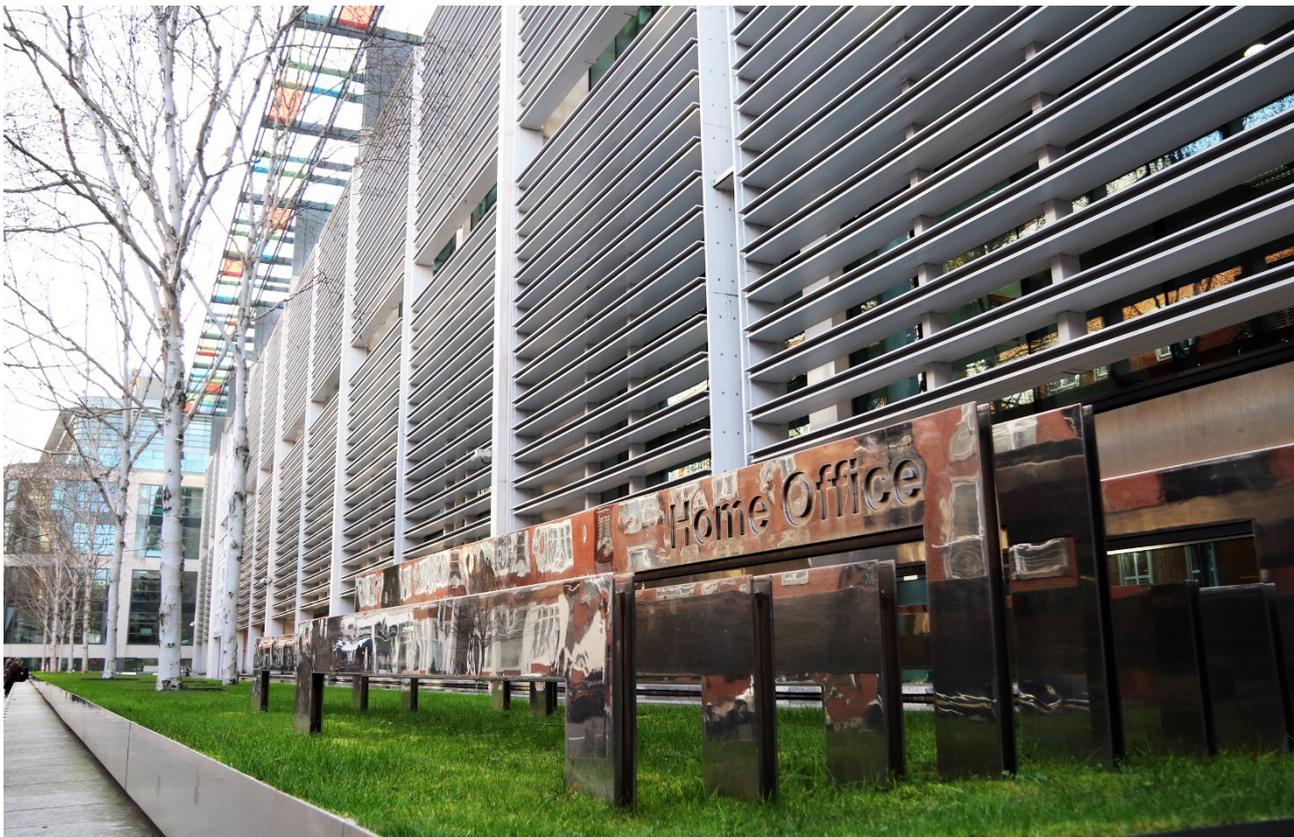




Home Office

# Annual Report and Accounts 2020-21

(for the year ended 31 March 2021)







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(for the year ended 31 March 2021)

Accounts presented to the House of Commons pursuant to Section 6(4) of the Government Resources and Accounts Act 2000 and Section 2(3) of the Exchequer and Audit Departments Act 1921

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# Home Secretary – Introduction

As Home Secretary, I am immensely proud to lead a Department that is so essential to the Government's mission to protect and serve the public.

The Home Office's work has always been critically important, yet the scale of the challenge has been even greater during an unprecedented and immensely challenging period in our country's history.

Our latest Annual Report and Accounts highlight how the Home Office has contributed to the Coronavirus response, including through the implementation of health measures at the border and support for the police in enforcing rules designed to prevent the spread of the virus, all while continuing to deliver the People's Priorities. That has only been possible thanks to the dedication and skill of thousands of public servants in the Home Office and on the frontline in operational roles. I am very grateful to them all.

We have pledged to make communities safer and put more police on the streets – and we are making excellent progress. 8,771 officers have already joined forces in England and Wales as part of our campaign to recruit an additional 20,000 over three years. We have continued to invest significantly in tackling the most dangerous threats. For example, thanks to the funding for cracking down on 'county lines' drugs gangs, police have made thousands of arrests, shut down hundreds of deal lines and seized vast quantities of drugs and cash.

Home should be a safe place for everyone, so another important strand of our work during the pandemic was ensuring critical frontline services remained available to domestic abuse victims. We also launched the #YouAreNotAlone campaign, which has reached a huge audience, and the Domestic Abuse Bill has now received Royal Assent.

Righting the terrible wrongs suffered by members of the Windrush generation remains a key priority. In December, we announced an overhaul of the Windrush Compensation Scheme, with the amount paid to individuals more than doubling within weeks of the changes taking effect. The Scheme has now paid out £20.4 million and offered a further £9 million.

Progress has also been made in responding to Wendy Williams's Lessons Learned Review, underpinned by a programme of change designed to deliver a cultural shift in the Home Office.

The Home Office is pivotal in defending the country against threats to homeland security and I pay tribute to all those across government, law enforcement and the security services who work day and night to keep us all safe. During this reporting period, we have enhanced our response to these risks, including through joint work with the Ministry of Justice to overhaul terrorist sentencing. In February we set out proposals for a new Protect Duty as part of our commitment to improve safety and security at public venues and spaces.

We have also produced a New Plan for Immigration, so that we can fix the broken system and take back control of this country's borders. We will continue to welcome refugees and attract the best talent to the UK through a new points-based immigration system. The report also highlights our continued progress in providing EU nationals with the status they need to remain in the UK, with

just under five million applications to the EU Settlement Scheme processed as of the end of March 2021.

Having taken back control of legal migration by ending free movement, we are also committed to tackling illegal immigration. We have announced plans to overhaul the asylum system and further crack down on the ruthless criminal gangs who facilitate dangerous journeys, such as those made across the Channel in small boats.

This report underlines what an incredibly challenging year 2020-21 was for the Home Office. Nevertheless, we continue to do sterling work and are delivering the People's Priorities. The Home Office is right at the heart of the Government's work to build back better, stronger and safer.

**Rt. Hon Priti Patel MP**

**Home Secretary**

# Permanent Secretary – Foreword

Over the past year, I have seen the extraordinary dedication of Home Office staff delivering outcomes for the public and our vision of a safe, fair and prosperous UK.

The COVID pandemic, the end of the Transition Period, and Wendy Williams' Windrush Lessons Learned Review, have acted as a catalyst for our transformation and cultural change.

Our new One Home Office transformation programme includes an increased focus on our customers and a commitment to build a more inclusive organisation.

We have established a clear Home Office mission: to deliver a safe, fair and prosperous UK, underpinned by the new Home Office values: respectful, courageous, compassionate and collaborative.

We have implemented a new, streamlined structure for the Department with three Missions, each focused on the Government's 'People's Priorities', alongside Capabilities that deliver high-quality services. Drawing together the whole Department, we have established a new function, STARS (Science, Technology, Analysis, Research and Strategy) – which acts as a strategic centre that informs, drives, coheres and connects the delivery of the Home Office priorities across government and beyond.

We are delivering the 'People's Priorities': to restore confidence in the criminal justice system; to protect homeland security; to attract talent and take back control; and to advance Britain's place in the world.

There is progress to report in each area:

Our ambitious police uplift programme is putting more police officers on our streets, and we are taking forward a robust programme of crime reduction measures through the Crime & Justice Task Force, chaired by the Prime Minister.

Funding for Counter-Terrorism policing increased to over £900 million in 2020-21. Additionally, we announced funding for a new Counter-Terrorism Operations Centre, bringing together partners from Counter-Terrorism Policing, the intelligence agencies and the criminal justice system, making it easier to share expertise, monitor threats, spot connections, and take action. We also helped set up the Joint Biosecurity Centre, joining colleagues from across Government to deliver this important part of the COVID-19 recovery strategy.

Over the year, we received over 4 million passport application and granted nearly 1 million visas. In 2019-20, there were 183,068 drug seizures in England and Wales by Border Force and police forces. In the 12 months to September 2020 Immigration Enforcement facilitated more than 11,000 returns, of which 4,353 were enforced.

We delivered effective preparations for the end of the EU Transition Period. We successfully introduced the new points-based immigration system, providing a single, efficient and effective system for EU and non-EU citizens seeking to come here to work and to study. Following the introduction of far-reaching national security legislation in Hong Kong, we also successfully implemented a new visa route for British Nationals Overseas in Hong Kong.

We published a policy statement setting out the New Plan for Immigration. This paves the way for a fair but firm immigration system for those seeking protection and fundamental improvements to the way in which we deter and tackle illegal immigration.

We delivered these Priorities throughout the pandemic, while still prioritising colleagues' health, safety and wellbeing. We enabled staff to work in a COVID-secure way, issued 11,500 laptops to support remote working, and made sure that our buildings were safe.

We are determined to change our culture so that scandals like Windrush can never happen again. Part of that is to increase the representation of our black, Asian and minority ethnic colleagues, particularly at Senior Civil Servant level; and another part is to improve the robustness, openness and inclusivity of our policy making processes and operations.

We must now continue our transformation, harness the benefits of these new ways of working and build them into how we operate in the future.

**Matthew Rycroft CBE**

Permanent Secretary

25 June 2021

# COVID-19 Statement

The business year has continued to be dominated by the effects of the COVID-19 outbreak, first declared a “Public Health Emergency of International Concern” (PHEIC) by the World Health Organisation on 30 January 2020. Throughout this period the Home Office has continued to support the Government’s system-wide approach to ensuring continuity of public and critical services and the stability of the economy. The Home Office has a particular role in ensuring the protection of the public through policing of the COVID Regulations and supporting health measures at the borders. At the same time, the Department has continued not only to maintain its core public services, but to develop and deliver an ambitious programme of policy changes and service improvements.

Staff have been supported by the Home Office throughout the pandemic in a variety of ways:

- All staff who can perform their jobs from home continue to do so, supported by improvements to IT. There has however, been a phased return to work where it is safe to do so for those needing or preferring to attend at the office for welfare reasons. Full social distancing and safety protocols are in place in Home Office premises to enable this.
- Staff working in critical front-line roles are provided with appropriate Personal Protective Equipment (PPE) in line with Public Health regulations.
- Workplace based asymptomatic testing has also been made available to all Home Office staff attending workplaces.

Home Office Ministers and staff remain fully embedded in cross-government mechanisms set up to manage the COVID-19 pandemic. These include:

- A range of weekly, cross-Whitehall fora, contributing to decision-making processes, including on the steps in the Roadmap to Recovery.
- Health-led meetings to review the latest scientific data and to assess local impacts.
- Cross departmental reviews of key issues including global travel, social distancing, certification, and major events.

The Home Office has worked closely with the police to ensure the most effective approach to securing compliance with the COVID-19 Regulations. Police have consistently adopted a progressive approach of engaging, explaining, encouraging and, only as a last resort, enforcement, with which the majority of the population have complied. As restrictions are eased the police are increasingly refocussing on other crime types. To support police capacity in this regard, compliance checks on those required to self-isolate at home after foreign travel are now being undertaken by contracted staff as part of the wider health measures at the border approach. Home Office Immigration staff also continue to play a key role in identifying arrivals from red and amber destinations and ensuring that they comply with the necessary health measures before and on arrival.

The continuing health crisis has posed significant and sustained challenges for the Home Office and its agencies. Nevertheless, the Department has proven flexible and resilient over this period and has continued to deliver on its priorities.

# 1. THE PERFORMANCE REPORT

# Performance Analysis

## Our Performance in 2020-21

### Outturn and the Estimate

In accordance with the Government Financial Reporting Manual, explanations are provided for significant variances between the Net Estimate and Net Outturn.

The Net Estimate for the Resource Departmental Expenditure Limit (DEL) stands at £14.7 billion and the Outturn is £14.6 billion.

The underspend in Capital DEL at £23 million represented less than 3% of the £870 million budget.

The £2.4 billion Estimate for Annually Managed Expenditure was underspent by £79 million.

Strong financial management and active involvement from the Executive Committee throughout the year helped ensure that the Department managed performance close to budget.

The Net Cash Requirement of £17.9 billion was underspent by £1.2 billion.

### Going Concern

The Consolidated Statement of Financial Position as at 31 March 2021 shows taxpayers' equity of £(422) million, a decrease in Net Assets of £457 million compared to the position as at 31 March 2020.

In common with other government departments, the future financing of the Department's liabilities is to be met by future grants of Supply and the application of future income, both to be approved annually by Parliament. Accordingly, it is appropriate to adopt a going concern basis for the preparation of these financial statements.

### Risk

A statement on the key issues and risks that could affect the Home Office in delivering its objectives can be found in the Governance Statement.

# Overview

## Purpose and activities of the Home Office

Since 1782, the Home Office has led work to keep the country safe from those who seek to do it harm, making a core contribution to the Government's plan for a stronger, fairer, outward-looking and united Britain.

Our vision is for a safe, fair and prosperous UK.

The Home Office is a ministerial department, supported by 30 agencies and public bodies. The Home Office is the lead government department for immigration and passports, drugs policy, crime, fire, counter-terrorism and police.

We will shortly be publishing our Outcome Delivery Plan, which sets out in detail how we will deliver our priority outcomes, how we will measure our success and how we will ensure we continuously improve to:

- Reduce crime;
- Reduce the risk from terrorism to the UK and UK interests overseas;
- Enable the legitimate movement of people and goods to support economic prosperity; and
- Tackle illegal migration, remove those with no right to be here, and protect the vulnerable.

This report focuses on the period 1 April 2020 to 31 March 2021 (and includes updates available before the document was printed). In some instances, due to the availability of data, other time periods are referenced.

## Performance Overview

This Performance overview is divided into sections corresponding to the Home Office's main aims:

- Restoring confidence in the criminal justice system;
- Protect homeland security;
- Attract talent and take back control; and
- Advance Britain's place in the world.

There is also a section on Windrush and the actions being taken to right the wrongs suffered by that generation. The Windrush Lessons Learned Review continues to act as a catalyst for deep and genuine change across the Home Office.

This part of the Annual Report and Accounts closes with an overview of the strive to deliver high-quality and efficient services, both to the Department and directly to customers.

## Restore confidence in the criminal justice system

The Home Office plays a leading role in the whole of government effort to restore confidence in the criminal justice system and minimise the impact crime has on our communities. To reduce crime and protect victims, we are committed to giving the police and other agencies the tools they need to tackle crime and the perpetrators of crimes.

### Headline Indicators

#### *Overall levels of crime*

For the 12-month period ending September 2020, the Crime Survey for England and Wales estimated that there were approximately 11.7 million offences in the last 12 months.<sup>1</sup> Due to changes in the way the survey is currently being conducted, this cannot accurately be compared with previous periods.

Police-recorded crime decreased by 6% to approximately 5.7 million offences.<sup>1</sup> This was driven largely by substantial falls in the period of April to June 2020 during national lockdown restrictions in response to the COVID-19 pandemic.

#### *Police Uplift Programme*

The most recent statistics, covering the situation as at 31 March 2021,<sup>2</sup> show that 8,771 additional police officers have been recruited as part of the Government's target to recruit an additional 20,000 new officers by March 2023.

#### *Serious Violence*

Police recorded 698 homicides in England and Wales in the year ending September 2020 which is a 7% increase compared with the year ending September 2019. This figure includes the 39 victims of human trafficking found deceased in a lorry in Essex in October 2019. Without including this tragic incident, the number of homicides would have increased by 1% (from 655 in the year ending September 2019 to 659 in the year ending September 2020). Since 2016, the trend in homicides has been broadly stable.

Hospital admissions for injury with a sharp object among under 25-year olds in England decreased from 1,899 in the year to December 2019 to 1,622 in the year to December 2020, a decrease of 15%.\*

\*Some of this decrease is attributable to the impact of COVID-19 restrictions. Please note that this data uses only cases in England, as published by NHS Digital. The latest data (April-December 2020) are provisional and subject to change.

#### *Neighbourhood Crime*

In the year ending September 2020, the Crime Survey for England and Wales estimated that there were 1.66 million crimes. Prior to COVID-19 and national lockdown restrictions, neighbourhood

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<sup>1</sup> [Crime in England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

<sup>2</sup> [Police officer uplift - Quarterly to March 2021 \(gov.uk\)](https://gov.uk)

crime had been falling, with a 12% decrease in the year to March 2020 to an estimated 1.96 million cases.<sup>3</sup>

### ***Domestic Abuse***

In the year ending March 2020, the Crime Survey for England and Wales estimated that 2.3 million adults (male and female) aged 16 to 74 years old experienced domestic abuse in that year, equivalent to approximately 5.5% of adults.<sup>4</sup> This represented no significant change from the previous year.

According to police recorded crime, there were 758,941 domestic abuse related crimes in the year ending March 2020, representing an increase of 9% on the year ending March 2019. This increase may reflect improved recording by police and/or increased levels of reporting by victims, since there was no significant change in the estimate of prevalence. This latest available data does not reflect the period of national lockdown restrictions beginning in March 2020.

### ***Child Sexual Abuse Strategy***

There were 87,122 child sex offences recorded by the police in the year to September 2020, a decrease of 2% from the previous year to September 2019 (where 88,544 offences were recorded).<sup>5</sup> This is in contrast to a steep upwards trajectory in all police recorded child sex offences, which have increased by 267% since 2013.<sup>6</sup>

### ***Modern Slavery***

There were 8,519 modern slavery offences recorded by police in the year to December 2020, an increase of 9% from the year to December 2019, during which there were 7,782 offences recorded.<sup>7</sup> The increase in reported offences is partially due to greater awareness because of continued investment in the modern slavery and the organised immigration crime programme.

### ***Drugs Misuse, Supply and County Lines***

In January 2021, the Government announced £148m of investment to tackle drugs misuse, supply, and county lines activity, with £40m available in 2021-22. Investment in 2020-21 in tackling county lines has already seen more than 3,700 people arrested, more than 640 lines closed, and over 920 individuals safeguarded.

A total of 183,068 drug seizures were made in England and Wales by Border Force and police forces in 2019-20, a 20% increase compared with the previous year.<sup>8</sup> This is the second consecutive annual increase in seizures, reversing a downward trend since 2011-12.

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<sup>3</sup> [Crime in England and Wales - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk)

<sup>4</sup> [Domestic abuse in England and Wales overview - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk)

<sup>5</sup> [Crime in England and Wales - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk)

<sup>6</sup> [Tackling Child Sexual Abuse strategy \(gov.uk\)](https://www.gov.uk)

<sup>7</sup> [Crime in England and Wales: Appendix tables - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk)

<sup>8</sup> [Seizures of drugs in England and Wales, financial year ending 2020 \(gov.uk\)](https://www.gov.uk)

## **Online Fraud**

As of 31 March 2021, the number of reports received via the Suspicious Email Reporting Service stand at more than 5.5 million, with the removal of more than 41,000 scams and 81,000 URLs.<sup>9</sup>

## **Fire and Rescue Service (FRS) attendance at incidents**

Around 540,000 incidents were attended by the FRS in England in the year ending September 2020, down 3% compared with the previous year.<sup>10</sup> Of these, over a quarter (28%, approximately 153,000) were to attend fires, of which around 66,000 (43%) were primary fires. This represented a 6% decrease in primary fires compared with the previous year. Primary fires are those that meet at least one of the following criteria: occurred in a building, non-derelict building, vehicle or outdoor structure; involved a fatality; or were attended by five or more pumping appliances.

