



House of Commons
Public Accounts Committee

The Border Force: securing the border

Thirty-first Report of Session 2013–14

*Report, together with formal minutes, oral and
written evidence*

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Committee of Public Accounts

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Committee staff

The current staff of the Committee is Adrian Jenner (Clerk), Claire Cozens (Committee Specialist), James McQuade (Senior Committee Assistant), Ian Blair and Yvonne Platt (Committee Assistants) and Alex Paterson (Media Officer).

Contacts

All correspondence should be addressed to the Clerk, Committee of Public Accounts, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 5708; the Committee's email address is pubaccom@parliament.uk

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Summary

The Border Force has a key national security role in helping to secure our border, but it still faces a range of important challenges. These include insufficient and inflexible resources to meet demands, leading to weakening of security at some ports of entry and neglecting of some duties. It still lacks good data which would help prioritise work. The separation of the Border Force from the former UK Border Agency was expected to strengthen its capability. But there is little evidence, some 18 months later, of progress in tackling the legacy issues. We were also disappointed that the Border Force too readily used national security as an excuse for not providing evidence to us or to the National Audit Office on the mistakes it had made and the problems it faces.

Conclusions and recommendations

1. The Border Force's 7,600 staff operate immigration and customs controls at 138 air, sea and rail ports across the UK, and in France and Belgium, to prevent 'harmful' individuals and goods entering the UK. In March 2012, the Border Force was transferred from the then UK Border Agency to the Home Office to strengthen management oversight following criticism around relaxation of border controls. The Border Force had five different heads in the 18 months to March 2013, when the current Director General, Sir Charles Montgomery, was appointed. The Border Force has a budget of £604 million for 2013-14, but is facing cuts as part of wider reductions in the Home Office's resources agreed in the Spending Review settlement for 2015-16.
2. **The Border Force has had to prioritise passenger checks at the expense of its other duties thereby weakening security at the border.** The Border Force's prioritisation of full passenger checks has led it to neglect other duties, such as the examination of freight for illicit goods, and to suspend checks in Calais on lorries to detect concealed illegal entrants when staff had to be re-deployed to passport control. The Border Force also confirmed that it was not able to meet and check up to 90,000 private planes or private boats arriving in the UK each year, leaving the UK border vulnerable and raising issues about resourcing and how priorities are set. The Border Force acknowledged that it had missed 8 of its 19 seizure and detection targets.

Recommendation: *The Border Force needs to set out how it will ensure that it delivers its full range of duties across all ports to provide the required level of national security.*

3. **It is not clear how the Border Force will cope with the growing demands placed on it to secure the border given the limited resourcing at its disposal.** The Border Force has not delivered its full range of duties and it faces significant growth in demand from projected increases in passenger numbers and air freight. While investment has been secured to increase the number of frontline Border Force staff from 7,600 to 8,000 this is only remedying in part previous cuts of 500 staff made between 2010 and 2012. The issue of paying to reduce staff numbers and then increasing those numbers shortly afterwards demonstrates poor planning and a poor use of public resources. The Border Force's plans for 2013-14 are based on it spending 4% more than its budget. It then faces real-term cuts in resources in both 2014-15 and 2015-16, partly as a result of the Home Office's overall budget being cut by 6% in its Spending Review settlement for 2015-16. To balance its books the Border Force will be increasingly reliant on achieving greater workforce flexibility and little progress had been made in recent years, with 40% of staff at Heathrow still on inflexible work contracts. The Border Force will also need to make better use of technical advances, such as more and improved automatic clearance gates at the border.

Recommendation: *The Border Force must demonstrate through effective, realistic planning that it can deliver its workload within the resources available.*

4. It was frustrating to the Committee to only see the Independent Chief Inspector's report on e-borders on the morning of our hearing. The report contains damning evidence of the nearly half a billion pounds of public money spent so far on the development of the e-borders programme. The evidence in the report was relevant to our hearing and should have been shared with the Committee in a timely fashion. **Recommendation: *The department must ensure that the Public Accounts Committee has proper and timely access to all reports which provide information relevant to the issues the Committee will consider during its hearing.***

5. **Good intelligence is required to control who and what enters the UK, yet there are worrying gaps in the data available to the Border Force to secure the border.** The Border Force has been slow to secure improvements in Advanced Passenger Information (API) with only 63% of passengers covered in advance of their arrival in the UK. Even with increased numbers of airline carriers set to provide API, the Border Force will not receive advance data for more than one in ten of the passengers arriving in the UK for the foreseeable future. The information the Border Force receives on incoming private planes and boats is notably poor, and there is concern that those able to access private planes and boats can evade border checks. The intelligence alerts to frontline Border Force staff on potential threats are of limited utility as they are generated from cross-checking data on legacy systems not designed for this purpose.

Recommendation: *The Border Force must address the gaps in the data it receives on people arriving in the UK, and the existing data needs to be cleansed to increase the quality, reliability and usefulness of the intelligence generated, to help the Border Force better align its resources to its priorities.*

6. **The Border Force's IT systems are inadequate and its future development plans seem to be unrealistic.** Frontline staff rely on an unstable data system—the Warnings Index—to carry out checks at the border. This system is at risk of collapse, but it is unclear when or how this system will be replaced. The Department's aim to achieve 80% passenger exit checks by April 2015 will place more demands on IT, but plans are unrealistic given it has not yet issued tender documents for the new technology required. Progress on replacing the Warnings Index system and introducing exit checks relies heavily on the development of the e-Borders programme (now the Border Systems programme) which worryingly is currently rated amber/red by the Major Projects Authority.

Recommendation: *The Border Force must set out how, and by when, it will have in place the functional IT systems it needs to underpin the security of the UK border.*

7. **The lack of flexibility available to deploy staff and poor morale threaten the productivity improvements required for the Border Force to meet all its duties.** A fifth of Border Force staff are not on annualised hour contracts restricting management's ability to deploy them flexibly to meet demand. Progress on moving existing staff onto new terms and conditions has been slow. The Border Force's efforts to raise productivity are hindered further by: poor staff morale, which is amongst the lowest in the public sector; organisational change, including shedding then re-recruiting staff; and budget cuts.

Recommendation: Senior management in the Border Force must provide the strong and stable leadership needed to provide the organisation with a clear sense of purpose and tackle those barriers which inhibit the flexible and effective deployment of its staff.

1 Priorities and resources

1. The Border Force was established in 2008 as part of the former UK Border Agency (UKBA). It is responsible for immigration and customs' controls at 138 air, sea and rail ports across the UK, and in France and Belgium. The Border Force's main objectives include preventing harmful individuals and goods entering the UK and facilitating the legitimate movement of individuals and trade. Border Force staff carry out a range of duties including checking passports and visas of passengers and searching freight and baggage to ensure they do not contain illicit goods.¹

2. In March 2012 the Home Secretary transferred the Border Force to the Home Office (the Department) in order to increase management oversight. This was in response to a lack of confidence in the UKBA's handling of the border following the discovery by the Independent Chief Inspector of Borders and Immigration that border controls had been relaxed at some ports without ministerial consent. The Border Force is now a directorate of the Department with a budget of £604 million for 2013-14.² On the basis of a report by the Comptroller and Auditor General, we took evidence from the Border Force and the Department on the progress and performance of the Border Force since its transfer to the Department in 2012.³

3. The Home Secretary requires the Border Force to carry out 100% checks of passengers arriving in the UK by commercial plane, rail or maritime. This has resulted, during busy periods, in the Border Force prioritising passport controls over other activities, due in part to the unavailability of sufficient frontline staff.⁴ For example, freight checks to detect illegal entrants concealed in lorries were suspended in Calais on 19 occasions between 6 and 8 April 2013. The Border Force told us that these checks had been suspended to improve traffic flow, which was a national security issue, rather than from a lack of resources or poor management. However, in practice, one of the reasons for insufficient numbers of staff being available was to allow time for meal breaks.⁵ A report in April 2013 by the Department's internal audit, based on visits to 13 ports, found staffing levels had not always been sufficient to resource priority areas.⁶

4. The Border Force told us that it was addressing the issues which caused it to suspend customs' checks and switch staff to passport control. The infrastructure at Calais has been modernised by the opening of more coach lanes and desks to try to improve passenger flow.⁷ The Department has also secured funds to increase the number of frontline Border

1 C&AG's Report, *The Border Force: securing the border*, HC 540 Session 2013-14, 4 September 2013, paragraphs 1-2

2 C&AG's Report, paragraphs 1.3, 1.5; Independent Chief Inspector of the UK Border Agency, *An investigation into border security checks*, The Stationery Office, February 2012

3 C&AG's Report, *The Border Force: securing the border*, HC 540 Session 2013-14, 4 September 2013

4 Qq77-79, C&AG's Report, paragraphs 7, 2.11-2.12

5 Qq16-18, 80; C&AG's Report, paragraph 2.12

6 Qq23, 50; C&AG's Report, paragraphs 2.13, 3.18

7 Q65

Force staff from 7,600 to 8,000 in 2013-14. However, it had previously made 500 staff redundant between 2010 and 2012, at a cost of £39.2 million to the taxpayer.⁸

5. Each year approximately 90,000 inbound private international flights land at around 3,700 sites across the UK, ranging from international airports to helipads and farm strips. Luton Airport deals with the largest number of these flights (19.9%), followed by Farnborough (10.5%), Biggin Hill (9.5%), Stansted (6.5%) and Northolt (4.4%).⁹ As the Border Force does not meet all private plane and boats completing international journeys, passengers arriving by these means are not all routinely checked. Border Force staff in Luton, for example, reported that they were told to prioritise passenger queues from commercial flights when they were understaffed, resulting in passengers on private planes not being checked. The Border Force confirmed there are times when staff do not know who is coming into the UK through these routes and some people do enter unchecked.¹⁰ The Department does not require Border Force to perform full passenger checks for private flights; instead it is required to intercept 100% of high risk private international flights, which since April 2013 account for a quarter of such flights. According to Border Force data, it intercepted 99% of private international flights in 2012-13 that it had identified as high risk. However, due to poor quality and incomplete data, the Border Force does not know what proportion of private flights should actually be classified as high risk.¹¹

6. The Border Force told us it was currently reviewing all the targets in its business plan to make them more meaningful. The Border Force acknowledged that in 2012-13 it had missed eight of its 19 seizure and detection targets, and had been more than 10% below the full year target on six of these. However, it claimed that it had met or exceeded those targets that the Home Secretary had defined as being the highest priority.¹²

7. While the Border Force has prioritised full passenger checks and reduced queuing times at passport control, at times this has been achieved at the expense of its other duties.¹³ It also faces ever-growing demands—both the numbers of passengers and amount of air freight arriving in the UK is projected to grow substantially in coming years—but has fewer resources. The Department as a whole faces an additional 6% budget cut in 2015-16 as agreed in its Spending Review settlement, although cuts will be deeper for some parts of the Home Office given that the budget for the police is relatively protected.¹⁴ The Department reported that it expects the largest proportion of its planned overall cuts to come from halving the budget for central corporate services over this Parliament, which currently accounts for £498 million of its £11 billion total annual budget. The Department also told us that while it had sought to protect the Border Force's budget for 2014-15 and 2015-16, it would still face real-term cuts. Both the Department and Border Force considered that further productivity gains could be achieved to alleviate cost pressures, for example, from

8 Qq148-151, 170; C&AG's Report, paragraph 3.16

9 Additional information supplied to the Committee by the Border Force, 23 October 2013

10 Qq50, 227, 234

11 Qq34-36; additional information supplied to the Committee by the Border Force, 23 October 2013; C&AG's Report, paragraph 2.30 and figure 2

12 Qq80-83, 86, 237-246; C&AG's Report, figure 4

13 C&AG's Report, paragraphs 7, 2.11

14 Qq138-139, 153; C&AG's Report, paragraph 3.21

greater workforce flexibility and technological advances, such as second generation e-gates. These anticipated gains are increasingly important given that the Border Force plans for 2013-14 are currently 4% above budget.¹⁵

8. The Border Force faces operational constraints when planning rosters because a fifth of its staff remain on older employment contracts that restrict flexible deployment at a time when flexible resources are required.¹⁶ This problem is more acute at certain ports. For example, since our last hearing on the Border Force in September 2012 there has been little increase in the 60% of Heathrow staff on new, more flexible contracts.¹⁷ The Department noted that contractually staff cannot be forced to switch contracts, which hinders progress. While new recruits and those promoted are automatically moved on to the new annualised hours' contracts, few existing staff have switched to the new terms and conditions in the past year and the Border Force has not run an exercise to encourage them to do so since spring 2011. The Border Force told us that funding was now available to run a second exercise offering transfer terms to staff in autumn 2013.¹⁸

9. Staff morale within the Border Force is amongst the lowest in the public sector, not helped by considerable organisational change, including shedding then re-recruiting staff, and the introduction of new terms and conditions of employment which would, for example, contractually oblige staff to work before 5am without extra pay.¹⁹ The Border Force identified several factors affecting morale—a clear understanding of the organisation's purpose, confidence in leadership, confidence in equipment, and a sense of feeling valued—which it acknowledged it had struggled with over the past 18 months. For example, there had been little continuity in senior leadership in the year and a half leading to the appointment of the current Director General in March 2013, who was the fifth person to hold that post. The Border Force considered that clarity over purpose was important for raising staff morale, and had now specified that its strategic aims were security of the UK border and a contribution to prosperity, with security being the overriding priority.²⁰

10. On the day of our hearing in October 2013 the Independent Chief Inspector of Borders and Immigration published a critical report on the e-Borders programme, which contained issues pertinent to the hearing. The report states that high-level findings from the inspection were first presented to the Border Force's Chief Operating Officer and Programme Director for e-Borders in March 2013.²¹ We found it frustrating that the Department did not share the detail of this report in advance of the hearing to give us sufficient time to familiarise ourselves with the findings.²²

15 Qq141, 145-148, 153 161, 163-66 168-169

16 Q63, C&AG's Report, paragraphs 15, 3.12-3.14

17 Public Accounts Committee, oral evidence on Transforming the UK Border Agency and Border Force, 5 September 2012. HC 550-i. Session 2012-13, (see Q16)

18 Qq63, 87-89, 90-94; C&AG's Report, paragraph 3.13-3.14

19 Qq63, 90-91, 170; C&AG's Report, paragraph 3.16

20 Q178; C&AG's Report, paragraph 3.8

21 Independent Chief Inspector of Borders and Immigration, 'Exporting the border'? An inspection of e-Borders October 2012-March 2013, October 2012, page 10

22 Qq 1-15

2 Data quality, intelligence and IT

11. More than 106 million air passengers currently arrive in the UK each year, and intelligence about these people—based on good quality, reliable data coupled with robust IT systems to manage it—is crucial in protecting the country from threat. However, there are significant gaps in the Border Force’s data, which impacts on the quality of intelligence that can be generated.²³

12. The Border Force has, for example, been slow in improving the amount of Advanced Passenger Information (API) it receives. API is currently available for only 63% of passengers travelling to the UK by commercial air, rail or maritime routes.²⁴ The Border Force anticipated that this would increase, but it did not expect to receive advance data for all passengers arriving in the UK in the foreseeable future. For example, it reported that three-quarters of commercial air passengers are currently covered by the API system, and that it expected a new carrier will join the API system soon which will increase this to 90%. However, freedom of movement obligations and data protection legislation restricted the information that airlines based in certain European Economic Area (EEA) countries can provide. The Border Force expected that in the future it would receive API on 85% of passengers arriving from EEA countries, compared to 70% currently.²⁵

13. The Border Force does not check all passengers arriving in the UK by private plane or boat, in part because the relevant data at its disposal is of poor quality and incomplete. The Border Force told us, for example, that to assess which private aircraft to meet, it matched the general aviation report, which are submitted by carriers and should identify who is on an aircraft, against Her Majesty’s Revenue & Customs’ civil aircraft tracking system. However, it recognised that the data in these reports might be incorrect or incomplete—private operators are not required to provide this information—which could allow people to fly into the UK on a private flight without being checked. The Border Force also reported that it did not have a system in place to match data from the national air traffic system, which identifies flights coming into the UK, with general aviation reports.²⁶ The intelligence alerts to frontline Border Force staff on potential threats are therefore of limited quality, generated from what the Department described as fragile legacy systems not designed for this purpose. The Department told us that the new National Crime Agency’s border policing command aims to deliver the high quality intelligence needed to detect the ‘high harm’ individuals of most threat to the UK, but that this was incomplete.²⁷

14. The Department acknowledged specific concerns with the quality of data stored in the Warnings Index, which Border Force staff rely on to check all passengers arriving in the UK. The Warnings Index had been set up in the 1990s with a seven year life span, but it is still in use and at risk of collapse. The Department told us that it was strengthening the Warnings Index in the short term through a contract with Fujitsu, until such a time that it

23 Qq260, 270; C&AG’s Report, paragraph 2, paragraph 2.30

24 C&AG’s Report, paragraph 2.30

25 Qq50, 58, 106-111, 213; C&AG’s Report, paragraph 2.30

26 Qq36-49, 215; 223-227; C&AG’s Report, paragraph 2.30

27 Qq75, 215, 217

can be replaced. However, the Border Force was unable to provide a date for when it would have resolved all the shortcomings of this system.²⁸

15. The Border Force also reported that it had problems with the Centaur system, which holds data on customs' offences. The Border Force considered that this system had generated a large amount of low-quality data which was clogging up the system, and it said that this was unmanageable because it damaged analysts' ability to use intelligence to target individuals. To address this issue the Border Force had block-deleted 649,000 matches relating to possible drugs and tobacco smuggling without first checking them, although it estimated that three in 10,000 of these—approximately 200 cases—would have led to seizures.²⁹

16. The Department has placed increasing demands on its IT systems because it plans to introduce 80% exit checks of commercial air, rail and maritime passengers by April 2015. The plans are very ambitious given that the specification has not been finalised for the new technology required, and the Border Force has, as yet, not issued tender documents for provision of this technology. The Department believed this timeframe was achievable because it already held data for two-thirds of people going out of the UK through its advanced passenger information, and the new programme would build on this base.³⁰ However, progress on introducing exit checks—and also on replacing the Warnings Index—relies heavily on the further development of the e-Borders programme, now known as the Border Systems programme, which is currently rated amber/red by the Major Projects Authority.³¹

28 Qq61, 195-198, 201-203; C&AG's Report, paragraph 2.30

29 Qq61, 67-74. This issue had been highlighted in Independent Chief Inspector of Borders and Immigration, *'Exporting the border'? An inspection of e-Borders October 2012 – March 2013*, The Stationery Office, October 2013

30 Qq267-271, 279-285

31 Qq52, 192-196

Formal Minutes

Monday 2 December 2013

Members present:

Mrs Margaret Hodge, in the Chair

Guto Bebb
Chris Heaton-Harris
Meg Hillier
Mr Stewart Jackson

Fiona Mactaggart
Austin Mitchell
Ian Swales
Justin Tomlinson

Draft Report (*The Border Force: securing the border*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 16 read and agreed to.

Conclusions and recommendations agreed to.

Summary agreed to.

Resolved, That the Report be the Thirty-first Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report.

[Adjourned till Wednesday 4 December at 2.00 pm]

Witnesses

Wednesday 9 October 2013

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Mark Sedwill, Permanent Secretary, Home Office and **Sir Charles Montgomery**,
Director General, Border Force

Ev 1

List of printed written evidence

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Permanent Secretary, Home Office | Ev 29 |
| 2 | Letter to John Vine, Independent Chief Inspector of Border and Immigration to Mark
Sedwill, Permanent Secretary, Home Office | Ev 33 |
| 3 | Department for Transport, Local Government and the Regions | Ev 44:Ev 60 |

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

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Twenty-second Report	High Speed 2: a review of early programme preparation	HC 478
Twenty-third Report	HM Revenue & Customs: Progress in tackling tobacco smuggling	HC 297
Twenty-fourth Report	The rural broadband programme	HC 474
Twenty-fifth Report	The Duchy of Cornwall	HC 475
Twenty-sixth Report	Progress in delivering the Thameslink programme	HC 296
Twenty-seventh Report	Charges for customer telephone lines	HC 617
Twenty-eighth Report	The fight against Malaria	HC 618

Twenty-ninth Report	The New Homes Bonus	HC 114
Thirtieth Report	Universal Credit: early progress	HC 619

Oral evidence

Taken before the Committee of Public Accounts on Wednesday 9 October 2013

Members present:

Margaret Hodge (Chair)

Mr Richard Bacon
Stephen Barclay
Guto Bebb
Jackie Doyle-Price
Chris Heaton-Harris
Meg Hillier

Mr Stewart Jackson
Fiona Mactaggart
Austin Mitchell
Nick Smith
Ian Swales
Justin Tomlinson

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

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL

The Border Force: securing the border (HC 540)

Examination of Witnesses

Witnesses: **Mark Sedwill**, Permanent Secretary, Home Office, and **Sir Charles Montgomery**, Director General, Border Force, gave evidence.

