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Reference: FOICR 17267/11

Date: 1 February 2011

Dear Mr Hansen,

FREEDOM OF INFORMATION REQUEST

Thank you for your email of 4 January. This has been handled as a request for information under the Freedom of Information Act 2000.

You asked for copies of all documents where reductions in the price of passports is discussed. This discussion may be part of a larger discussion about increasing or maintaining the price of passports. The Identity and Passport Service (IPS) response is set out in the following Annex.

If you are dissatisfied with this response you may request an independent internal review of any aspect of our handling of your application by submitting your complaint to the address below and quoting the reference FOICR 17267/11:

Information Access Team
Home Office
Ground Floor, Seacole Building
2 Marsham Street
London
SW1P 4DF
Email: xxxx.xxxxxx@xxxxxxxxxx.xxx.xxx.xx

During the internal review the department's handling of your information request will be reassessed by members of 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.

Yours sincerely,

Diane Lambert
Head of Parliamentary and Correspondence Management Team
Chief Executive's Office

Annex

IPS response:-

I hope you will find it helpful for me to explain that IPS is required to generate enough income from passport fees to cover no more than the cost of issuing passports and providing support services such as our Adviceline, plus a contribution towards the cost of emergency consular assistance to British passport holders when travelling overseas.

The current adult passport fee is £77.50. Price increases over the past ten years have been driven mainly by a number of service changes and other factors including: an increase in consular premiums; the introduction of ePassports; authentication by interview for first time passport applicants; secure delivery; a number of anti-fraud initiatives; and forecast demand.

Below is a breakdown of the elements that make up the adult passport fee, for the past ten years:

| | <u>May 1990</u> | <u>May 1995</u> | <u>May 2000</u> | <u>May 2005</u> | <u>June 2010</u> |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | £ | £ | £ | £ | £ |
| Application processing | 10.95 | 13.05 | 21.27 | 24.35 | 31.60 |
| FCO Consular Premium | - | - | - | 9.65 | 15.62 |
| Production & Personalisation of Book | - | - | - | 5.00 | 10.79 |
| Delivery | - | - | - | 3.00 | 3.30 |
| Overhead / Administration | 4.05 | 4.95 | 6.73 | - | 16.19 |
| Total | £15.00 | £18.00 | £28.00 | £42.00 | £77.50 |

Prior to November 2002, costs were only split between direct passport production (application processing) and indirect overhead (administrative) costs. The proportion of the fee which is passed to the Foreign and Commonwealth Office (FCO) to fund the provision of consular services for British travellers overseas was only formalised in 2002-03. Prior to this a surplus agreed with HM Treasury was made and credited to the FCO. Prior to 2002-03 the cost of passport book production was included in application processing costs. Secure Delivery was introduced in 2003-04 and earlier distribution costs are included in application processing.

The income from passport fees was not used to fund ID cards. Passport fees only recover the operational costs incurred in processing passport applications and are not used to recover any costs of other IPS operations. The passport fee is reviewed by HM Treasury to ensure that there is no cross subsidisation between IPS activities and that the passport fee only recovers costs of passport operations.

You specifically asked for copies of all documents where reductions in the price of passports is discussed. I can confirm that we hold the information relevant to your request. However, after careful consideration it has been determined that this information is exempt from disclosure by virtue of section 35 (i) (a) of the Freedom of Information Act. Section 35 (i) (a) allows us to withhold information if it relates to the formulation and development of government policy.

In applying this exemption IPS has had to balance the public interest in disclosing the information against the public interest of withholding it. In this case we believe that, in order to ensure good government decision making, the public interest lies in not disclosing the information.

Arguments for and against disclosure in terms of the public interest, with the reasons for our conclusion, are set out below:-

For Disclosure

There is public interest in the transparency of IPS' considerations and calculations and allowing the public to assure themselves that IPS is accountable.

Against Disclosure

There are currently no formal plans to make a change to passport fees. To release information about internal discussions, before proposals have been costed and approved, would be prejudicial to the proper formulation of policy. There is only one, internal Home Office, document where this is mentioned briefly. The document in question was produced at the beginning of the spending review period and is in itself inconclusive. We do not consider that the release of this document would better inform the public or be in the public interest.