Secondary fires, which are generally small outdoor fires that do not involve people or property, decreased by 6%. The decreases in all fire types compared with the year ending September 2019 was driven by low figures in October 2019 to March 2020, probably due to the wet weather in these two quarters.

Fires accounted for 28% of all incidents attended by the FRS, fire false alarms 42% and non-fire incidents (for example flooding incidents, responding to road traffic collisions) 30%.

## **Fire-related fatalities**

There were 229 fire-related fatalities in the year ending September 2020, a 10% decrease from 255 the previous year.<sup>10</sup>

## **Fire safety audits**

In 2019-20, two-thirds of fire safety audits were rated 'satisfactory', similar to the previous year. However, the proportion of 'satisfactory' fire safety audits on purpose-built flats of four storeys or more decreased from 74% (2018-19) to 66% (2019-20).<sup>11</sup>

## **Performance during 2020-21**

### **Police funding and Police Uplift Programme**

Increasing police capacity to bear down on all types of crime means providing the right funding to the policing system. In 2020-21 we provided the biggest increase in police funding for the last decade: an additional £1.1 billion, taking the total funding available across the policing system up to £15.1 billion. In response to the COVID-19 pandemic, the Home Office has made available almost £200 million in additional funding to policing to help meet additional costs and the enforcement of public health regulations.

As part of increasing police funding, we have committed to recruiting an additional 20,000 police officers by March 2023. We have worked in partnership with the National Police Chiefs' Council,

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<sup>9</sup> [Report suspicious emails \(ncsc.gov.uk\)](https://ncsc.gov.uk)

<sup>10</sup> [Fire and Rescue incident statistics England to September 2020 \(gov.uk\)](https://gov.uk)

<sup>11</sup> [Fire safety returns, by fire and rescue authority \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

College of Policing and police forces across England and Wales to ensure that the Police Uplift Programme continues to deliver despite the challenges posed by COVID-19. As a result of their hard work and commitment, police forces in England and Wales met the first target to recruit 6,000 additional police officers by March 2021, ahead of schedule. Through the Police Uplift Programme, the Home Office supports forces to become more representative of the communities they serve; the police officer workforce is now more representative than ever before with the highest proportion of Black, Asian and Minority Ethnic, and female officers since records began.<sup>12</sup>

### ***Police powers and tools to tackle crime***

The Home Office has acted to ensure that police have the right powers and tools they need. The Government introduced the Police, Crime, Sentencing and Courts (PCSC) Bill on 9 March 2021 which will better protect the public and empower the police in their work to keep communities safe across the country. The Bill will introduce a duty to report annually on progress made under the Police Covenant, focusing on wellbeing, protection, and support for the police workforce, following a public consultation in 2020.

An uplift in police numbers through the Police Uplift Programme will help ensure that policing has the resources it needs to tackle all types of crime. To uphold its commitments on tackling crime, the Government has established the Crime and Justice Taskforce to consider matters relating to crime prevention and the effectiveness of the Criminal Justice System. The Board is chaired by the Prime Minister and will cover issues relating to tackling serious violence. Alongside this, the Home Secretary chairs the National Policing Board, which sets the strategic direction for policing and through its sub-boards, oversees national police performance and investment.

### ***Tackling serious violence***

The Government is strengthening the law on knives and other offensive weapons through the PCSC Bill. The Bill will introduce Serious Violence Reductions Orders, which give the police new stop and search powers against convicted knife and offensive weapons offenders and help to protect individuals from further exploitation. We are directing a whole system response to tackle serious violence through Violence Reduction Units and the new Serious Violence Duty, which will bring together local government, the police and other key partners to address serious violence through joint local action.

The Home Office is committed to tackling serious violence through early intervention and prevention activity, including £200 million in early intervention and prevention support initiatives over 10 years, through the Youth Endowment Fund to support children and young people at risk of exploitation and involvement in serious violence.

### ***Neighbourhood Crime***

To support the areas disproportionately affected by acquisitive crimes such as burglary and theft, the Home Office established the £25 million Safer Streets Fund in 2019-20 to implement well evidenced and effective crime prevention measures, such as streetlighting or installation of CCTV. In July 2020 we announced the allocation of that initial funding pot.

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<sup>12</sup> [Police workforce, England and Wales: 31 March 2020 third edition - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/police-workforce-england-and-wales-31-march-2020-third-edition)

A further one-year £20 million round of the Safer Streets Fund was launched on the 28 January 2021, supporting more hotspot areas that are disproportionately affected by neighbourhood crimes. On 15 March 2021, in recognition of growing concern over violence against women and girls, the Government announced that it would increase the fund by an additional £25 million to help provide reassurance and improve public safety.

### ***Domestic Abuse***

The COVID-19 pandemic and 'stay at home' restrictions over the last year have added to the scale of the challenge we face in combatting domestic abuse. The Government re-introduced its Domestic Abuse Bill to Parliament in March 2020 which will transform our response, better protect and support victims, and help bring perpetrators to justice. The Bill has now completed its Lords Stages and secured Royal Assent in April 2021.

Furthermore, we have worked closely with the Domestic Abuse Commissioner and charities to protect those for whom home is not a safe space during the pandemic. This includes providing unprecedented levels of new and additional funding to domestic abuse organisations, totalling £25 million, which has helped provide additional bed spaces for those seeking refuge and enabled direct victim support services to expand their operational capacity to meet the increase in demand for support. In addition, we have launched the #YouAreNotAlone awareness raising campaign,<sup>13</sup> which has reached almost 30 million UK adults and provides vital information about where victims can access support. Moreover, we launched the 'Ask for ANI' codeword scheme in January 2021 to ensure that those seeking support could do so safely and discretely in just over 5,000 participating pharmacies across England and Wales.<sup>14</sup>

To build on our commitments in the Domestic Abuse Bill, we will publish a new Domestic Abuse Strategy later in 2021. Our intention is to use this opportunity to drive cross-Government and multi-agency collaboration in tackling this issue and shift the dial towards prevention; as well as recognising the harm to children and young people following the Bill's provision to recognise children as victims of domestic abuse for the first time.

### ***Tackling Violence Against Women and Girls***

Our work to combat the broader issue of violence against women and girls (VAWG) will continue at pace, including through the PCSC Bill. The Bill will bring forward strong deterrent measures to tackle violence against women and girls, including ending the halfway release of those convicted for sexual offences such as rape and will legislate to ensure perpetrators serve at least two thirds of their sentence. It will extend the scope of the Sexual Offences Act 2003 with regard to the abuse of positions of trust which predominantly affects young girls; and introduce Kay's law – a package of reforms relating to police bail.

We will publish a new strategy dedicated to tackling violence against women and girls. To inform this strategy, we launched a national Call for Evidence,<sup>15</sup> between December 2020 and March 2021, to better understand views on these crimes, the impact they can have, and the measures which may help identify and prevent them. We received more than 180,000 responses in total. The

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<sup>13</sup> [Home Secretary announces support for domestic abuse victims - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/home-secretary-announces-support-for-domestic-abuse-victims)

<sup>14</sup> [Understanding domestic abuse - ANI codeword scheme \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/news/understanding-domestic-abuse-ani-codeword-scheme)

<sup>15</sup> [Violence Against Women and Girls \(VAWG\) Call for Evidence - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/violence-against-women-and-girls-vawg-call-for-evidence)

new strategy will enable us to focus on forms of VAWG beyond domestic abuse, including new, emerging and less-well understood VAWG crime types. The strategy will be complemented by and work in parallel with the Domestic Abuse Strategy.

### ***Child Sexual Abuse Strategy***

On 22 January 2021, the Government published the Tackling Child Sexual Abuse Strategy,<sup>16</sup> setting out our long-term ambition to tackle all forms of child sexual abuse. The Strategy details how we will drive action across every part of Government, across all agencies, sectors, charities, communities, technology companies and society more widely to tackle child sexual abuse in all its forms.

### ***Modern Slavery***

The Government is committed to the safety and security of victims of modern slavery and ensuring they receive the support they need. In 2020, 10,613 potential victims of modern slavery were referred to the National Referral Mechanism, a similar number to 2019 (10,616).<sup>17</sup> A new £281 million five-year Modern Slavery Victim Care Contract (MSVCC) for the provision of support services in England and Wales went live on 4 January 2021, delivering a needs-based service better aligned to the requirements of individual victims.

The Care Quality Commission has been appointed to conduct independent inspections of the services provided to victims under the MSVCC. We also provided an additional £1.73 million funding for modern slavery victim support services throughout the COVID-19 pandemic, as part of the £750 million package for charities announced by the Chancellor in April 2020. Encouraging businesses to address risks of modern slavery in their operations and supply chains remains a key priority. In March 2021 the Home Office launched an online registry to make organisations' modern slavery statements available in one place, thereby enabling investors, consumers, and civil society to scrutinise the actions different organisations are taking to prevent modern slavery.

### ***Drugs Misuse, Supply and County Lines***

This Government is committed to tackling the illicit drug trade, protecting the most vulnerable and helping those with a drug dependency to recover and turn their lives around. On 20 January 2021, the Government announced £148 million of investment to tackle drugs misuse, supply, and county lines activity. This includes £40 million dedicated investment to tackle county lines and drugs supply and a further £28 million will be invested into piloting Project ADDER – a new intensive whole-system approach to tackling drug misuse in the hardest hit areas.

### ***Online Fraud***

We have been working closely alongside the National Cyber Security Centre (NCSC) to ensure that the public are not faced with online scams in the first place. This year, the NCSC launched the Suspicious Email Reporting Service which has already led to positive results. The Department is working with the City of London Police on plans to refresh and upgrade the current Action Fraud service.

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<sup>16</sup> [Tackling Child Sexual Abuse strategy \(gov.uk\)](#)

<sup>17</sup> [Modern Slavery: National Referral Mechanism and Duty to Notify statistics UK \(www.gov.uk\)](#)

### ***Emergency Services Mobile Communications Programme (ESMCP)***

The Emergency Services Network (ESN) will transmit fast, safe and secure voice, video and data across the 4G network and give first responders immediate access to life-saving data, images and information in live situations and emergencies on the frontline. The programme continues to progress and confidence in the technical viability of the solution continues to increase. Much of the ultimate functionality of ESN has already been demonstrated and the core network built. ESN transition will begin in Spring 2024 with Airwave (the current network) to be switched off by the end of 2026.

### ***Grenfell Tower and Fire Safety***

The Government accepted in principle the findings of Sir Martin Moore-Bick's Phase One report, published in October 2019, and we have acted swiftly to consider the most effective actions that can be taken to address the report's recommendations. The Home Office response has centred on: developing rapid legislation plans on fire safety; ongoing reporting arrangements for London Fire Brigade (LFB) followed by an independent Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) review of LFB progress against recommendations; direct funding to Fire and Rescue services' through an Infrastructure Fund to support local implementation; and convening experts to commission research on evacuation strategies. Moreover, we are also working with sector leaders to help develop and put in place robust, integrated national improvement plans underpinned by additional funding to the National Fire Chiefs' Council (NFCC) to support coordinated implementation and the production of revised guidance and standards. We have established a Ministerial chaired Board and a quarterly tracker, made public on Gov.uk, to hold partners and officials to account on the pace of progress.

To build on the structures introduced last year to provide greater assurance and oversight of the fire sector, the Home Office has supported the establishment of the NFCC Prevention Programme Board. This will drive professionalism, national consistency and a person-centred focus in local and national community safety interventions.

The key pillar of our reform plans to date has been the introduction of independent inspection by HMICFRS. Although COVID-19 has delayed the second full cycle of service inspections, this year also saw landmark publications from the Inspectorate, including a report on the Fire & Rescue Service's response to the pandemic and the second annual 'State of Fire' report. The inspectorate's hard-hitting recommendations for the sector, along with the lessons and findings from the Grenfell Tower fire and Manchester Arena attack, have shaped the next phase of reform which will see improvements in people, professionalism, and governance.

## Protect Homeland Security

The Home Office is the lead government department responsible for protecting the nation from the greatest threats we face to our homeland security. We are committed to protecting our country and its people from the things that threaten our safety, as we continue to respond to the serious and evolving threat posed by terrorism in a manner that preserves our way of life.

### Headline Indicators

#### *Counter-Terrorism (CT) Policing Budget*

Funding for CT policing was increased to over £900 million in 2020-21.

#### *Arrests, charges and convictions*

In the year ending 31 December 2020, there were 185 terrorism-related arrests, which resulted in 48 terrorism-related charges and 20 terrorism-related convictions to date.<sup>18</sup> This is a decrease of 97 arrests (34%) compared with the previous year (282 in the year ending 31 December 2019). Of the 282 arrests, 80 resulted in terrorism-related charges and 51 in terrorism-related convictions to date.

#### *Prevent and Channel*

In the year ending 31 March 2020, there were 6,287 referrals to the Prevent programme. This is an increase of 10% compared to the previous year (5,737 in the year ending March 2019).<sup>19</sup>

1,424 referrals were discussed at a Channel panel and of those, 697 were adopted as a Channel case. In the year ending 31 March 2020, the number of referrals discussed at a Channel panel and adopted as a Channel case were the highest recorded compared with previous years (highs of 1,328 and 556 respectively, in the year ending March 2019).

### Performance during 2020-21

#### *Counter-Terrorism*

The continued investment in CT policing supports work on the high numbers of ongoing counter-terrorism policing investigations and enables the UK to respond more quickly and effectively to keep the country safe from a range of threats, wherever they take place. Additionally, we are funding a new CT Operations Centre which will deliver transformational integration, bringing partners from Counter-Terrorism Policing, the intelligence agencies and the criminal justice system, coordinating their expertise, resource, and intelligence in a state-of-the-art facility.

The UK CT system has matured since the first CONTEST strategy was published in 2009 and now brings together 22 government departments and agencies, as well as the three devolved administrations. Our goal to reduce the risk from terrorism is delivered through the four P Strands of the CONTEST Strategy (Prevent, Pursue, Protect, Prepare), which contribute to achieving one overall aim.

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<sup>18</sup> [Operation of police powers under the Terrorism Act 2000 and subsequent legislation \(gov.uk\)](#)

<sup>19</sup> [Individuals referred to and supported through the Prevent Programme, April 2019 to March 2020 \(gov.uk\)](#)

## **Prevent**

The Prevent programme, safeguards and supports those vulnerable to all forms of radicalisation and aims to stop them from becoming terrorists or supporting terrorism.

The Channel programme provides support for vulnerable individuals who are at risk of engaging in extremism or terrorist-related activities. The number of referrals discussed at a Channel panel (1,424) and adopted as a Channel case (697) were the highest recorded to date.<sup>20</sup>

Of the 697 Channel cases, 43% were referred due to concerns over right-wing radicalisation and 30% were referred due to concerns over Islamist radicalisation.

We worked swiftly to adjust Prevent delivery to COVID-19 restrictions to ensure that those vulnerable to radicalisation continued to get the support they needed. Local Authority-led Channel panels met virtually with a wide range of local partners to agree bespoke support to vulnerable individuals. Support was provided throughout by a combination of telephone and face-to-face interventions in line with restrictions. Meanwhile, local authorities, Prevent Duty statutory partners, and civil society organisations delivering Prevent projects in communities adapted their delivery to ensure it could continue throughout the year.

While the number of Prevent referrals fell during the national lockdown, particularly during the closure of schools, we worked to reduce the impact of this where we could. We issued guidance on online safety to support individuals to keep themselves and their family safe online, we engaged with non-statutory stakeholders to build their understanding of where they can seek support if they are worried about someone, and we actively supported the police's Act Early campaign.

## **Pursue**

Following the shocking attacks at Fishmongers' Hall and Streatham in 2019, which highlighted flaws in the way that the law applies to terrorist offenders, we worked jointly with the Ministry of Justice to strengthen the risk management tools available to Counter-Terrorism Policing and the Security Service by passing the Counter-Terrorism and Sentencing Act.<sup>21</sup> This vital legislation marks the largest overhaul of terrorist sentencing and monitoring in decades and strengthens every stage in the process of dealing with terrorist offenders across the UK. The Act will ensure that serious and dangerous terrorism offenders will spend longer in custody, which provides both better protection for the public and more time in which to support their disengagement and rehabilitation. It will also improve our ability to monitor and manage the risk posed by terrorist offenders and individuals of terrorism concern outside of custody, allowing for more effective intervention when required. The Bill builds on emergency legislation passed in February 2020 which retrospectively ended automatic early release for terrorist offenders in Great Britain serving standard determinate sentences. This forced them to spend a minimum two-thirds of their term in prison before being considered for release by the Parole Board.

## **Protect**

In February 2020, we announced plans to introduce a law which will require owners and operators of public spaces and venues to put in place measures to keep the public safe from a terrorist

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<sup>20</sup> [Individuals referred to and supported through the Prevent Programme \(gov.uk\)](https://www.gov.uk)

<sup>21</sup> [Counter-Terrorism and Sentencing Bill - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

attack.<sup>22</sup> Such measures could include increased physical security, having training and incident response plans in place, and exercises for staff on what to do during an attack. This 'Protect Duty' reflects lessons learned following the terrorist attacks in 2017, as well as more recent attacks. Despite the ongoing impact of COVID-19, we launched a consultation and engagement in early 2021, and we are clear that the introduction of a Protect Duty is important to enhance public safety.<sup>23</sup>

### **Prepare**

The Home Office played an important role in providing staff to support the design and build of the Joint Biosecurity Centre, joining colleagues from across government to aid the development of this integral part of the Government COVID-19 recovery strategy. The Home Office brought its experience from responding to the 2018 Salisbury attack and wider expertise in resilience and communication in uncertainty, to this critical work, monitoring the changing COVID-19 landscape and what this meant for potential security vulnerabilities. We worked with partners to include security considerations within guidance, for example on pavement licensing applications, and provided support in relation to vaccine rollout.

During the first national lockdown, the Home Office undertook an internal exercise testing its response to a terrorist incident under COVID-19 conditions, followed by a second cross-government exercise, working closely with operational partners to inform our real-world planning. The importance of maintaining this level of preparedness was exemplified by the Reading attack in June 2020, in which three people were tragically killed. As ever, the Home Office provided immediate support to operational partners in CT Policing and MI5 following this incident.

### **State threats**

Beyond terrorism, we continue to tackle the full range of national security threats to the UK homeland and UK interests overseas, from terrorism to hostile activity by foreign states. In 2020-21, we undertook a review of legislation relating to counter-hostile state activity and will introduce new legislation to provide the security services and law enforcement agencies with the tools they need to tackle the evolving threat of hostile activity by foreign states. This legislation seeks to modernise existing offences, dealing more effectively with the espionage threat, and create new offences to criminalise other harmful activity conducted by, and on behalf of, states.

The Covert Human Intelligence Sources (Criminal Conduct) Act received Royal Assent in March 2021. The legislation provides a clear and consistent statutory basis for the intelligence agencies, law enforcement agencies and a limited number of other public authorities to authorise covert human intelligence sources participation in conduct which could otherwise be criminal, where it is both necessary and proportionate. This is a longstanding practice which has proved critical in identifying and disrupting terrorist plots, drugs and firearms offences, and child sexual exploitation and abuse. The Act provides legal certainty for public authorities using this critical capability and contains robust safeguards, including independent oversight by the Investigatory Powers Commissioner.

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<sup>22</sup> [Government sets out plans to protect public places from terrorist attacks - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/government-sets-out-plans-to-protect-public-places-from-terrorist-attacks)

<sup>23</sup> [Protect Duty - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/protect-duty)

## Attract Talent and Take Back Control

The Home Office is committed to maximising every advantage from leaving the EU in our work to attract talent and take back control. We are transforming the way in which people come to the UK by:

- simplifying our immigration rules;
- attracting the best and brightest;
- taking back control of our borders; and
- supporting our economic recovery and renewal to ensure Britain's future prosperity.