Q1 Chair: Welcome. Thank you for attending this afternoon. John Vine published his report this morning, although the findings were presented in March, six months ago. When did you know that the report would be published today?

Mark Sedwill: Two or three weeks ago, I think. There were some exchanges with John over the redactions, which were finalised quite recently.

Sir Charles Montgomery: Yes, it was about—

Q2 Chair: March. He presented the report to you in March.

Sir Charles Montgomery: If I could pick up, he presented the report in its first form to the Department—

Q3 Chair: In March.

Sir Charles Montgomery: I would have to check. I thought it was May.

Q4 Chair: No. Well, I think it was March.

Sir Charles Montgomery: Anyway, it was presented before the summer, in draft—

Q5 Chair: When did you arrive?

Sir Charles Montgomery: In February. So it was—

Q6 Chair: So you will know. The documentation I have suggests that it was presented in March.

Mark Sedwill: But anyway the report was presented to us for comment, factual checking and so on before the summer break.

Q7 Chair: March.

Mark Sedwill: Okay. Madam Chair, I do not know. You clearly have a date in mind. As you know, part

of the report had been redacted—that is quite a tricky process—after the process of factual checking. His original intention, I think, was that he hoped to publish it before the summer—this is in his hands rather than ours—but, in the end, because it was not possible to do that, he waited until after the recess. That is why it was published today.

Q8 Chair: It would have been courteous at the very least—I tried to get hold of a copy after you told me yesterday, which was the first I had heard of it, but I was unable to get hold of one. It is completely pertinent to our inquiry today, so there is some anger in the Committee that it was not made available to us. We have confidential documents the whole time and are perfectly capable of dealing with them. Why choose today for publication?

Mark Sedwill: It is not our choice, Madam Chair. The Chief Inspector chooses when to publish; it is not our decision.

Q9 Chair: Let me ask you this: did anybody in the Home Office, or anybody across Government—either Ministers or officials—at any point ask Sir John to delay the publication of the report?

Mark Sedwill: No.

Sir Charles Montgomery: I can categorically say that we did not ask him to delay the report.

Q10 Chair: The publication of the report.

Sir Charles Montgomery: The publication of the report—absolutely, categorically not. We did not ask him to delay the publication of the report. What we did, in that period, and I thought it was May—certainly I did not see it in its first form until May—was engage in a very detailed and protracted

discussion with John Vine on both factual accuracy in the first instance, which required quite a lot of to-ing and fro-ing, and then on the issue of redaction. And it was probably redaction that took most time, because we went through an absolutely painstaking process of making sure that every single element of data that could be put into the public domain was put into the public domain, and that probably took about two or three different passes in the Department, and eventually, advice was put to the Home Secretary.

Q11 Chair: I find it incredible to think that it took you six months to do that—

Q12 Chair: I find it incredible to think that it took you six months to do that—April, May, June, July, August, September and October; seven months.

Mark Sedwill: There is the summer recess, Madam Chair—

Q13 Chair: You don't stop working in the summer recess, with the greatest respect, Mr Sedwill. In fact, Ministers don't stop working in the summer recess, and neither do MPs.

Mark Sedwill: We don't, but in terms of publication—

Q14 Chair: You could have published in September, when we were back. You could have published it any time. I can't accept that as an excuse.

Mark Sedwill: The report was complete some time ago. He took a decision to publish it today. I don't think he was seeking to delay it—

Q15 Chair: I don't think he was; I think you were.

Mark Sedwill: I don't think we were. We did not seek to delay the report at all. In fact, our original expectation was that the report would be published before the summer recess.

One thing that I can assure you of is that John Vine is an independent-minded person. He certainly would not have accepted any pressure from us to delay publication.

Q16 Chair: Why is there nothing in the report about two things that I want to draw your attention to in the Report by the NAO? One is on page 18, paragraph 2.12. The NAO Report draws attention to the fact that, given how Border Force staff are prioritised, looking for illegal immigrants hidden in lorries was suspended three times in three days. Searching freight for smuggling was suspended 19 times in three days. Is that considered an issue of national security? Why is that not in his report?

Sir Charles Montgomery: His report, of course, was into electronic borders. The issues that he was detecting and that had been reported in terms of prioritising primary controls over secondary controls were about our action at the physical United Kingdom border.

Q17 Chair: Why were you anxious not to see these in the NAO Report?

Sir Charles Montgomery: Well, I—

Chair: These two issues are, one: the three times in three days you stopped looking for illegal immigrants

hidden in lorries; and two: the 19 times in three days you stopped searching freight for the smuggling of goods, at one port of entry.

Sir Charles Montgomery: Because we did not wish to put into the public domain the possibility or probability in any given time of checks having been suspended.

Q18 Chair: It is not putting into the public domain that is wrong, but the action of suspending.

Sir Charles Montgomery: May I answer that? May I come back to your point? It is absolutely right that some of these Border Force operations on the secondary controls were suspended at Calais over that period. There is a very clear rationale for this, and it is driven by the primary objective of the Border Force, which is national security.

The flows of traffic up to the control points in Calais—members of the Committee who have been there will understand exactly the picture I am painting—are themselves important for security. The checks and controls can create backlogs and stationary traffic of up to three miles long if not properly managed. Those three-mile long stationary queues are a primary source of security concern, because that is the moment—[*Interruption.*]

Q19 Mr Bacon: Could you just say that last bit again? That is the primary source of concern because—

Sir Charles Montgomery: Because stationary traffic—particularly the soft side—are primary targets for the clandestines trying to get through the border.

Q20 Chair: If it was really an issue of national security, on page 7, paragraph 11 and on page 25, we learn that for private boats and private planes, there was no advanced information at all. In effect, I read that to mean that gangsters and millionaires were let off the hook, while the rest of us ordinary folk go through the proper checks. That, I would have thought, is an issue of national security. Your argument about national security on one doesn't hold in another area, which again, I understand, you wanted withdrawn from the report.

Sir Charles Montgomery: Again, if I can go back to the difference between the two, the issue around Calais is very specific to location and time. The issues surrounding general aviation are not; it is a general observation made, quite rightly, in the NAO Report, that in the general aviation sphere, we do lack advanced passenger information, although we are closing the gap. That is not time-specific.

Q21 Chair: That is a national security issue.

Sir Charles Montgomery: Indeed it is, which is why we are striving so hard.

Q22 Chair: Then why did you not want it in the Report, because it is a really important issue?

Mark Sedwill: It wasn't that. I spoke to Amyas about it just before the Report was published. It is the exact parallel; it was a specific example that the NAO had uncovered. That would have fallen into exactly this trap, of essentially identifying a particular port at

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particular times that had a vulnerability. I asked that that specific reference be excised from the Report while retaining the general reference. We are maintaining a balance here, of course. We accept entirely that we have to be under scrutiny; we accept entirely that there are challenges around national security in the generic sense. It was seeking to excise specific information that could have been used by those seeking to breach the controls.

Chair: Meg wants to come in, but I put it to you that it is the action, not the reporting of the action, that is vital.

Q23 Meg Hillier: Mr Sedwill, I can see from your point of view that you want to be extra super-cautious about this, but these are facts about something that happened in the past in a port. We know that people are at the port providing text messages in real-time to ensure that people alter their route or hang back or whatever. I can't see the reason for your argument. You acknowledge that text messaging will happen and that there will be live-time communication. What's the problem about releasing this after the event? Why did you have the argument? It all seems a bit of a waste of time.

Mark Sedwill: As you will have seen in the John Vine report—

Q24 Meg Hillier: That was published only today, so we have not had a chance to read it.

Mark Sedwill: Normally the scrutiny of those reports is done by the Select Committee on Home Affairs. I recognise, of course, that it is relevant.

Q25 Chair: You knew we were doing this today. It would have been slightly sensible to give us something. You have managed to respond to the recommendations, so you have been sitting on it for a few weeks. As a Committee, holding you to account, it would have been sensible to have let us have it on a confidential basis—for us at least to have the summary.

Mark Sedwill: Madam Chair, I accept that. That's why, when we met informally, I mentioned it to you. I admit I hadn't realised that you were not aware of it. As I say, traditionally these reports have been scrutinised by a different Select Committee.

Q26 Chair: I don't think they were aware of it. Were you aware of it?

Louise Bladen: We knew the report was coming out but did not know the exact date until very late on.

Q27 Chair: And I asked them for a copy after you left me yesterday.

Mark Sedwill: Actually, I think my office was asked for a copy for you and ensured that John Vine's office provided one, I thought. We asked them to do so. We will follow that up, Madam Chair. I apologise for that. It was not, as you may be fearing, a tactical move on our part. We knew that this report would be part of your scrutiny today inevitably, once we knew that the two were happening at the same time. We did not choose the date of the publication—but once we knew that the two were happening at the same time. That is

partly why I mentioned it to you yesterday. There was absolutely no effort to conceal it from you, because we expected this would be a significant issue because it is relevant to the NAO Report.

Meg Hillier: Let us go back to the text messaging. You recognise that that happens. I want to touch on the issues of resources and, in particular, sea ports.

Chair: We can come back to that. Let us deal with this. I promise I will bring you back. Let us focus on this one; then we'll do the Vine; and then we'll come back to the wider group.

Meg Hillier: Focus on this one, as in?

Chair: Just the issue of why things were taken out of the Report.

Meg Hillier: The redaction issues.

Q28 Stephen Barclay: I have a question on private planes. How many private planes come into the country each year?

Sir Charles Montgomery: I do not have the facts at my fingertips. Can I come back to you on that?

Q29 Stephen Barclay: Can you give us a rough estimate?

Sir Charles Montgomery: I would not even wish to give a rough estimate.

Q30 Stephen Barclay: The Report says there are 1,000 a year into Luton alone, but you can't give even a rough estimate.

Sir Charles Montgomery: I can't give an estimate; I wouldn't want to. What I would want to do is provide a clear analysis of those aircraft that came into the country, and then come back to you, if I may.

Q31 Chair: Can you give an estimate?

Louise Bladen: Our understanding is that the 1,000 at Luton is the most significant. There could be others at other airports and private airfields as well. There is quite a range of places where they could be coming in.

Sir Charles Montgomery: I can assure you that Luton is the most significant single component of it.

Q32 Stephen Barclay: How many airfields are there into which flights from outside the UK come in privately?

Sir Charles Montgomery: It is in the hundreds, but again, let me come back to you with an exact figure.

Q33 Stephen Barclay: So there is a significant number of private flights into the UK each year.

Sir Charles Montgomery: There is a very significant number of general aviation flights into the UK every year. There is a system, on which we seek to make significant improvement. There is a system whereby every general aviation flight coming into the UK is required to submit a general aviation report. That general aviation report is now launched on a common portal, and that gives us, Border Force, the opportunity to see in advance the general aviation traffic that is flying into the United Kingdom.

Q34 Stephen Barclay: Sure. The Border Force's operating manual doesn't require full passenger checks for private flights, does it?

Sir Charles Montgomery: No, it doesn't require full passenger checks for general aviation flights. Absolutely not. What it does require me to do is to intercept 100% of high-alert general aviation flights.

Q35 Stephen Barclay: Sure, but figure 2 shows that you are not doing that. It is 99%.

Sir Charles Montgomery: That is correct.

Q36 Stephen Barclay: What proportion of the private flights—the number of which you don't know—are high risk?

Sir Charles Montgomery: Every single—well, I don't know what I don't know. There is a weakness in general aviation, which the Report quite rightly highlights, and which I absolutely recognise. There is a weakness around general aviation.

May I just go back to my explanation of the process, because it might help you to understand how the process works at the moment and where I am seeking to take it. Every aircraft is required to submit a general aviation report coming into the United Kingdom. It is carried on the common business portal, which we launched this year. That is working very successfully at the moment. There has been a good take-up on the general business portal, and there are good software packages that make it easier for the aircraft to put that information on there.

We can match the general aviation report against a system called a civil aircraft tracking system, owned by HMRC, which enables us to match the aviation report against the tracking system. It does give us the ability to do so. It is labour-intensive. We don't manage to match every single report against every single entry on the—

Q37 Chair: That is who owns the plane rather than who is in it, isn't it?

Sir Charles Montgomery: The tracking system?

Q38 Chair: Yes. The HMRC system won't tell you who is in a plane.

Sir Charles Montgomery: The general aviation report has to identify who is on the aircraft.

Q39 Stephen Barclay: That information is often incorrect, isn't it?

Sir Charles Montgomery: On the general aviation report?

Q40 Stephen Barclay: The passengers. You just said your control is cross-checking against the passenger information.

Sir Charles Montgomery: Correct.

Q41 Stephen Barclay: Is it not the case that quite often you don't have advance passenger information for private flights?

Sir Charles Montgomery: That is correct.

Q42 Stephen Barclay: Is it also the case that sometimes you know that the information you have on private passenger flights is wrong?

Sir Charles Montgomery: We sometimes prove that it is wrong, but of course we wouldn't necessarily

know it is wrong from the general aviation report. What we do is analyse the general aviation report, make a risk assessment against that report, decide whether it is high risk or not; if it is high risk, we intercept it in 99.25% of cases. If it is not high risk, we have no obligation to intercept it according to the mandate. We do spot checks.

Q43 Stephen Barclay: Sure, but if your passenger data is either not provided in advance or is incorrect, how do you know your classification is correct?

Sir Charles Montgomery: We do apply what we call rules-based targeting, which indicates what sort of flights, from what locations and at what time might be considered to be high risk.

Q44 Stephen Barclay: So the answer is you don't.

Sir Charles Montgomery: As I say, we do apply intelligence-based, rules-based targeting.

Q45 Stephen Barclay: What I am trying to establish is that you don't have advance information—the data you know subsequently was incorrect—and therefore flights have come into the UK on private airfields, which, because you are prioritising commercial passengers, you do not check. So people can fly into the UK on a private flight with incorrect data and not be checked. That is the case, isn't it?

Sir Charles Montgomery: That is the case, and I openly acknowledge that there is a risk, which we have closed by some distance. We are now seeking to bring in a new system which will link the—

Q46 Stephen Barclay: But it is not closed as of today, is it?

Sir Charles Montgomery: It is not, no. We are closing it.

Q47 Stephen Barclay: So what is to stop a convicted killer, a terrorist, someone who has money or a drug dealer, who knows that your controls at places such as Luton are weak because you are prioritising commercial flights, booking a private flight? If the passenger information is not provided in advance or the information is incorrect they could stroll through without a check. That is a real risk, isn't it?

Sir Charles Montgomery: Mr Barclay, one of the categories of the high-risk flight is whether the data has been submitted in advance. Every flight that has not submitted the data is judged to be a high-risk flight.

Q48 Stephen Barclay: But the data may be incorrect.

Sir Charles Montgomery: If the data is incorrect—

Q49 Stephen Barclay: In which case it doesn't matter if it's submitted in advance, does it? It's false data.

Sir Charles Montgomery: May I just go back to the point I made? If the data is incorrect we may or may not bowl that out. But we still apply intelligence-based, rules based targeting against every single flight we are aware of to judge whether or not it should be a high, medium or low-risk flight.

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Q50 Stephen Barclay: The *Guardian* splash today covered the fact that a third of the passengers are not covered by the system. What we seem to be establishing—and we have not even got on to maritime, where, if someone comes on a boat, the controls are equally weak. Meg alluded to the fact that criminal gangs will quickly spot if checks are being stopped: they will send a text message. As I am sure you are aware, one of the key risks is always staff, internally, providing information.

It is clear, is it not, that in the case of private planes you do not often have the correct data and therefore in real-time you do not know who is coming in through that route.

Sir Charles Montgomery: On the use of the word “often”, there are times when we do not. I absolutely acknowledge that there are times when we do not.

Q51 Stephen Barclay: If it is Abu Qatada, it is pretty serious, is it not? I am not saying it would be him, but someone of that ilk.

Mark Sedwill: There is a problem with any control system, Mr Barclay, if people have access to the ability to travel under a genuinely documented false identity. The only real protection against that is biometrics.

Q52 Stephen Barclay: But this whole system was put in place so many years ago, at great cost. I am sure that we will come on to the cost in due course, and the legal case that is running with Raytheon and its £500 million claim. That is what the e-Borders system was designed to do, wasn't it?

Mark Sedwill: It is designed to do that and it does it pretty effectively. I just watched one of his interviews and John Vine himself acknowledged that, in particular, the police have really benefited from this—I think he called the police the real winners—because they have been able to detect and prevent several thousand criminals from entering the UK, including dozens of really serious violent offenders.

It is not the case that, because it is not proof against every single, possible route—

Q53 Stephen Barclay: No one is saying it is of no use. That is a straw man.

Chair: It is half a billion. You would hope it was of some use.

Mark Sedwill: It is not a straw man. It is important to understand that it is part of a layered set of checks, including the 100% check at the border in the commercial airports, that enables us to provide border security. No system is 100% watertight. This is better than any other system in Europe and it is one of the best in the world.

Q54 Chair: What John Vine said when I heard him on Radio 4 this morning, talking about this particular system, was that, having spent half a billion pounds of taxpayers' money on the programme, not one person has been stopped from getting on a plane and arriving in this country. It is a pretty damning indictment. He said that. I do not know who else listened to the “Today” programme, but that is what he said.

Mark Sedwill: That is not the case.

Q55 Chair: Well, that is what he said. Are you accusing him of misleading us or the public in general?

Sir Charles Montgomery: I can assure you that there are a number of cases of people subject to exclusion orders and examples of those subject to very high-risk deportation orders, as well. Madam Chair, let me assure you that, even in the last six weeks or so, I am aware of four people who have been stopped from boarding aircraft coming to the United Kingdom.

Mark Sedwill: If I may, Madam Chair, just to clarify that point, because it is quite important.

Q56 Chair: Okay, I am going to quote. He said airports were not meeting those with terrorist alerts against them on arrival and “not one person” has been stopped boarding a plane to the UK. That is what he actually said.

Mark Sedwill: He was referring—actually, there is a case anyway—to deportees: not one person.

Q57 Chair: No.

Mark Sedwill: I think his own report documents that several tens of thousands have been. There may just be some confusion in the interview here.

Q58 Chair: You know, maybe we will have to call him.

Sir Charles Montgomery: Could I just go back to Mr Barclay's point about the number raised about the two thirds, and that we have not got round to maritime yet? That number, based on the two thirds, included all forms of travel into the United Kingdom, whether air, maritime or rail. On the numbers on commercial air—and we were talking about air—to the UK, the figure is about three quarters of people who are subject to these prior checks. That number is about to increase significantly, with the joining on the system of another major carrier.

Q59 Stephen Barclay: How many false positives does the e-Borders system kick up each year?

Sir Charles Montgomery: False positives. Again, I think I would have to come back to you with a statistic.

Q60 Stephen Barclay: It is a key metric.

Sir Charles Montgomery: It is in the hundreds of thousands.

Q61 Stephen Barclay: If so many false positives are being generated, that is a huge flashing light that your data is incorrect.

Sir Charles Montgomery: Well, a number of false positives are being generated. There is an issue around data quality that we are striving to correct on all the various feeder systems that provide amounts—whether that is the warnings index or, in particular, the Centaur system. We are striving really hard to get accurate data, which will significantly reduce the false alerts that the system identifies.

Q62 Stephen Barclay: Do all the suppliers to those feeder systems have IL3 security clearance?

Sir Charles Montgomery: All those who are working on those systems are suitably cleared.

Q63 Justin Tomlinson: We were talking about Calais and you were saying that there are times—I understand why you do not want to advertise it—when you suspend certain duties and prioritise risk. Paragraph 15 of the Report under “Key findings” states, “Almost a fifth of the Border Force’s workforce is employed under terms and conditions that restrict working hours to fixed periods during the week, rather than allowing more flexible shifts”, with “less than half the workforce...contractually obliged to work before 5 am”. I understand that if there is a 3-mile queue of stationary soft-sided vehicles, it is easy for people to board and you are obviously going to prioritise that. But surely, with a flexible work force, you would be able to deal with that without having to suspend other duties. So what is the time frame for getting this working? I know that you want to, but it does not seem that you are making much progress.

Sir Charles Montgomery: We are making progress and we have made progress already. You will be aware that a very significant number of people transferred on to more modern working terms and conditions in our last round. We are at the moment in a very significant period of pay reform, which will actually make the package much more modern and up-to-date as well. After that, with Treasury blessing, we will be going back to our work force with a further invitation to transfer to annual hours—

Chair: So what percentage of your staff—

Q64 Justin Tomlinson: So when you get to that point in time, do you anticipate that you will have sufficient resources in terms of finances and numbers of workers with flexible hours to avoid the need to suspend services?

