office and IPS Interview Office Network**
 The original business case assumed that UKBA would provide all accommodation and staff costs for the enrolment of biometrics. Since there is insufficient capacity in the existing estate new sites would have to be procured. This is not cost effective so new arrangements have been established with the Post Office and IPS. This means that payments to the PO and IPS have been included but there have been significant overall reductions in accommodation, staff costs for biometric enrolment and some capital expenditure since the Post Office include recovery of their set up costs in their charges. This switch in provision has provided a significant net saving. This solution provides a flexible accommodation provision with a better nationwide network of centres than the original business case.
- Use of FOS from 2011/12**
 The use of the Post Office and the IPS ION for biometric enrolment is assumed to stop when the NIS brings its enrolment service (known as the Front Office Service) into operation. This is in line with the HMT review of the NIS delivery model in 2008. The commercial arrangements for this are that the suppliers will not charge the Home Office but will recover their costs directly from applicants. Therefore the only costs included are the increased social costs to applicants. Again, this solution provides a cost effective and flexible solution for UKBA clients. We retain the option of bringing in those of concern to a UKBA office as required for follow up action.

- **Operational Enhancements**

Three significant enhancements have been made to the capability and service level provided by the BRP project. These are:



- Providing a mobile biometric enrolment facility for those unable to attend a PEO, PO or IPS office (eg due to illness or incapacity). This Ministerial commitment ensures that UKBA does not discriminate. It adds a small amount of cost onto the overall solution and provides a platform for UKBA to charge for a personal enrolment service in the future.
- The secure despatch of cards to customers by courier is included. The original business case assumed despatch would be by post. However Ministers considered this to be too insecure and a courier service organised by DVLA is now provided to ensure cards are not lost. Each card despatch costs £[REDACTED] and so is a significant and variable additional cost. It could be phased out over time once the scheme has bedded in.

- **Reduction in verification costs**

Costs to verify each applicant's biometrics who have been enrolled before were included as a separate item in the last business case. However it was decided to re-enrol every applicant and to take their biometrics anew even if they have previously applied for and received leave to remain. Therefore these cost are included under the 'record biometrics' capability.

- **Reduction in Card Collection Costs**

It had previously been assumed that some cards would be collected from PEO offices. However with the use of courier delivery through for all card despatches these costs are no longer necessary.

Therefore the project remains within the overall funding envelope approved by GIB in December 2007 of £[REDACTED] and the updated estimate of £[REDACTED] provided in September 2008, although there have been some significant changes in individual cost items which broadly net each other off.

- UKBA will only contribute towards to the operating costs of the facilities.
- The benefits of optimising the DVLA's economies of scale offered a saving to UKBA in excess of 50% on that originally budgeted for and positioned the UKBA in a stronger position than if procuring the perceived 'small quantity' independently.

Front Office

An options analysis was undertaken to assess the best mechanisms for the provision of front office services.

The main options assessed were:

- Provision of offices within the Public Enquiry Office (PEO) capability within the UKBA estate;
- Use of Identity and Passport Service (IPS) – Interview Office Network (ION) facilities;
- Use of Driver and Vehicle Licensing Agency (DVLA) enrolment booths in Post Offices;
- External Procurement through OJEU.

Two options have been taken forward to implementation:

- Use of UKBA PEOs for the case working and premium services. However, the PEO network capacity of 170,000 enrolments per year is insufficient to cope with the expected growth in biometric enrolments which are predicted to rise to over 770,000 a year by 2011/12. They were also considered not to provide a sufficiently wide geographical coverage, being weighted towards the south east of the UK.
- The IPS Interview Office Network (ION) was assessed to have a secure network and cleared staff and was selected to provide additional capacity. Some 17 enrolment booths have been implemented in five locations.

The Post Office was assessed to have the best geographical coverage and already provides other services for government operations involving fee handling and application checking capabilities such as passport applications, tax discs and driving licences. It was also working with DVLA on the implementation of enrolment booths to support drivers' licence data and biometric capture at 750 offices. Accordingly negotiations commenced with DVLA and Post Office Ltd regarding this possibility, this is further addressed under procurement strategy.

External procurement was estimated to take 12-18 months which was considered too long a delay to meet predicted ICFN volumetrics.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Front Office

[Redacted]

The IPS are still developing their front office strategy and supporting procurement and commercial approach, the ICFN programme team are engaged with IPS in support of this. It is anticipated that this service will be supplemented by a mobile enrolment capability. The mobile enrolment capability is in pilot at present, the long term business requirements and associated procurement strategy are yet to be developed.

Prior to the implementation of the strategic front end solution the demand for enrolment is met by the established PEOs and ION offices, it is planned that the shortfall in their capacity as the 'student surge' commences in September and new categories of foreign nationals are brought into the ICFN scheme, will be met by the use of a new enrolment service based in Post Offices.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

The ICFN programme team are considering options for making good the capacity shortfall occasioned by the reduction in Post Office use. Options include extending the PEO usage or coverage, extending ION provision and greater use of the mobile enrolment capability.

Call Handling

[Redacted]

[Redacted]

On-Line Booking

The cost and quality issues with call handling led the programme to consider the provision of an on-line booking alternative. The cost benefit from avoided Teleperformance call costs and lost premium enrolment fees is estimated at around £ [REDACTED]

Scoping and costing work with [REDACTED] under the IPIDS agreement indicated a delivery time around 18 months and a delivery cost near £ [REDACTED] which was considered excessive. Consequently EzGov were selected as a potential delivery partner. EzGov specialise in on-line services on behalf of the Public sector, in the UK they provide the on-line self assessment for tax and PAYE services and have worked with UKBA on aspects of the ICW programme. Contractual arrangements were put in place under the terms of the HMRC 'Sprint' framework agreement through which EzGov sub-contract to the Sprint supplier, SCC. The agreement with runs up to 2 ½ years for a total cost (delivery and operating) of £ [REDACTED] with delivery planned for October 2009. This includes a £ [REDACTED] contingency premium which reverts to UKBA if not used.

Mobile Enrolment Pilot

The mobile enrolment pilot systems have been delivered and trialling and deployment is commencing. The further procurement and commercial strategy will be derived from ICFN business requirements once developed.

[REDACTED]

[REDACTED]

Training

The programme training requirements will continue to be provided on a 'train the trainer' basis calling down specialist training from the ICFN element suppliers or external specialists as appropriate.

Miscellaneous

Other ongoing requirements will be assessed as identified. Although outside the scope of this case it is noted that [REDACTED] mobile biometric card readers have been procured from [REDACTED] for piloting. [REDACTED] devices will be supplied to IPS for their assessment, liaison with the SECUREID programme is proposed.

[REDACTED]

[REDACTED]

[REDACTED]