### Headline indicators

#### Visas

In 2020, the Department granted just under 1 million visas, a 69% reduction on the previous year when 3.1 million visas were granted in 2019.<sup>24</sup>

There were 125,176 work-related visas granted in 2020 (including dependants), 35% lower than in 2019 and the lowest level recorded due to COVID-19 pandemic.<sup>25</sup>

In 2020, we granted 232,191 sponsored study (Tier 4 and new Student routes) visas (including dependants), an 18% decrease compared to 2019.<sup>25</sup>

#### European Union Settlement Scheme

As of March 2021, 5.3 million European Union Settlement Scheme applications had been received, with over 4.98 million applications processed. Comparatively at March 2020, just under 3.5 million applications had been received, with over 3.1 million applications processed.<sup>26</sup>

#### Passports

We received a total of 4 million passport applications (domestic and international) in 2020 (Q1 – Q4), compared to over 6.8 million over the same period the previous year.<sup>27</sup>

#### British Nationals Overseas (BN(O))

We introduced a new immigration route in response to global political events. As of 19 March 2021, we had received approximately 27,000 BN(O) applications.

#### Passengers

There were an estimated 39.5 million passenger arrivals in 2020,<sup>28</sup> compared to 146.3m arrivals in 2019.

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<sup>24</sup> [Visas-summary-dec-2020 \(gov.uk\)](#)

<sup>25</sup> [Why-do-people-come-to-the-UK-to-work \(gov.uk\)](#)

<sup>26</sup> [EU settlement scheme statistics \(gov.uk\)](#)

<sup>27</sup> [HMPO Q4 2020 Published.ods \(assets.publishing.service.gov.uk\)](#)

<sup>28</sup> [Immigration - summary of latest statistics \(gov.uk\)](#)

Over 97% of passengers were cleared within service standards, from the 323,617 passenger queues sampled.<sup>29</sup>

### **Revenue Protection**

For the first three quarters of 2020, we prevented the loss of £234 million in government tax revenues through detecting goods where excise duty had not been declared compared to £251 million for the same period in 2019.<sup>30</sup>

### **Enforcement**

In 2020 (year ending September), 3,374 Foreign National Offenders (FNOs) were removed, compared to 5,122 FNOs for the same period in 2019.<sup>31</sup> The COVID-19 pandemic has significantly impacted returns outcomes due to restrictions on international travel on which returns rely.

### **Detention**

As at 31 December 2020, there were 910 people in immigration detention (of which 519 were detained solely under Immigration Act powers in prison),<sup>32</sup> 44% fewer than on 31 December 2019, and 8% fewer than 30 September 2020.<sup>33</sup>

In 2020, 15,449 people left the detention estate (down 37% compared with 2019), a similar number to those entering. Over half (54%) had been detained for 7 days or less, and over three-quarters (77%) detained for 28 days or less. There has been an increase in the proportion of people leaving detention within 7 days, from 39% in 2019 to 54% in 2020.

### **Asylum**

We have granted protection to nearly 10,000 people,<sup>34</sup> this protection includes asylum, humanitarian protection, alternative forms of leave and resettlement.

We have delivered on our commitment to resettle 20,000 people under the Vulnerable Persons Resettlement Scheme and the Vulnerable Children Resettlement Scheme.

## **Performance during 2020-21**

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic. A range of restrictions relating to the outbreak began on 12 March 2020, the Foreign, Commonwealth and Development Office advised against all non-essential overseas travel on 17 March 2020,<sup>35</sup> and advised all British travellers to return to the UK on 23 March 2020,<sup>36</sup> the same day as the first UK lockdown measures were announced.

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<sup>29</sup> [Border Force Q4 2020 Published.ods \(assets.publishing.service.gov.uk\)](#)

<sup>30</sup> [Border Force Q3 2020 Published.ods \(assets.publishing.service.gov.uk\)](#)

<sup>31</sup> [Returns summary tables \(publishing.service.gov.uk\)](#)

<sup>32</sup> [Returns-and-detention-datasets #immigration-detention \(gov.uk\)](#)

<sup>33</sup> [Detention datasets Dec 20 \(assets.publishing.service.gov.uk\)](#)

<sup>34</sup> [Immigration-how-many-people-do-we-grant-asylum-or-protection-to \(gov.uk\)](#)

<sup>35</sup> [Travel-advice-foreign-secretary-statement \(gov.uk\)](#)

<sup>36</sup> [Foreign-secretary-advises-british-travellers-to-return-to-the-uk-now \(gov.uk\)](#)

Restrictions were put in place across Europe and other parts of the world in the run up to the UK outbreak, which also impacted travel to the UK prior to these dates. The COVID-19 pandemic has had a significant impact on the UK immigration system, both in terms of restricting migrant movements to and from the UK and on operational capacity.

## Visas

During 2020, we adapted our operations in reaction to the COVID-19 pandemic. The Coronavirus Immigration Helpline went live on 17 February 2020 providing a freephone number and an email contact point for customers. Alongside the helpline, we established an extension process to protect people who were unable to leave the UK due to COVID-19.

Since September 2020, the Exceptional Assurance was introduced to assist individuals who continued to be unable to leave the UK, acting as a short-term protection against any adverse action taken against individuals following the expiration of their leave and carries the same visa conditions forward as held before.

We have introduced free 12-month visa extensions for eligible health professionals and their dependants whose visas were due to expire and held further discussions with the Department of Health and Social Care around options for extending the scheme. Additionally, in August 2020 the Healthcare Visa was introduced to enable a cheaper, quicker service for eligible people working in health and social care to come to the UK with their families.

Due to the COVID-19 pandemic, all visa application centres were closed by 31 March 2020. They began gradually reopening from June 2020. As a result, visa application and grant numbers were much lower than usual in the second quarter of 2020 (April to June) and several visa route service standards were temporarily suspended.

The majority of the fall in work related visas issued was led by a decrease in grants of Tier 2 Intra-company transfer visas, which fell by 63% (31,988) to 19,178 in 2020.<sup>37</sup> While much of this decline is as a result of COVID-19, it follows a fall over the last few quarters before the pandemic.

The number of visas issued to work began to recover in June 2020 and continued to do so until the end of the third quarter.<sup>38</sup>

In the final quarter of 2020 (October to December), the overall number of work visa applications received was 21% higher than the same period in 2019, largely due to the increase in applications for European Communities Accession Agreement Businessperson visas in advance of the route closing to new applicants on 31 December 2020. At the same time, the number of work visas issued were 17% lower.

For applications, all study routes saw a 39% reduction in 2020 compared to the previous year, which is the lowest calendar year intake on record, whilst grants for all study routes saw a 37% reduction in 2020 compared to the previous year, which is the lowest calendar year since 2007.

In addition to those coming on sponsored visas, there were 21,502 short-term student visas granted in 2020, 82% (98,187) lower than in 2019. There were large numbers of people who do not

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<sup>37</sup> [Why-do-people-come-to-the-uk-to-work \(gov.uk\)](#)

<sup>38</sup> [Why-do-people-come-to-the-uk-to-work \(gov.uk\)](#)

require a visa for short-term study in the UK, for example, US nationals arriving for shorter periods of study who are not included in this figure.

### ***EU Settlement Scheme***

We created the EU Settlement Scheme (EUSS) for EU, other EEA and Swiss citizens and their family members, resident in the UK by 31 December 2020, to be able to continue living in the UK after it left the EU. The scheme remains open until 30 June 2021.

We have awarded £22 million (an increase of £13m from the previous report) to a network of 72 voluntary and community sector organisations (up from 57 last year) across the UK to help vulnerable people (over 250,000) to apply to the EUSS with 300 locations across the UK providing assisted digital support, if required.

### ***British Nationals Overseas (BN(O))***

Following China's imposition of the National Security Law on the people of Hong Kong in July 2020, the Department created a bespoke immigration route for British Nationals (Overseas) status holders and their dependants, which launched on 31 January 2021.<sup>39</sup> Those with BN(O) status and their eligible family members are able to come to the UK to live, study and work in virtually any capacity, on a pathway to citizenship.

As of 23 February 2021, applicants have been able to apply for the new Hong Kong BN(O) route via a fully digital process and by 19 March 2021 we had received approximately 27,000 applicants. They are the first non-EU nationals to use this digital process and obtain Digital Status, which is part of our digitisation of the immigration system.

### ***Future Borders and Immigration System (FBIS)***

The UK left the EU on 31 January 2020 and then entered a transition period with the EU until 31 December 2020. We ended EU free movement rights from that date after Royal Assent was given to the Immigration and Social Security Co-ordination (EU Withdrawal) Act 2020, and now all those who come to the UK in the post transition period do so under the new immigration system.<sup>40</sup>

We delivered a new global points-based immigration system on time and on budget for those coming to the UK. This means that UK immigration rules apply to newly arriving migrants, including those from the EU. A visa is not required by EU citizens to visit the UK (other than those coming to the UK to get married), but a visa is required by those coming to work, study or join family here. Examples of specific measures delivered in 2020 include: the Health and Care Visa route; the student and child student route; skilled worker route and; frontier worker route.

The Department published its FBIS strategy statement in May 2021 outlining our delivery priorities for 2021-22 and our long-term vision for the UK's border and immigration system. This sets out our plans for transformational change for everyone who interacts with the immigration system and crosses the border. Our ambition is to become global leaders in providing a streamlined, digital and seamless customer experience, whilst further strengthening the security of the UK. The statement

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<sup>39</sup> <https://www.gov.uk/guidance/british-nationals-overseas-in-hong-kong>

<sup>40</sup> [New-immigration-system-what-you-need-to-know \(gov.uk\)](#)

covers key deliverables for 2021-22 and our vision for the border and immigration system beyond 2022.

### ***New Plan for Immigration***

Considerable policy work is underway, including around legislation we are intending to bring forward in 2021, as set out in the New Plan for Immigration Policy Statement published in March 2021.<sup>41</sup> This is central to the priorities the Home Secretary has set out to take back control of our borders, restore trust in our immigration system, and ensuring, overall, that we have an immigration system that is fair, deters illegal entry into the UK and makes removals easier.

### ***Passengers***

The number of passenger arrivals over the course of 2020,<sup>42</sup> following the introduction of travel restrictions from March 2020, was considerably lower than in a normal year. There were an estimated 39.5 million passenger arrivals in 2020 (including returning UK residents),<sup>43</sup> a 73% (106.8 million) decrease compared with the previous year which was at 146.3 million.<sup>44</sup>

This was driven by significantly fewer passenger journeys in the last three quarters of 2020, when there was an 87% (101.7m) decrease compared to the same period in the previous year, due to the travel restrictions imposed as a result of the COVID-19 pandemic.

In the fourth quarter of 2020 (October to December), although there were an estimated 4.8 million passenger arrivals (including returning UK residents), this was 85% (27.7 million) fewer than the same period in 2019.<sup>45</sup> In the third quarter (July to September), in the busy summer period and between the two periods of more significant restrictions on travel, there had been an estimated 9.3 million passenger arrivals (including returning UK residents), still 79% (36.0 million) fewer than the same period in 2019.

Finally, in year ending September 2020, 11,556 people were refused entry at port and subsequently departed,<sup>46</sup> compared to 19,267 equivalent departures in year ending September 2019.

### ***Health Measures at the Border***

The Government has taken a layered approach to mitigating the risk of the spread of imported infections and to help identify Variants of Concern, to reduce the risk of cases being imported from abroad. These include:

- On 8 June 2020 health measures at the border were introduced.<sup>47</sup> This relates to a series of measures that are designed to help reduce the risk of imported new cases of COVID-19

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<sup>41</sup> [New-plan-for-immigration \(gov.uk\)](#)

<sup>42</sup> [How-many-people-come-to-the-UK-each-year-including-visitors \(gov.uk\)](#)

<sup>43</sup> [Immigration -summary-of-latest-statistics \(gov.uk\)](#)

<sup>44</sup> [Border-force-transparency-data-february-2021 \(gov.uk\)](#)

<sup>45</sup> [How many people come to the UK each year \(including visitors\)? \(gov.uk\)](#)

<sup>46</sup> [Return summary Dec 2020 \(assets.publishing.service.gov.uk\)](#)

<sup>47</sup> [Health measures introduced at the border \(gov.uk\)](#)

being brought in from abroad with arriving passengers required to complete an online Passenger Locator Form.

- Since 1 February 2021, compliance checks moved upstream requiring carriers to check passengers have both a negative COVID-19 test and Passenger Locator Form pre-departure, with fines imposable of £2,000 for carrying a passenger without either of those documents (or £4,000 for carriage where both are not present).
- The Managed Quarantine Service was introduced on 15 February 2021 requiring all arrivals from red list countries (from which entry for non-UK citizens and residents is banned) to book an isolation package at a government approved facility. Along with this, enhanced testing measures were introduced with the requirement for all international travellers to book day 2 and day 8 PCR tests prior to arrival.

As part of this layered approach, we have been conducting manual checks on all arriving passengers, to ensure compliance with health requirements.

Despite the additional health measure checks, over and above other mandatory border checks, over 97% of passengers were cleared within service standards from the 323,617 passenger queues sampled over the calendar year 2020.<sup>48</sup>

We are taking steps to ensure that queue times at the border are reduced as far as possible, by ensuring the Passenger Locator Form is improved and simplified, to make completing it as easy as possible. We are also updating our border technology so that some compliance checks can be undertaken automatically, without having to see a Border Force officer.

As we look to open up to international travel, we will be rolling out automated checks of the Passenger Locator Form. Ensuring compliance with health measures, this will allow increased use of e-Passport gates, as new technology is introduced, and reduce transaction times at manual, staffed desks. Moving to more automated checks will reduce wait times for passengers and free up officers to spend more time conducting other important border security duties.

Whilst mindful of passenger wait times and experience, our primary objective is to ensure the security of the border.

### *Handling of Goods*

For the first three quarters of 2020, we protected over £234 million in government tax revenues (detecting goods where excise duty has not been declared).<sup>49</sup> This included over £117m revenue on cigarettes (306 million cigarettes), which is a fall of 21% revenue compared to the same period last year. There was also more than £27m revenue on Hand Rolled Tobacco (HRT), equivalent to 84 tonnes between January and September 2020. HRT revenue was 8% lower compared to the same period in 2019 (£29 million) when we seized 98 tonnes.

Revenue protected through alcohol seizures increased by 22% from £74m in 2019 to £90 million in 2020.

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<sup>48</sup> [Border Force transparency data: February 2021 \(gov.uk\)](#)

<sup>49</sup> [Border-force-transparency-data-november-2020 \(gov.uk\)](#)

For 2020 (January to September), 286 lethal firearms (272 for the same period in 2019), 1,660 non-lethal (2,053 in 2019), 6,220 knives (2,133 for 2019) and 4,211 (9,048 in 2019) offensive weapons were seized at the border.

### ***Border Readiness***

Since 2018-19 we have been building our staffing to meet the requirements of exiting the EU. By the end of the Transition Period (31 December 2020), an additional 1,570 staff were in post.

Additionally, we have delivered EU Exit customs and immigration training to approximately 8,350 frontline staff for the end of the Transition Period, along with a comprehensive set of guidance and training products. We expect to require a total of 2,000 additional operational Border Force staff by January 2022, but we continue to keep the position under review.

Working with HMRC, we have delivered and resourced new Inland Border Facilities sites for the customs clearance of goods away from ports, which has ensured the smooth flow of goods into and out of the country and enabled longer term changes to the operation of the border.

### ***Migrant crossings***

The Border Force Maritime Command provides a 24-hour, 365-day maritime law enforcement capability undertaking strategic patrols, tactical surveillance, and enforcement activity in support of Border Force and other government agencies, providing a law enforcement capability at sea.

To respond to small boats off the South East coast of England, Border Force Maritime Command's fleet includes Cutters and Coastal Patrol Vessels (CPV) as well as niche capability in the form of Tactical Watercraft and a dedicated mobile Rigid Hulled Inflatable Boat capability. As a minimum a Cutter and two CPVs will be permanently deployed to the South East to the 30-mile stretch of coast covering the Dover Straits where small boat crossings are most common.

In support of our maritime role, the Joint Intelligence Cell (JIC) was established in July 2020. Then, in August 2020, the Home Secretary appointed a Clandestine Channel Threat Commander to make the small boats route unviable and reduce the use of hazardous irregular migration methods.

The UK and France reaffirmed their commitment to combatting illegal immigration in Northern France on 28 November 2020, agreeing a €31.4m package of measures to support French efforts to prevent crossings and support migrants into the French asylum system. This included more French officers dedicated to small boats prevention, technology to improve detection and monitoring of migrant crossing attempts, improvements in security infrastructure, and provision of accommodation centres to support asylum-seeking migrants into the French asylum system.

We recognise there's more to do, that's why we are implementing the New Plan for Immigration.

### ***Organised Immigration Crime***

The Organised Immigration Crime (OIC) Taskforce is an integral element of the UK Government's multi-agency response to tackling people smuggling. For financial year 2020-21, the Taskforce was funded by the Conflict, Stability and Security Fund with a budget of £13 million. In 2020, this investment was complemented by additional funding to further enhance capabilities, including extending the multi-agency tactical and strategic intelligence capabilities and expanding the investigative function.

The Taskforce operates in a number of key countries and employs over 150 staff across the National Crime Agency (NCA), Home Office and Crown Prosecution Services.

Since its inception in 2015, the Taskforce has contributed to more than one thousand arrests (both in the UK and overseas) and has supported key source and transit countries to better disrupt OIC. Offenders have been prosecuted and sentenced to more than 720 years in prison in total.

During 2020 the NCA and Immigration Enforcement were involved in more than 750 arrests relating to OIC, human trafficking or people smuggling, both in the UK and overseas, despite being impacted by COVID-19 for the majority of the year.

### **Detention**

A cross-Government programme board oversees and drives the ongoing programme of work to improve and reform immigration detention, which aims to: minimise the use of immigration detention (using it only where it is essential to secure removal and protect the public, and as briefly as possible); strengthen decision-making and safeguards for the vulnerable; improve transparency; and ensure that everyone is treated with dignity in an estate fit for purpose, while continuing to tackle abuse of the immigration system. Delivering the recommendations in external reports, including those by former Prisons and Probation Ombudsman Stephen Shaw and two Parliamentary Select Committees form an important part of that work.

We have worked hard to ensure those in detention are safe during the pandemic, following the latest guidance from Public Health England. This was supported by the High Court ruling last year that the approach to detention and COVID-19 was sensible, with the appropriate precautionary measures in place. We have introduced single occupancy rooms, a requirement to wear face masks by staff and visitors, and a COVID-19 testing regime undertaken by the local healthcare teams onsite. COVID-19 vaccinations are also being offered to detainees by onsite healthcare teams, in line with the Joint Committee on Vaccination and Immunisation priorities 1–9 and mirroring the approach to vaccine roll-out in the community.

The number of people entering detention in 2020 was 14,773, 40% fewer than the previous year.<sup>50</sup> Although the size of this reduction was driven by the COVID-19 pandemic (we can only detain people if we have a realistic prospect of removal within a reasonable timeframe), it does continue a general downward trend since 2015 when the number entering detention peaked at over 32,000.

Only 3% (425) of those leaving detention in 2020 had been detained for 6 months or more. We would usually only detain someone for 6 months or more if they are a Foreign National Offender, or if they have subsequently claimed asylum while in detention.

### **Foreign National Offenders and Returns**

The COVID-19 pandemic has significantly impacted returns outcomes due to restrictions on international travel on which returns rely. This includes the pausing of some enforcement actions to bring people into detention, plus reduced court capacity and backlogs. This resulted in fewer Foreign National Offender (FNO) convictions and, a lengthening of time taken for appeals to conclude, as well as, far fewer negative decisions within the immigration system.