Sir Charles Montgomery: There are a number of layers to this. May I answer your question as fully as I might? There are several points to make in answer to it. First, we have a core work force based in Calais, some of whom are on the old terms and conditions, but most are on the new terms and conditions. We do now have regional brigades of Border Force officers, who can be tasked and targeted to where the pressure point in a particular region is particularly bearing. We can therefore draw on extra people from the region, rather than for specific—

Q65 Justin Tomlinson: Would that not lead to the suspension of services where they would otherwise have been?

Sir Charles Montgomery: No; we retain capacity within the region to be able to prioritise around the region while still retaining the 100% checks, the management of queues and so on. We have retained that resource specifically for the purpose you highlight.

However, it is not just about the numbers of people; it is about the introduction of technology and the modernisation of infrastructure. As you will be aware, we have quite recently opened up extra coach lanes

and more desks in Calais to provide greater flow. Infrastructure issues are being addressed. I have mentioned technology. There is also a question of our co-operation with the local authorities in Calais, which has also produced better management of the flows going into and out of Calais.

Ultimately, there are some limiters in Calais. Infrastructure is now a limiting factor. There is little scope now for extra desks and we now use laptops instead of the desk points, so we are being agile and flexible in response to the pressures. We will endeavour to keep queues moving. The Committee may be aware that the Home Secretary also authorised a pilot over the summer period during which we did not carry out full checks on coachloads of children coming back from the continent. We did not require them to disembark; we did face-to-face checks on the coach. We are analysing the results of that trial. That had a significant impact on the flows going through Calais. We are analysing the results to determine what the risk was and whether it is something we might institutionalise.

Q66 Justin Tomlinson: That is all very encouraging, but my question was about what the time frame is for when you will be confident that you won’t need to suspend any of the existing duties.

Sir Charles Montgomery: I cannot give you a time frame for when I would be absolutely confident that I wouldn’t have to suspend the Border Force component for duties if there was a higher security demand for people to be deployed elsewhere.

I wanted to come on to a further point: it is not just Border Force that does secondary controls in the Calais region. It is contracted, as members of the Committee may know—indeed, one of the most effective search techniques, the dog searchers in Calais, is a contracted service that continues. The Police aux Frontières continue their work there on equipment that we supply to enable better controls. I want to give the Committee some assurance that people will always be deployed according to operational need, but there is a rump of secondary capability in every circumstance.

Q67 Chair: Okay. I want to intervene with one question. In the Vine report—I am probably the only one who has looked at its recommendations—on the point that Justin just raised, it says that 650,000 records relating to potential drug and tobacco smuggling were deleted. That suggests complete chaos in the Customs controls. It looks as if you have lost control of our borders.

Fiona Mactaggart: Nearly three quarters of the total matches generated were deleted.

Sir Charles Montgomery: I would be delighted to take that one on, if I may. That related to the Centaur system, Chair, as I think you have identified—the Customs element. The Centaur system is one of a multi-layer of systems that feed and are matched against the Semaphore system to create the matches that eventually end up in alerts. That is just one layer. On that Centaur system is a whole history of Customs offences going back many years. Some of them—indeed, the overwhelming majority—are of a very low

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level of infringement. The action was taken by the operator on the ground on the basis of the advice provided by the contractor, IBM, that the weight of data being fed into the system across all these layers was in danger of degrading the analysts' ability to target a Border Force operation against any individual. For that reason, the data held—that 649,000—were block deleted, which made the system more effective. If I could come back to the killer point—

Q68 Mr Bacon: When you say block deleted, did you literally just delete them? Did you print them off and move them to a warehouse in east London next to some cannabis, like the al-Yamamah files? Or did you just delete them? Were they saved anywhere?

Mark Sedwill: Yes; just to be clear—if I can clarify, it might help. The records on the Centaur system and on the Semaphore system were not deleted—the original records were not deleted. What was deleted was essentially the outcome of the algorithm that ran them against each other that said, “We have John Smith and John Smith—that is a potential match.” They are then sifted down to see whether that is the same John Smith, and then the National Border Targeting Centre determines whether or not to issue an alert, because it could easily be somebody who has been pulled over once for bringing slightly too many cigarettes through duty free. I think there was one occasion where it was a packet of margarine or whatever.

The proportion of those overall matches that lead to a seizure thereafter is 3% of 1%—in other words, three in 10,000. We are talking about a mass of quite low quality data that clogs up the system and that was deleted—I understand—after the people had come through the border, so it did not affect the alerts.

Chair: A lot of people want to come in on this point.

Q69 Guto Bebb: I have not read the report because the response was made available only this morning. However, the summary of the report makes it very clear that that 649,000 had not been read. What I find difficult is that your explanation is that it was low quality information, but the summary of the report says that the information was not read. Is that correct or inaccurate?

Sir Charles Montgomery: That is correct.

Q70 Guto Bebb: So how can you make the claim that they are low quality data if there has not been any effort to analyse them?

Sir Charles Montgomery: Well, we have analysed data over a six-month period, which is actually rather longer than the period over which—[*Interruption.*] I beg your pardon; that was 10 months. But we have done a proper analysis of the data over a six-month period, which demonstrated the figure that Mark Sedwill just quoted. The chance of a single match resulting in a seizure at the border is 0.003%.

Chair: Crazy. This is either crazy design—

Sir Charles Montgomery: If I could come back to the important point—the Chief Inspector makes the point extremely well himself—the issue is the volume of low-impact data on the system. He made a recommendation that flowed from that observation.

We have been working with HMRC to provide an extract of Centaur that can match against Semaphore. We will have in place, with HMRC's co-operation, an extract of Centaur that will lower the number of potential entries by 75%. That will produce a much more agile system that is much more likely to result in real seizures.

Chair: I am sticking to this point, and I have three people to ask questions on it.

Q71 Guto Bebb: On the specific point, the Chief Inspector makes it very clear in the summary of the report that the deletion of these 649,000 files will have a significant impact on the ability of staff at the border to seize prohibited goods. Either the Chief Inspector is incorrect or what you are telling us is incorrect.

Sir Charles Montgomery: I am providing the Committee with absolute facts.

Q72 Guto Bebb: So the Chief Inspector is not.

Sir Charles Montgomery: The Chief Inspector is making an observation based on that 649,000 figure, which our analysis after his report—

Guto Bebb: After his report?

Sir Charles Montgomery: Yes. That analysis demonstrates that it is a 0.003% chance.

Guto Bebb: So in effect the conclusion is wrong.

Q73 Fiona Mactaggart: Let us look at how many offences would be covered. If you use your 0.003% figure, there would be something like just fewer than 2,000 successful seizures, if you apply that figure to the 649,331 bulk deleted items. That is presumably why the Chief Inspector said that this was unacceptable.

Sir Charles Montgomery: In fact, I think the number is 200, but the point I want to make is that Centaur is just one of a number of systems that is matched against Semaphore, against any particular entry or match. Any serious case of criminality or worse is transferred from the Centaur system to the warnings index system, which is one of the other systems on which matches are made.

Q74 Fiona Mactaggart: Sorry, both of us get 2,000. If you multiply 649,331 by 0.003%, I think you get 2,000.

Mark Sedwill: There's a zero missing. It is 3% of 1%, or three in 10,000.

Chair: Whether it is 200 or 2,000, it is a lot.

Mark Sedwill: The fundamental point is that it is 3,000 matches a day, of which a tiny fraction lead to a seizure. That is unmanageable in a sensible, intelligent targeting system. You simply could not manage it. What we have to do is take most of the low quality data out; otherwise they just clog up the system and that means we are probably missing people we should be focused on.

Chair: Okay. It does seem a daft design. Does anyone else want to ask a question on this point?

Q75 Austin Mitchell: Let me pursue this point as well. It seems daft that a border system that is designed to detect smuggling, fraud, tobacco and drugs becomes so overloaded with that detection work

that you then have to obliterate everything. It is a crazy system.

Mark Sedwill: I think, Mr Mitchell, that I agree with you entirely, and I think Sir Charles would as well. The key thing you said was that the system was “designed”, because it was not designed this way. We are still trying to make the best of a series of old-fashioned, fragmented, fragile legacy systems, designed for different purposes—Centaur was designed in Customs, and Semaphore was designed in the old immigration service—and to bring those together. The process of distilling the Centaur system so that we are using better information from it is designed to achieve exactly the goal that you set out. It is right, of course, that Customs needs to keep a record of everyone it pulls over, even for a minor offence, but it would not be proportionate for that to lead to Border Force action. These systems were designed for different purposes. What we are seeking to do is to run them against each other in order to get usable data that enable us to focus on the higher profile, higher risk cases.

Q76 Austin Mitchell: But as Fiona said, the Chief Inspector’s report says that this had a significant impact on the ability of staff at borders to seize prohibited and restricted goods. I read that in conjunction with what the report said—that because of staff shortages, staff are being taken out of this kind of work and put on to passport work. In other words, were you so understaffed that you had to create a gaping hole in the system like this?

Sir Charles Montgomery: The issue around this 649,000 is not around staffing levels. It is about a technical system’s ability to cope with this enormous amount of data—

Q77 Austin Mitchell: Yes, but staff were being taken off that work, according to the NAO Report, because of the pressure of passport work.

Sir Charles Montgomery: The NAO reports that staff were being taken off the secondary controls at the front line to conduct—

Austin Mitchell: That kind of thing. That was losing supervision and staff.

Sir Charles Montgomery: That is correct. If I could put the overall balance between what we call the primary control—many people would call it the passport control—and Customs, the secondary control. If I can put it into some perspective it may help the Committee’s understanding. The overall amount of time that my Border Force officers spent—I think it was last year—on primary versus secondary control split at 56% against 44%. That is the overall split. So it is not the case, as perhaps may be perceived by some of this reporting, that we are forgoing our secondary controls. We are most certainly not.

Austin Mitchell: Okay, let me go back to—

Q78 Chair: I think the report says something completely different.

Sir Charles Montgomery: I can assure you that the end of shift reports, which is the best management information I have and which identify exactly how

much time individuals have spent on any one function during any one shift, reveal a 56:44 split.

Q79 Chair: Is that an improvement? That is a meaningless stat. What we do know is that you are not doing the checks on forged documents, on tobacco—

Louise Bladen: Forfeited goods.

Chair: We know you are not doing it. Maybe your split should be 25:75. We have no idea. It is no good telling us that. It is a meaningless statistic.

Sir Charles Montgomery: I gave you the figure because I think it paints a different picture from that which one would pick from—

Chair: No, because we don’t know what the appropriate one is.

Sir Charles Montgomery: Having given you the headline figure on the overall split, it is the case that over the last reporting year, not only did Border Force achieve its 100% PCP checks—

Chair: 100% what?

Sir Charles Montgomery: Primary control point checks. It not only achieved that to within 0.0002%—I think it was—so almost exactly 100% checks at the primary controls; not only did we achieve the Cyclamen targets, which are mandated, but in the rest of the secondary controls we achieved, or overachieved, against all the highest priority seizures set out in the control strategy, which is mandated to me by the Home Secretary.

Q80 Jackie Doyle-Price: Could you explain what the Cyclamen checks are, Sir Charles?

Sir Charles Montgomery: Well, I can’t go into too much detail, as I am sure you will understand. Cyclamen, like so much of our work, is divided into priority areas and priority activity. What is mandated on me is the 100% checks and response to alerts of the highest priority cases.

Amyas Morse: Chair, sorry—these are good answers in some ways but I really have a bit of a problem. We have an agreed Report here.

Chair: Quite.

Amyas Morse: I am going to ask you to say something, but first I am going to read this out: “In Calais, we observed officers being taken off controls to detect clandestine illegal entrants to the UK concealed in lorries in order to deal with passenger queues. This occurred three times”. What is more important is that in the time we observed there were 19 occasions where people were taken off for reasons due to understaffing—in other words, to get a meal. My point is this: you don’t actually have enough resources. This is not a zero-sum game. We are not primarily talking about whether you are making a good effort. We are not trying to show you are not making a good effort. What we are saying is that we don’t think you’ve got the resources to do the job.

Louise Bladen: I was just going to refer to figure 4 on page 21, where we have the performance on seizures and detection targets; of the 19 targets that the Border Force had, there were six that we identified that were more than 10% below full-year target and, when we looked at the numbers beneath that, some are significantly below target.

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Amyas Morse: So to say, whatever the Home Secretary's primary targets were, these were the targets—this is all stuff that you have seen and cleared in a Report. These were the targets you adopted, which haven't been achieved. It is important to say that—I am sorry.

Sir Charles Montgomery: Thank you. Nothing I have said contradicts our acceptance of the Report's recommendations, which we absolutely accept; nor does it contest the statistics here, which I think we provided. There is no doubt there are areas of our seizures where we are not achieving our targets. The Report makes it clear; I absolutely acknowledge that. In terms of the points I seek to make, however, of course, any business is resourced to meet its required outputs. I am required to meet a certain number of outputs. The point I make here is that there are areas where I am not and areas where I am. In seizure terms, I am achieving the highest priority targets; I am not achieving the lowest priority targets. Could I just pick up on the point—

Q81 Chair: Those priorities are defined by?

Sir Charles Montgomery: By the Home Secretary.

Amyas Morse: When you are answering, perhaps you could make this clear: are you saying that your resourcing is predicated on failing to meet all these other targets?

Sir Charles Montgomery: No, I am not saying that at all. I am saying that I am striving to meet the targets I have been given.

Amyas Morse: But you cannot; you do not have enough resource.

Q82 Ian Swales: May I come in on this? I want to pick up on figure 4. These targets are, in a sense, meaningless because you do not know how many offensive weapons somebody will attempt to bring into the country in a year. The Comptroller and Auditor General makes a good point, because the target should relate to the process and the quality of the process. If nobody tries to bring in an offensive weapon during the year, it could be that you have such good processes that nobody would even try, and you cannot call that a missed target, can you?

Sir Charles Montgomery: No, I cannot. And if I could make the point, I am revising all the targets within the Border Force business plan so that it does start to address exactly the point that you are making.

Q83 Ian Swales: Are you going to change the way you measure yourself from saying how many cigarettes and how many offensive weapons?

Sir Charles Montgomery: We will be seeking to measure our achievement at the border against an assessment of what might be coming across the border. That is a slightly different way from how we measure our achievements at the moment.

Q84 Mr Bacon: So you are measuring your achievements against a guess, basically?

Sir Charles Montgomery: No, we measure our achievements on the basis of intelligence, founded on year-on-year performance. That is a slightly different way of measuring.

Q85 Ian Swales: If, year after year, you seized 100% of the cigarettes that were coming into the country, guess what—the figure would start going down, wouldn't it? And you cannot call that failure on your targets; these people would stop attempting to bring them in. So, curiously, having a lax system probably helps you to meet your targets, because if people know that you will seize only one offensive weapon in 10, and you can hit your target by doing that, then there will be loads to pick from. I just don't understand how these can be sensible targets for your organisation.

Mark Sedwill: I think there is some real power in the point you make, Mr Swales. Any targets that are purely numeric in the way you suggest are subject to all sorts of perverse incentives. They are based on intelligence—

Q86 Ian Swales: You don't know what they are measured against, though. That is the problem.

Mark Sedwill: Essentially, the Border Force takes the targets they are given and obviously—particularly if this is one of the conclusions the Committee reaches—if you feel that those targets are not a sensible way of driving performance in the Border Force, we will review it. There is an issue with numeric targets of this kind. I must admit, I asked a very similar question: I said, "What does 'good' look like in this area?" and I think you are pointing to a paradox with numeric targets.

May I return to the resourcing point very quickly? Because this is one of the things—inevitably, I've got to look at the whole system and the resources available to the Border Force alongside all the others in a constrained environment. The truth is that, across the whole system, there is still some way to go on productivity. There have been massive improvements at Heathrow. Those have been done in old-fashioned ways, in effect: by having more flexible working patterns; by understanding the surges in traffic better; and by having a clear operating mandate.

And they are rolling those improvements out elsewhere across the system. It is not about some massive new technology; some of it is actually quite old-fashioned. It is not quite a zero-sum game, as the Comptroller suggests—he is right about that—but there is still more productivity that we can achieve.

Q87 Chair: What proportion of Heathrow staff are now on these flexible contracts?

Sir Charles Montgomery: I think it is 60%.

Q88 Chair: So 40% aren't.

Mark Sedwill: People can't be forced. They can be incentivised, but they can't be forced.

Q89 Mr Bacon: They can't be forced. They have an existing employment contract. Is that an undated contract rather than a fixed-term contract that you can't get them out of? You simply have to put carrots in front of them to help them move away from this contract that they have, otherwise they can dig in and say, "No, I'm not getting up earlier than 5 o'clock in the morning—it's as simple as that".

Sir Charles Montgomery: Yes.

Mark Sedwill: These are permanent civil servants. They have a long-term employment contract, as all of us do. As in any case, if you are varying a pension, or varying pay, terms and conditions, hours, or anything of that kind, it has to be done through negotiation.

Q90 Austin Mitchell: Is the change to their contracts a matter of getting them to do their work—particularly at Heathrow—before 5 o'clock in the morning without extra pay? Is that what you want?

Mark Sedwill: The idea was to move to annualised hours, essentially so that we could run flexible shifts—I think you will know the detail. It was so that we could run flexible shifts. That 60% is up from zero only a couple of years ago. That is partly because new recruits are put on to the new contracts.

Chair: To be fair, I think it was stuck at 60% last time we looked at the cost reduction of UKBA, which was probably two years ago now.

Louise Bladen: It was September 2012.

Chair: So it has not changed in the last year.

Q91 Mr Bacon: Why don't you do some restructuring? Get a clever employment lawyer—obviously, because we don't want to be paying out severance, do we? Paragraph 3.14 says that there is this remaining 19% who you need to move to annualised contracts across the force, and that at Heathrow there is a greater concentration. I take it that the idea of annualised contracts is that you get to the office at 4 o'clock in the morning, or 4.30 am, you work extra hours and then you take extra time off in lieu, but the cost to you as an employer doesn't change. Is that basically the gist of it?

Sir Charles Montgomery: Correct.

Q92 Mr Bacon: Well, many of us get up at 5 o'clock in the morning without getting extra pay, so in what are pretty tough times, you should be having some pretty tough conversations with these people, shouldn't you?

Mark Sedwill: We are doing so. We are in the middle of a pretty tricky negotiation—which is currently out to ballot with the unions—about pay progression, which is another modernisation of the pay system that we want to introduce.

Q93 Chair: On annualised hours, you have made no progress in the past year. That is really the point. When we looked at this a year ago, at Heathrow, 60% were on the annualised contract and 40% were not, and you are coming back to us today and saying, "Actually, we are in the same position."

Sir Charles Montgomery: Can I come back to you with the latest figures on that? One thing has changed, particularly at Heathrow, where a significant number of new recruits have joined the staff, all of whom are joining on the annualised hours contract.

Q94 Chair: You gave me the 43% figure.

Sir Charles Montgomery: Indeed so. There are a significant number of new recruits coming through on the new contracts. During the autumn period we are going to be offering transfer terms to those who are

not. The issue of what more we might do beyond that must, quite rightly and properly, lie beyond that second opportunity to bring people across.

Chair: Okay.

Q95 Meg Hillier: Chair, I want first to go back to the seaports, then to touch on air and then look at the future resources issue, if you will indulge me. First, on the ports, one of the challenges is surely the port design. I can see the point about 3-mile long queues being a bit of a problem, but isn't that where design is an issue? Obviously, you have talked about the coach issue, but there is also the issue of resources, so what is the long-term plan? It has always been a problem, so what is the long-term plan to solve this?

Sir Charles Montgomery: Well, of course the infrastructure at the ports is largely provided by the operator themselves. Those who have been down to Dover recently will have seen the enormous work that Dover are doing to change what was entirely inadequate infrastructure down there into fit-for-purpose infrastructure that will not simply be better for the traveller, but will make the flows through the border better as well.

Q96 Meg Hillier: But it costs them money, doesn't it?

Sir Charles Montgomery: Yes, it does.

Q97 Meg Hillier: The problem—in a way, it is everyone's problem—is that you, as Government, have to make sure that you are doing the proper checks to protect us all, so have there been any sweeteners to some of the ports? Some of the ports are in great financial difficulty—well, they always say they are, and I am sure there is some truth in that. Are the Government putting any money and resources in? How are you persuading them to make these changes?

Sir Charles Montgomery: We are putting resource into those areas of infrastructure that are ours to resource. Again, if I could take you back to Calais, Coquelles or even to Dover, there is a very significant infrastructure bill to provide better facilities for Border Force officers at the front line. We provide infrastructure of our own to make the operation better—both more secure and more fluid—but there is a clear requirement in law for the operators to provide the rest of the infrastructure.

