Meg Hillier MP  
Chair  
Public Accounts Committee  

By email  

18 July 2018  

Dear Meg,  

Re: The DBS modernisation programme  

Following a report by the National Audit Office (NAO), the Committee took evidence on 19 March 2018 from the Home Office, the Disclosure and Barring Service (DBS) and Tata Consultancy Services (TCS). The Committee published its report on 25 May 2018. One of the commitments made in response to the recommendations was for the Department to write to the Committee with an update following the hearing.

Negotiations with TCS continue, alongside work to determine the best way to progress modernisation for the DBS. The Department will provide the Committee with the details of the outcome of the negotiations as soon as this can be provided. Until these negotiations conclude, it is not possible to quantify fully and accurately the cost implications for the DBS and the Department.

1a: PAC recommendation: The Home Office should write to the Committee before Parliament’s summer recess, setting out the outcome of the negotiations with TCS, a clear and realistic timetable for when modernisation will be completed, and details of the cost implications for DBS and the Home Office.

Conducting lessons learned exercises is a standard practice for the Department’s approach to programme and project delivery, to which the Department attaches great importance.

In relation to the DBS modernisation programme, the Department cannot give a timing commitment as to when a lessons learnt exercise will be completed, as this will be dependent on ongoing commercial negotiations. However, as soon as the
current negotiations have completed, the Department will conduct a lessons learned exercise on the findings to date, which we expect to be completed by April 2019. The findings will be shared across the Department’s change portfolio and with the Infrastructure and Projects Authority (IPA).

**4: PAC recommendation:** *DBS should write to the Committee before Parliament’s summer recess setting out precisely what, if any, benefits the programme will achieve by March 2019, how these will be tracked and measured, and how much of what was promised in the original business case will no longer be delivered before the contract ends.*

The 2012 business case set out some benefits which were examined during the hearing against which updates have been provided:

1. Improved Safeguarding & Public Protection (through the introduction of the Update Service)

In response to recommendation 5 of the PAC report, the DBS has undertaken research to understand the perceptions and attitudes of users and non-users of the DBS Update Service. The DBS has used a mixed methods approach to gather and then present reliable preliminary evidence about the Update Service:

- Customer Satisfaction Survey (Ipsos Mori): Included 432 Registered Bodies and 1500 Disclosure Applicants (of which 500 were subscribed to the Update Service);
- Employers Survey: 71 employers were asked to take part in the survey, (both users and non-users of the service);
- Focus Groups: Participants included representatives from 7 employers including a broad range of disciplines from private and third sector agencies, sporting organisations, schools, community care services and charitable establishments. A focus group took place with NCVO – this was the organisation specifically referred to at PAC by the Committee.
- Customer Services: Analysis of 1,184 pieces of feedback about the Update Service in 17/18; and
- Stakeholder events: The DBS is holding three regional events at which feedback from stakeholders will be obtained

Emerging themes are:
o People and organisations that use the Update Service are satisfied with the benefits that it provides:
  - Employers like the speed to recruit;
  - Individuals like the flexibility.

o Speed of service is more important than the price – Ipsos Mori report showed 78% believe the service provided value for money.

o The DBS makes a difference to public safety – Ipsos Mori report showed that 90% believe that the DBS contributes to safeguarding.

o There is overwhelming evidence that employers who use the Update Service would like the DBS to notify them proactively when there is a change in status rather than having to check themselves – this will be a matter for HO to consider.

The final report is being prepared which will be considered and will inform the fee strategy. The DBS will work with HO colleagues as proposals are developed.

2. Reduced cost of service
Contractual financial savings of around £91 million have already been accrued to the DBS through reducing transactions charges. These savings principally arise in 2017/18 in line with the contractual ticket price mechanism which reduces over the life of the contract. £35 million of supplier cost savings have been realised by March 2018, with further financial benefits of £56 million anticipated during the final year of the contract in 2018/19. These figures are provisional, however, as they remain subject to the outcome of current negotiations and could therefore change. Delays in delivery and the substantial financial, delivery and operational risks that have remained with this programme has rendered it challenging to pass on reductions in fees. It is our intention to review fees in order to address the original benefit. We intend to review the scope to pass on financial benefits to customers through lower fees, but this will need to take account of the outcome of negotiations and future plans.

3. Reduced volumes of repeat applications.
An initial analysis undertaken by the DBS shows that repeat applications have remained static compared with the pre-update service go live in 2014. The analysis targeted applications that included a national insurance number in order that multiple applications could be effectively tracked. However, this naturally results in fewer numbers of average disclosures compared to the DBS’s actual volumes of 4.2m. In the three year period prior to the introduction of the update service, the average annual percentage of applicants making two or more applications was 11.6%; this was for 3.9m annual average applications that included a national insurance number. In the period following its introduction this average annual
number reduced to 10.02% for 3.7m annual average applications that again included a national insurance number.

In summary, progress has been made on delivery of benefits, including around £91m of benefits realised in the form of financial savings. Once the research on the update service is complete the results will be used to inform the DBS’s future fee and product strategy. Some non-financial benefits have been realised from the deployment of R1 to basics and barring which include improved management information and further enhanced provision of digital services However, the commercial position remains complex and further updates will be provided to the Committee in the autumn.

Yours sincerely,

Sir Philip Rutnam
Permanent Secretary