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<sup>50</sup> [Immigration-how-many-people-are-detained-or-returned \(gov.uk\)](https://www.gov.uk/government/statistics/immigration-how-many-people-are-detained-or-returned)

In the year ending September 2020 (latest available data), we removed 3,374 FNOs from the UK, compared to 5,122 FNOs for the same period in 2019.

The proportion of FNOs being returned from the UK, including those who are known to have an overseas criminal record, has risen significantly for EU nationals, from 18% in 2010 to 68% in the year ending September 2020 (latest year of available data).<sup>51</sup> This reflects an actual increase in the number of EU nationals being returned for not exercising or abusing Treaty rights or deported on public policy grounds such as criminality.

In the year ending September 2020, enforced returns from the UK decreased to 4,353, 42% less than the previous year and the lowest number since the time series began in 2004.<sup>52</sup> The fall in enforced returns was largely accounted for by a decrease in enforced returns of people who were in detention prior to their return (down 44% to 2,838). Although the number of enforced returns has been declining since 2013, the fall in the latest year was larger due to very few returns in 2020 Q2 and to a slightly lesser extent 2020 Q3, which was predominantly driven by the COVID-19 pandemic.

Now that the UK is no longer bound by the Dublin Regulation, we have been negotiating our own agreements with international partners to make it easier to remove those with no right to remain in the UK and stop them from returning to the UK. On 10 December 2020, the Home Office laid new Immigration Rules on inadmissibility, which came into effect immediately at the end of the Transition Period.

## **Asylum**

There were 29,456 asylum claims (main applicants only) in the UK in 2020, an 18% decrease from the previous year.<sup>53</sup> This latest figure will have been impacted by the measures taken in response to COVID-19.

In 2020, the UK offered protection (in the form of asylum, humanitarian protection, alternative forms of leave and resettlement) to 9,936 people (including dependants). This figure is around half (48%) of the number in 2019, and the lowest level since 2014. This is due to fewer initial decisions being made on asylum claims (14,365 decisions in 2020 compared with 20,766 in 2019), as well as the pause to resettlement activity after March 2020, both a result of the COVID-19 pandemic.

## **Vulnerable Persons Resettlement Scheme**

The Vulnerable Persons Resettlement Scheme (VPRS) was launched in January 2014 and has helped those in the greatest need, including people requiring urgent medical treatment, survivors of violence and torture, and women and children at risk.

On 25 February 2021, the final refugees arrived under the VPRS, bringing the final number of refugees who found safety under the scheme to 20,319 (including 239 resettled before the scheme was upscaled and who are not included in the 20,000 commitment).<sup>54</sup>

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<sup>51</sup> [Returns summary tables, year ending December 2020 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

<sup>52</sup> [Immigration - How-many-people-are-detained-or-returned \(gov.uk\)](https://www.gov.uk)

<sup>53</sup> [How-many-people-come-to-the-uk-each-year-including-visitors \(gov.uk\)](https://www.gov.uk)

<sup>54</sup> [Vulnerable-persons-and-vulnerable-childrens-resettlement-schemes-factsheet \(gov.uk\)](https://www.gov.uk)

A further 79 people were resettled under the Vulnerable Children Resettlement Scheme (VCRS) in 2020,<sup>55</sup> bringing the total to 1,826 since this scheme began in 2016.

Of those resettled under the VPRS and VCRS in 2020, 25 refugees were resettled in the UK through the Community Sponsorship scheme. Since these schemes began in July 2016, 449 refugees have been resettled by community sponsor groups.

### *Asylum Support*

At the end of 2020, 45,626 asylum seekers in the UK were in receipt of support under Section 95 of the Immigration and Asylum Act 1999, a 5% increase on the previous year (43,549). Section 95 support is provided to destitute asylum seekers until their claim is finally determined, which may encompass either accommodation or subsistence, or both. An additional 6,180 individuals were in receipt of support under Section 4 of the Immigration and Asylum Act 1999, up 62% from the previous year (3,804). Section 4 provides support for individuals whose claim has been refused and who have exhausted their appeal rights, but who are destitute and are temporarily unable to leave the UK. There were 12,235 individuals in receipt of support under Section 98, nearly 3.5 times higher than the same time in the previous year (2,738). The sharp increase is likely related to COVID-19. Section 98 support is provided to asylum seekers who would otherwise be destitute on a short-term basis while their application for Section 95 support is considered.

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<sup>55</sup> [Asylum applications datasets Dec 20 \(assets.publishing.service.gov.uk\)](https://assets.publishing.service.gov.uk)

## Advance Britain's place in the world

The Home Office helps to promote the UK's interests on the world stage, whether that's by sharing expertise or securing international agreements on everything from data sharing to cybercrime. The Home Office will seize the opportunities of leaving the European Union, ensuring the UK's status as a top destination to live, visit and do business.

### Performance during 2020-21

#### *Northern Ireland Protocol*

We worked with partners across Government to negotiate and implement the Northern Ireland Protocol ('the Protocol'), as agreed in October 2019. The final outstanding issues under the Protocol were resolved with the EU on 12 December 2020 and it came into force on 1 January 2021.

Delivering unfettered access for Northern Ireland goods entering the Great Britain market is a central element of the UK's approach to implementing the Protocol. Currently, there is unfettered access to all goods in free circulation in Northern Ireland moving from Northern Ireland to Great Britain. Border Force checks are limited to those required under international obligations and the Common Transit Convention, as well as limited intelligence-led checks, if we believe goods are being moved illegally to circumvent the border.

Border Force is working with departments on 'Phase 2' Unfettered Access which seeks to focus the benefits on Northern Ireland businesses only.

We successfully recruited and trained new Border Force officers for the limited new requirements and supported cross-Government activity, to ensure that the necessary infrastructure was in place from 1 January 2021. We also worked across Government to ensure that traders were ready to engage with the new procedures and processes.

Working with the Cabinet Office and other relevant departments, we have developed effective governance, to ensure that security considerations are factored into overall planning. We are continuing to work on the residual issues relating to the initial implementation of the Protocol, as well as to prepare for the second phase of Unfettered Access

#### *UK-EU Free Trade Area and Law Enforcement and Criminal Justice Negotiations and Delivery*

We supported the UK negotiating teams in various international negotiations, including the UK-EU Trade and Cooperation Agreement, and others with EEA-EFTA, US, Japan and Australia. The focus for Home Office negotiations work in 2020-21 included supporting UK-EU trade negotiation chapters such as mobility, the law enforcement and criminal justice chapter.

Negotiations with the EU on Law Enforcement and Criminal Justice (LECJ) cooperation commenced in March 2020. The UK-EU Trade and Cooperation Agreement (TCA) was agreed on 24 December 2020 and brought into force at the end of the Transition Period. The LECJ part of the TCA delivers a comprehensive package of capabilities ensuring the UK can continue to work effectively with counterparts across Europe to tackle serious crime and terrorism. From January 2021, we began discussions with Europol and Eurojust on the underpinning working arrangements foreseen in the relevant sections of the TCA.

We worked closely with UK operational partners to ensure we were prepared to transition to new ways of working with the EU and its Member States at the end of the Transition Period. These new ways of working have been operational since 1 January 2021. Alongside UK operational partners and our partners in the EU, we have continued to monitor cooperation via these new arrangements.

### *Data*

The UK is committed to strong data protection standards, from new relationships that increase the secure movement of data between the UK and our international partners.

We worked closely with the Department for Digital, Culture, Media and Sport and the wider law enforcement community to prepare for the risk of disruption to international data flows. We pursued adequacy assessments from the Commission via a series of 15 formal sessions with the Commission to assess the UK's data protection standards. This led to the publication of two proposed positive findings (one under the General Data Protection Regulation and one for law enforcement).

While the EU data adequacy decisions are being finalised, the UK has agreed, with our input, an interim bridging solution that maintains existing data flows from the EU. These flows of data are integral to our continued international law enforcement relationships.

## Windrush

### Headline Indicators

Since its launch in April 2019, we have paid over £14.2 million under the Windrush Compensation Scheme as at the end of March 2021 and offered a further £11.8 million to individuals.<sup>56</sup>

633 compensation claims had been accepted and received a payment whilst 798 people had been referred to the independent claimant assistance provider.

### Performance during 2020-21

On 18 March 2020 the Home Secretary received the Windrush Lessons Learned Review from independent adviser Wendy Williams, updating Parliament and publishing the review at the earliest opportunity on 19 March 2020.

The Windrush Lessons Learned Review makes 30 wide ranging recommendations. The publication of this Review is an essential part of the healing process and as the Independent Advisor suggests, the Home Secretary has subsequently accepted all recommendations in the report.

As of 31 December 2020, more than 12,500 individuals have been provided with documentation confirming their status or British citizenship.<sup>57</sup> To help people apply for documentation, the Taskforce has attended approximately 80 surgeries in person at places of worship, care homes and community centres across the UK since 2018.

### Windrush Engagement

Since 2018, we have held approximately 137 engagement and outreach events across the country (held in line with COVID-19 guidance during the pandemic).<sup>58</sup> These events include approximately 80 one-to-one surgeries to help people apply for documentation through the Windrush Help Team and over 30 public community engagement events to raise awareness of the Windrush Schemes.

These events were moved online during the COVID-19 pandemic so that people can continue to access support and advice on the Windrush Schemes. To date, we have held 27 online events.

### Windrush Compensation Scheme

The Windrush Compensation Scheme was launched on 3 April 2019 and will be open for claims until at least 2 April 2023. Since April 2019 the Scheme has offered almost £26 million, of which £14.2 million has been paid.<sup>59</sup>

On 14 December 2020, we announced an overhaul of the scheme to ensure that people receive significantly more money, much more quickly.<sup>60</sup> We increased the minimum award under the

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<sup>56</sup> [Windrush-factsheet-august-2020 \(homeofficemedia.blog.gov.uk\)](https://homeofficemedia.blog.gov.uk/2020/08/windrush-factsheet-august-2020/)

<sup>57</sup> [Windrush Task Force Data: February 2021 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/2021/02/windrush-task-force-data-february-2021/)

<sup>58</sup> [Windrush-engagement-events \(gov.uk\)](https://www.gov.uk/windrush-engagement-events)

<sup>59</sup> [Windrush compensation scheme published Mar 21 \(assets.publishing.service.gov.uk\)](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/91111/windrush-compensation-scheme-published-mar-21.pdf)

<sup>60</sup> [Windrush-compensation-scheme-overhauled \(gov.uk\)](https://www.gov.uk/windrush-compensation-scheme-overhauled)

Impact on Life category to £10,000, forty times the previous minimum award, which will be paid as a new early preliminary payment as soon as someone applying on their own behalf or on behalf of a deceased relative can show any impact on their life under the terms of the scheme. They do not need to wait for their whole application to be assessed.

We also increased the value of awards for Impact on Life at every level so everyone will be paid more in this category, with the maximum award increasing from £10,000 to £100,000 (with options for even higher awards in exceptional circumstances).

Within six weeks of these changes, we had offered more than we had in the first 19 months of the scheme (at the end of January we had offered £12m) and since the end of December 2020, have paid more than five times the amount of compensation to individuals (from £2.8m to £14.2m).

## Enabling One Home Office

One Home Office aims to build an organisation that is more flexible, resilient and outward facing so that it can respond to changing customer needs. The vision of the Transformation Programme is that together we will create One Home Office, which is trusted by the public, where every one of our people can fulfil their potential and where all of us can be proud, not just of the work we do, but also of the organisation to which we belong.

For the public, it will mean they get a better, more streamlined service from a Department that is better aligned and more representative of the people we serve. For staff, it means more collaboration, an improved culture and ultimately a more rewarding place to work.

The One Home Transformation is underpinned by four strategic outcomes:

- **Efficient** - We gain trust from the public through offering value-for-money on high quality and affordable services.
- **Outcomes focussed** - We work as one Home Office to deliver on the People's Priorities and achieve positive outcomes that we are proud of.
- **Forward looking** - The work we do is focused on delivering outcomes that reflect our purpose; we use performance management, technology, science and data to improve and innovate.
- **Diverse and progressive** - Our workforce is diverse, and our people are empowered to fulfil their potential. They proactively engage with public perception and other government departments to improve service delivery.

## Performance during 2020-21

### *One Home Office Transformation*

The first phase of the Blueprint, the Departmental structure element of the Transformation programme was completed on 1 April 2021. This involved moving the Department to a structure based on Missions, focussed on delivering People's Priorities and Outcome Delivery Plan commitments, underpinned by core Capabilities, centres of excellence delivering high-quality and efficient services to the Missions and directly to our customers. We expect the changes to form part of a process over a 12-month period, and we continue to focus on the delivery of the 4 outcomes across the programme.

### *People Strategy*

In 2020-21, phase one of the Human Resources (HR) transformation programme was successfully delivered. This involved implementing a new centralised resourcing approach for all Home Office recruitment, as well as successfully transferring key HR and payroll services onto a new digital platform called Metis, a pathfinder programme for Government.

Our second phase of Transformation (learning) is underway and will deliver a centralised delivery approach enabling a modern, engaged learning organisation, able to meet its future challenges in an agile way, confident that learning is improving performance and contributing to delivering transformation in the Home Office.

Building on successes of 2019-20, and with the Windrush Lessons Learned Review as a catalyst for change, we continue to work with our senior leaders, employee support networks, Trade Unions and our people to deliver our ambitions for equality, diversity and inclusion. This includes, in response to Review Recommendation 28 developing a revised Diversity & Inclusion Strategy and Plan 2021-25, which will be released in summer 2021.

Our new Home Office Values, Respectful, Compassionate, Courageous, and Collaborative, have been developed and tested across the Department and with external stakeholders. The values shape how we will foster a diverse and inclusive culture, define how we interact with our colleagues and the communities we serve and how we deliver for the public. We have re-designed important processes such as Performance Management to help embed our values, improving the lived experience, fairness, and timeliness of performance rewards. We are continually evolving and maturing our recruitment practices to create a diverse workforce, using inclusive job descriptions, anonymised recruitment and diverse shortlists to eliminate potential bias in the recruitment process. We currently have 760 Black, Asian and Minority Ethnic Independent Panel Members participating in our recruitment panels and in 2020, we launched our 'Career Watch' Sponsorship Programme, a suite of interventions in place across the Department to address underrepresentation, currently focussed on Black, Asian and Minority Ethnic colleagues and colleagues with a disability.

Additional key areas of focus and delivery have been supporting the Departmental preparations for and response to EU transition and COVID-19. By the end of 2020, the HR team enabled the resourcing of c.4,500 staff across the Home Office in support of the UK transition out of the EU, including recruiting and training over 3,500 staff to deliver front line operations, and has been central to enabling the Home Office to continue to be able to deliver throughout the COVID-19 pandemic.

### *Digital, Data and Technology*

Our Digital, Data and Technology (DDaT) team is citizen focussed, prioritising the experience of those using our services, and the protection of the public by developing technology programmes with our police and law enforcement partners. During the COVID-19 pandemic, DDaT enabled Home Office business to continue uninterrupted, through a seamless and immediate transition to remote working. It provided all staff with the ability to work remotely, issuing 11,500 laptops to support remote working ensuring critical projects, including those related to COVID-19 and EU Exit, were able to grow and deliver despite the restrictions of the pandemic. It dramatically scaled up its collaboration tools, deploying Skype for Business and Microsoft Teams to all staff – more than 683,300 hours of calls and meetings have been held securely, enabling staff to continue to work together with ease.

We protected citizens by creating the digital Public Health Passenger Locator (PHPL) Form to collect data from entrants to the UK for track and trace and self-isolation purposes. We simultaneously developed and successfully deployed a mobile phone app for Border Force officers to read the QR code on all PHPL forms to speed up spot-checks at the border.

DDaT began a significant upgrade to e-Gates earlier in April 2021 which will conclude in Autumn 2021, ensuring technology is joined up across our borders, integrating important protective measures such as the PHPL forms.

Our Strategic Operating Model reached maturity in 2020, enabling DDaT to be more effective. To date, it has delivered £42 million of cashable benefits for the public purse. It is an important enabler of more consistent and simplified ways of working across the Department. It means DDaT works collaboratively across all Home Office teams to deliver our technology objectives, strengthen our civil servant capability, better protect the public and deliver better value for money.

### ***Science and Analysis***

Home Office Science and Analysis is at the heart of all Home Office policy, legislation, capability and investment decisions. Quality and timely research and development and sound analysis and evidence are seen as part of core Home Office process, informing policy and decisions, and enabling the Department to understand, identify and seize opportunities in the Science and Technology landscape and to respond effectively, systematically and with agility.

During 2020-21, Home Office Science and Analysis has been at the centre of the Government's response to the COVID-19 pandemic, providing Ministers and officials with scientific and analytical briefing, and publishing statistics, for example on passenger arrivals since the COVID-19 outbreak. The Home Office Chief Scientific Adviser has also represented the Department at the Scientific Advisory Group for Emergencies. Science and Analysis has provided access to Science and Technology capability as well as advice to the national policing response to COVID-19 providing Operational Analysis support for a predictive modelling tool to help understand resilience levels and aid planning. During COVID-19 lockdowns there has been a spotlight on the issue of domestic abuse, and, in March 2021, we published a review of the coercive and controlling behaviour offence.

### ***Project Management Capability***

Over the course of 2020-21, we continued to focus on building project management capability to deliver the organisation's complex and challenging portfolio including onboarding 13 senior project leaders on to the Major Projects Leadership Academy, an increase of 44% on the previous year. In addition, 14 project delivery professionals commenced the Project Leadership Programme, an increase of 17% on the previous year. We addressed the overall vacancy rate in project delivery roles across our portfolio through a broad range of resourcing levers to both increase civil servant volumes and re-balancing roles to reduce dependency on external contractors and contingent labour. We continued to use the Government Online Skills Tools to support staff working on our major projects portfolio to build individual and organisational capability and support professional development. The Home Office Project Delivery Profession continues to be a leader in the deployment of Fast Stream talent with a current cohort of 29 and a further 9 joining the scheme in Autumn 2021. We have prioritised supporting development even during the period of lockdown and home working, using on-line learning and accreditation services and enhancing the "near the job" learning opportunities available to the profession to learn from peers.

### ***Home Office Project Delivery Framework and Microsoft Project Online***

The Portfolio Investment Committee mandated the use of the Home Office Project Delivery Framework in January 2020. The Framework sets out the standards for Project Delivery in the Department. Specifically, it provides integrated guidance, tools, and templates to help drive consistency and quality in project management disciplines within the Home Office.

In addition, we have rolled out Microsoft Project Online (MSPO), a dedicated Enterprise Project Management tool and Power BI, a data visualisation tool, to all Government Major Projects

Portfolio (GMPP) and Home Office Mission Critical programmes. MSPO and Power BI provides programme leaders with a single source of truth for the successful management and tracking of projects and programmes. It provides projects, programmes, and business area portfolios an integrated planning, monitoring, control, and reporting platform. Eliminating duplication of effort, improving the consistency, visibility and timely availability of data while complying to the Home Office Project Delivery Framework.

### **Commercial Strategy**

During 2020-21, Home Office Commercial continued to deliver agreements to support the full range of strategic Departmental objectives, monitoring annual third party spend of c. £2.9 billion in addition to c.£2.8 billion of general grants awarded and assurance of c.£3 billion Police and Fire third party spend. Concurrently, we are on track to deliver improvements across several themes delivering savings above our £125 million target. We have collaborated to deliver high-profile procurements for new requirements such as the Gatwick Immigration Removal Centre estate and the Modern Slavery Victim Care Contract whilst managing impacts on our critical services resulting from EU Exit and COVID-19. We are also implementing a 3-year Commercial Strategy through which we aim to increase our alignment with our business partners, improve the experience of engaging with commercial for our customers, work more closely with our suppliers and increase our Departmental commercial capabilities. Our capability goal includes training all contract managers of our strategically important contracts.