We work with the operators. This is not a confrontational relationship; is a relationship based on co-operation. We work well with a large number. I would be the first to say that, certainly, we are working more comprehensively across the aviation sector than we are across the maritime sector. I have put a lot of momentum over this autumn period into engaging with the maritime port operators and the maritime shipping operators to determine what we can do better to help their operation and how we can better measure flows across the maritime element of the border, so that at least some of the points you have raised will be addressed.

Q98 Meg Hillier: Are there any seaports that have e-passport readers that foot passengers can use?

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Mark Sedwill: Do you mean e-gates, like the ones at Heathrow?

Meg Hillier: Yes.

Sir Charles Montgomery: No. There aren't any maritime ports that have the e-gates.

Q99 Meg Hillier: Is there any particular reason for that?

Sir Charles Montgomery: Only that they were rolled out against a plan. It was not especially strategic in its nature. We now have a strategic plan for the roll-out of e-gates, which will, in its latter stages, incorporate the maritime sector. That plan may be adjusted. It is not written on tablets of stone: it may be adjusted, but it has to be adjusted in co-operation with the maritime port operators themselves. That is the work that is under way this autumn.

Q100 Meg Hillier: Have you done an analysis of how much that would speed up some of the queues, particularly for foot passengers coming through?

Sir Charles Montgomery: The answer is that that is all part of the work we have in train on what benefit it would bring. I did quite honestly say that our engagement with the maritime sector is nothing like as extensive as it has been with the air sector. Understanding the flows of foot passengers—which, in terms of ferry traffic, is a comparatively minor part of their challenge—will be part of this work.

Q101 Meg Hillier: But equally, if you have a portable e-reader—all sorts of technology are possible—you can pass through the coach or round the car. If you are checking every individual in a car—if they all have to get out and get in again—it takes longer than if you can do it through the window.

Sir Charles Montgomery: Absolutely.

Q102 Meg Hillier: Are you looking at that kind of technology?

Sir Charles Montgomery: We are indeed. That is all part of what I might refer to later as the wider border systems programme, which is looking at how we introduce new technology into the borders to make life more secure and more fluid.

Q103 Q103 Meg Hillier: Just to digress momentarily on that, we have had some interesting ups and downs on that. IRIS came and went. We have e-passport readers, which can read only certain passports, and they have not yet been rolled out to the ports. Are you looking at any other technologies other than these?

Sir Charles Montgomery: There is the mobile technology, but we are rolling out a second generation of e-gates. In fact, for those who travel through Gatwick, you will see the new bank of e-gates being installed there, due to be open at the end of this month. We are installing a new generation of e-gates, which will be more intuitive and easier for the operator.

There is a range of technologies that we are already starting to roll out. As I had indicated, the border systems programme, with Government Digital Service support, is looking to identify what other modern

technologies can ease the passage of people through the border.

Q104 Meg Hillier: I think there is a whole area to mine there about project management, but perhaps that is not for today's session.

Going back to airports, why has there been so little progress on their passenger information since 2010? The figures you are quoting today are very similar in terms of overall coverage to what we had in 2010. Is it the reorganisation? What has slowed things down?

Sir Charles Montgomery: I beg your pardon; are you referring to advanced passenger information?

Meg Hillier: Yes.

Sir Charles Montgomery: The numbers have been changing, particularly over the summer months, when we have been putting renewed effort into assuring the quality.

Q105 Meg Hillier: So what's been the change over the summer months?

Chair: What figures are you talking about, Meg?

Meg Hillier: The advanced passenger information—the information collected through the airlines. The figures that Sir Charles and Mr Sedwill have quoted have not changed massively from 2010.

Sir Charles Montgomery: There has been quite a significant change over the summer months, as we have introduced—or at least the operators, on our requirement, have introduced—new and better infrastructure at the airports of departure, with more airlines using different and better systems, so there have been changes over the course—

Q106 Chair: How many more airlines or routes are covered?

Sir Charles Montgomery: If I could give you the really hard-hitting figure, in terms of the overall commercial air to the UK, which today stands at about three quarters, that is quite a significant change.

Q107 Chair: Say that again. What's that? The commercial?

Sir Charles Montgomery: Commercial air: in other words, commercial carriers into the UK—for example, British Airways. Of all those passengers who arrive into the UK by commercial air, three quarters of those people will have been subject to the advanced passenger information routine. A new carrier is just joining the system, and very shortly that figure will have increased to 90%. It gives you an idea. This is a genuine dynamic and we have made changes and improvements.

Q108 Chair: In Europe? Is that from Europe? What's the figure from Europe?

Sir Charles Montgomery: At the moment it is 70% and with this new carrier will increase to 85%. As you will be aware, European travel to the United Kingdom is not subject to the same legal requirements we can impose elsewhere, but there are 85% of passengers arriving by commercial air into the UK who are subject to the advanced passenger information scheme.

Q109 Chris Heaton-Harris: How does America do in comparison?

Sir Charles Montgomery: I think America would be better, if I were to be perfectly honest. I would put the UK certainly in the van of Europe, and among a small clutch of countries that can compete to this level.

Mark Sedwill: The Americans and Australians are probably ahead. Legally, of course, we can impose this on a national basis for travel from outwith the EEA, but within the EEA this is all subject to the freedom of movement obligation and, indeed, data protection legislation. Essentially we are operating in a more complex environment within the EEA, which of course is different.

Q110 Mr Bacon: Data protection legislation as well? You mean they are free to come—free to move—and they don't have to tell us their names?

Mark Sedwill: No, it is just that the data protection legislation in certain countries means that certain airlines that are based in those countries are unable to—

Q111 Mr Bacon: They are legally prevented by the jurisdictions they operate in from giving you the information?

Mark Sedwill: Yes.

Q112 Mr Bacon: Mind-blowing. Is that widely known?

Mark Sedwill: No, and we would not want to name the countries or the routes, for obvious reasons.

Q113 Mr Bacon: I think you should. I think we would all like to know.

Mark Sedwill: But then the very people that Mr Barclay is worried about would also like to know.

Q114 Stephen Barclay: I would suggest that they do know. As to it not being out there, wasn't it in January 2010 that the then Prime Minister, Gordon Brown, gave a commitment that we would 100% advanced information 24 hours before all flights covering the full spectrum? There was a debate with the Home Affairs Committee following that announcement over the EU Commission's advice. What you are alluding to was in debate three years ago. It is not a new debate, is it?

Mark Sedwill: No, and as—

Q115 Ian Swales: Do you use different checks against arrivals from those countries? Do you have a system for checking differently?

Mark Sedwill: I am not saying—

Sir Charles Montgomery: The checks at the border are 100%. To be absolutely clear, the figures I am giving are in the context of advanced passenger information—this is information that is passed before the individual has boarded the aircraft.

Q116 Mr Bacon: These jurisdictions that you are talking about, are they EU countries, or are they outside the EU but in the EEA?

Sir Charles Montgomery: These are European Union countries.

Q117 Mr Bacon: And they have legal arrangements that prevent them, because of their data protection legislation, from handing over information to the UK authorities about who is getting on a plane. Yes?

Mark Sedwill: It is a mixture of EU directives on freedom of movement and data protection.

Q118 Chris Heaton-Harris: How do we provide that information to the Americans? I was a Member of the European Parliament when this was going through.

Mark Sedwill: There is a different legislative requirement about freedom of movement within the EU, which is essentially an EU competence. It is a Union-wide competence, not a national competence. Because the Americans are outside the zone, they can require API to be provided for anyone getting on a flight to the United States, just as we can for anyone outwith the EU.

Q119 Mr Bacon: But we are inside the EU.

Mark Sedwill: Within the EU, Mr Bacon, it is not a national matter.

Q120 Mr Bacon: It sounds more to me like an EU incompetence, rather than an EU competence. If we left the EU, you are saying that we would be able to get this information, as well as getting light bulbs that work and all the rest of it, and deciding for ourselves whether prisoners can vote and all that—I won't go there; I know it's the Strasbourg Court. Let us be clear about this. You are saying it is the fact of being within the EU that prevents this from happening, in a way that does not affect a country such as the United States. Yes? Is that correct?

Mark Sedwill: I wouldn't express it that way.

Q121 Mr Bacon: Well, I did, and I'm asking you whether what I said is correct or incorrect. I am not asking you to rephrase my words; I am asking you to say whether they were incorrect or correct.

Mark Sedwill: Advance passenger information within the EU is an EU competence because it is part of free movement. It is not a national matter, so it is not—

Q122 Mr Bacon: I was really asking whether the way I put it was correct or not. What you are saying is that if we were outside the EU we would be able to require countries to give us the information, notwithstanding their domestic legislative framework on data protection. We would, in other words, be in the same position as the United States is in requiring those jurisdictions to provide the information before the planes land in the United States. Is that correct?

Mark Sedwill: Mr Bacon, I just don't think it is fair to ask me as an official to get into a hypothetical discussion of that kind.

Q123 Mr Bacon: I am asking you to explain the law to me, that's all.

Mark Sedwill: Well, I am not an EU lawyer. All I am doing is explaining to you that the reason—to go back to the Chair's original point—that we cover 100% of routes outwith the EEA and, as it used to be, 65%, but now more, of routes within the EEA is because of the different competences. It is as simple as that. I

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don't think it is right for me to get drawn into a discussion about what might happen in a different legal framework.

Q124 Nick Smith: Sir Charles, I want to pick up on something you mentioned earlier regarding e-gates. You said they were not strategically introduced. What did you mean by that?

Sir Charles Montgomery: They were not introduced in a way that really made the very best of the investment, in terms of where they were located and what impact they would have on the overall flows into the United Kingdom. That is what I mean. We have now taken a much greater business-focused step back to determine how we are going to maximise the bang for the buck out of a much more comprehensive roll-out of second-generation e-gates—where we will put them, how many and in what time scale.

Q125 Nick Smith: Can you give us an example of where they were put in the wrong place?

Sir Charles Montgomery: I can give the example of somewhere like Birmingham—a big hub airport without the e-gates.

Q126 Nick Smith: Without any?

Sir Charles Montgomery: As far as I know, if I recall rightly. You will have to excuse me, actually. Perhaps I shouldn't go into specifics there. Having bombarded around Border Force as much as I have—

Q127 Nick Smith: So there are none in Birmingham, you say?

Sir Charles Montgomery: I don't believe there are any in Birmingham, if I remember rightly.

Q128 Nick Smith: Okay. Any of the other big cities? Manchester?

Sir Charles Montgomery: I will just check. I am not sure.

Mark Sedwill: Apparently, there are some in Birmingham.

Sir Charles Montgomery: Can I drop the Birmingham point? The wider point I would make is, although perhaps I have already made it, that there wasn't what I would regard as a genuine business case—a value-for-money, roll-out programme—for those gates.

Q129 Nick Smith: Were any e-gates put in where there were very few passengers?

Sir Charles Montgomery: I think perhaps the best way of handling this is if I write to the Committee and explain where the e-gates are and what the throughputs may be.

Mark Sedwill: They are designed for high-volume terminals as well as ports, and as Ms Hillier pointed out earlier, the technology has changed. There was a period when they used the iris gates—in particular, a lot of business passengers use iris gates. That technology essentially became obsolete. This was all fairly new territory, so different technologies were piloted. The number of gates that can be fitted into a terminal and the way that affects passenger flows and queuing have all evolved over the past few years. There is now a degree of experience to enable us to

put them in in the right place even within a terminal—it is not so much which airport, but within a terminal—to design the passenger flows if the terminal is shaped the right way.

Louise Bladen: I was just going to clarify the numbers, if that is helpful. In the Report, in paragraph 2.23 on page 22, we say there are 63 automatic gates at 15 terminals, so that is 15 terminals of the 138 ports. That just gives a sense of the numbers.

Chair: Tiny.

Q130 Meg Hillier: I have some quick-fire questions. How many passenger liaison officers are now based abroad? Are any countries not covered? I am talking about those who collect passenger information and liaise with airlines.

Sir Charles Montgomery: This is the Risk and Liaison Overseas Network. They are not actually Border Force officers, to be absolutely clear.

Q131 Meg Hillier: But you must have some link with them. There are some in South Africa, for example. I met the ones in South Africa.

Sir Charles Montgomery: I think you are referring to the RALON network, which I am afraid does not sit in my area, so I cannot give you an authoritative answer on the numbers.

Meg Hillier: Mr Sedwill?

Mark Sedwill: I do not know off the top of my head. That is not their primary role, although they used to do a lot of that work. Their primary role is essentially intelligence co-operation with the local authorities, partly to inform—

Q132 Meg Hillier: Are they not helping airlines to check documents in advance of someone boarding an aeroplane?

Mark Sedwill: One or two in certain countries where we have a particular concern do sometimes go down and provide that support, but their primary role is essentially intelligence liaison. We can let you know, broadly speaking, where they are, but I do not know the exact details off the top of my head.

Q133 Meg Hillier: It would be helpful if you could write to us with that, because it relates to the border outside the EU.

Mark Sedwill: Yes, it does.

Q134 Meg Hillier: When the Government came in, one of their first acts was to remove fingerprints from passports in future. Someone mentioned biometrics earlier. Are there any plans to ensure that fingerprints can be included in British passports in future to speed up the flow of people through controls?

Mark Sedwill: Biometrics is not just fingerprints. It also includes the iris and the face.

Q135 Meg Hillier: At the moment, only the face is in the biometric passport.

Mark Sedwill: It is the face. One reason why that technology has only been used—going back to Mr Smith's question—in the e-gates more recently is because facial recognition technology has changed really fast. When I was involved in this several years

ago, the iris and fingerprints were the only reliable biometric matching technologies and we were therefore relying on those two. Facial recognition, which is of course much less intrusive, is now that much better. It is a policy question really, but as far as I am aware, there is no plan to change.

Q136 Meg Hillier: So when you talk about the future use of biometrics, are you talking simply about facial recognition and nothing more?

Mark Sedwill: That is the current position.

Q137 Meg Hillier: Basically, you are talking about more e-gates.

Mark Sedwill: Of the same sort of kind.

Q138 Meg Hillier: On future resources, a 6% cut is coming in the budget, so do you, Sir Charles, think that you have the influence within the Home Office as the head of UK Border Force to persuade Mr Sedwill, the Home Secretary and, indeed, the Prime Minister to give you the share of resources you need to achieve the level of staffing you need?

Sir Charles Montgomery: I have no doubt that I have the influences within the Home Office. I am a member of the executive management board that is chaired by Mark Sedwill. As a corporate member of that board, I must not only set out the resourcing requirements for UK Border Force looking forward and where the pressures, efficiencies and productivity gains that I have planned will fall in, but also look across Home Office output to ensure that I am joined up properly, in particular with the other two really important elements of the overall system, which are immigration enforcement and visa immigration, to ensure that, across the system, we have deployed the resource optimally and in the right areas.

Q139 Chair: I want a reality check on that. There is a 6% cut in 2015–16 in the Home Office—this question is really for Mr Sedwill—as well as a commitment not to cut police budgets. My understanding is that, out of the £11 billion you spend, £7 billion is on police, so your 6% is coming out of the remaining £4 billion. In that context, it is completely absurd to think that UK Border Force will not be facing a cut much greater than 6%. How on earth can you realistically tell the Committee that you will then have the resources not only to carry on doing the passport checks that you are doing at the moment and ensuring that queues are not long, but also to cope with all the other work? Let us get real on this and not pussyfoot around the issue.

Mark Sedwill: Let me give you the numbers, Madam Chair, and not pussyfoot around. The cut is 6% overall in the Home Office. The police are relatively protected, but not absolutely, and are taking a 4.9% cut in 2015–16 on top of 5.75% in 2014–15. You are right that there is a relatively heavier cut on the rest of the Home Office budget than on the police, but it is not that absolute zero with everything going on the rest of the Home Office budget. There is a relative protection for the police.

Q140 Chair: Are you going to sit here and tell us that, in that context, through these wonderful productivity improvements on which you still have not made any progress in the last year, you will be able to carry out all the tasks for which the Border Force is responsible?

Mark Sedwill: By far the largest proportion of the cut falling on the rest of the Home Office—the non-police part—is falling essentially on the corporate services side. So we are seeking to protect—

Q141 Chair: What proportion of your £11 billion goes on that?

Mark Sedwill: I am sorry; I do not have the number.

Q142 Chair: I bet it is minute.

Mark Sedwill: No, it is not.

Q143 Chair: Even if it were a big cut, we have already said that £7 billion goes on police. The old UKBA was £2 billion—am I right about that?

Louise Bladen: £2.3 billion.

Q144 Chair: £2.3 billion. And you do other things. So even if you cut corporate services by 50%, that is not going to get you anywhere close—

Mark Sedwill: But that is actually what we are doing.

Q145 Chair: I know that that is what you are doing, but I am trying to get a realistic view of the resources—

Mark Sedwill: We have budgeted for Border Force, for UK visas, immigration and immigration enforcement into 2014–15 and 2015–16 and we seek to protect those budgets.

Q146 Chair: What does that mean? Will Sir Charles's budget be protected in real terms, or increased in real terms?

Mark Sedwill: I still have to get the formal sign-off from the Home Secretary for the budget, so you will understand that I do not want to pre-empt that—

Chair: But—

Mark Sedwill: But, essentially, in cash terms, the budget will be protected. There will be a real-terms cut—

Q147 Chair: Cash terms?

Mark Sedwill: Broadly speaking. There will be a real-terms cut, but it will be significantly less; it will be of the same sort of order as the overall cut, and it will be significantly less than the cut in corporate services.

Q148 Chair: We have established that there will be a real-terms cut, but there will be a cash protection within that. Given that the NAO Report demonstrates a lack of resources at present to deal with the current business demanded of the Border Force, what confidence can you give the Committee that in 2015–16 you will have the adequate resources to meet all the obligations so that we do not have gangsters, à la Mr Barclay's point?

Mark Sedwill: Madam Chair, the number of staff in the Border Force is going back up again over this

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period: it is actually going up to about 8,000 over this period, and we have managed to fund that.

Q149 Chair: From?

Sir Charles Montgomery: 7,600.

Q150 Chair: Where have you funded it from?

Mark Sedwill: From within the overall Home Office total.

Q151 Chair: Where?

Mark Sedwill: If you want it in simple terms, there was a very large corporate tail sitting within the Border Agency, and the Border Agency and the Home Office had a lot of people doing very similar work. We did not have a proper shared service across the Home Office. We are creating that proper shared service and the vast majority of the savings we are taking on the non-police part of the Home Office is coming out of that area.

Q152 Mr Bacon: So you had a bunch of people in each of them doing HR, for example?

Mark Sedwill: Indeed. You had an HR function within the Border Agency and an HR function within the Home Office, a finance function in both and so on because the Agency was a self-standing unit. We are bringing those together and we are able to make significant efficiency savings.

Q153 Chair: Can I ask you the question I asked you again? Given the cuts that you will have to face, and that you have said that you will preserve in cash terms, not real terms, what will be the impact of that on the Border Force's ability to meet all its obligations, which it is currently not doing?

Mark Sedwill: We discussed this at our board when we looked at the Border Force budget and all of the other budgets. They all have to absorb some cost pressures. In particular, there is, as I said earlier, further to go on productivity. They are still in train in rolling out the productivity improvements that we have seen at Heathrow elsewhere in the Border Force—Sir Charles can talk more about the Border Force as a whole. And we have stripped out, from those individual operational commands, the corporate services that were sitting there before, brought them into the Home Office centre and that is where we will drive most of the savings.

There will also be—I am sure that Charles will want to talk about this as well—the roll-out of new technology: the e-gates and so on. I know that we reach for that, but actually the big savings they have made—

Chair: Given the wonderful thing with big and powerful new technology—

Mark Sedwill: The big savings they have made, as we set out earlier, have been in a rather old-fashioned way: through more flexible working; through new terms and conditions.

Q154 Chair: Are you confident that you will meet the obligations that you are currently not meeting with the increased demand that will come from more travelling and reduced resources?

Mark Sedwill: That is our task.

Q155 Meg Hillier: Chair, may I ask a specific question on this to Charles? You have staff in Stockport watching the passenger information as it comes through. You have staff at the border so you are a very heavily staffed organisation. How many staff do you need in each of those places in your new model? I know you want to make it work. What basic numbers do you need?

Sir Charles Montgomery: The answer at the moment is that I don't know.

Q156 Meg Hillier: Can you write to us?

Sir Charles Montgomery: I would be delighted to engage with the Committee. I am sure you would want me to engage with the Committee as this work rolls out. I should just like to pick up the points here because my answer to your original question, Chair, was not an attempt somehow to provide the staff officers' handbook answer. That was not my intention at all. It was genuinely meant. I genuinely welcome the opportunity of taking on the challenge of addressing the issues the NAO raised in its Report in terms of being more aggressive and more assertive about work force modernisation and work force planning. I absolutely welcome that because I believe there is very significant productivity gains that we can make out of better planning and out of better work force deployment. I am convinced of that.