### **Top Sustainable Procurement**

The Commercial Directorate has a dedicated Social Value Lead within the Commercial Policy, Strategy & People Team. Our Social Value Lead works with procurement teams to advise them on embedding Social Value within their procurement processes and procedures through the implementation of the Home Office Commercial Social Value Strategy.

Commercial has also developed a specific Social Value Schedule, to be used alongside the Model Services Contract. The Schedule requires suppliers to provide a Social Value policy and a Social Value plan of implementation within 3 months of contract commencement. We have begun to receive Implementation Plans for those live contracts which have used the Schedule which enables us to monitor Social Value commitments made at procurement. This provides visibility where suppliers set targets to deliver the Social Value commitments throughout the lifecycle of the contract. For example, procurements that have embedded this Schedule into their processes are Gatwick Immigration Removal Centre and Secure English Language Testing. All procurement staff receive regular Social Value updates through internal communications and a learning programme which is aligned to the Cabinet Office Procurement Policy on Taking Account of Social Value in the Award of Central Government Contracts.<sup>61</sup>

We continue to focus on tackling modern slavery risks in our supply chains and our work was included in the UK Government modern slavery statement.<sup>62</sup> Our EU Exit supply chain resilience planning was put into effect to manage the impacts of COVID-19, as a result of close engagement with our suppliers there was minimal impact on critical Home Office services.

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<sup>61</sup> [Taking-account-of-social-value-in-the-award-of-central-government-contracts \(gov.uk\)](#)

<sup>62</sup> [UK-government-modern-slavery-statement \(gov.uk\)](#)

### ***Small to medium sized Enterprises (SME)***

The Home Office remains committed to paying suppliers promptly and working with our suppliers to ensure they in turn pay their supply chain promptly. We aim to pay 90% of valid and undisputed invoices in 5 days in order and we are currently above this target at 99%. We aim to pay all remaining invoices within 30 days, and we are currently slightly below this target at 99.8%.

In line with Government's continued focus on SME opportunities, we continue to monitor our SME spend. The Home Office approach is to proactively engage with our SMEs to support the Industrial Strategy aim 'to improve living standards and economic growth by increasing productivity and driving growth across the UK'.

### ***Official Development Assistance***

The Home Office spent £597 million of Official Development Assistance (ODA) in 2020, an increase of £151 million, or 33.9%, on 2019. This was due to increased accommodation costs for asylum seekers to support additional measures put in place as a result of the COVID-19 pandemic. The Home Office's discretionary spend was reduced in 2020 due to amended cross-Government ODA targets as a result of the pandemic.

The Home Office's ODA spend was mainly focussed on the following areas which contribute to the delivery of the UK Aid Strategy's objective:

- In-donor spend on support to asylum seekers and the resettlement of vulnerable people from ODA recipient countries. This is linked to support and shelter for up to 12 months.
- Work upstream in ODA countries to build capacity and capability in recipient countries in order to improve security, protect children and tackle modern slavery.

## Sustainability Report

There are two main strands to the work on sustainability in the Home Office. They are:

- The Greening Government Commitments, including sustainable procurement; and
- The United Nations Sustainable Development Goals.

### Environmental sustainability

The Home Office subscribes to the Greening Government Commitments<sup>63</sup> (GGC) for reducing carbon, water, and paper use, reducing travel and managing waste. GGC also requires us to report on several other sustainability commitments including sustainable procurement.

#### *Scope and data*

This report has been prepared in accordance with guidelines laid down by HM Treasury in 'Public Sector Annual Reports: Sustainability Reporting' published at:

[Government financial reporting manual 2020 to 2021 - GOV.UK](#)

The Departmental data below shows our present position for the financial year 2020-21 against a 2009-10 baseline, unless otherwise stated. 2020-21 environmental data is estimated using a 12-month period from January 2020 to December 2020. The environmental data for 2019-20 has been restated to show the full financial year up to March 2020.

The Department reports on all its arms-length bodies, except the Office of the Immigration Services Commissioner, which is not required to report (based on its size). We are unable to report data from locations where landlords do not provide data. The greenhouse gas conversion factors used can be found in the government environmental impact reporting requirements for business.<sup>64</sup>

The Ministry of Justice (MoJ) Property Directorate provides shared estates services to the Home Office. The MoJ's Sustainability Team are responsible for reporting and managing environmental sustainability across the Department's estate. The data is gathered and verified by an external organisation and quality assured by DNV on behalf of the Department for Environment, Food and Rural Affairs (Defra).

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<sup>63</sup> <https://www.gov.uk/government/collections/greening-government-commitments>

<sup>64</sup> <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>

## Summary of performance against the Greening Government Commitments

Overall GGC Performance 2020-21			
Requirement by 2020	2020-21 performance	Achievement against target	Explanation where target not achieved
Reduce greenhouse gas (GHG) emissions by 41 %	-63%		
Reduce domestic business flights by 30%	-76%		
Continue to reduce overall waste beyond 43%	-42%		Narrowly missed the target due to a change in waste service provider.
Reduce paper use by 50%	-82%		
Continue to reduce total estate water consumption beyond 43%	-48%		
Recycle more than 73% of waste	89%		
Send less than 10% of waste to landfill	3%		

## Greenhouse gases



Greenhouse Gas Emissions (GHG)		2009-10	2017-18	2018-19	2019-20 <sup>65</sup>	2020-21
Non-Financial Indicators (tonnes CO <sub>2</sub> e)	Scope 1 (Direct) GHG emissions <sup>66</sup>	22,088	13,844	12,149	12,572	10,816
	Scope 2 (Energy indirect) GHG emissions	49,533	23,657	18,249	16,335	14,046
	Scope 3 (Official business travel) GHG emissions	9,811	8,506	9,243	8,254	4,628
	<b>Total GHG Emissions - Scope 1, 2 &amp; 3</b>	<b>81,432</b>	<b>46,007</b>	<b>39,641</b>	<b>37,161</b>	<b>29,490</b>
Related Energy Consumption (MWh)	Electricity: Non-Renewable	49,214	21,953	21,496	21,105	19,577
	Electricity: Renewable	51,094	45,339	42,971	42,805	40,670
	Gas	71,394	47,792	43,747	45,934	45,015
	Gas Oil	11,940	1,069	966	1,869	1,038
	LPG	1,482	3,573	1,794	1,034	631
	Burning oil	4,047	4,833	3,160	3,110	2,485
	<b>Total Energy Consumption</b>	<b>189,171</b>	<b>124,559</b>	<b>114,134</b>	<b>115,857</b>	<b>109,416</b>
Financial Indicators (£'000)	Total expenditure on energy	10,190	11,982	10,780	8,598	6,769
	Expenditure on official business travel (incl. domestic air travel)	13,277	26,568	49,405	40,435	17,416
	Expenditure on domestic air travel <sup>67</sup>	1,329	911	1,161	1,522	508
	<b>Total expenditure on energy and business travel</b>	<b>23,467</b>	<b>38,550</b>	<b>60,185</b>	<b>49,033</b>	<b>24,185</b>

<sup>65</sup> 2019-20 non-financial data has been restated to reflect the position at the end of the financial year

<sup>66</sup> Definitions for Scope 1-3 emissions can be found at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/69282/pb13309-ghg-guidance-0909011.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69282/pb13309-ghg-guidance-0909011.pdf)

<sup>67</sup> Domestic air travel expenses data has been restated for the years 2017-18 to present to correct an historic recording error in the travel expense database

The Home Office has achieved a 63% reduction in carbon emissions from buildings and business-related travel, compared to the 2009-10 baseline. This has been achieved through its Smarter Working programme, building consolidations and investment in energy efficiency measures. In 2020-21 we invested in further carbon saving equipment such as LED lights and boiler optimisation control units to make our gas boilers run more efficiently.

We are taking measures to make our operational fleet more environmentally friendly with the purchase of electric or ultra-low emissions vehicles (ULEVs) to meet the cross-Government target to electrify at least 25% of our fleet by 2022. By the end of 2020-21, across Border Force and Immigration Enforcement, we already have 22% ULEV cars across our fleet, and with more awaiting delivery, we will shortly be at 50% across the fleet.

The Department is currently working to set the Home Office on the pathway to net zero by 2050 and reduce our non-traded emissions (excludes emissions from travel and the power sector) by 50% by 2032. During 2020-21 a study was commissioned to understand how Home Office will meet the Government's net zero by 2050 target whilst working to make the estate more sustainable including opportunities to adopt renewable energy.

### Case Study – Home Office's first Solar PV installation

In November 2020 a 50kW installation of Solar Photovoltaic (PV) panels was installed on the roof of a Home Office facility – pictured below. Since being installed, over 4MWh of electricity have already been generated and considering these are all winter months this will only improve throughout the year. Consumption can be remotely monitored by onsite teams and is reported through Home Office's GGC returns to Defra each quarter.

The installation is the first for Home Office of this type. Throughout the next few years further sites are being identified which are feasible for solar or other renewable technologies, starting with those which consume the most energy.



## Domestic Flights



Domestic Flights	2009-10	2017-18	2018-19	2019-20 <sup>68</sup>	2020-21
Number of flights	15,241	13,474	14,495	13,236	3,700

The number of business and operational flights taken decreased in 2020-21 by 76% compared to the 2009-10 baseline.

## International Business Travel

International Business Travel		2009-10	2017-18	2018-19	2019-20 <sup>68</sup>	2020-21
Non-Financial Indicators (tonnes CO <sub>2</sub> e)	Flights	2,079	3,338	3,917	3,040	1,048
	Rail	10	11	10	2	0
	<b>Total</b>	<b>2,089</b>	<b>3,348</b>	<b>3,927</b>	<b>3,042</b>	<b>1048</b>

The Department is not required to report on our international travel emissions but choose to report as part of our commitment to transparency. These emissions are not included in the Greening Government Commitments data.

## Paper Consumption



Paper Purchased	2009-10	2017-18	2018-19	2019-20 <sup>68</sup>	2020-21
Paper Reams Procured (A4 equivalents)	398,001	250,010	186,267	150,657	71,085

The Department has reduced its paper consumption by 82% since the 2009-10 baseline. This has been achieved through a continuing programme of IT improvements and digitalisation in addition to our staff working from home during COVID-19 lockdowns.

## Water



Water Consumption			2009-10	2017-18	2018-19	2019-20 <sup>68</sup>	2020-21
Non-Financial Indicators (m <sup>3</sup> )	Water consumption	Office estate	260,800	133,175	136,502	134,177	129,317
		Office estate water use per person	17	9	18	8	8
		Whole estate	310,338	152,127	176,047	176,763	159,371
Financial Indicators (£'000)	Water supply and sewage costs <sup>69</sup>		557	1,293	1,073	454	605

The Department has reduced water consumption by 48% against the 2009-10 baseline.

<sup>68</sup> 2019-20 non-financial data has been restated to reflect the position at the end of the financial year

<sup>69</sup> Water costs may include credit notes in the final quarter due to estimated billing

**Waste**



Waste		2009-10	2017-18 <sup>70</sup>	2018-19 <sup>70</sup>	2019-20 <sup>70</sup>	2020-21
<b>Total waste</b>		<b>5,685</b>	<b>4,847</b>	<b>4,820</b>	<b>4,981</b>	<b>2,846</b>
Non-Financial Indicators (tonnes)	Non-hazardous waste					
	Landfill	1,240	375	177	204	109
	Reused/Recycled	4,445	4,274	4,276	4,361	2,408
	Composted/anaerobic digestion	N/A	124	71	119	78
	Incinerated with energy from waste		74	296	296	250
Incinerated without energy recovery	N/A	0	0	1	1	

The Department has achieved an overall waste reduction of 42%, compared to the 2009-10 baseline. Recycling levels in 2020-21 were 89% and only 3% of our waste was sent to landfill. We work closely with our Facilities Management suppliers to improve the accuracy of our waste data through waste audits and other means. Following a review of our waste data and change in waste providers in 2018, we have restated waste data back to the year 2017-18 to replace estimates with actual figures. Financial data for waste disposal is not available due to these costs being combined within service charges for many buildings.

**Other sustainability commitments**

**Climate Change Adaption**

Climate resilient designs are incorporated in relevant projects and new builds. In addition, robust business continuity plans are in place to manage occurrences of extreme weather events.

**Rural Proofing and embedding sustainability in policy making**

The Department is committed to mainstreaming sustainable development in the policy making process. A check list of specific impact tests now forms part of the policy impact assessment guide, giving greater assurance that due consideration will be given to sustainability and rural proofing.

**Biodiversity & Natural Environment**

The Home Office continues to implement the MoJ Biodiversity Policy across its estate and especially seeks opportunities to support planting for pollinators and retrofitting bird and bat boxes.

**Procurement of food and catering**

Food provided in our catering outlets is local and in season, where possible, to minimise energy used in food production, transport and storage. Food is bought from farming systems that minimise harm to the environment, such as produce certified by LEAF, the Soil Association or Marine Stewardship Council. The outlets also offer fairly traded and ethically sourced products. They are reducing the amount of foods of animal origin (meat, dairy products and eggs) eaten, as livestock farming is one of the most significant contributors to climate change, and ensure that meat, dairy products and eggs are produced to high environmental and animal welfare standards. They are also reducing the amount of palm oil used and ensure that what is used is sustainably sourced.

**Sustainable Construction**

The Department is committed to the Building Research Establishment’s BREEAM standard of “excellence” for new builds and “very good” for refurbishments where applicable. All project mandates now contain specific sustainability requirements.

**Transparency - Energy Use**

Energy usage for several Home Office sites can be viewed <https://webview2.ecodriver.net/justiceshared/>

**United Nations Sustainable Development Goals**

<sup>70</sup> 2017-18 to 2019-20 non-financial data has been restated as waste data for Home Office has been reviewed and updated due to a change in waste providers.

The Home Office (HO) shares responsibility with other government departments for supporting delivery of the UK's commitments to the UN [Sustainable Development Goals \(SDGs\)](#). The table below indicates where and how Home Office activities contribute to meeting the Goals.

Contribution to Sustainable Development Goals (SDGs)		
SDG	Home Office People's Priorities and Areas (contributing to SDG)	Home Office Activity
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Restore confidence in the criminal justice system</p> <ul style="list-style-type: none"> <li>• Substance abuse</li> <li>• Knife crime</li> </ul>	<p>Home Office continued investment in the County Lines programme tackling substance abuse and introduced Serious Violence Reduction Orders to tackle knife crime. Both measures contribute to better health and well-being.</p>
 <p>5 GENDER EQUALITY</p>	<p>Restore confidence in the criminal justice system</p> <ul style="list-style-type: none"> <li>• Violence against women and girls</li> <li>• Harmful practices such as forced marriage and FGM</li> </ul>	<p>Home Office provided £25m to Domestic Abuse organisations as support.</p> <p>Home Office launched #YouAreNotAlone campaign providing victims to access support and 'Ask for ANI' codeword scheme to ensure that those seeking support could do so safely and discretely.</p> <p>Work to release a new VAWG strategy and complementary Domestic Abuse strategy in summer 2021.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Restore confidence in the criminal justice system</p> <p>Attract Talent and Take Back Control</p> <ul style="list-style-type: none"> <li>• Legal migration</li> <li>• Illegal migration</li> <li>• Modern slavery and human trafficking</li> </ul>	<p>Home Office delivered the Future Points Based Immigration system, driving economic growth enabled through the legitimate movement of people and goods.</p> <p>Home Office continued support to victims of Modern Slavery via the five-year Modern Slavery Victim Care Contract, which went live Jan 2021.</p>
 <p>10 REDUCED INEQUALITIES</p>	<p>Attract Talent and Take Back Control</p> <ul style="list-style-type: none"> <li>• Trafficking of protected species</li> </ul>	<p>Home Office continued investment in the Organised Immigration Crime (OIC) taskforce to enhance capabilities in tackling illegal migration and disrupt OIC.</p>
 <p>15 LIFE ON LAND</p>	<p>Attract Talent and Take Back Control</p> <ul style="list-style-type: none"> <li>• Trafficking of protected species</li> </ul>	<p>Home Office continued action at our borders against poaching and the trafficking of protected species of flora and fauna.</p>

	<p><b>Restore confidence in the criminal justice system</b></p> <ul style="list-style-type: none"> <li>• Violence and related death rates</li> <li>• Tackling child exploitation and Abuse</li> <li>• Illicit financial and arms flows, stolen assets and organised crime</li> <li>• Corruption and bribery</li> <li>• Legal identity for all, including birth registration</li> <li>• Public access to information</li> </ul>	<p>Crime and Justice Taskforce projects continued to focus on to reducing violence, related death rates and homicides; to protecting children, and to ensuring equal access to justice for all.</p> <p>Home Office published the Tackling Child Sexual Abuse Strategy in January 2021</p> <p>Home Office launched the ‘Suspicious Email Reporting Service’ in conjunction with the National Cyber Security Centre to tackle online fraud and reduce risk to UK.</p>
	<p><b>Protect Homeland Security</b></p> <ul style="list-style-type: none"> <li>• National and international co-operation on terrorism and crime</li> </ul>	<p>Home Office continued to protect lives and uphold domestic and international law through activities of the cross-HMG counter-terrorism strategy – CONTEST, and via the ‘Building a Stronger Britain Together’ programme.</p>

**Matthew Rycroft CBE**

**Accounting Officer**

25 June 2021

## 2. THE ACCOUNTABILITY REPORT

# Corporate Governance Report

## Director's Report

### Lead Non-Executive Board Member's Report

During 2020-21, the Department continued to focus on the efficient and effective delivery of its manifesto commitments, its portfolio of priority programmes and a new transformation programme One Home Office. This was set against the backdrop of preparations for the new relationship with the EU and the Department's COVID-19 response.

Whilst the ministerial team has not changed since last year, there have been multiple changes to the Non-Executive and Executive teams. Non-Executive Directors John Studzinski, Nicholas Shott and Mark Florman left the department with our sincere thanks for their contributions as their terms came to an end. Michael Fuller, Jan Gower, John Paton, Tim Robinson and Phil Swallow were subsequently appointed as Non-Executive Directors, bolstering the department's access to Project and Portfolio Management, digital, transformation and operational delivery skills and experience.

At the executive level, the Second Permanent Secretary, Shona Dunn, and Director General (DG) Serious and Organised Crime, Julia Kinniburgh, took up new positions at the Department for Health and Social Care and Department for Education, respectively. Professor Jennifer Rubin succeeded John Aston as Chief Scientific Advisor and DG Science, Technology, Analysis, Research and Strategy (STARS), and Peter Fish retired as Home Office Legal Advisor following a period as interim Treasury Solicitor and Permanent Secretary Government Legal Services. Board composition consists of all of the Ministers and Non-Executive Directors, the Permanent Secretaries, DG for Capabilities and Resources, and DG for STARS.

Non-Executive Directors are engaged across the Department in providing, support, challenge, experience and expertise. They also offer an independent voice across governance and assurance, business improvement, policy development, investment cases and project delivery.

Dedicated portfolios, aligned to the Non-Executive Directors individual specialisms and areas of expertise, have helped target our efforts on key priorities. In addition to our roles as members of the Board and relevant sub-committees, we have supported Ministers and officials on a wide range of activities, including: priority programmes, such as the Police Uplift Programme, Future Border and Immigration System and Emergency Services Mobile Communications Programme; the Department's winter readiness preparations, COVID-19 recovery and EU Transition; the Violence against Women and Girls and Domestic Abuse strategies; implementation of the Windrush Lessons Learned Review recommendations, and the One Home Office Transformation Programme which has a number of work strands including organisational design, productivity and efficiency and culture and ways of working.

The Department has made several changes to strengthen governance arrangements this year. A new Non-Executive Board provides a dedicated forum for us to scrutinise performance and support delivery whilst the Manifesto Delivery Board, which I represent the Non-Executive perspective at, facilitates frequent and early Ministerial engagement in departmental activity. The

Nominations Committee has been refreshed and replaced by a monthly Senior Leadership Committee which incorporates rotating Non-Executive membership, thus strengthening our ability to assure talent management, the incentive system and succession planning.