I have found the headroom in this year's programme to triple the hitherto planned roll-out of the second generation e-gates, of which I have been speaking. I believe that there is a significant amount that can be gained by having found headroom to invest in better training, including better leadership training in the front line as well, which in itself will start significantly to improve not only morale but productivity in the front line. I think there is a very comprehensive agenda of change in Border Force which can make the organisation better in terms of productivity, more effective in terms of security—

Q157 Chair: You're the fifth man in the job in 18 months, so I wish you well—

Sir Charles Montgomery: And I really look forward to it.

Q158 Mr Bacon: You are the first former admiral, aren't you?

Sir Charles Montgomery: I am the first former admiral, yes.

Mr Bacon: I think it is a jolly good thing. If anyone is going to succeed it is going to be you.

Q159 Meg Hillier: Chair, can I just come in here? Sir Charles was a little bit vague about when we might hear about the numbers in Stockport.

Sir Charles Montgomery: I do beg your pardon.

Q160 Meg Hillier: If I can just pin you down on that. If you can't tell us now, when can you write to us about it and how much information can you give?

Sir Charles Montgomery: I can tell you that we have a transformation programme that builds on the

Heathrow experience which, as the Committee will recognise, was picked up in the Report. It produced some very significant improvements. We have a roll-out plan which takes us first to Gatwick—it is under way at the moment. We are going to Stansted thereafter and Manchester after that.

Meg Hillier: So you will be able to give us a bit of an idea?

Chair: Meg, I am going to have to stop you. I have a lot of people.

Q161 Meg Hillier: It is a simple thing. I want to ask about the number of immigration officers who have to be between an aircraft and immigration control to stop people flushing their documents down a toilet. Are you having a simple engagement with airports about either locking the toilets or finding a better design because two immigration officers are needed to stand there to stop people flushing their documents down the toilets? That is a ridiculous waste when we are looking at the challenges you are facing.

Sir Charles Montgomery: Thank you very much. I was not aware of that. I had not had the engagement, but I am aware now.

Chair: And now go to the loo.

Amyas Morse: Just looking at some of the numbers and trying to understand what happens in the default position, if I have this right, the central services budget for 2012–13 amounts to £498 million. I think that is right.

Sir Charles Montgomery: That is about right.

Q162 Chair: Where are we? What page is this on?

Louise Bladen: This isn't in the Report.

Amyas Morse: It is £498 million.

Chair: That is for the Home Office?

Q163 Mr Bacon: This is corporate services, effectively.

Amyas Morse: The Border Force budget is larger than that.

Louise Bladen: It is £604 million.

Amyas Morse: I am fully in favour of productivity gains but I am trying to work this out. Is the ability to move ahead with your reforms contingent on realising the gains or are you being given some funding to allow you to make the changes you need to make? This is an important question. In other words, is everything you need to do contingent on realising these productivity gains? You are going to be in quite a tough budgetary position. I am trying to understand what happens if you don't get some of these productivity gains through until late in the year. Does that mean you can't roll these things out? What is the position you are actually in, if I may ask?

Sir Charles Montgomery: There is a chance in this year to kick-start these productivity gains. I have employed that opportunity to kick-start these productivity gains. I have invested, as I have indicated, in the technology component of the change. I have found headroom to invest in the wider transformation by putting together the right teams to provide expertise for the transformation programme. Savings are already assumed in my programme, and I am confident of delivering them on the basis of the

productivity that that will bring. I found headroom in the programme next year to invest in some training, which has been under-funded in recent years. That funding increases in year 2 of the programme. I am also managing a degree of risk in the programme. It is a degree of risk with which I am comfortable; it is stretching—

Q164 Chair: Does that mean that you are budgeting to spend more than you have got?

Sir Charles Montgomery: No, it means that I have a plan—well, in one sense it does. It means that I am putting pressure on my organisation to speed up the change.

Q165 Chair: It does mean that you are over-budgeting.

Sir Charles Montgomery: It does.

Q166 Chair: And by what percentage?

Sir Charles Montgomery: About 4%.

Q167 Mr Bacon: So, out of the £604 million, if you can get the changes through—in other words the “make people get up earlier” gambit—

Sir Charles Montgomery: Among other things.

Q168 Mr Bacon: Among other things. You will then get more out of them for your cake, so to speak, because of the annualised hours. The other thing that I think the CAG was alluding to was the £498 million. How much of your programme and proposed changes are predicated on extracting greater productivity not from your £604 million, but from the £498 million? In other words, how much of the activity that corporate services are responsible for that must be streamlined—central services—must happen for you to achieve all that you need to achieve?

Mark Sedwill: Perhaps I can answer that. The overall budget position requires us to make those savings in corporate services. That is the overall financial position of the Home Office—we are in a period of austerity, which all Government Departments face, and we are squeezing that really hard. We are allocating to the board a systems programme. It is one of the two or three biggest programmes in the Home Office, including capital. Over the next decade, assuming it is funded in a future Parliament, that programme will consume more than £2 billion worth of investment in order to deliver the technological changes that we need, partly to improve capability, partly to improve productivity. So quite a lot of that is out of the central funding of the Home Office, but—

Q169 Mr Bacon: Of the £498 million, your plans are predicated on savings of what?

Mark Sedwill: I would have to come back to you because that is not the number that we have been working off, or that I have been working off in my head. We are essentially expecting to cut corporate services as a whole by half over this Parliament.

Chair: Okay, I have Ian, Steve, Jackie and Austin, so can people keep it short?

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Q170 Ian Swales: Can I ask a bit more on the people side? Figure 6 shows that you lost 500 people between 2010–11 and 2011–12, and you are then adding 920 between 2011–12 and 2013–14. Can you explain the value-for-money argument for appearing to get rid of 500 experienced staff and then having to go out and recruit another 900? Have you any idea of the severance costs for those 500 people?

Sir Charles Montgomery: If I could take the last point first, I do not know the severance costs, but I am more than happy to write back. Can I explain why it happened? It is important for putting the value-for-money answer into context. Of course, this issue goes back to the days of a UK Border Agency, of which Border Force was a component part. That was a period, I think from 2007, when, unbeknown to Ministers, the requirement for 100% controls at the border was not being conducted. As a result of the pressures on the Border Agency to invest in other areas around the immigration system, money was taken out of Border Force, effectively cashing in for the non-compliance at the border, and was taken elsewhere. Of course, the way in which that was then delivered, in terms of a saving, was through reduced manpower.

When you look at the trends, you see a period when Border Force was reduced on a rationale that was unknown to Ministers, and when the controls were re-imposed once Ministers became aware, that of course required a re-investment in people. I cannot look anybody in the eye and say that in that context the reduction and then growth constitutes value for money. What I can say is that, however right or wrong, there is a rationale why Border Force numbers have taken the profile they have.

Q171 Ian Swales: Are any of those 500 now being re-recruited?

Sir Charles Montgomery: I have checked. I don't think any of those 500 have been re-recruited. *[Interruption.]* Sorry, I beg your pardon. I don't think any of those who were made compulsorily redundant have been re-recruited. That's the point.

Q172 Chair: What about working temporarily?

Sir Charles Montgomery: I was coming to that point: other than where we require people as a temporary work force over key periods of the season—summer and Easter in particular—where we require people for very short periods of time.

Q173 Ian Swales: Does your choice of words there say that people who took voluntary redundancy in some cases are coming back on to the books?

Sir Charles Montgomery: What I am told is that nobody who received a lump sum severance package has been re-employed. That is my point.

Q174 Ian Swales: And they are not contractors or agency staff?

Sir Charles Montgomery: I wouldn't know about agency staff or contractors. I can really talk only about Border Force members themselves.

Q175 Mr Bacon: Can I just be clear? I think you said that no one who has been made compulsorily redundant has been brought back. You then went on for a bit and said "other than". So, you are saying that people who were made compulsorily redundant have been brought back on some terms or other.

Sir Charles Montgomery: On a very temporary basis over the summer and Easter periods. I believe some were brought back for that period.

Q176 Mr Bacon: How many?

Sir Charles Montgomery: Again, can I come back to you?

Mr Bacon: Can you write us a note and also say how much?

Q177 Ian Swales: In the note, could you tell us how much redundancy payment was paid in compulsory and voluntary arrangements and how many people in the two categories have either come back on to the books or are working on a temporary or agency basis?

Sir Charles Montgomery: I will certainly do that and you might find it helpful to understand the terms and conditions under which it happened.

Louise Bladen: The Report we did on the UK Border Agency and Border Force in September 2012—there was a figure in that Report of £60 million, which was the early-exit costs for people, but that did also cover UKBA as well as Border Force. That's the sort of quantum.

Q178 Ian Swales: It would be good to get clarity. My second question of two is to do with the comment in paragraph 2.18 of the Report, which I think you have referred to briefly already, about how the Border Force has the lowest morale of any Government Department. I think that accolade used to be held by HMRC, but it's not really one that is wanted. Why do you think that is and what are you going to do about it?

Sir Charles Montgomery: I would be delighted to address that point. First, let me say that having taken a good hard look at Border Force in my first 100 days in office, I agree that morale is poor. If I could draw the distinction, as a former military officer, I would say that morale is poor and spirit is strong. There is a good bonhomie among my people and they are committed to doing a good job, but that is rather different from morale.

Morale is so dependent on an understanding of the purpose, confidence in leadership, confidence in equipment, a sense of feeling valued and so on. All those areas are ones where Border Force over the past 18 months, frankly, has taken something of a panning. That starts back in the days of the disputes around controls at the border, running directly into the queues at the border in the run-up to the Olympics and the very public panning Border Force received then. And, as has been commented on already, I am the fifth director general in a very short period of time. There has, therefore, been little continuity in senior leadership.

I am clear and have a clear purpose and strategic aim for Border Force, which the Home Secretary has agreed: security of the UK border and a contribution

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to prosperity. There are two components to that and she is very clear that my overriding priority is security. That is a clear message. To go back to the constituents of morale, the first thing that will start binding people together in unity of purpose and better morale is clarity over purpose.

I am also a leader of the organisation who is here for the long term. I have a clear vision of where I am taking Border Force and I have a very clear intent to be here when the Border Force is there.

That, again, I think is a second important component of improving morale.

Q179 Ian Swales: I am asking this question because it is a value-for-money question. There is a lot of research to show that employee engagement leads to results. We have had a lot of questioning about productivity targets. You are not going to do that in a low morale organisation.

How do you play the renegotiation of conditions into that? I wrote down the words, because they were interesting words—you said that you were going to be aggressive and assertive over conditions.

Sir Charles Montgomery: Over modernisation.

Q180 Ian Swales: That is not necessarily management speak in an organisation that has a morale problem. How are you going to get the employee engagement that you need to deliver what you want to deliver?

Sir Charles Montgomery: There are two components of delivery. One is about being aggressive and assertive in the pace of change—making the central organisation responsive to what I need to deliver this change. That's aggressive and assertive. In terms of engagement with staff, I am genuinely an engaged person. I am spending a lot of my time with people on the front line as well. It is a two-pronged approach. In terms of how change impacts on morale, you are absolutely right: it can affect morale negatively. I think it is right—I think this was picked up in the NAO response—that the changes at Heathrow have resulted in lower sickness rates, for example, which is another indicator, in most organisations, of poor morale.

Chair: Okay. Steve, and then Austin.

Q181 Stephen Barclay: Can you update us on your current estimate of the cost of your legal dispute with Raytheon?

Mark Sedwill: I don't think I can, because it is not complete. It is subject to a confidential mediation. Anything I say that could cause that to be reopened could affect the case, the prospects and a significant amount of taxpayers' money.

I absolutely understand why you want that, Mr Barclay, because it has been dragging on. We are quite frustrated about that as well. We had hoped that it would have been resolved by now. As soon as I am able to, and as soon as that case has come to a conclusion, I will give you the full detail.

Q182 Stephen Barclay: When do you estimate you will be able to give the Committee a full breakdown?

Mark Sedwill: We are told—this is out of our hands, of course—

Stephen Barclay: That is why I said estimate.

Mark Sedwill: We are told that it is a matter of months.

Stephen Barclay: It is still a matter of months away?

Mark Sedwill: I share your frustration with that, because we need this to be brought to a conclusion.

Q183 Stephen Barclay: In your accounts, you put £150 million down as contingent liability. That suggests there is considerable doubt, that some money will be lost. Is that a fair assessment?

Mark Sedwill: Again, I have to choose my words carefully, because we hope for a positive outcome.

Stephen Barclay: All litigants do.

Mark Sedwill: We are required to make that kind of contingency; to set aside that money in the accounts. We are required to do that by Government accounting.

Q184 Stephen Barclay: A worst-case scenario would be £500 million lost from the Department, would it?

Mark Sedwill: I think it would be very unwise to put a number on it in public.

Stephen Barclay: I don't think it is a breach of anything going on in the courts to say whether your IT supplier's claim is £500 million, or are you not even able to confirm that? It is widely reported to be £500 million. Obviously the other side knows what it is—the papers have been filed. So I do not think it affects your case to confirm what the worst-case scenario is.

Mark Sedwill: My legal advice told me to be cautious.

Stephen Barclay: I appreciate that. I do not want to compromise your case—

Mark Sedwill: Or taxpayers' money.

Stephen Barclay: Indeed.

Mark Sedwill: If I am able to say more to you in answer to these questions now before the conclusion of the case, may I write to you to give you the detail? I just need to ensure that we have worded any such letter carefully.

Q185 Stephen Barclay: Okay. I will move on to other things, but just one final thing. If costs are incurred, in particular if those costs are significant, is it your expectation that they will have to be met fully from the Home Office budget?

Mark Sedwill: That is a conversation we would have with the Treasury.

Stephen Barclay: Thank you. I appreciate that there are constraints on what you can say.

Q186 Mr Bacon: Can I just follow on that? I also accept that you have constraints. Raytheon has stated that the grounds for the termination were not valid, which is why it is making the claim for damages. When you write to us, can you set out, without going into anything that impairs your ability to negotiate, the basis for what Raytheon is saying about why it thinks the grounds for a termination by the agency are not valid and, in short, why you disagree with Raytheon's view? It would be helpful to have a summary.

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Mark Sedwill: I understand that that is the core issue and I will give you as much detail as I am able to in the short term. Obviously, I will be able to give you much fuller detail once the case has concluded. I will undertake to give you as much clarity as I can.

Q187 Mr Bacon: I have one other question. Government bodies deciding that they do not want to continue with work, particularly involving software, and the supplier then saying, "I thought we had a contract," is all horribly familiar. To what extent are you involving the Cabinet Office and the Major Projects Authority in a discussion of the whole Crown relationship with this supplier in coming to what you hope will be a negotiated way through?

Mark Sedwill: I have not been involved with the Cabinet Office over this particular supplier, although, as you know, the Cabinet Office is looking at the major suppliers to Government. I am directly involved, for example, in the work that they are leading out of the Ministry of Justice on Serco and G4S, but I have not had any direct or personal involvement in a Cabinet Office—

Q188 Mr Bacon: So you have no sight of what other work Raytheon might be bidding for, for example. That would be highly germane to your negotiations.

Mark Sedwill: Not to the negotiation around this particular case. Of course, it may be germane to—

Q189 Mr Bacon: In the broader negotiating sense it might, because they might take a slightly softer view.

Mark Sedwill: We are in a mediation. We are in a legal case that is going to reach a determination.

Q190 Mr Bacon: A binding arbitration.

Mark Sedwill: I am not lawyer, so I want to be careful, but it is a confidential mediation.

Q191 Stephen Barclay: I want to turn paragraph 2.30 on page 24 of the Report. It states that the key database, which is the data that you use to check people coming in—the warnings index—is "unstable and at risk of collapsing." What would be the consequences of that database collapsing?

Sir Charles Montgomery: There are two separate things here. The warnings index does have resilience and, if necessary, fall-back modes can be used over short periods of time until the system is brought back up again. It does not provide for the absolutely full capability, but an adequate capability is provided by fall-back systems.

There are two components. The first is in the short term. We are investing quite significantly at the moment in the warnings index and in its twin system.

Q192 Stephen Barclay: What is the Major Projects Authority's current RAG rating for the e-Borders project?

Sir Charles Montgomery: Amber-red.

Q193 Stephen Barclay: What is the definition of amber-red?

Sir Charles Montgomery: It is a high-risk programme.

Q194 Stephen Barclay: Red, in essence, means that the project should be cancelled, so amber-red for a continuing project is basically as high a rate as you can get.

Sir Charles Montgomery: It is.

Q195 Stephen Barclay: I take on board your assurance, but this is an agreed Report and it says that your key database is at risk of collapse. The Major Projects Authority rates you at the highest level. On top of that, a great deal of the data against which you are checking are out of date. Surely there is a case to say that you are checking people against that database and letting them in incorrectly, because it contains incorrect data.

Sir Charles Montgomery: There are now three points. In the short term, we are investing significantly in the resilience of the warnings index. A programme is ongoing with Fujitsu to bring that system up to a point of satisfactory resilience and infragility—

Q196 Stephen Barclay: It is ongoing, because it was designed to last for seven years in the early 1990s. It has been ongoing for quite a while.

Sir Charles Montgomery: It has, as have one or two other older systems around Government, but it has coped with the Olympics and with significant peaks and troughs since. It is requiring reinvestment and we are reinvesting in it, as we are with its twin system, Semaphore. We are investing in it until the new systems can be procured and brought on line.

That is the second component of what I was going to say: in the border systems programme we are working hard with the Government procurement and digital services to identify the technological design and the benefits that the new border systems programme will provide, replacing Semaphore and the warnings index.

Q197 Stephen Barclay: But could you deal with the third of those points? Is it not the case that if your data is out of date—it is not insignificant; the Report says that "a great deal" of it is out of date—then it must be a material risk that you are letting people into the country because your data is wrong?

Sir Charles Montgomery: The data quality is a significant risk within that amber-red assessment. We are engaged and, indeed, have now put more resource into the effort to scrub the data to bring it up to date.

Q198 Stephen Barclay: So what is your assessment of the margin of error in your data?

Sir Charles Montgomery: I'm sorry, could you just help me with what it is you are after?

Q199 Stephen Barclay: What assessment have you done? I would like to put on the record that I asked the House of Commons Library for the original business case for the e-Borders IT project to see what the original spec was. The Labour Member of Parliament, Frank Field, asked for it in two parliamentary questions on 24 and 30 May this year. On both occasions, the Department gave assurances to Mr Field that that document would be placed in the Library, but when I checked last night, it still wasn't there. I spoke to Frank Field today, and despite him

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chasing it up in that parliamentary question, he still has not had that information.

Just a point mainly for Mr Sedwill: it is quite outrageous that a parliamentarian as respected as Mr Field can ask for something, chase it up, be given two assurances by the Minister that a key document, which I wanted to rely on for today's hearing, was in the Library, and it not to be there. That might be something to write to the Speaker about, because I do not know how many other Departments are not providing documents. Would you like to comment on that point, Mr Sedwill, particularly to Mr Field on why he has not had his document?

Mark Sedwill: I was not aware of that. I will get on to it and if the situation is as you have set out, I will apologise personally to Mr Field.

Q200 Stephen Barclay: That is in a e-mail from the House of Commons Library. I doubt that they are wrong on that point, and Frank Field confirmed it too.

Mark Sedwill: I am not doubting it; it is just news to me. I will get on to it.

Q201 Chair: Can I come in on the data issue before we move on? I know that the Home Office does its own internal checks to look at, for example, how easy it is to get through with forged documents, which would be one of the areas. What did your most recent internal check on that show about the percentage of forged documents that did or did not get through? I want both sides of that, because I know that you do internal checks.

Sir Charles Montgomery: We do not release those figures publicly, Chair. We do not release the figures on border penetration testing.

Q202 Chair: Why?

Sir Charles Montgomery: Because they would indicate, again, through both generality and in specific location, areas of important strength and important weakness, which would be of great use to the people we are trying to keep out of the country.

Q203 Stephen Barclay: I do not know about other Members, but I understand the concerns about releasing that information. However, given that, regardless of the exact figure, we know that it is significant because a great deal of the data is out of date and it was originally designed with a seven-year lifespan, by what date can you assure us today that this issue will be adequately addressed? That is, when will the majority of the data be accurate?

Sir Charles Montgomery: I cannot give you a date. Can I go back and give this some attention? I have a programme board on 16 October where the issue of data quality is going to be given a really good bit of scrutiny. By that time I will be much better aware of what the extra capacity we have brought into the programme will deliver by way of better quality data.

Q204 Stephen Barclay: Well, we await that date, Sir Charles.