The Board itself convened four times and had an away day in 2020-21. It focused on strategy, capabilities and performance with topics reflecting departmental priorities including transformation, the Windrush response, the Strategic Review SR20, winter readiness and portfolio performance. The Board also spent time considering the implications of changes in the operating environment and the strategic pivots this may necessitate, with sessions attended by relevant 'thought leaders' and academics.

The annual effectiveness evaluation, conducted in Spring 2021, reviewed the Board's content, structure and membership. A full review will be conducted next year due to an ongoing governance review at the time of the 2020-21 evaluation.

The evaluation demonstrated that the Board was well attended and chaired with debate, challenge and diversity of thought actively encouraged, contributing to open and honest discussion. The membership was well balanced between Ministers, Non-Executive Directors and officials, providing an appropriate blend of skills, knowledge and expertise.

There are opportunities to strengthen the Board, in particular refreshing its purpose and programme of activity so that it is clearly aligned to delivery priorities. Board members would welcome fewer items on the agenda and a greater depth of discussion, including detailed delivery reviews of the Department's major programmes and commitments. Greater continuity between agendas would also help improve Board oversight and effectiveness. The Non-Executives have also supplied clear thinking on performance reporting, which has continued to evolve, and we look forward to the delivery of a new performance framework in 2021-22.

## Composition of the board

The Departmental Board is chaired by the Secretary of State for the Home Department, Rt Hon Priti Patel MP. The remainder of the board membership is made up of Home Office Ministers of State, Non-Executive Directors (NEDs), Permanent Secretaries, and the Director General of Capabilities & Resources. Parliamentary Under Secretaries of State and the Department's other Directors General are invited to attend as the agenda requires.

### Sue Langley OBE

#### Home Office Lead Non-Executive Director

## Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000 (the GRAA), HM Treasury has directed the Home Office to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held or disposed of, and the use of resources, during the year by the Department and its sponsored Non-Departmental Public Bodies designated by order made under the GRAA by Statutory Instrument 2017 No.1256. These bodies together are known as the 'Departmental group' consisting of the Department and sponsored bodies listed at note 17 to the accounts. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and the Departmental group and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows of the Departmental group for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the Accounts Direction issued by HM Treasury, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- ensure that the Department has in place appropriate and reliable systems and procedures to carry out the consolidation process;
- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by Non- Departmental Public Bodies;
- confirm that the annual report and accounts is fair, balanced and understandable and that he or she takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable;
- state whether applicable accounting standards, as set out in the FReM have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

HM Treasury has appointed the Permanent Secretary of the Department as Accounting Officer of the Home Office.

The Accounting Officer of the Department has also appointed the Chief Executives of its sponsored Non-Departmental Public Bodies as Accounting Officers of those bodies. The Accounting Officer of the Department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the Department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts. Under their terms of appointment, the Accounting Officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

As far as the Accounting Officer is aware, there is no relevant audit information of which the auditor is unaware. The Accounting Officer has taken all the steps that he ought to have taken to

make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the Department or Non-Departmental Public Body for which the Accounting Officer is responsible, are set out in *Managing Public Money* published by HM Treasury.

**Matthew Rycroft CBE**

**Accounting Officer**

## Our Ministers March 2021

Minister	Role
<b>Rt Hon Priti Patel MP</b>	Secretary of State for the Home Department
<b>Baroness Williams of Trafford</b>	Lords Minister
<b>Rt Hon James Brokenshire MP</b>	Minister of State, Minister for Security
<b>Kit Malthouse MP</b>	Minister of State, Minister for Crime and Policing (jointly with Ministry of Justice)
<b>Victoria Atkins MP</b>	Parliamentary Under Secretary of State, Minister for Safeguarding
<b>Kevin Foster MP</b>	Parliamentary Under Secretary of State, Minister for Future Borders and Immigration
<b>Chris Philp MP</b>	Parliamentary Under Secretary of State, Minister for Immigration Compliance and the Courts (jointly with Ministry of Justice)
<b>Lord Stephen Greenhalgh</b>	Minister of State, Minister for Building Safety and Communities (jointly with Ministry of Housing, Communities and Local Government)

### Previous Ministers

There were no changes to the Ministerial Team in 2020-21.

Note: Rt Hon James Brokenshire took a leave of absence in January 2021 for health reasons.

## Home Office Executive Committee – Membership (to 31<sup>st</sup> March 2021)

Executive Director	Role
<b>Matthew Rycroft CBE</b>	Permanent Secretary
<b>Charu Gorasia</b>	Director General, Capabilities and Resources
<b>Emma Haddad</b>	Director General, Asylum and Protection
<b>Patricia Hayes CB</b>	Director General, Crime Policing and Fire Group
<b>Tyson Hepple CB</b>	Director General, Immigration Enforcement
<b>Tom Hurd</b>	Director General, Office for Security and Counter-Terrorism
<b>Paul Lincoln OBE</b>	Director General, Border Force
<b>Professor Jennifer Rubin</b>	Director General, Science, Technology, Analysis and Research and Strategy (STARS) and Chief Scientific Advisor
<b>Abi Tierney</b>	Director General, Customer Service (previously Director General UKVI and HMPO)
<b>Glyn Williams CB</b>	Director General, Borders, Immigration and Citizenship System Policy and International
<b>Alex Hurst and Joanna West</b>	Interim Directors General, Serious and Organised Crime Group
<b>Jennifer Morrish and Diane Wills</b>	Interim Directors General, Home Office Legal Advisers
<b>Simon Baugh</b>	Director of Communications
<b>Jill Hatcher</b>	Chief People Officer

Former Executive Director	Role
<b>Mark Thomson</b>	Director General, UK Visa and Immigration (UKVI) and HM Passport Office (HMPO)
<b>Joanna Davinson</b>	Chief Digital Data and Technology Officer
<b>Professor John Aston</b>	Director General STARS & Chief Scientific Advisor
<b>Peter Fish</b>	Director General, Legal
<b>Julia Kinniburgh</b>	Director General, Serious and Organised Crime Group
<b>Shona Dunn</b>	Second Permanent Secretary

## Changes to the Home Office Governance Structure

The Home Office is undergoing a transformation programme which aims to change Home Office culture at all levels and in all parts of the organisation by delivering four outcomes:

- Clearer roles and responsibilities for all teams will increase efficiency and enable us to be more effective in delivering outcomes for customers and citizens.
- Creation of more integrated teams will enable us to take a cross-cutting approach and develop a shared sense of priorities.
- A strategic organisation with increased focus on our customers and service delivery.
- An inclusive organisation, where diversity is integral to who we are.

The transformation will be driven by a new structure which is designed to help the Home Office operate as a cohesive single organisation that works together to serve the public and deliver our shared outcomes, based on 'Missions', set up to deliver end-to-end services and ensure we meet the People's Priorities, and Capabilities, centres of excellence delivering high-quality and efficient services, both to the Department and directly to customers

Outside of the missions and capabilities, Science, Technology, Analysis, Research and Strategy (STARS) represents the strategic centre of the Home Office, which sets and maintains the strategic direction for the Home Office and solves complex cross-cutting problems.

There will be three new 'missions'. The Missions are Homeland Security, Public Safety, and Migration and Borders and will be headed as below:

Executive Director	Role
<b>Patricia Hayes CB</b>	Director General, Public Safety Group
<b>Chloe Squires</b>	Director General, Homeland Security Group
<b>Glyn Williams CB</b>	Director General, Migration and Borders Group

A mission will be the key organisational structure for delivery of government priorities. We see the mission undertaking end to end ‘problem management’ – from accountability of problem structuring through to problem resolution.

The missions will replace the following Directorates:

- Crime, Police and Fire Group (CPFG)
- Office for Security and Counter-Terrorism (OSCT), and
- Serious and Organised Crime Group (SOCG)
- Borders, Immigration and Citizenship System Policy and International

There will also be five “capabilities”; Customer Service, Borders and Enforcement, Legal, Corporate Enablers, Communications and will be headed as below:

Executive Director	Role
<b>Abi Tierney</b>	Director General, Customer Service
<b>Paul Lincoln and Tyson Hepple</b>	Director General, Border and Enforcement
<b>Vacant (being covered by Jennifer Morrish and Diane Wills on an interim basis)</b>	Legal
<b>Charu Gorasia</b>	Director General, Corporate Enablers
<b>Simon Baugh</b>	Director, Communications

The capabilities will be responsible for determining the resources required to deliver a given set of strategic objectives.

Both missions and capabilities will work together, holding each other to account to deliver for the public and for staff.

On 9<sup>th</sup> June 2021, the Permanent Secretary announced the appointment of Patricia Hayes, Director General of the Public Safety Group, as the new Second Permanent Secretary of the Home Office. Patricia Hayes will take up post in July 2021. In the new Home Office structure, the Second Permanent Secretary oversees the Department’s cross-cutting horizontal capabilities.

## Appointment of Senior Officials

The Permanent Head of the Department was appointed by the Prime Minister on the recommendation of the Head of the Home Civil Service and with the agreement of the Ministerial Head of the Department. All Executive Committee appointments are permanent Civil Service appointments, the terms of which are set out in the standard Senior Civil Service contract. These appointments are for an indefinite term under the terms of the Senior Civil Service contract. The rules for termination are set out in Chapter 11 of the Civil Service Management Code.

## Public Appointments

All appointments to Home Office sponsored public bodies are made in accordance with the principles of merit, openness, and fairness, as set out in the Commissioner for Public Appointments (OCPA) Code of Practice.

## Business Appointment Rules

In compliance with Business Appointment rules, the Department is transparent in the advice given to individual applications for senior staff, including special advisers. Advice regarding specific business appointments has been published on the [Home Office website](#).

## Non-Executive Directors

Non-Executive Director	Sub-committee Membership
<b>Sue Langley OBE (Lead NED)</b>	Senior Leadership Committee Manifesto Delivery Board
<b>James Cooper</b>	Audit and Risk Assurance Committee (Chair) Performance and Risk Committee Senior Leadership Committee
<b>Michael Fuller QPM</b>	Audit and Risk Assurance Committee Senior Leadership Committee
<b>Jan Gower</b>	Senior Leadership Committee People Committee
<b>Suzy Levy</b>	Senior Leadership Committee People Committee Diversity and Inclusion Steering Group Strategic Race Board
<b>John Paton</b>	Senior Leadership Committee Data Board
<b>Tim Robinson CBE</b>	Senior Leadership Committee Finance and Investment Committee Data Board

<b>Phil Swallow</b>	Senior Leadership Committee Portfolio Delivery Board
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## Other Independent Non-Executive Directors

### *Independent members of the Audit and Risk Assurance Committee*

- John Aston
- Richard Clarke
- Claire Cook
- Sarah Pickup
- Terry Price

## Non-Executive Directors - Appointment and Terms

Independent Non-Executive Directors of the Home Office Board are recruited through fair and open competition. All Non-Executive Directors on the Departmental Board (the Board) are appointed by the Home Secretary. Non-Executive Directors of the Board are appointed for an initial period of three years with an option to extend for a further three years. These appointments can be terminated with one month's notice period.

The start and end dates of the Non-Executive Directors are set out below.

Sue Langley was appointed Lead NED from 1 May 2014. We extended Sue's contract exceptionally for two years in order to retain her experience and insight whilst we moved to a new Non-Executive Director team - with six new Non-Executive directors appointed in 2020. We are grateful to Sue for agreeing to remain as our lead Non-Executive Director to provide continuity and corporate expertise during this period of transition.

Non-Executive Director	Start Date	End Date
<b>Sue Langley OBE</b>	1 December 2013	30 November 2022
<b>James Cooper</b>	30 January 2020	29 January 2023
<b>Michael Fuller QPM</b>	7 July 2020	6 July 2023
<b>Jan Gower</b>	1 February 2021	31 January 2024
<b>Suzu Levy</b>	1 September 2015	31 August 2021
<b>John Paton</b>	19 June 2020	18 June 2023
<b>Tim Robinson CBE</b>	7 July 2020	6 July 2023
<b>Phil Swallow</b>	7 July 2020	6 July 2023

Former Non-Executive Director	Start Date	End Date
Mark Florman	5 November 2018	31 July 2020
Nicholas Shott	9 March 2017	30 June 2020
John Studzinski CBE	25 April 2016	30 June 2020

## Declaration of Conflicts of interest

It is Home Office policy, which aligns with the Civil Service Code, that requires all staff to ensure there is no conflict of interest, or apparent conflict of interest, between their official positions and any financial or non-financial interests, which they or those close to them may have. The policy provides guidance on matters that could be construed a conflict of interest.

## Register of interests

All SCS grades, Non-executive directors and Special Advisors, are required to consider the guidance and make a declaration on whether any such conflict may exist. These details are maintained in a register of interest to ensure that any perceived or real conflicts of interest can be identified. Relevant information is held by the Department in a central register alongside mitigation measures taken.

The register of Ministers' financial interests is held by [Parliament](#) and other relevant interests are held by the [Cabinet Office](#).

### *Non-Executive Board Members' interests*

#### Sue Langley

Name of Company or Organisation	Position Held	Type of Interest (e.g. pay, fees, shareholding)	Other Relevant Information
Arthur J Gallagher Holdings	Non-Executive Chair	Pay	
Macmillan Cancer	Trustee	Unpaid	Term of office ends 17 July 2021
UK Asset Resolution (UKAR) Ltd	Director	Pay	
City of London	Alderman	Unpaid	

#### James Cooper

Name of Company or Organisation	Position Held	Type of Interest (e.g. pay, fees, shareholding)	Other Relevant Information
GB Railfreight Ltd	Chairman	Pay	
Solent Stevedores Limited	Consultant	Fees	

#### Michael Fuller

Name of Company or Organisation	Position Held	Type of Interest (e.g. pay, fees, shareholding)	Other Relevant Information
Michael Fuller Consultancy Ltd	Director	Shareholding	

### Jan Gower

Name of Company or Organisation	Position Held	Type of Interest (e.g. pay, fees, shareholding)	Other Relevant Information
Medway Consulting	Partner	Profit share	
University of Loughborough	Member of the Strategic Advisory Board and School of Business and Economics	Unpaid	

### Suzy Levy

Name of Company or Organisation	Position Held	Type of Interest (e.g. pay, fees, shareholding)	Other Relevant Information
The Red Plate	Managing Director	Shareholding and pay	
The Women's Sport Trust Charity	Board Member	Unpaid	

### John Paton

Name of Company or Organisation	Position Held	Type of Interest (e.g. pay, fees, shareholding)	Other Relevant Information
IVA Ventures LLC	Chair	Dividend	
Independent Digital News Media Ltd	Chair	Pay	
Evening Standard Ltd	Interim Chair and Director	Pay	
Boat International Media Ltd	Executive Chair	Pay	
Pembroke VCT PLC	Member Investment Committee	Fee	
Fine & Rare Wine	Director	Fee	

### Tim Robinson

Name of Company or Organisation	Position Held	Type of Interest (e.g. pay, fees, shareholding)	Other Relevant Information
LGC	Director	Pay and shareholding	
OpenGI	Non-Executive Chairman	Pay and shareholding	

### Phil Swallow

Name of Company or Organisation	Position Held	Type of Interest (e.g. pay, fees, shareholding)	Other Relevant Information
Crossrail	Member of the Board Advisory Panel	Paid Advisor	
NALA Ventures & Investments LLP	Partner	Partner Drawings	
Accenture	Senior Advisor	Paid Advisor	
Richmond Park Charitable Trust	Trustee	Unpaid	
London Transport Museum	Member of Enterprise Board	Unpaid	
Taw Valley Ltd	Director	Unpaid	Non-profit making locomotive owning company
Severn Valley Railway	Director	Unpaid	

Mitigations have been put in place in relation to potential perceived conflicts of interest for the Department's Non-Executive Directors. The Home Office Non-Executive Directors are required to report any conflict of interests that arise and recuse themselves from any discussions which may give rise to an actual or perceived conflict of interest. There was no requirement to enact this mitigation in 2020-21.

No executive members of the Board reported any significant company directorships or other interests that may conflict with their management responsibilities.

Dr Jennifer Rubin, who is a member of the Executive Committee registered a potential conflict of interest arising from the employment of her husband with the Behavioural Insights Team. She will not be involved in any commercial relationships involving Behavioural Insights and recuse herself as necessary from related discussions.

In line with the current Declaration of Interests policy for special advisers, all special advisers have declared any relevant interests or confirmed they do not consider they have any relevant interests. The Permanent Secretary/Accounting Officer has considered these returns and there are no relevant interests to be published.

## Governance Statement

### How we are governed

The Home Office operates and follows the principles of good governance in accordance with HM Treasury and Cabinet Office guidance. We continue to evaluate our governance and introduce changes to support more effective management of the Department, enhance collective decision making and improve the effectiveness of our systems of internal control, risk management and accountability.

The Home Office vision for corporate governance is to create an efficient and effective decision-making structure that is inclusive, accountable, and transparent. Committees are empowered to take decisions at the lowest appropriate level to enable senior boards to focus time on the issues only they can manage. It enables the Department's senior leadership to:

- set the strategic direction of the Department and deliver on its vision and mission;
- manage performance, risk, delivery, and allocation of resources against the Department's key priorities;
- horizon scan for long-term trends that may influence these priorities, policies and services, and capitalise on emerging opportunities;
- drive cultural change and uphold the values that will enable the Department to deliver effectively; and
- have oversight of the work of the Department's arm's length bodies.

### Our Boards

The role and membership of the Departmental Board and the Executive Committee can be found on pages 67 and 69.