Mark Sedwill: May I make one point? Quite a lot of the out-of-date data is out-of-date warnings, if you like. It is people who are no longer—

Q205 Stephen Barclay: I get that some of the time the data is incorrect because it means people are checked who do not need to be checked, and that other times it is the other way around. I absolutely get that, but you are not able to tell us how much of each. That is the material issue.

Sir Charles, with any database, staff manipulation must be one of your key risks. How many staff have you identified breaching your database controls?

Sir Charles Montgomery: Again, I am not aware of any—

Q206 Stephen Barclay: Not one?

Sir Charles Montgomery: Breached our controls? I am sorry; I do beg your pardon. In terms of coming through—

Q207 Stephen Barclay: If I were running a criminal gang and wanted to get around a database, one of the obvious ways of doing it if, say, you are talking about a bank, is through members of staff.

Sir Charles Montgomery: Indeed.

Q208 Stephen Barclay: That is one of your obvious risks and I am sure that that is very much on your radar.

Sir Charles Montgomery: Indeed.

Q209 Stephen Barclay: How many people have you identified doing that?

Sir Charles Montgomery: I have not identified anybody who has done that.

Q210 Stephen Barclay: Is that because you cannot share the figure with us, or you do not know what the figure is, or you have looked but have not found anyone?

Sir Charles Montgomery: It is because I do not know what the figure is. Having shared practice with my American and Australian counterparts—they have some very good practice over there—I am looking to embed that into the way in which Border Force does its business and, indeed, looking to share that more widely with the Home Office.

Q211 Stephen Barclay: Don't you get a management pack that lists things such as staff breaches?

Sir Charles Montgomery: I do not have a management pack that lists staff breaches.

Q212 Stephen Barclay: Could you explain why?

Sir Charles Montgomery: As I already indicated, I do not think it is an area where sufficient focus has been given and I wish to improve that.

Q213 Austin Mitchell: I take it from your answer to Richard Bacon that because European countries and airlines do not provide the same advance information as is supplied by airlines coming from New Zealand carrying rugby players and other terrorists, I could run cheap flights from Romania and Bulgaria and bring back to this country people who the *Daily Mail* tells us have been paid to "go home" from this country, and you get no advance notification until they actually arrive.

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Mark Sedwill: It is worth reminding ourselves that, within the EEA, we do get the majority of this data; it is just that we do not have 100% of routes like we do outside. I do not think that either of us would want to give the impression that this is a zero to 100 issue; it is not.

Stephen Barclay: It is not complete.

Mark Sedwill: No, it is not complete. We do have the 100% check at the border and that is where we can deal with anyone who has reached our border, but it is a core principle of the EU that you have freedom of movement for all EU citizens and you can only prevent that against a high threshold of threat—largely speaking, a national security threat, which, incidentally, we would, because we would have those individuals on the warnings index and they would be turned around at the border.

Sir Charles Montgomery: And we do.

Q214 Austin Mitchell: But you would not know that these people had been paid to go home and were now coming back until they actually arrived.

Mark Sedwill: On many routes we would. Because it is not 100%, there must be some routes where that would be true, but on many routes—the vast majority—we would.

Q215 Austin Mitchell: Back to an earlier question about private planes, which also applies to private boats. The report says that you do not always get good information from private planes—it says 1,000 a year are landing at Luton. This is a question of advantages of wealth: a drug cartel or people smugglers will be fairly wealthy.

Do I take it, therefore, that if I had a private plane or yacht and I decided to land wherever or whatever at Cleethorpes or at a non-commercial airport, I would probably get away with it? Do you know the scale of what is going on in terms of landings of private planes and private boats?

Mark Sedwill: If you were to seek to do that, Mr Mitchell, then you would have to be pretty confident that you had never come to the attention of the National Crime Agency, the Security Service or, indeed, many of the intelligence services with whom we are in liaison.

Stephen Barclay: You do not have that information. With respect, Mr Sedwill, I thought we explored this to a degree. You do not have the advance information and what you have is out of date. The whole nature of a database, as you know very well, means that cross-checking is only as good as the data you are matching.

Mark Sedwill: My point is this. We need to distinguish essentially between a database designed for mass travel for most people, mostly low harm, and the additional information that we get from the intelligence agencies on the kind of example that Mr Mitchell is talking about. Again, that is not complete. No intelligence is complete but that kind of high harm individual and the intelligence that we have, which the National Crime Agency and others would pursue, is a priority.

Q216 Stephen Barclay: And that high harm was not in the original business case between borders? When

we finally get to addressing that high harm, we can be confident that it will not be part of the business case to justify this £1 billion worth of IT spend?

Mark Sedwill: The primary purpose—

Q217 Stephen Barclay: The primary purpose was to address mass travel or mass passengers. It was not intended to address high harm. Is that what you are saying?

Mark Sedwill: As you get the chance to go through John Vine's report, he acknowledges, in the same section as he talks about the Centaur records, that high priority alerts and the kind of people that Mr Mitchell is talking about were tackled. It is not the case that e-borders was ever designed to be the silver bullet that provided all of this. It is part of a layered capability and you need intelligence on top of that. That is partly why the National Crime Agency has within it the border policing command to be able to deliver that high quality intelligence for the high harm individuals Mr Mitchell is talking about.

Q218 Austin Mitchell: Several times when I have come in in the past couple of years, I have gone through the automated gateway—the machine-readable passport. The people who have joined the queue in my party have got through quicker than I did. It seems to me that use is disappointing. It says that 31% use them as against an expectation that 50% would use them.

That is not because of the location as was indicated in the Home Office's reply; it is really because of the simplicity of use. A whole queue can be thrown into disarray by a geriatric—me—getting stuck because of putting the passport the wrong side up, not holding it down, blinking when the wretched eye thing is operating and just messing it up. You have to have assistance. That takes a lot of time. These things are not automatic enough.

Sir Charles Montgomery: One of the important reasons why we are bringing out a second generation e-gate is that they will be much simpler to use. It is also—

Q219 Austin Mitchell: You need a second generation of me to handle them properly.

Sir Charles Montgomery: It is also right to acknowledge the steps that Border Force and the airport operators have taken to make sure that people approaching the e-gates have got mentors, stewards whatever you like to call them, who help people to use the e-gates. That has speeded up the e-gate processing quite significantly.

There are two issues there. One of them is the intuitivity of the current generation of e-gates, or the lack of it. The other point is how many gates there are. Again, part of the strategic roll-out of the gates is that the important places—the big hubs—will have more e-gates than at the moment. So for example at Heathrow terminal 2, where the original roll-out plan was for five e-gates, we will be doubling it. So that will have a significant effect.

Q220 Chair: That is not many. Go back to Louise's figures—

Louise Bladen: It is 63 automated clearance gates at 15 terminals.

Chair: Tiny.

Sir Charles Montgomery: It is now. I hope I can reassure the Committee that we acknowledge that. My point about tripling the rate of roll-out of second generation e-gates is designed to address just that.

Q221 Chair: So you will have how many ports of entry covered at the end of this second roll-out?

Sir Charles Montgomery: Perhaps the best thing to do is to share with the Committee our plan to roll out the e-gates.

Q222 Chair: You will send it to us?

Sir Charles Montgomery: Yes. Delighted to.

Q223 Mr Bacon: I have two quick questions. One for Mr Sedwill and the second for Sir Charles. Mr Sedwill, on this issue of private planes—we have heard talk of 1,000 planes going through Luton—what is so difficult about having 100% coverage for private planes?

Mark Sedwill: In terms of the operation, Sir Charles is probably better able to answer that. To link this to the point that Mr Mitchell and Mr Barclay came in on, if there is intelligence, either profile or specific, from any source that a plane is a risk, not just from the data that we get as the plane is on its way or beforehand, it will be met. This is a matter of deploying our resources as effectively as we can.

Q224 Chair: But you are not covering 100%.

Mark Sedwill: No, we are not covering 100% of general aviation, but—

Q225 Mr Bacon: One thousand planes divided by 365 days of the year is 2.73 planes per day. I am sure it does not average out like that—I am sure there are peaks and troughs—but that does not seem to be a huge number that could not be handled completely.

Sir Charles Montgomery: Can I talk about it at the operational level?

Q226 Mr Bacon: Yes.

Sir Charles Montgomery: The clear answer to your point, Mr Bacon, is that we simply do not have the system in place that enables this match between what the national air traffic system can identify by way of flights coming into the United Kingdom and the system by which we capture general aviation reports. There is not a link between the two.

Q227 Mr Bacon: Just so I understand this, when the aircraft—a private plane—lands at an airport, it is possible in some cases for somebody to get off the plane and enter the country without being checked. Yes?

Sir Charles Montgomery: Yes, it is. Absolutely.

Q228 Mr Bacon: I happened to hitch a ride on a private plane from Canada to New York—or Newark, New Jersey—an embarrassingly long time ago, in 1982. An official from the US border force, or equivalent, came aboard the aeroplane. There was no

suggestion that the plane was full of drug dealers, or anything; it was just standard and normal and we all handed over our passports. I find it difficult to understand why you just cannot do that for every private plane. Why cannot you do that?

Sir Charles Montgomery: Let me take the layered approach apart. We had not touched on the operation on the ground at airports like Luton, for example. It is a requirement that Luton airport, if it is receiving a general aviation movement, will let Border Force on the ground know that the aircraft is arriving. It is a requirement that they should do so.

I would be confident in saying that we actually go, not to meet the aircraft on the ground, but to meet the passengers disembarking from that aircraft in a significant number of instances at Luton airport. I think there would be an extremely high—

Q229 Mr Bacon: So you are saying that, in some cases, you do not.

Sir Charles Montgomery: And in some of them—as I say, it is extremely high. In some of them, we would not—if we had taken a look at the report of passengers on that aircraft and its port of origin, it is possible that that aircraft would not be met.

Q230 Mr Bacon: Frankly, I find that incomprehensible. It is a relatively small number of passengers, compared with the total.

By the way, apart from hitching a ride on that private plane, when I worked in Canada one of my jobs was dispatching aircraft from an airport. Admittedly, I was only checking tickets and passports. I was not trying to refer back to a security system to ensure that when they arrived in Las Vegas they were not going to be gambling with stolen money—it was nothing like that; I was only working for a holiday company. None the less, I know what it is like to have a wall of people coming at you whom you are trying to process. A Boeing 737, in those days, had 117 seats. We got the whole thing done in 90 minutes, or perhaps less, from 6 am. By 7.30 am or 7.45 am, I was on my way home, having dispatched the aircraft.

Doing that two or three times a day would be the 2.73 planes that I mentioned. It is odd that, with £600 million available, you cannot deploy enough resource to ensure that all these aeroplanes—all of them—are covered. Frankly, that is incredible.

Sir Charles Montgomery: As I have indicated, the numbers that would not be met at Luton would be very small, but I cannot say it is zero, because if, at a time that a general aviation flight was inbound to Luton and an assessment had been made that it was a low-risk aircraft because the inventory matched and we knew who was on it, and if at the same time there was significant pressure on the security channels inside the main airport itself, it is possible in those circumstances that that aircraft would not be met.

Q231 Chair: Can I bring in NAO?

Louise Bladen: I went on the visit to Luton, so I can tell you what they told us. They said that the issue is that the location of where the private planes are coming in is away from where most of the Border Force are deployed.

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Q232 Mr Bacon: I actually flew into Luton quite recently, from Aberdeen, and I can tell you that if you are an EasyJet person you walk quite a long way. Why don't you make these private plane people walk if the building is in the wrong place?

Sir Charles Montgomery: We try, as I say, to meet the airport operator's aspirations for the right level of checks in the right manner for the numbers of passengers concerned. As it happens, it is absolutely right that in Luton, as indeed in a number of airports, the general aviation terminal is separate from the main terminal. In those circumstances, therefore, we have to deploy people over to the general aviation terminal. We don't do it at the moment at cost to the operator. Part of the work that we were discussing earlier, in terms of modernising, is now looking at charging for that service, so that we can recover—

Q233 Mr Bacon: When you say the operator, you mean the airport operator?

Sir Charles Montgomery: The airport operator. So we are looking at a regime whereby we provide that service, because we wish to provide a good service as well as a very secure service. We are looking to deploy people, but provide a bespoke service that comes at cost.

Q234 Chair: Louise, do you want to add anything to that?

Louise Bladen: I was just going to say that a number of officials at Luton told us that, because they are dealing with queues and they are understaffed, they felt that they were not able to meet all of the general aviation—

Q235 Mr Bacon: They want to go—as it were—over to the other side, the dark side—

Q236 Chair: Because they were understaffed? Okay. Richard, your other question.

Q237 Mr Bacon: Sir Charles, earlier you talked about the Home Secretary's primary targets. There are 19 targets on page 21; this is figure 4 that I am referring to. Of those 19 targets, which ones are the primary targets?

Sir Charles Montgomery: Again, you will have to excuse me, but the control strategy itself is classified. I can't tell you which ones are in the first, second and third levels of category.

Q238 Mr Bacon: They are categorised into three levels?

Sir Charles Montgomery: They are categorised into three levels.

Q239 Mr Bacon: Gold, silver and bronze, so to speak. And of these 19, some are gold, some are silver and some are bronze?

Sir Charles Montgomery: Correct. My assurance to the Committee is that we are achieving or in some circumstances overachieving on our higher-priority seizure tasks—

Q240 Mr Bacon: Am I right in thinking that all the gold ones are also the top 10, where you met or exceed?

Sir Charles Montgomery: Some of them are.

Q241 Chair: I cannot believe that seizing offensive weapons is not a primary task—you cannot share the information—and that is one where you are more than 10% below. I cannot believe that. And I cannot believe that forged documents, which is absolutely critical, is not a key target—I cannot believe it.

Sir Charles Montgomery: Well, "offensive weapons" includes, for example, a knuckleduster, as opposed to, for example, a firearm, which would come in the higher priority of targets.

Q242 Mr Bacon: So what you are saying is that among the first 11, where you have met or exceeded it, some are gold, but some might be second-level or third-level targets?

Sir Charles Montgomery: Correct.

Q243 Mr Bacon: Within the ones where you are within 10% of the full-year target, there are only two of those. And they might be any of the three?

Sir Charles Montgomery: They would be in any of the three.

Q244 Mr Bacon: And the same applies to the third category—more than 10% below.

Sir Charles Montgomery: They would not be in the higher-priority targets.

Q245 Mr Bacon: They would all be silver or bronze, all of them? Okay. And that is all you are prepared to say?

Sir Charles Montgomery: Correct.

Q246 Ian Swales: Sorry—we must come back on this issue, as I raised it earlier. Are you saying that the idea of these targets is under review, because if you miss one of these targets we still do not know what that means, or if you achieve one, we do not know what it means, because we do not know how many of these items got through or did not get through? The targets themselves do not actually mean anything, do they?

Sir Charles Montgomery: My point, therefore, in terms of why we are reviewing the targets. They are not—

Chair: Oh dear!

Sir Charles Montgomery: They are not, of course—well, we described them earlier. They are targets that are based on intelligence based on previous years' throughput through the border, not on absolute terms of what—

Mark Sedwill: Just to give an example, if you think of class A drugs, when the Serious Organised Crime Agency—the predecessor to the National Crime Agency—was founded, it set the street price of certain class A drugs as its target, on the basis that that was perceived at the time to be the best way to measure success or failure. If the street price was driven up, it was because you were doing more seizures and preventing more people, and if it was driven down it

was the other way round. It is really difficult to set targets in an area, which, of course—

Q247 Mr Bacon: You might be criticised for knocking out most of the supply of class A drugs in a warehouse somewhere, like De Beers does with the diamonds—leaking them out gradually.

Mark Sedwill: Exactly. That was several years ago, but even that, which was a relatively sophisticated attempt to measure something that—to go to Mr Swales's point—was actually meaningful, in terms of driving the organisation, had that kind of risk. This is an area where it is difficult to set meaningful targets, and that is partly why the Border Force has had targets essentially based on previous trends. That has been, so far, the most sensible option.

Chair: Okay. I have got Amyas, then Fiona, Stewart and Justin, then I want to do a clear-up of some issues we have not covered. So if you can keep them quite short.

Amyas Morse: I am just forced to put on the record the fact that I have looked at your documentation, and we have had clearance meetings and discussions, but this is the first time I have heard this mentioned.

Sir Charles Montgomery: Of the categories?

Amyas Morse: Yes.

Chair: The first time you've heard what mentioned, Amyas?

Amyas Morse: It is the first time we've heard the priority targets mentioned. I'm sorry. I've carefully checked with the team while I've been sitting here. It just seems very odd to me that we have written this Report and nobody has mentioned it to us before.¹

Sir Charles Montgomery: I can only explain that by the fact that the control strategy itself is classified, and it may be that people did not feel comfortable.

Amyas Morse: Do the people who are carrying out the targets know that they are priority targets?

Sir Charles Montgomery: They do.

Amyas Morse: Thank you.

Q248 Chair: But the NAO can see classified information.

Sir Charles Montgomery: Had I the opportunity to engage with the NAO, I would have made this point, but I didn't.

Amyas Morse: Some of us have got deep vetting clearance.

Sir Charles Montgomery: I understand that. I am offering you the only reason why I can think that would have been the case.

Q249 Fiona Mactaggart: One of the issues I am concerned about is the clarity of instructions to Border Force officials. I have looked carefully at the present instructions, which are many chapters long, and they don't say some of the very simple things that people need to be clear about at the beginning.

For example, one of the things I am personally very concerned about is ensuring that everyone holds their own passport. I am consistently told by people who are brought in as domestic servants that they don't get to hold their own passports through immigration

control. What are your plans to make it really simple for those depressed staff to do the basic building blocks of their job?

Sir Charles Montgomery: I have developed a new directorate within Border Force to start auditing and assuring the quality of instructions that are passed to people, and then generating clear guidance to those staff to ensure that there is consistency of guidance and clarity of purpose. Your observation is absolutely right; I have made the same observation myself. As I say, I will be putting a directorate in place that will tackle that issue.

Q250 Fiona Mactaggart: Could you tell the Committee what you are going to do to make sure everybody carries their own passport, because that would be a real achievement?

Sir Charles Montgomery: In what circumstances, just to be clear?

Mr Bacon: In all circumstances!

Q251 Fiona Mactaggart: When they go through the border. I hold my passport. It should always be the case. The Minister tells me it is always the case, but I know it isn't always the case.

Sir Charles Montgomery: Well, it should always be the case, and perhaps it illustrates the point about the clarity of direction and guidance that is available to officers on the front line.

Q252 Mr Jackson: Apologies for my absence. I had to meet constituents, and I couldn't get out of it. Sorry for that. One of the generic key findings—No. 11—is that there are gaps in the Border Force's information about people and goods entering the country. There is a substantial amount written on page 24 on the use of intelligence, which I know the Committee has discussed in my absence.

Can you tell me, with specific regard to criminal records data and work with other stakeholders, what preparations are you putting in place for January next year, for the influx—if that is not too pejorative a term—of Romanians and Bulgarians? In particular, how are you going to persuade us that we are not going to be receiving lots of unsavoury characters, drug dealers, murderers and rapists from Romania and Bulgaria next January?

Sir Charles Montgomery: Romanians and Bulgarians will be, like all other European Union nations at the moment, subject to records that we will keep on the warnings index. That will include any past record of criminality, and we will make judgments about access through our borders on the basis of what level of criminality they may have perpetrated in the past.

Q253 Mr Jackson: At what level is that decision made?

Sir Charles Montgomery: At what level of criminality?

Mr Jackson: Yes.

Sir Charles Montgomery: To be honest, I do not know at what level it has already been made, but it is true of all European Union citizens, not just Bulgarian and Romanian.

¹ Note by NAO: The NAO has subsequently confirmed that it did in fact have a copy of the Border Force's control strategy.

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Q254 Mr Jackson: I am intimately acquainted with the free movement directive. Specifically, does someone coming from Bulgaria have to be a convicted murderer to be apprehended and removed? If someone has a record of being a consistent serial burglar in Bulgaria, would they be let in, with the knowledge that they probably will not exercise their treaty rights—they will not be looking for work, in work, self employed or a student?

Sir Charles Montgomery: I can answer the first example—they would be denied without a question. The question of how many and at what level of seriousness a burglary may deny them access to the border is something that I am less certain about, I am afraid. If you would like to have specific examples, I will provide them.

Q255 Mr Jackson: So you are familiar with the legal caveats to the free movement directive? What if that person says, “Well, when I was 20 I did a lot of burglary, but now I am 40, I am exercising my treaty rights under the free movement directive to come here and you are only discriminating against me because I am Bulgarian national”?

Sir Charles Montgomery: Of course, the entry on the warnings index reflects that legal status of how old a conviction may be. That element, as is the case with all other European nationals, would be held on the warnings index and demonstrated to the officer at the primary control point. If it is a really serious case, it might be a subject for advance special information dealing as well. Such information would be available to the officer on the border. He would be given a clear code that indicated what his action should be, and he would follow those actions.