## Corporate governance, management, and controls

### Governance

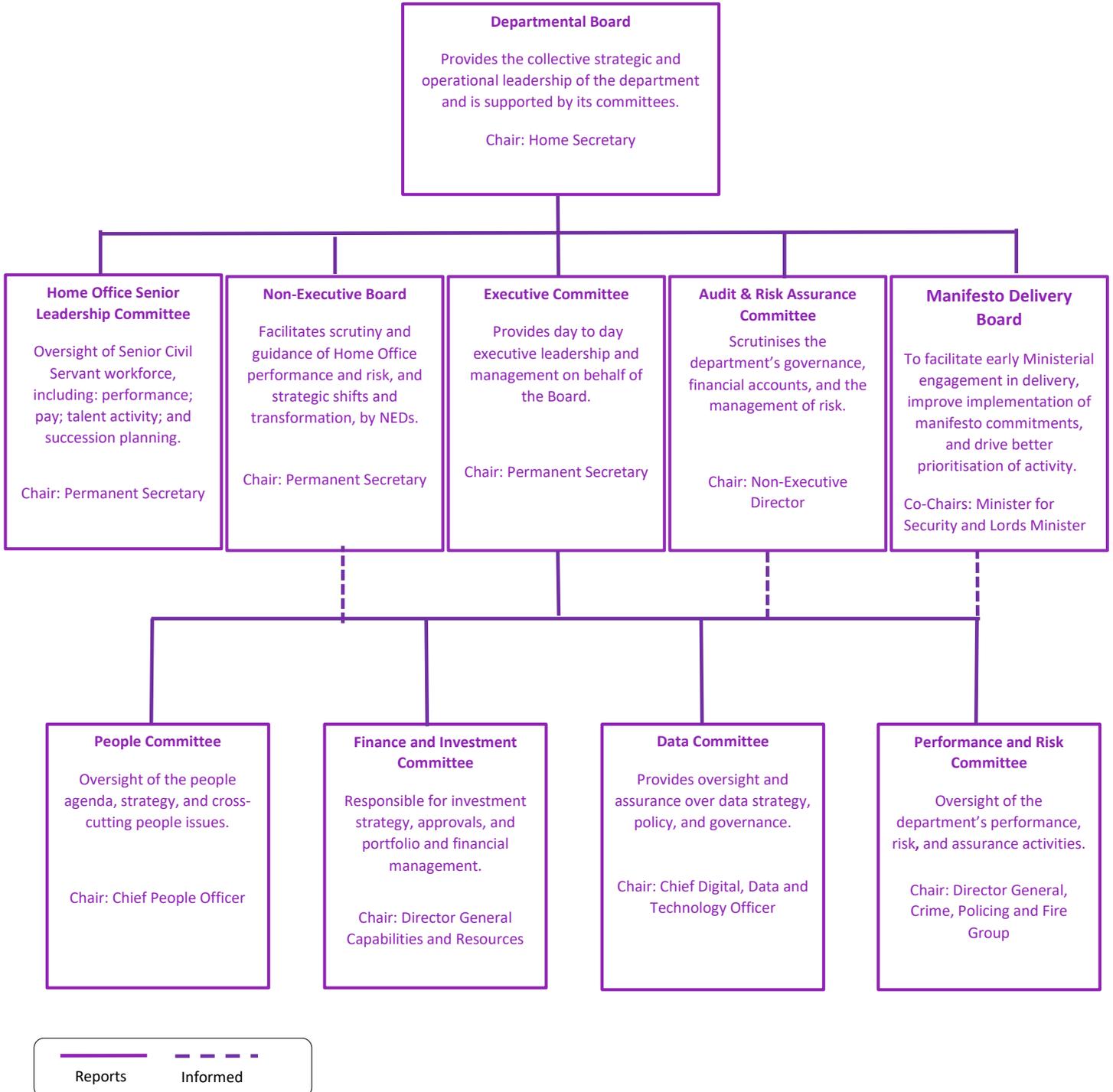
#### System of Control

We are governed by:

- The Secretary of State's overall responsibility for governance of the Home Office and its arm's length bodies.
- The Permanent Secretary's responsibility both to the Secretary of State and directly to Parliament as the Principal Accounting Officer both for management and expenditure.
- The Departmental Board's collective responsibility for advice on strategic and operational issues and overseeing the work of the Department. Its sub-committees provide layers of control, scrutiny, and assurance to ensure that the Department has been achieving its aims and objectives.

The following table sets out the structure of the top-level committees that operate in the Department and the chair of each committee.

**Home Office Governance Structure as at 31 March 2021**



## Our Boards and Committees

### *Departmental Board*

Chair: Home Secretary

The Departmental Board (the Board) is chaired by the Home Secretary, and includes Ministers, Non-Executive Directors, the Permanent Secretaries and DG Capabilities and Resources. It forms the collective strategic leadership of the Home Office with a broad purpose to steer and scrutinise the Department's strategy, performance and capability. Its remit is wide-ranging with the top-level committees and timebound boards reporting directly or indirectly into it.

It has met on five occasions between 1 April 2020 and 31 March 2021. The Board underwent a significant review and refresh during the year to improve its effectiveness. Detailed attendance for 2020-21 can be found on pages 89 to 92.

### *Audit and Risk Assurance Committee*

Chair: James Cooper, Non-Executive Director

The Audit and Risk Assurance Committee (ARAC) supports the Board and Accounting Officer in their responsibilities for issues of risk, control, assurance and governance and provides an independent view of the adequacy of the Department's risk, control and governance arrangements. ARAC meet quarterly and holds an additional meeting to review and make a recommendation on the approval of the Home Office Annual Report and Accounts.

### *Senior Leadership Committee*

Chair: Permanent Secretary

The Senior Leadership Committee (SLC) provides a forum for strategic discussions on pay and performance of senior staff; this Committee was introduced in 2020 as an expansion of the remit of the Nominations and Governance Committee at the request of the Permanent Secretary. The Committee's core purpose is management of the Senior Civil Servant (SCS) workforce including performance, pay and talent, and oversight of the pipeline into the Department's most senior roles. The work of SLC is assured through the attendance of a Non-Executive Director at each meeting, who will report into the Departmental Board to provide assurance that the systems and plans are in place for succession planning to senior roles and effective arrangements for implementing the SCS Pay Award.

### *Non-Executive Board*

Chair: Permanent Secretary

The Non-Executive Board is an advisory board chaired by the Permanent Secretary and its membership is made up of the Home Office's Non-Executive Directors and three Home Office Directors General. It meets monthly and its role is to facilitate the scrutiny and guidance of the Home Office's delivery performance by its Non-Executive Directors.

### ***Manifesto Delivery Board***

Co-Chairs: Minister for Security and Lords Minister

The Manifesto Delivery Board (MDB) reports to the Departmental Board. It facilitates Ministerial engagement in delivery at an early stage. The MDB has a focus on scrutinising manifesto implementation and advising the Home Secretary on challenges and decisions that will improve implementation of manifesto commitments. It plays a key role in driving prioritisation of activity, reviewing, challenging and supporting the delivery of the People's Priorities and priorities from the Centre, looking at delivery confidence across the full range of manifesto and other political commitments. It also provides support and challenge on numerous cross-cutting priority pieces of work.

### ***Executive Committee***

Chair: Permanent Secretary

Following a review in May 2020, the arrangements for the Executive Committee (ExCo) were refreshed. ExCo meets twice a month and is the Department's senior management team: The Permanent Secretaries, Directors General, Chief People Officer and Director of Communications. To facilitate the smooth running of the organisation it:

- aligns departmental activity with ministerial priorities;
- ensures the long-term health of the Department through the consideration of strategic shifts, and;
- major organisational change; and responds to live/ urgent issues.

Detailed attendance for 2020-21 can be found on pages 89 to 92.

### ***Sub-Committees of the Executive Committee***

In August 2020, a second phase of the Governance Review reviewed the effectiveness of the Executive Committee subcommittees. This review amended the subcommittee governance

### ***People Committee***

Chair: Chief People Officer

The People Committee maintains strategic oversight of the people agenda and cross-cutting people issues in the Home Office, oversees the People and Departmental Resilience risk, and governs the People Strategy's four foundations and three strategic shifts.

### ***Finance and Investment Committee***

Chair: DG Capabilities & Resources

The Finance and Investment Committee (FIC) replaced the Portfolio and Investment Committee in October 2020. This followed a governance review of the ExCo subcommittees which recommended the introduction of FIC to ensure financial reporting was scrutinised by an ExCo subcommittee monthly, in line with the Home Office's vision for governance. FIC provides governance, assurance, and oversight over the Home Office's: financial strategy and planning; financial policies; and significant investment decisions.

### ***Performance and Risk Committee***

Chair: DG Crime, Policing and Fire Group

The Performance and Risk Committee scrutinises the Department's organisational performance management, progress against organisational outcomes and ensures the Department has robust processes for identifying, evaluating and mitigating risk. It also provides oversight and advice on internal audit and assurance.

### ***Data Board***

Chair: Chief Digital, Data and Technology Officer

The Data Board provides top level oversight and assurance over data strategy, policy and governance across the Home Office. It provides direction to, commissions and monitors work that evolves the Department's data policy and improves operational connectivity and security of using data across the sector. It also provides a central forum for senior figures from the Home Office and neighbouring sectors (particularly policing) to identify and recommend solutions to emerging issues in areas like data ownership.

## Our approach to risk

Risk management is part of everything we do, from how we manage our programmes and our money, to how we develop our policy and work with our arm’s length bodies. In addition, we welcome the input and insight from both our internal audit function and the oversight of other regulators as a key component in identifying and managing risks. Additionally, the National Audit Office delivered several value-for-money studies and investigations, which have been a helpful source of knowledge and information that has enabled us to improve our management controls and oversight.

### Top level risks in 2020-21 and key mitigating factors

The nature of the Department’s business means that it has to manage a range of risks. The following table sets out the top-level risks, that affected the Department in 2020-21.

#### Risks and Issues

Principal Issues	Our Response
<p><b>Counter-Terrorism (CT) – System Failure</b></p> <p>There is a risk that a failure of the CT system leads to a counter-terrorism incident occurring, resulting in a loss of life and/or infrastructural damage.</p>	<p>Controls in place include work across government to understand and monitor current and upcoming risks and issues, routine examination of system performance as well as critical risks to performance, and escalation as required.</p> <p>Other agreed activities include proposals to further increase the focus on risk and performance and better manager external review recommendations, and work to improve horizon scanning within the system.</p>
<p><b>Immigration – Preventable loss of lives</b></p> <p>There is a risk that preventable loss of life or serious harm is caused by failure to run a safe immigration system.</p>	<p>Existing controls and mitigations include a range of operations focused on the specific causes and consequences of this risk, as well as close working with relevant partners across government and elsewhere.</p> <p>Further agreed actions are focused on regular review of controls and mitigations to ensure they are fit for purpose.</p>
<p><b>IT Resilience</b></p> <p>There is a risk that business critical services are unavailable due to failing IT systems and inadequate business continuity and recovery.</p>	<p>New requests for IT investment now include an assessment against a well-defined resilience and continuity framework, to ensure that services are sustainably funded and ‘designed to run’. In 2020-21 there has also been a new focus on proactive management, response and recovery from IT failure.</p> <p>Future activities include clearer presentation of significant technology risks, the weekly review of critical services, and a deep dive to review and re-assess risks to ensure they align with the Department’s wider changes to risk management.</p>

Principal Issues	Our Response
<p><b>COVID-19</b></p> <p>There is a risk that the delivery in the Department will be compromised due to a prolonged epidemic. There is a risk that there is insufficient bandwidth to maintain operational delivery while responding to surges in infections.</p>	<p>In 2020-21 we formed a dedicated COVID-19 directorate to co-ordinate our response to the pandemic. Specific, ongoing, activities include contingency planning to step-up and step-down our response, and testing available at either the workplace or, according to operational need, at home. The Home Office has also worked with other departments and agencies to support the Government response as a whole.</p> <p>As we progress through the Government's COVID-19 roadmap and this risk has reduced, other planned activities are focused on engagement with partners and stakeholders across the Summer period and, within the department, on developing and exploiting future ways of working.</p>
<p><b>Programme Delivery</b></p> <p>There is a risk that delays in portfolio delivery dates will increase overall costs and delay the realisation of benefits which will further strain the department's finances.</p>	<p>The department has now launched a number of workstreams to maintain and further improve programme delivery, with a target date of March 2022. Specific activities already in train include the Finance and Investment Committee's approval of stage-gating different phases of programmes, improvements to the Project Delivery Framework that governs how programmes are run, and revised responsibilities set out in Senior Responsible Owners' letters of appointment.</p> <p>Further activities are planned, including proposals on how to simplify governance, and better realise intended benefits of any given programme.</p>
<p><b>Cyber threats to our systems and processes – Cross-Department</b></p> <p>There is a risk that vulnerabilities in peoples, processes and technologies could be exploited accidentally or intentionally leading to a breach in confidentiality, integrity or availability of Home Office information, systems and environments.</p>	<p>Our response in 2020-21 included a deep dive of cyber security, and a review and re-assessment of the department's cyber risk profile. This is in addition to a wide range of controls already in place.</p> <p>Further agreed activities are focused on funding, and relevant recruitment and retention of personnel.</p>

Principal Issues	Our Response
<p><b>New Plan for Immigration</b></p> <p>There is a risk that the fast pace of the programme and limited time to take account of consultation responses means that the impacts of the changes are not effectively managed or understood, and there are unintended consequences which pose a risk to the public.</p>	<p>Our response in 2020-21 has prioritised putting in place the means to understand and analyse consultation responses as they come in and setting a schedule of work to develop and understand evidence around the programme.</p> <p>Further planned activities include wide-ranging engagement during the consultation phase, including a series of ‘deep dives’ with stakeholders throughout. There will also be early preparation for the next Spending Review.</p>
<p><b>PNC Data Loss</b></p> <p>Data held on the Police National Computer (PNC), fingerprint and DNA database were wrongly deleted.</p>	<p>The Home Office continues to gather information in response to the ICOs questions around this incident and continues to work closely with the Police to resolve the incident with as little impact on functions which rely on the PNC as possible.</p> <p>On 24 May 2021, Kit Malthouse (Minister of State for Crime and Policing), issued a statement to confirm that all records affected by this incident have now been recovered. This has been shared with the ICO and the full statement can be found at <a href="#">Written statements - Written questions, answers and statements - UK Parliament</a>.</p>

Principal Issues	Our Response
<p data-bbox="118 210 497 277"><b>Asylum Accommodation - Napier Barracks</b></p> <p data-bbox="118 284 497 719">The Government has a statutory duty to provide accommodation to asylum seekers who would otherwise be destitute. In response to the global pandemic and to ensure that all asylum seekers in our care had somewhere to stay, additional accommodation was required at short notice.</p>	<p data-bbox="541 210 1460 353">COVID-19 has had a significant impact on the asylum support system. Public Health restrictions meant that we paused all movement out of the system for a prolonged period to ensure the safety of the public and the people who we support.</p> <p data-bbox="541 383 1460 600">This resulted in the accommodated population of asylum seekers increasing, putting great pressure on the system. Consequently, our accommodation providers have made extensive use of contingency accommodation, predominantly hotels. This mirrors measures taken by Local Authorities to accommodate UK rough sleepers.</p> <p data-bbox="541 629 1460 772">At the end of last summer, we also sought alternative accommodation options including the Napier barracks site. We keep the use of Napier under review and will continue to use the site while necessary.</p> <p data-bbox="541 801 1460 981">We established a recovery programme, Operation Oak, to accelerate the movement of asylum seekers from hotel accommodation by working with Local Authorities across the UK to open up additional dispersed accommodation from the private rental market.</p> <p data-bbox="541 1010 1460 1227">On 3rd June 2021 the High Court found the Home Office failed to provide adequate accommodation between September 2020 and February 2021 contrary to the Immigration and Asylum Act 1999 and the Asylum Seekers (Reception Conditions) Regulations and the Reception Directive 2003/9/EC, and operated the allocation policy unlawfully.</p> <p data-bbox="541 1256 1460 1323">The Home Office is considering the implications of the judgement.</p>

Principal Issues	Our Response
<p><b>Enforced Removals and Charter Flights Including Legal Challenges</b></p>	<p>We have continued to return and deport foreign national offenders and other immigration offenders where flight routes have been available to us, both on scheduled flights and charter flights and despite the unprecedented global health pandemic and the travel restrictions in place in the year ending December 2020, 2,864 Foreign National Offenders were returned from the UK. Of these, around two-thirds (67%) were EU nationals (1,933) and around one-third (33%) were non-EU nationals (931).</p> <p>During 2020, 47 charter deportation flights left the UK to a range of destinations globally, that vast majority to European destinations. On these 47 flights, 883 people in total were returned. We work with an independent commercial broker to ensure we get best value for money. Subject to audit, we spent £8.6m on charter operations in 2020 but costs for individual flights will vary based on a number of different factors.</p> <p>Returns of people who have entered the U.K. through illegal routes are also often frustrated by last minute challenges submitted hours before a scheduled flight but are given full legal consideration, leading to removal being rescheduled. Some operations had to be curtailed or deferred, sometimes for COVID-19 reasons and sometimes where that return failed due to the last-minute barriers or claims. This is especially where we were returning those who had arrived via small boats to EU destinations. We are looking to address some of this through the New Plan for Immigration which aims to remove those with no right to be in the UK more easily.</p>

Principal Issues	Our Response
<p data-bbox="121 210 494 353"><b>Failure to deliver Emergency Services Mobile Communications Programme (ESMCP)</b></p> <p data-bbox="121 394 494 607">There is a risk that ESMCP will not be delivered within the agreed timescales set out in the Integrated Programme Plan.</p>	<p data-bbox="539 210 1437 353">The (ESMCP continues to make good progress in delivering an integrated voice and data platform for Emergency Services communications, based on 4G/LTE technologies and existing mobile phone networks.</p> <p data-bbox="539 371 1461 696">The Major Projects Review Group recommended partial funding of the programme in 2021-22 with the balance conditional on two aspects: a revised Full Business Case (FBC), which has been reissued and still demonstrates strong positive financial value from the savings that will result from Airwave shutdown, and an independent review to confirm the technical strategy, which concluded that our approach was in line with global directions and international standards. We anticipate FBC approval by mid-2021.</p> <p data-bbox="539 719 1469 931">There has been a strong focus on ensuring that the plans are realistic, and that all of the functions required to ensure safe operations are included. The updated plans indicate that mass transition to Emergency Services Network (ESN) will start in early 2024 and Airwave (the current network) shutdown around the end of 2026.</p> <p data-bbox="539 954 1461 1133">The programme has been focussed on improving collaboration with key user communities and strengthening its leadership team. A new Programme Director was appointed in August 2020 and a full time dedicated Senior Responsible Owner (SRO) in March 2021.</p>

Principal Issues	Our Response
<p><b>Grenfell Inquiry</b></p> <p>The report of the first phase of the Grenfell Tower Inquiry focussed on the night of the fire itself. We have been working to deliver the recommendations for Government (principally through the Fire Safety Bill) as well as working with fire service leaders in London and nationally to ensure the scale of the challenge is gripped and communities are kept safe.</p>	<p>The Fire Safety Act has completed its passage through Parliament. We are proposing a range of measures to further strengthen the Fire Safety Order (FSO) and respond to a number of the recommendations from the Grenfell Inquiry’s phase one report through both primary legislation via the forthcoming Building Safety Bill and secondary legislation under Article 24 of the FSO.</p> <p>We have also maintained assurance and oversight of the fire sector to both support it and ensure that improvements are made. This includes commissioning Her Majesty’s Inspectorate of Constabulary and Fire &amp; Rescue Services (HMICFRS) to conduct an inspection on London Fire Brigade’s (LFB) delivery against the Grenfell Tower Inquiry (GTI) recommendations and working with the National Fire Chiefs Council (NFCC) to ensure continued improvement in the sector (e.g. production of fire standards). We have recently established a governance framework to manage delivery via a quarterly Ministerial chaired GTI Board. This board allows us to work with partners to such as NFCC and the LFB to focus on providing assurance and to hold the government and sector accountable for progress against delivering the recommendations. We have recently published a GTI recommendations tracker which documents delivery against recommendations which we will continue to review and update.</p>
<p><b>Windrush Compensation Scheme</b></p> <p>The Windrush Compensation Scheme was launched in April 2019 and is designed to compensate members of the Windrush generation and their families for the losses and impacts they have suffered as a result of being unable to demonstrate their lawful immigration status.</p>	<p>The Windrush Lessons Learned Review, published in March 2020, highlighted serious and significant lessons for the Home Office to learn in relation to the way the Department operates. In July 2020, the Home Secretary accepted the 30 recommendations of the Review, and in September 2020 published the Comprehensive Improvement Plan setting out the work underway across the Home Office to implement those recommendations. This includes a programme of cultural transformation towards a more open and compassionate department. The Windrush Compensation Scheme is an important part of righting the wrongs of Windrush and remains a priority for the Department.</p> <p>In December 2020 the Home Secretary made changes to the Scheme so individuals receive significantly more money, more quickly. The amount paid to claimants has increased substantially and as of the end of March we had paid out over £14m, an increase of just under £8m in one month over the compensation paid in February 2021.</p>

Principal Issues	Our Response
<p><b>Devolution</b></p> <p>A failure to effectively engage with devolved bodies leaves gaps in our policies and operations, including those to protect citizens across the UK, and manage the specific challenges in Northern Ireland following the UK's exit from the EU.</p>	<p>We have a UK-wide devolution team, with members based in Cardiff, Belfast, London and Glasgow.</p> <p>The devolution team is being strengthened, and we are improving coordination of engagement with the Devolved Administrations (DAs) and other devolved bodies.</p> <p>The Home Office is setting up an inter-ministerial group with the DAs to meet on a regular and formal basis and discuss matters of shared interest.</p> <p>A programme of work is in place to raise awareness of devolution and Union matters across the Department, including training courses, learning materials and virtual interactive events in Scotland, Wales and NI.</p> <p>We are actively managing the Home Office's Welsh Language Scheme.</p>

## Personal Data Related Incidents

<b>Table 1: SUMMARY OF OTHER PERSONAL DATA INCIDENTS FORMALLY REPORTED TO THE INFORMATION COMMISSIONER'S OFFICE IN 2020-21</b>			
The Department notified the Information Commissioner's Office of 12 incidents during the 2020-21 reporting period.			
<b>Category</b>	<b>Nature of Incident</b>	<b>2020-21 Total</b>	<b>2019-20 Total</b>
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises	0	1
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured government premises	2	10
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0	0
IV	Unauthorised disclosure	7	11
V	Other	3	3

Processes and procedures used to identify, manage and resolve personal data breaches align with the General Data Protection Regulations. These processes and procedures ensure that the definition of a personal data breach used by the Department is aligned with regulatory guidance and provide a robust and consistent approach to the centralised reporting of such breaches is adopted; and consequently, that the Department's approach is compliant with the legislation.