Q256 Mr Jackson: So where is that protocol written down?

Sir Charles Montgomery: Actually, I do not know where it is written down.

Mark Sedwill: On the warnings index, there are codes that tell you to stop somebody or whether further action needs to be taken. Those have now been streamlined. So that would have been done, assuming we had the record of the person, before they arrived.

Q257 Mr Jackson: Let us go back to what you said. You do not know whether it is written down. Is that because it is a front-line operational issue, or because it has not been routinely written down?

Sir Charles Montgomery: It is simply because I do not know.

Q258 Mr Jackson: You don't know. Can we have a note to clarify that issue of the protocol for EEA citizens who may have issues around criminal records data?

Sir Charles Montgomery: Of course.

Q259 Mr Jackson: How satisfied are you that the data are accurate and also comprehensive? Obviously, the Border Force will potentially be under a lot of pressure from next January if the numbers we are talking about—it is in the 20,000s from those two countries—come to fruition. There will be issues

around resource management, and, in terms of protecting national security, the extent to which we can rely on those criminal record data.

Sir Charles Montgomery: We have touched on data quality at some length. If I could just summarise two key points. First, there is an issue around data quality. We continue to work and improve the quality of data in our system; it simply is not good enough at the moment. We have invested more effort in improving that quality of data so that we can be more reassured in the future. That is the first point about the quality of the data. Was there anything else that I did not pick up there?

Q260 Mr Jackson: You have implied that the data are not 100% accurate, which is fair enough. My main point is whether you will be in a position from 1 January next year to be fully confident that you can make rational, fact-based decisions on people who will pose a threat to our national security.

Sir Charles Montgomery: I cannot be 100% confident. I am absolutely clear about that. As I have indicated, we have issues around data quality that we are working hard to address. It is rather like painting the Forth road bridge.

Mr Bacon: They have finished that now, by the way.

Sir Charles Montgomery: You understand the point I am making. We have more than 100 million people crossing the border into the United Kingdom.

Q261 Mr Jackson: But are you working with the agencies in those countries?

Sir Charles Montgomery: We are indeed.

Mark Sedwill: The way you deal with any particular criminal threat, as I think you are indicating yourself Mr Jackson, is to act upstream at the border and in country as well. There is no one point which one can be confident is absolutely the most effective one. I think we might be taking a group and a paper quite soon to my executive board. We are getting together people from the NCA, people dealing with organised crime and criminality in the UK, the immigration and border people just to ensure that we are confident that we have got the right answer to your question, though we can't talk too much about it publicly. We are absolutely on that.

Mr Jackson: I am sure I will get a rude letter from the ambassadors from Bulgaria and Romania.

Mark Sedwill: You might.

Q262 Justin Tomlinson: I recently spoke at an IFAW event on combating international wildlife trade, in particular its links to terrorism. Your performance seizures and detections targets include the number of products of animal origin being seized and the number of seizures related to the Convention on International Trade in Endangered Species. My understanding is that the big challenge is whether the staff could identify and, even if they can identify, know who it is that needs to be reported and how it is to be dealt with. There is a huge amount of training that needs to be done.

Sir Charles Montgomery: There is.

Q263 Justin Tomlinson: And it is very specialist knowledge. It is not coming through in huge numbers so that specialist knowledge may be tested only from time to time. What is being done to try to up that, in particular because of the links through to terrorists?

Sir Charles Montgomery: Our CITES team is one of those areas where our capability is genuinely already world class. People come here from abroad to understand how we do it, and we do it so well within the CITES team. That CITES team is deployable; it goes to areas based on risk, and it does quite a lot of training. It is not only an operational organisation; it is a training organisation.

I made the point earlier that one of the shortfalls of Border Force, perhaps understandably given the pressures of the past 18 months and the Olympics and all, has been that training has not had the investment that is needed. I also made the point that, even given the pressures of next year's budget, I have created the headroom to reinvest in training, and CITES will be part of that reinvestment.

Q264 Chair: Let me deal with some issues that have not yet been covered. First, the Vine report and the e-Borders issue. Do you accept John Vine's recommendation that the programme needs to be fundamentally re-evaluated with new targets against a revised timetable? Mr Sedwill.

Mark Sedwill: I think the protocol is that we need to look through the recommendations with Ministers first before we decide.

Q265 Chair: You have put out a thing today saying which recommendations you accept, so you must have thought about it. You have had a much greater chance to look at it than I have. I am asking whether you accept it needs what he says—a fundamental re-evaluation with new targets against a revised timetable.

Sir Charles Montgomery: Indeed, we do accept that. The border system programme together with Government Digital Service and procurement service help is doing exactly that at the moment.

Q266 Chair: Just to get it absolutely clear: was it given a red or red/amber by the MPA?

Sir Charles Montgomery: It was given a red/amber at its last gateway review.

Q267 Chair: Can you confirm that the commitment to re-introduced exit checks at all UK ports and airports by 2015 cannot now be delivered?

Sir Charles Montgomery: I do not accept that.

Q268 Chair: He says you will not have it until 2018 or so.

Sir Charles Montgomery: We will have in place an exit-check regime by 2015.

Q269 Stephen Barclay: For what percentage of passengers?

Sir Charles Montgomery: It is an exit-check regime that will cover all those arriving through commercial air, commercial rail and commercial maritime. It is a regime that has one or two quite significant families,

which will be very difficult. Perhaps the most difficult of all are those surrounding general maritime and those travelling within the common travel area. Those are the two areas that provide us with the greatest—

Q270 Chair: Out of your 100 million or whatever it was, I want a feel of who is not covered. Out of your 100 million, what proportion by 2015 will be covered, will be given an exit check?

Sir Charles Montgomery: I am anticipating 80% or more.

Q271 Chair: Eighty per cent. or more will be covered, or will not be covered?

Sir Charles Montgomery: Will be covered. And the biggest and most significant family that may not be the common travel area family. In particular, we are working with the Republic of Ireland authorities to strengthen their external border as well.

Q272 Chair: This is all in the context of a red/amber?

Sir Charles Montgomery: If I could put it into context, the exit check piece is part of the border systems procurement project. The overall project is rated as red/amber, but that is mainly on the basis of the replacement to the core systems and, in particular, the delay that we had to take in procuring those. The exit check, at the moment, has not yet been given a red/amber rating by the MPA.

Q273 Chair: What has it got?

Sir Charles Montgomery: It has not gone through the MPA yet.

Q274 Stephen Barclay: Have you got any projects that are rated red at the moment by the MPA?

Sir Charles Montgomery: I do not have any that are rated red.

Q275 Stephen Barclay: The passports?

Louise Bladen: That one is rated red. It is the passport digitalisation.

Stephen Barclay: So why, Sir Charles, do I know that one of your projects is rated red—

Mark Sedwill: It is not one of his.

Sir Charles Montgomery: It is not one of mine.

Q276 Stephen Barclay: It is not yours—I apologise. But the Home Office has another project, germane to this area, that is rated red.

Mark Sedwill: Several of our biggest projects are rated red/amber or red.

Q277 Stephen Barclay: Will that project have any bearing on people leaving the country? You will not look at their passport as they leave; you will just look at it when they come in.

Mark Sedwill: The digitisation programme is the digitisation of the passport application process, if I am thinking of the right programme; it is not about the passport document itself. And the exit check is not the same as an embarkation control. It is not actually having somebody there inspecting passports; it is the

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same kind of system as we have with API coming into the country, going out.

Q278 Stephen Barclay: That is very helpful, thank you. What I am trying to clarify, Mr Sedwill, is whether this project is rated red. What potential things are on the critical path?

Mark Sedwill: The passport project?

Q279 Stephen Barclay: No, the exit control. What is on the critical path of that?

Sir Charles Montgomery: The critical path at the moment is work, which will finish in the next two weeks, between ourselves and the Government Digital Service, looking at technical options as to how the policy intent will be delivered. The GDS are working on what kind of stand-alone technology might be applicable and what technology that might integrate with our existing border systems programme would be applicable. That work is due to complete in two weeks' time and that is the critical part.

Stephen Barclay: So just to be really clear, what you are saying, Sir Charles, is that, as of today, the specification has not been finalised for the technology, the tender for that has not gone out, the bids have not been assessed and the supplier has not delivered, but by 2015 we will have 80% of traffic going through a successful implementation?

Sir Charles Montgomery: I think I am right in saying that, depending on how we go about the exit check regime—incidentally, GDS are much more confident than you have indicated—

Q280 Chair: Who is GDS?

Sir Charles Montgomery: The Government Digital Service—about the speed with which they can go to market and procure a system. They are much more upbeat about the—

Stephen Barclay: But was any of that incorrect? That is the current time scale.

Mark Sedwill: There is one important point, if I understand it right—Charles, correct me if I am wrong—which is that the same system that we have discussed at some length for incoming traffic applies for outgoing traffic as well. So we already have a system that provides the majority of coverage that we need to secure the overall 2015 target. It is about plugging the gap between that and—

Q281 Chair: You are telling us a different thing. I will rush this, because we will have a vote, but what you are saying is rather different. We are hearing on the one hand that there is a separate procurement, but then you are saying that you can latch it on to—

Mark Sedwill: It is to fill the gap.

Stephen Barclay: It is to extend the bandwidth of it.

Mark Sedwill: Yes, exactly—to fill the gap.

Q282 Chair: By when in 2015 will we have 80% coverage?

Sir Charles Montgomery: The commitment is by, I think, 1 April 2015.

Stephen Barclay: Who chose that date? That is not a very good date.

Sir Charles Montgomery: Let us say 31 March.

Q283 Chair: It is completely unrealistic. I wanted a little bit of “get real” from you on this one. You have not even started the procurement and you are expecting 80% of exits to be checked. You have got to be realistic.

Mark Sedwill: Madam Chair, there is an important point here.

Chair: I want to move on to something else.

Mark Sedwill: We are not going from zero to 80% with this procurement.

Sir Charles Montgomery: We were at 65%, and it has now increased.

Q284 Chair: At 65% of exit checks?

Sir Charles Montgomery: Data are held on 65% of the people going out of the United Kingdom through our advanced passenger information at the moment. Of course, as I have already indicated—

Q285 Chair: How long have you been at 65%? Just remind us. Two years?

Sir Charles Montgomery: I think it probably is about that, but as I have already indicated in an answer earlier, the number has been increasing during the course of the summer, and when this major carrier comes on board it will take a very significant step up.

Chair: I think we have heard enough already.

Sir Charles Montgomery: The question might well be, “How best do we use advanced passenger information to conduct our exit checks in a way that fulfils exit check requirements, and what extra system might we want in turn?”

Q286 Stephen Barclay: I think that is a very helpful reassurance, if it can be relied on. What I am slightly confused about is why the Major Projects Authority is rating it so highly as a risk.

Sir Charles Montgomery: Exit checks?

Mark Sedwill: They are rating the whole programme. It is the whole of the border systems.

Q287 Stephen Barclay: So the risks are elsewhere, not with the exit checks?

Mark Sedwill: The risks are essentially in the infrastructure. Just two quick points, Madam Chair, as I know you want to move on: I have had a look at the whole portfolio across the Home Office and, as I think I have said before, it is fragile and fragmented, and we don't have data that properly connect, so I am conducting two things. One is a portfolio review, because actually the border systems programme should be relying on much the same data as other programmes—immigration systems and police—but it doesn't properly connect, and I don't want us to make the same mistake we have made in the past, of updating every programme but in a different way that is incompatible. So we are looking at that.

Secondly, just for the record, I have also commissioned an audit, including with external auditors, to look at all the inheritance of UK Border Agency and the National Policing Improvement Agency, because I want to understand why we are where we are when actually almost all these big programmes went through a series of gateway reviews and were under review.

9 October 2013 Mark Sedwill and Sir Charles Montgomery

Q288 Chair: Can I ask for really brief answers? How much have you spent separating Border Force from UKBA?

Mark Sedwill: I recall that my predecessor said that there was no specific cost to that, but I will have to come back to you.

Q289 Chair: Can we have a note quickly?

Mark Sedwill: Yes.

Q290 Chair: Can you give me any examples of where you have intervened to strengthen performance since you have had Border Force in the Department—the brilliantly functional Home Office?

Mark Sedwill: Sorry, to strengthen Border Force performance?

Chair: One of the reasons for bringing it in-house was to get better control. Give me some examples of where transferring Border Force has strengthened departmental oversight on border security—very quickly.

Mark Sedwill: Okay. The Minister has issued the operating mandate; Border Force handled the Olympics, despite all the speculation and pressure—

Chair: Border Force was outside before the Olympics.

Mark Sedwill: It had just come in for the Olympics. Again, it had a successful summer this year managing the queues. That is just one example. I have focused on queuing, but there are others.

Sir Charles Montgomery: And the fact that, in that time, we have reintroduced the 100% checks at the primary control points, which was a very significant achievement, alongside the management of controls at the—

Chair: At the expense of other things.

Q291 Mr Bacon: Yes? The record doesn't show silence.

Sir Charles Montgomery: Yes, indeed, at the expense of other things, but based on operational priority.

Q292 Chair: Why did you take a year to appoint Sir Charles?

Mark Sedwill: Actually, Sir Charles's appointment was made just before mine, although he arrived about four weeks later. I don't exactly know what the process was, Madam Chair—again, we can let you know—but I think it was difficult to attract candidates of the right quality, they were reconfiguring the job description and they had several highly qualified candidates like Sir Charles who came forward towards the end of the process. But I don't know the detailed process because I wasn't there.

Q293 Chair: I would quite like a note, because I think it is a ridiculously long time for an organisation that had five different bosses.

Louise Bladen: I think it came up in a hearing last September. My recollection is that there was a competition that didn't identify a successful candidate when Brian Moore left, so there was an interim appointment and then a second competition.

Mark Sedwill: Yes. I think that is right.

Sir Charles Montgomery: I can assure you that that is correct.

Q294 Chair: Very finally, because I think we are about to have a vote: when we looked at this in 2012, we found that Serco staff were being used by Border Force, and that, as guards, they failed to alert Border Force when the security system went down at Dover, so vehicles came in unchecked, and they left areas unmanned, so the alarms to prompt secondary searches were not there. How will you improve the control of the contractors with whom you are working?

Sir Charles Montgomery: Serco are indeed a contractor to Border Force at the moment, in the Cyclamen programme. I am not aware of any shortcomings in the Serco performance in the six months that I have been in post.

Q295 Chair: Will you write to us about that please? That wasn't the case when we looked at it a year ago.

Sir Charles Montgomery: Yes.

Q296 Chair: Are you planning to outsource more?

Sir Charles Montgomery: I am looking at areas where we might outsource, but they will be very small, bespoke areas of our business that by and large do not require the expertise of a Border Force officer to conduct.

Q297 Chair: Finally, according to the Report there are still outstanding issues as to who does what, so have Border Force and UKBA now agreed who is going to be responsible for complex case work at the border?

Sir Charles Montgomery: Yes, and by the time I get to the office I may well have an answer on that.

Q298 Mr Bacon: Will you then write to us with it?

Sir Charles Montgomery: Yes.

Chair: We haven't had a vote. It has gone without a vote. Good. We are at the end, unless anybody else wants to add something.

Mr Bacon: You may smile.

Mark Sedwill: When you said you didn't have a vote, I thought you were going to keep going!

Written evidence

Letter to Aymas Morse, Comptroller and Auditor General from Mark Sedwill, Permanent Secretary, Home Office

My letter of 30 August welcomed your report and promised a more detailed response in advance of the 9 October PAC evidence session. We have accepted all of your recommendations, which the Border Force Director-General, Sir Charles Montgomery, has begun to address. In his first few months, Sir Charles conducted his own thorough assessment of Border Force. He found it to have many strengths, including some aspects which were already world-class, while also identifying significant areas for development, including those covered by the NAO report. A summary of the work in hand and associated milestones is included in the Annex.

Border Force will continue to develop advance passenger information (API) to maintain aviation and border security, and to provide the immigration system with reliable data on entry and exit. Rightly, your report notes that, with almost two-thirds of air travel covered, this regime is still incomplete. However, no other European country has a system as comprehensive, most are just beginning to use API and several are drawing on the UK's pioneering experience. API is also helping Border Force to address the crucial point in your report about deploying a modernised workforce flexibly to cover both primary and secondary controls. As you know, over 100m people plus over 20m containers and other freight cross the UK border every year. Once Border Force is at full complement, deployed according to a more sophisticated resourcing model than has been available hitherto, they should ensure that an adequate level of coverage is always in place at both the primary and secondary controls. So, for example, when more staff are required in Calais due to seasonal pressure, both controls should be adequately resourced without leaving vulnerabilities elsewhere in the operation. Moreover, alongside the operating mandate agreed by Ministers for the primary control (which handled successfully the unprecedented pressure of the Olympics), Border Force is developing an intelligence-led freight strategy, which they plan to implement from early 2014.

We will, of course, reflect further once the Committee has considered your report and other evidence, and published their conclusions. I will also write to the Committee shortly in response to Margaret Hodge's 22 April letter about the immigration system as a whole following the dissolution of the UK Border Agency. A copy of this letter goes to her and the Committee. I look forward to seeing you on 9 October.

1 October 2013

Annex

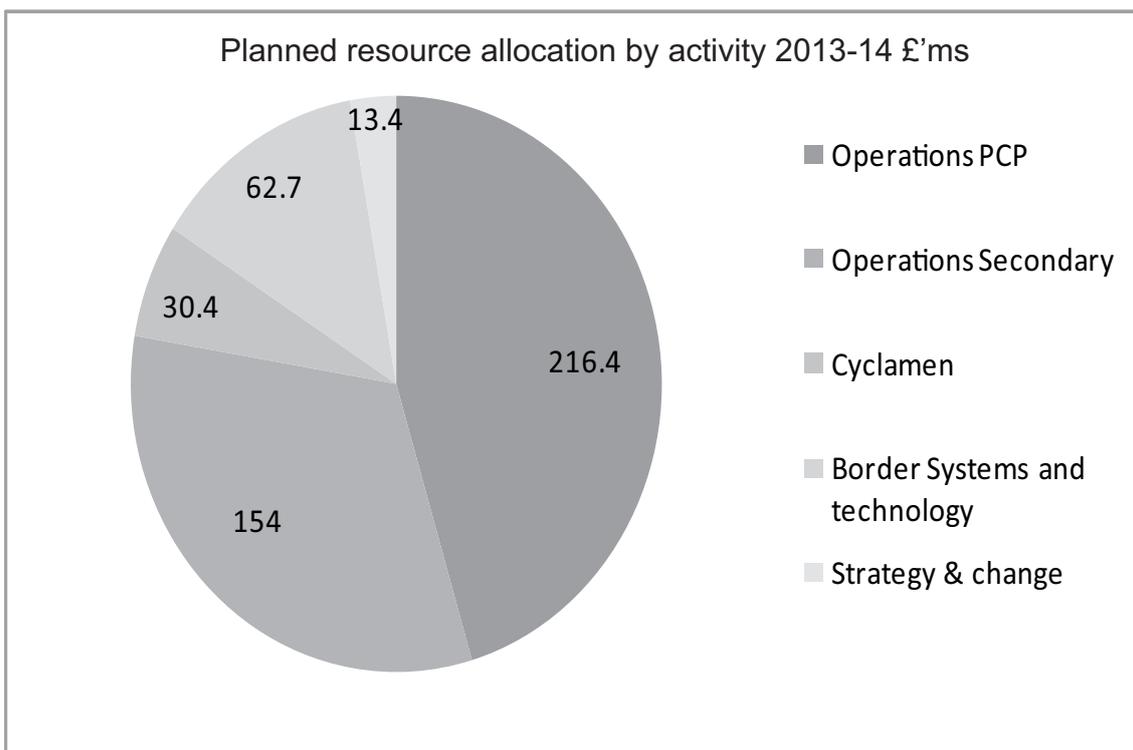
NAO RECOMMENDATIONS

RECOMMENDATION A:

Following a planned increase in recruitment, the Border Force should evaluate fully whether it has the right number of staff to cope with its workload. In particular, the Border Force should assess its priorities and review whether planned additional recruitment will be sufficient to maintain performance across a range of activities, including passenger checks, managing queuing times and customs checks. In doing this, it should take account of the efficiency impacts of its new deployment model at Heathrow and the potential to replicate these at other ports, as well as the increased efficiency that can be achieved by improving its use of technology.

The Department accepts this recommendation in full

1.1 Aligning resourcing with priorities is the only sensible way to manage the business. In the context of this recommendation, it is worth noting that recent analysis shows that the split of resources between Primary and Secondary controls is 56%-44%, and as the below chart makes clear a similar split will continue throughout 2013-14. Whilst ensuring that the Operating Mandate is always fully adhered to, deployment in future will be increasingly led by intelligence, ensuring that resources are deployed where they have the greatest operational impact and without redundant resource in low-impact areas.



1.2 Significant actions Border Force is taking to address this include:

- securing greater integration with the Border Policing Command within the new National Crime Agency, which will allow a more flexible deployable resource;
- increasing the speed at which ePassport Gates are rolled out at the Primary Control Point. EPassport Gates automate the process of checking those entering the country, and therefore allow more officers to be released for flexible, intelligence-led deployment;
- introducing a new primary control point (PCP) deployment model, which has been successfully trialed at Heathrow. This will mean that, by the end of this year, Border Force will have a system in place that will project demand and resource levels 12 months ahead. Roll out has already begun at Gatwick, and will continue across other major ports between now and August 2014;
- committing, in our People Strategy 2013–15, to strengthening Border Force's workforce planning process. This will include reviewing and agreeing operational recruiting targets for a rolling 24 month period at both organisational and local level; and
- including in these targets a level of recruitment to take into account projected turnover and the time taken to recruit and train staff to a deployable level. The Strategy will address that the increase in workforce numbers has been lower than expected due to transfers in the Civil Service, and turnover. By March next year, however, Border Force expects to have 8000 staff in place.

RECOMMENDATION B:

The Department needs to ensure that the Border Force's reporting measures are in line with its objectives. Breaches in queuing targets are reported to ministers on a weekly basis, whereas other types of digression are reported only to a lower level of the Department. Although not intended, this has sent a strong message to the workforce that queues are more important than other aspects of performance. The Department should review its system of reporting to ensure that this aligns with the Border Force's new performance framework and provides it with a comprehensive and balanced view of results.

The Department accepts this recommendation in full

2.1 Ministers receive a weekly report which summarises achievements across the full range of Border Force outputs. Information relating to the Home Office's core objectives -countering terrorism, cutting crime and reducing immigration -are reported as the highest priority, followed by queue SLA performance. During the run up to the Olympics last year, it was important to provide Ministers with daily queuing time information and be assured that queues were being managed. Long queues are, in themselves, a security risk. This reporting structure was a temporary arrangement to meet a particular need. Only the most significant breaches are reported to ministers as they happen.

2.2 Further work is also under way to revise the information provided by Border Force to Ministers and the Home Office Executive Management Board and to refresh the performance data presented to operational managers to ensure it continues to provide a focused and balanced set of metrics, which will include seizures of Class A drugs, weapons, and other harmful material.

2.3 Border Force is also using staff communications, ranging from all-staff updates to leadership sessions led by the Director General, to ensure that staff are both aware of the organisation's key objectives and understand that their work helps to deliver all of them.

RECOMMENDATION C:

The Border Force needs to improve and standardise its queue measurement system. The Border Force should review queue monitoring methods in different ports and develop an improved approach that is better tailored to the differences between airports and ferry ports, given that the existing layout of ferry ports makes it difficult for officers to identify the end of the queue.

The Department accepts this recommendation in full

3.1 Border Force will be standardising its queue measurement system, initially across airports but ultimately at juxtaposed ferry ports and rail terminals as well. This project will assure the way in which passenger queues in the immigration arrivals halls are measured and implement a standardised approach, reflecting the local operating environment. The initial focus will be on airports, with the high volume airports taking priority. Work on airports will be delivered within 6 months, with work on other transport hubs to be delivered by the end of 2014.

RECOMMENDATION D:

The Border Force must encourage a culture of transparency in its workforce so that it is fully aware of actions taken as a consequence of prioritising one objective over others. The combination of staff shortages, prioritising full passenger checks and managing queuing times often prevents Border Force officers from undertaking other duties. We observed a culture of fear preventing Border Force officers from reporting honestly about the consequences of this. The Border Force should encourage frontline staff to report, without fear of personal consequences, any instances where a focus on one priority, for example managing queues, has led to them being unable to fulfil other duties.

The Department accepts this recommendation in full

4.1 It is clear that significant cultural challenges still exist -Sir Charles has identified these in his first 100 days in post. A set of Border Force values, which promote a positive way for all staff to operate, is being developed. Leaders must live by the values; inspire others; and ensure compliance within the organisation. The values will be embedded into the organisation through both the Performance and Development Review process and the internal Reward & Recognition scheme. The 2013–15 People. Strategy will support this.

4.2 The Border Force leadership development strategy will provide a range of interventions to change Border Force culture to encourage transparency and ensure staff are confident that they can raise concerns with line management as appropriate. These will include:

- (a) a new operational leadership and management development programme by the end of the year;
- (b) specific tools to help managers engage staff, build trust and lead through change.

4.3 As part of Border Force's communications strategy, staff will be encouraged to discuss openly and honestly the prioritisation of work, by promoting discussion at a local and team level, and ensuring that team managers are briefed and able to escalate concerns and issues.

RECOMMENDATION E:

The Border Force needs to instil a sense of urgency in all aspects of workforce modernisation, and put greater effort into raising the morale of its officers. The Border Force should complete its workforce planning and act quickly on measures to improve workforce morale and engagement. While in the short term morale may be affected by further changes to terms and conditions, the Border Force needs to prioritise the roll-out of annualised hours working so that it has a more responsive and flexible workforce for the longer term.

The Department accepts this recommendation in full

5.1 Border Force recognises that motivated and capable people are Border Force's centre of gravity. Workforce modernisation and engagement are key priorities of a Border Force transformation programme. A number of planned measures are outlined below.

5.2 It is vital to improve workforce planning capability, both for enhanced organisational performance and to raise employee morale. The People Strategy has identified this as an urgent project, with work commencing

in November 2013. The project will ensure Border Force is better able to cohesively plan recruitment, training and deployment of officers.

5.3 Disparities in staff terms and conditions can impact the perceived fairness of treatment of staff and negatively impact morale. Progress has been made in addressing disparities in terms and conditions with the encouragement of annualised hours and pay progression via Home Office pay negotiations. A second opt in for annualised hours contracts has been scheduled for the end of 2013.

5.4 It is vital that, within five years, staff are instilled with the sense of pride in the organisation that comes with Border Force becoming a world class organisation. A reinvigorated Reward & Recognition programme based on the new Border Force values will be introduced, to ensure that staff are overtly recognised for their achievements; rewarded in a consistent way; and that success within Border Force is publicised, enabling achievements to be celebrated.

5.5 Further modernisation of working practices will be achieved by a number of practical measures including: the introduction of a new common uniform for all staff from December 2013, and the implementation of new consistent Border Force job titles.

RECOMMENDATION F:

The Border Force needs to develop its intelligence on passenger and freight arrivals. The Border Force should work with industry stakeholders to prioritise obtaining advance passenger information for flights arriving in the UK, and for passengers arriving by private plane or boat. The Border Force also needs to work with carriers to improve the quality of freight information.

The Department accepts this recommendation in full

6.1 Advance passenger data continues to provide early warning of the arrival and departure of individuals of interest from a security, crime, immigration or customs perspective. The capability delivered by the UK's border systems is one of the most advanced in Europe and amongst the best in the world. The UK is one of only a handful of countries which operate a Pre-Departure Checking System, preventing those who would do us most harm from boarding aircraft.

6.2 A significant amount of data is already received on passengers travelling in and out of the UK in advance of their travel. More than 149m passenger and crew movements are analysed a year, an increase from 129m in October 2012. Since 2005, we have screened 635 million passengers and crew in advance of their travel, issuing over 274,000 alerts, resulting in over 15,000 arrests, including 81 for murder, 58 for kidnap and 143 for rape.

6.3 Border Force has had some recent notable successes due to advance intelligence on freight including 4 million cigarettes in a container at Southampton, and 3kgs of heroin in a shipment from Pakistan at Heathrow. We have also formed a team dedicated to targeting unaccompanied freight in order to develop our intelligence in this area.

6.4 Longer term, Border Force's freight strategy will ensure that our freight control processes provide the best possible value for money, and that the right interventions are made at the right time, whilst facilitating the flow of legitimate trade. The strategy will be published at the end of 2013 and its recommendations implemented throughout 2014.

6.5 Maritime and rail sectors have operating models significantly different from those of scheduled aviation carriers, but our coverage of these sectors is expanding and now includes some ferry traffic. We are currently running a trial on GM Cruise data (Southampton), and have launched a similar pilot on GM Commercial data (Scotland). We have carried out a review of our operation around General Maritime, and by December 2014 we will have implemented all this review's recommendations.

6.6 The Collaborative Business Portal (CBP) went live for the General Aviation sector on 8 April 2013 and automates the transmission of passenger and crew data through a single source. It allows users to input their General Aviation Report (GAR) forms to the CBP using the Aircraft Owners and Pilots Association (AOPA) website. In addition, AOPA have launched mobile phone applications which enables a pilot to submit their GAR from their mobile phone. Online submission via the CBP is in addition to the previously available fax and email options. This has automated the submission of information and provided greater accuracy and efficiency.

6.7 On the wider issue of intelligence around passenger and freight arrivals, both prioritisation and resource development at the border and intelligence activity is determined by Border Force's Control Strategy.

**Letter to John Vine, Independent Chief Inspector of Borders and Immigration to Mark Sedwill,
Permanent Secretary**

Thank you for your letter of 10 October in which you expressed a concern that the evidence I gave at the Public Accounts Committee gave the impression that you were solely responsible for the delay in publishing the e-Borders report. I attach the relevant extract from the transcript which shows that Sir Charles Montgomery and I were clear that the delay in publication was a result of the detailed work which had to be undertaken on the redactions from the report. The Committee suggested that we had asked you to delay your report and I was crystal clear that as an independent inspector, you would not have accepted any pressure from the Home Office to influence the publication date. Your letter also suggests that my office did not contact your office to enquire about sending an embargoed copy of the report to the Committee. One of my officials contacted your office on Tuesday to pass on the Committee's request for an advance copy. Clearly we need to ensure that communication between our offices is effective.

You will have also seen that during the hearing, Margaret Hodge referred to remarks you made during your interview with the Today programme that morning. Whilst I appreciate you were making a specific point about deportees, Mrs Hodge interpreted it to mean that we had not stopped anyone from flying. As you will realise this is information which has national security implications and on which we had to make redactions in your report. It is a reminder of how careful one has to be in tone as well as substance with Parliament and the media. I should be grateful if you would discuss with Mike Anderson how we manage this in future.

16 October 2013

Written evidence from Border Force

Thank you for giving Mark Sedwill and me the opportunity to provide you with evidence for your current enquiry.

During our session, we committed to write to you on several issues. Mark Sedwill is absent from the Home Office this week and asked me to write in his stead. I have provided the questions, in bold, and the answers to them in the attachment to this letter.

I have also included information about the coverage of exit checks and the Border Force Control Strategy, to expand on the high level view we set out at the meeting.

During the session, the Committee also drew attention to an outstanding query submitted by Frank Field MP. Mark Sedwill would like to confirm that he is addressing this as a matter of urgency.

As we said at the Committee, we accept the recommendations set out in the NAO Report. We also welcome its overall finding that the establishment of Border Force has been a key step towards improving border security, contributing to the Home Office's strategic objectives: to cut crime, reduce immigration, and prevent terrorism.

Charles Montgomery KBE
Director General, Border Force

23 October 2013

QUESTIONS AND ANSWERS:

How many private planes enter the UK each year?

There are on average approximately 90,000 inbound General Aviation (GA) flights of all types per year.

How many airfields are there?

Across the UK there are 3,700 GA sites ranging from international airports to helipads and farm strips. This figure is subject to change as airfields open and close on a weekly basis. The ports dealing with the highest percentages of GA flights are Luton (19.9%), Farnborough (10.5%), Biggin Hill (9.5%), Stansted (6.5%) and Northolt (4.4%).

What percentage of private planes are classified as 'high-risk'?

Since the beginning of this financial year, 25% of GA flights have been classified as high risk.

Is Border Force looking at the placement of toilets between aircraft and the PCP, and the resulting staffing burden?

The system has been redesigned. Historically, border staff met some high risk flights and escorted passengers to the control point. This was in order to ensure that the border officer could connect a potential illegal immigrant with the airline responsible, and also prevent passengers from disposing of documents. This practice has been discontinued as it is now possible to track illegal immigrants to flights using CCTV footage, and the small additional risk of document disposal does not justify the additional staff burden.

What will the balance of staff be between the NBTC and the frontline?

NBTC staff currently make up around 2% of Border Force frontline. The proportion will remain in the same region over the coming year.

How many passenger liaison officers are overseas, and where are they based?

The Risk and Liaison Overseas Network (RALON) has 52 posts and currently has 110 UK based Immigration Liaison staff posted overseas, supported by 133 locally employed members of staff.

The following countries have at least one RALON post:

Albania, Bahrain, Bangladesh, Brazil, China, Colombia, Denmark, Egypt, France, Germany, Ghana, Greece, Hong Kong, India, Italy, Jamaica, Jordan, Kazakhstan, Kenya, Malaysia, Nepal, Netherlands, Nigeria, Oman, Pakistan, Philippines, Poland, Portugal, Qatar, Russia, Saudi Arabia, Serbia, South Africa, Spain, Sri Lanka, Thailand, Turkey, United Arab Emirates, USA, Vietnam, Zimbabwe.

How many false positives does the e-Borders system create?

False positive matches are those generated by our systems which, on investigation, do not relate to the subject of interest to us. An analysis of the matches in August showed that 93.5% of matches were eliminated as false positives. Virtually all false matches are intercepted by operators within our National Border Targeting Centre (NBTC) and no further action is taken. A false positive match may proceed to be actioned at the port but these cases are exceptional -this will certainly not happen every month, and never more than 2–3 times per month.

ANNUALISED HOURS TAKE-UP AT HEATHROW

In August 2013, 1718 staff at Heathrow received shift working allowances. Of these, 1072 (62%) are on Annualised Hours Allowances and 646 (38%) on Shift Disturbance Allowance (a legacy immigration allowance).

BUDGET REDUCTIONS AND THE EFFECT ON BORDER FORCE'S OPERATION

The Home Office has not yet delegated budgets for 2014–15 and 2015–16. The Home Office Executive Management Board has discussed budgets for 2014–15 across the Home Office, including Border Force's requirements. It will make a recommendation to the Home Secretary. The final budget will be set out in the Main Estimate.

Operational areas are a priority when setting budgets and the Executive Management Board has considered operational commitments (including for Border Force) carefully before recommending budgets.

To protect operational areas as much as possible, at the Spending Round we committed to a 50% real terms cut in our Administration budget from a 2010–11 baseline, with spending reducing from around £730m in 2010–11 to around £400m in 2015–16 in cash terms. This will make a substantial contribution to our savings.

Given the overall fiscal situation faced by the Government, we are also determined to transform our operational areas -including Border Force -to deliver more efficiently and make best use of technology. Savings from transformation form a critical part of our future budget planning.

How much has been paid out in severance costs to Border Force staff since 2010?

£39.2m has been paid out in severance costs to staff since 2010. This was a combination of lump sum and supplementing pension costs. The majority of this went to the 409 staff discussed below, with the remainder paid to staff made redundant at the end of the 2009–10 financial year.

How many staff have left on compulsory and voluntary redundancy since 2010?

How many of these have been re-employed either permanently or as contract staff?

No employees left Border Force on compulsory redundancy between 1st April 2010 and 30 September 2013. 409 employees left Border Force on a Voluntary Early Release Scheme, including a financial package. Each of the payments was approved on the basis of the business demonstrating that long-term savings to the organisation outweighed short-term costs.

Of these 409 staff, 21 have subsequently been re-employed within Border Force. There is no impact on the lump sum if people apply for posts under open competition six months or more after they left (before that, the lump sum is re-claimed pro rata). If a staff member is re-employed within six months of leaving, civil service policy allows us to reclaim the compensation or reduce their pension, depending on earnings in the new role.

UPDATE ON RAYTHEON

I agreed to consider whether I could provide any additional information about the questions put to me by the Committee in connection with the ongoing arbitration with Raytheon. The dispute with Raytheon Systems

Ltd is the subject of a confidential binding arbitration. We are currently in the decision phase and we anticipate, in view of the complexity of the case, that this may take many months.

How many staff have accessed the Warnings Index database illegally?

When the misuse of the Warnings Index (WI) is suspected the Home Office Security & Anti Corruption Unit (SACU) requests user records for the BF Officers in question from the Warnings Index Team (WICU). In 2012 there were requests relating to 5 cases. For the period January 2013 -September 2013 WICU records show 3 SACU requests for user information that might indicate misuse of the WI. SACU take all potential security breaches seriously and will investigate them thoroughly.

PLAN TO ROLL-OUT E-GATES

Border Force is continuing to develop its plans for the roll out of 2nd Generation e-gates, until 2017. To inform the plans and to ensure that Border Force is providing the most efficient and cost effective technology, a thorough period of consultation with port operators and other key stakeholders is taking place. Once that has been completed and final approval has been obtained for the roll-out plan, we will ensure that you are provided with a copy.

What was the cost of separating Border Force from UKBA and bringing it into the Home Office?

There were no direct costs in relation to separating Border Force from UKBA and bringing it into the Home Office.

Why did it take so long to appoint Sir Charles?

We first advertised for a permanent Director General in June 2012 following the decision to split Border Force from UKBA. We set the bar for the competition very high and were clear from the start that we would not appoint anyone who was not the right candidate. We had some excellent candidates, but we did not find the right permanent person. The role was advertised for a second time at Director General level in late May 2013 and the competition was supported by executive search consultants who were briefed by the Home Secretary and senior officials about its requirements. A rigorous process was put in place to identify the candidate with the requisite skills and experience for this vital role.

SERCO PERFORMANCE IN RELATION TO CYCLAMEN

Serco performance on the Cyclamen contract is generally good. Serco accelerated delivery of Cyclamen technology to meet Olympic deadlines, and the company continues to provide good support, having achieved more than their contractual Service Availability target of 99% over the last three months.

Serco's performance over the summer of 2012 in the provision of staff to reinforce border operations was, however, not satisfactory. As the Committee will be aware, the Home Office took swift remedial action to ensure Olympic security was not compromised. Commercial redress is in progress.

Has the complex casework split been agreed? How will it work?

We have agreed that very complex immigration cases will be managed by those parts of UK Visas and Immigration or Immigration Enforcement who have wider operational responsibility for the particular types of applications. The Home Office's UK Visas and Immigration Command is responsible for the consideration of asylum applications made at the border and this works well. Where it is operationally effective for Border Force to return a case to achieve swift resolution they will do so. Border Force and UKVI are working through the practical arrangements needed to achieve this.

ROMANIAN AND BULGARIAN BORDER POLICY

Romanians and Bulgarians are already entitled to remain in the UK for up to 3 months under the EU Free Movement Directive. Transitional controls limit entitlement to seek employment. Refusal of entry for any EU national can only be on public policy grounds, and a high threshold is needed to justify exclusion on these grounds. We are working with the police and others to take all possible steps to ensure that information is shared to facilitate the refusal of admission at the border where this is appropriate. Officials will continue to work to ensure that policy is as robust as possible in this area whilst remaining lawful.

EXIT CHECKS

The Exit Checks Programme aims to deliver coverage of international scheduled commercial air, rail and sea routes from the UK by 2015.

Advance Passenger Information (API) is already available for two thirds of those who leave the UK. Border Force has reached agreement with a major European carrier, which will increase that coverage to approximately 75% in November of this year.

Border Force is working with air, maritime and rail carriers to further increase API coverage. In addition, the powers we are seeking to take in the Immigration Bill will enable exit checks through other technologies where no data currently exists and we are working with Cabinet Office on developing and delivering the right solution. We aim to enable those checks to be conducted whilst minimising disruption to legitimate passengers travelling through our ports.

CONTROL STRATEGY

Border Force resource is deployed to address risk. Border Force intelligence therefore produce an annual control strategy. The main aim of the strategy is to set out the priority level for each border threat identified by Border Force and its partners.

Border Force use a strategic analysis methodology using a wide source of data and intelligence to determine the threats posed to the border. The strategy is underpinned by an intelligence assessment that articulates the threat, identifies intelligence gaps and determines any mitigation that can be taken. It assesses the likelihood of the identified threats occurring and looks at the impact from issues such as economic harm, physical harm to people and the public anxiety and outrage the threats may provoke.

Border Force performance is monitored throughout the year and the control strategy is one of the tools which is taken into account whilst assessing performance. We identify individual targets against control strategy priorities. These targets are then categorised based on the strength of the intelligence and or risk profile indicators.

Although I am advised that an up-to-date version of the control strategy was supplied to the NAO during their initial fieldwork, I will also ensure that a copy is sent to the Comptroller and Auditor General.