<b>Table 2: SUMMARY OF OTHER PERSONAL DATA INCIDENTS RECORDED IN 2020-21</b>			
Incidents reported to Home Office Security and deemed by the data controller not to fall within the criteria for report to the Information Commissioner's Office but recorded centrally within the Department are set out in the table below.			
<b>Category</b>	<b>Nature of Incident</b>	<b>2020-21 total</b>	<b>2019-20 total</b>
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises.	1085	946
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured government premises	1150	2404
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	157	0
IV	Unauthorised disclosure	2229	728
V	Other	351	126

Changes in incident volumes over the last 12 months, particularly categories II and IV (above) are in part attributable to refinements in the way that the Home Office records and assesses data

incidents. This process is ongoing and seeks to ensure that data incidents are categorised against their root cause, resulting this year in an increase in incidents recorded against category IV (unauthorised disclosures) and a respective drop in those recorded in category II (above).

Every data incident reported within the business undergoes analysis, followed by a decision around the need for further action.

Note: For the purpose of reporting, 'Home Office' includes all directorates within the Department and excludes Non-Departmental Public Bodies and other Arm's Lengths Bodies.

## Data Losses/Information Assurance

Governance and structures involving Information Assurance and managing information risk have been reinforced within the Home Office during 2020-21 with the inception of the Data Protection Board.

Management of Data Incidents has been reviewed in line with the EU General Data Protection Regulation (GDPR), UK GDPR (as of 01 Jan 2021) and Data Protection Act 2018 that came into force in May 2018, to ensure that processes and policies are compliant with the requirements set by the legislation. Information Assurance continues to be an integral part of the Home Office Assurance Framework with all Directors responsible for confirming assurance in their relevant business areas.

The rising trend in the volume of reported data incidents is aligned with the continued efforts in raising awareness and improving vigilance across all business areas. This continues to have the most obvious effect in Her Majesty's Passport Office (HMPO) and United Kingdom Visas and Immigration (UKVI) where higher volumes of postal/outbound transactions increase the risk of data/post misdirection relative to work throughput. This has been an area of constant focus and will continue to be so during the following reporting year.

It is anticipated that overall data incident volumes will continue to increase before reaching a relative plateau as awareness continues to rise across the Department. There are external factors which will affect the progression of this work and the volumes of data incidents, for example adjusted working patterns on a Department-wide scale due to COVID-19 have and continue to have a significant impact.

Business areas reporting the loss, theft or inappropriate disclosure of Home Office information are supported by Home Office Security and the Office of the Data Protection Officer. This includes:

- establishing the circumstances of an incident;
- advising on any necessary immediate actions;
- assisting with any assessments to identify risk to both the Department and affected individuals, and;
- the management of any risks identified.

The Office of the Data Protection Officer works with business areas on lessons learned, in relation to personal data incidents, in order to both mitigate the risks posed by the incident and reduce the likelihood of re-occurrence.

## Complaints to the Parliamentary Ombudsman

The Parliamentary and Health Service Ombudsman received a total of 738 complaints against the Home Office during 2019-20. This report was published in December 2020 and is the period for which the most recently published [Complaints about UK government departments and other public organisations 2019-20](#) is available.

Organisation	Enquiries received	Complaints assessed	Complaints resolved through intervention	Complaints accepted for investigation	Investigations fully upheld	Investigations partly upheld	Investigations not upheld	Investigations resolved without a finding*	Investigations discontinued	Uphold rate (upheld or partly upheld)
<b>Home Office - Total</b>	<b>738</b>	<b>201</b>	<b>11</b>	<b>25</b>	<b>3</b>	<b>10</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>72%</b>
Border Agency	10	2	0	0	0	0	0	0	0	0%
Border Force	65	17	0	1	0	1	0	0	0	100%
General Register Office	1	0	0	0	0	0	0	0	0	0%
Greater Manchester Police	1	0	0	0	0	0	0	0	0	0%
HM Passport Office	47	12	0	0	0	1	0	0	0	100%
Home Office	176	16	1	3	1	0	0	0	0	100%
Metropolitan Police Service	3	0	0	0	0	0	0	0	0	0%
Northumbria Police	2	0	0	0	0	0	0	0	0	0%
Office of the Immigration Services Commissioner	2	0	0	0	0	0	0	0	0	0%
Police	12	0	0	0	0	0	0	0	0	0%
Security Industry Authority	10	4	0	0	0	0	0	0	0	0%
The Disclosure and Barring Service	15	1	0	0	0	0	0	0	0	0%
UK Immigration Enforcement	2	1	0	0	0	0	0	0	0	0%
UK Visas and Immigration	392	148	10	21	2	8	1	1	3	67%

The Home Office is committed to providing a high-quality service to both internal and external customers. The Home Office is committed to take any complaints made seriously. Every complaint is investigated thoroughly by a specially trained officer at the appropriate level of authority.

The Home Office deals with two types of complaints, formal and operational:

- formal complaints are those made by outside organisations about the behaviour of members of staff; and
- operational complaints refer to the way in which a person's case is dealt with.

The Department believes that complaints are an opportunity to improve its services and looks upon complaints as opportunities for us:

- to learn about the quality of the service we give, and at times to improve it;
- to improve our service, rather than just fixing a specific problem for an individual; and
- to take responsibility for complaints on our subject area. We 'own' the complaint on behalf of the organisation; the complainant 'owns' the original issue.

The Home Office has published its complaint handling procedure, so the public can understand the process. Home Office staff are requested to familiarise themselves with it before handling a complaint in the interests of consistency.

For more information on the Ombudsman complaints process, classification of complaints and where to find recent reports and consultations refer to: <http://www.ombudsman.org.uk/home>

## Performance in responding to correspondence from the Public

In 2020-21, Home Office headquarters received 4,638 letters and emails from the public which required our response. We replied to 74% of this correspondence within the target of 20 working days.

This year's performance was impacted by COVID-19 and the necessity to work remotely for a significant part of the year. This meant there were some delays in opening post that arrived in hard copy. Also, the amount of correspondence from Members of Parliament rose very significantly (by almost 40%) and resources needed to be redeployed to focus on that workstream as a priority.

## Machinery of Government Changes

There have been no such changes in 2020-21

## External Auditor

These financial statements have been prepared in accordance with the Government Resources and Accounts Act 2000 and are subject to audit by the Comptroller and Auditor General.

The total notional National Audit Office (NAO) audit fee for the core Department and its agencies was £530,000 (2019-20, £493,000). The audit fee for the Department's non-departmental public bodies was not notional and totalled £317,000 (2019-20, £315,000). No remuneration was paid to the NAO during 2020-21 for non-audit work (2019-20, £nil).

From 1st May 2018, the Home Office acquired office space in the NAO building at 157-197 Buckingham Palace Road under the terms of a lease for which a commercial payment is being made. The cost is £206,000 per annum for rents, adjusting for the rent-free period over the period of the lease, as well as annual costs of £54,000 service charge and £11,250 for hire of furniture.

## Political and Charitable Donations

The Home Office has not made any political or charitable donations during 2020-21.

## Financial governance, management, and controls

### *Financial governance*

The Department's business planning process allocates the budget voted by Parliament to all parts of the organisation. The Finance Directorate monitors budget changes to ensure they have been implemented in accordance with decisions made by Ministers and the Board and reviews the actual and forecast outturns each month to check that expenditure is managed in line with approved budgets. This monitoring is designed to ensure that the Department does not breach any of the Parliamentary control totals (resource DEL, capital DEL, resource AME, capital AME, cash and administration), whilst also providing advice on options to ensure best use of available resources.

### *Ministerial Direction*

No Ministerial Directions were sought during 2020-21.

## Financial and corporate planning

This year's Business Planning process confirmed budgets for 2020-21, aimed at aligning both people and financial resources to the Department's objectives and Ministers' priorities. Forecasts were made for each system to enable prioritisation decisions to be taken against a backdrop of increased capital investment and tighter resource budgets. The budget allocation for 2020-21 was then recommended for approval by Ministers at the Department's Executive Committee on 18<sup>th</sup> February 2020. Home Secretary approval was received on 4<sup>th</sup> March 2020.

## Fraud, Bribery and Whistleblowing

### *Whistleblowing*

The Home Office 'Whistleblowing and Raising a Concern' policy aligns with the principles of the model policy recommended by Cabinet Office.

The Home Office policy allows staff to raise legitimate issues of public interest via their manager, a confidential central reporting hotline and email address and through a network of Nominated Officers embedded within Director General commands. This is complimented by a Board-level Senior Responsible Officer.

The Home Office Professional Standards Unit provides an independent team of investigators, separate from business areas, to investigate thoroughly concerns that are raised. Their role is also to consider and, where deemed necessary, recommend improvements in Departmental procedures and new safeguards and monitor that any such agreed improvements are implemented.

### *Fraud and Bribery*

The Home Office assesses its anti-fraud performance against the Cabinet Office Counter-Fraud Functional Standard, measuring its performance against the metrics set-out in the Standard, monitoring its counter fraud effectiveness through the reporting of Fraud and Error losses to the Cabinet Office.

The Home Office champions counter fraud at Board level; this includes insider threat and fraud across the Border, Immigration and Citizenship system. The Director General for Capabilities and Resources leads on countering financial, commercial and insider fraud across the Home Office.

The Home Office counter fraud strategy, policy and response plan focuses on mitigating against the threat of fraud and linked offences. The wider counter fraud strategy is delivered through a range of strategies and guidance which cover discrete areas of work – e.g. commercial activity or frontline delivery – these are governed, for example, by the direction of Ministers, control strategies and operating mandates.

Fraud risk is covered in the Home Office risk assessment process. In addition, the Home Office has an Insider Threat Assessment and each directorate has its own business level integrity initiatives and action plans. Regarding countering fraud at a local, national and global level, key actions are included in a wide range of corporate and business level business plans and in operational control strategies.

## Assurance

The Department relies on assurance from multiple sources, consistent with good practice. Assurance activity is structured around three lines of defence, ranging from front line operational assurance (first line of defence) to independent assurance such as Internal Audit (third line of defence):

- Front-line and business operational areas: The Department has established assurance arrangements over how well objectives are being met and risks managed. These include monthly management reporting, risk registers, reports on the routine system controls, the Director assurance returns and other management information;
- Management oversight and expert review: separate from the work of those responsible for delivery, this includes assurance reviews undertaken by departmental second line assurance functions, investment approval work undertaken by the Department's Finance and Investment Committee, analytical assurance, as well as work undertaken by other enablers functions (e.g. Human Resources) and the departmental security teams;
- Independent and objective assurance: this includes the work of the Government Internal Audit Agency (GIAA), Independent Chief Inspector of Borders and Immigration, other external auditors, independent specialists; and
- External reviews: this covers external and independent assurance commissioned by bodies outside the organisation. These include reviews by the National Audit Office and parliamentary select committees. These reviews are usually conducted after a project or event and are a particularly valuable source of learning for the organisation.

The Assurance and Governance Unit (AGU) oversees assurance and risk across the Department. AGU continues to embed the simplified management assurance framework, which is carried out annually. The framework clarifies and structures the Department's approach to management assurance. It sets out the common principles and standard assurance activities that the Department expects to be in place, and how these should be assessed and reported. Assurance reporting is completed at Director level with the aim of embedding good assurance practice at all levels of the department, and to facilitate organisational learning. Subject experts

provide enhanced moderation and challenge to director returns. We continue to work closely with subject experts and the Government Internal Audit Agency (GIAA) to complete audits of the Director returns.

The AGU has rolled out a programme to build assurance and risk capability across the Department, working with the Chartered Institute of Internal Auditors (CIIA) to build a bespoke accredited assurance course with a focus on the first and second lines of defence.

The AGU also seeks to improve risk management by supporting a programme of mapping assurance coverage of the Department's strategic risks. This provides the AGU and Directors with oversight of assurance activities, the management of risks, and the identification of gaps in assurance. The AGU reports regularly to ARAC on the results of our mapping exercises.

The AGU has also been involved in supporting and facilitating second and third line assurance activity on programmes within the Department.

### ***Executive Assurance***

The Permanent Secretary is satisfied that Directors General have effective control over governance, risk, internal control and assurance processes within their areas of operations. A number of challenges have been identified which are being managed. These include:

- Implementation of lessons learned from the Windrush review.
- Emergency Services Mobile Communications Programme.
- Data breaches.

External scrutiny by the Independent Chief Inspector of Borders and Immigration (ICIBI) plays an important role in holding the Department to account on the efficiency and effectiveness of its border, immigration and customs functions. The Windrush Lessons Learned Review published in March 2020 recommended a review of the ICIBI's role and remit which the Department has committed to implementing.

13 ICIBI inspection reports were published between April 2020 and March 2021, making 57 new recommendations for improvements, of which the Department accepted 53 (61% partially and 32% fully) and did not accept four (7%). There are seven ongoing inspections to be concluded by the ICIBI. David Bolt's appointment as the Independent Chief Inspector of Borders and Immigration ended in March 2021. He is succeeded by David Neal, who started in post on 22 March 2021, following his appointment by the Home Secretary.

### ***Analytical Assurance***

The Home Office has a process for ensuring that all business-critical models are subject to proportionate quality assurance, and that risks and limitations are communicated and acknowledged by the users of the modelled outputs.

The Department's register of business-critical models is updated annually, including all analytical models where the financial risks are in excess of £25 million, where errors could result in substantial reputational damage, or where the model is a major part of delivering the Department's capabilities.

Business critical models must have a Senior Responsible Owner (SRO) who commissions the model and uses the outputs, a Model Responsible Owner (MRO) in charge of delivering the analysis, and an Analytical Quality Assurance (AQA) Reviewer who gives their opinion on the level of AQA and the robustness of the model during a formal sign off process. The MRO and SRO must then acknowledge that they have understood these risks, limitations and uncertainties.

The process is overseen by the AQA Model Board, which meets quarterly and consists of senior civil servants from all areas of the Department. The Board has an independent chair, Professor Mike Pidd, an academic expert in operational research at Lancaster University, who is also a member of the Home Office Science Advisory Council. The Board reports to the Performance and Risk Committee and to the Executive Committee (ExCo).

A full-time Head of Analytical Quality Assurance supports the Board, as well as running a programme of work to deliver training, guidance, and advice to analysts on quality assurance.

An iterative process is in place to regularly review and update the models classed as business-critical. All existing business-critical models have now been reviewed by the Board, with new models developed scheduled for review once complete. Whilst a robust mechanism is in place, the AQA process is being reviewed to strengthen accountability and improve timeliness and robustness of the review process.

### **Project Assurance**

The Portfolio and Project Delivery Directorate (PPD) is responsible for leading, managing and co-ordinating assurance across the Home Office change portfolio with the Infrastructure and Projects Authority (IPA) providing the assurance of those projects which also form part of the Government Major Projects Portfolio (GMPP).

Home Office programmes and projects are delivered in accordance with the Home Office Project Delivery Framework which is compliant with the Government Functional Standard GovS 002: Project Delivery owned by the IPA. Each project is required to have an integrated assurance and approval plan. These plans help to ensure that individual projects are subject to an appropriate approval and assurance regime and that assurance interventions align with approval points.

Over 2020-21, the IPA and PPD between them carried out 71 assurance reviews on Home Office projects. PPD collates, tracks and analyses the recommendations arising from these interventions both to ensure that they are addressed and to help identify recurring topics for the Project Delivery Community Learning Events that PPD runs and for future Government Internal Audit Agency (GIAA) thematic reviews. PPD also provides advice to projects through its Portfolio Business Partner Team, including on the action needed to address recommendations arising from assurance and audit reviews.

Home Office projects which form part of the Home Office Change Portfolio report monthly to PPD who provide monthly and quarterly reports on portfolio delivery to the Home Office Portfolio Delivery Board and Executive Committee. Additionally, a subset of these projects is classified as GMPP and report quarterly to the IPA. The IPA will publish data on these programmes as part of the IPA Annual Report in summer 2021, this publication will include 2020-21 quarter four GMPP project data, including the IPA delivery confidence rating for each of its GMPP projects.

### ***Better Regulation***

The Home Office is fully committed to ensuring the proper balance between its responsibility to protect the public and its firm commitment to support the wider government principles of better regulation. It does this through the careful examination of policy initiatives to ensure that regulations on business and civil society are both proportionate; and are introduced only where there is a clear case for doing so.

The Home Office has continued to promote effective policy making through robust assessment of evidence and proportionate, detailed and thorough impact assessments.

### ***Localism***

A large proportion of Home Office funding is directed through grants to local delivery organisations. Assurance is gained regarding probity and regularity in the use of public funds through validation of grant payments. Evidence is collated throughout the financial year to provide assurance to the Accounting Officer by the grant holding unit. The financial policy on grants ensures that legislation is in place and is supported by evidence to justify the grant funding from each grant holding unit.

We encourage value for money in the local use of grants by ensuring that the grant funding links to the delivery of Home Office aims and objectives, with the use of appropriate legislation. Each request must demonstrate value for money, including evidence on how value for money will be achieved and measured. All Grants are implemented, validated and monitored in accordance with Government Functional Standard for General Grants Guidance and Grants payments are made in accordance with the Home Office regularity and propriety policy as well as HM Treasury guidance in 'Managing Public Money'.

Grant funding allocated to Police and Crime Commissioners (PCCs) contributes to the delivery of the Home Office Vision Statement and aligns with the Government's priorities, as outlined in the Home Office Business Plan. PCCs are accountable for the grant funding, which should be directed towards enhancing their policing and crime prevention capabilities and operational policing activities to comply with the Police Act 1996.

PCCs are subject to external audit and auditors are required to express an opinion on the arrangements made by each PCC to secure economy, efficiency and effectiveness in its use of the grant funding. Through the checks on arrangements to secure efficiency, it provides some assurance on value for money.

### ***Independent assurance***

The Department is subject to independent oversight in several areas and implements many of the recommendations made. This oversight includes:

- National Audit Office reports (including Value for Money) and the audit report for the Annual Report and Accounts.
- Independent Chief Inspector of Borders.
- HM Chief Inspector of Prisons publications and (annual) report.
- Feedback from the Major Projects Review Group.

- Government Internal Audit Agency.

### *Summary of GIAA Opinion*

Each year, the Group Chief Internal Auditor for the Department is required to express an opinion to the Accounting Officer on the adequacy of the Department's governance, risk management and control arrangements. The opinion for 2020-21 is that there is limited assurance on the arrangements currently in place, and two areas for improvement have been identified:

- There is the notable need for enhanced controls at both a portfolio and programme level, including around benefits realisation management, capacity and capability, as well as ongoing willingness to make prioritisation decisions at a portfolio level.
- Secondly, over the last year a better understanding of the Home Office's strategic Digital Data and Technology-related risks has been developed and this has facilitated improved decision-making. There is more to do to ensure that all areas of the organisation are aligned, and that longer-term planning is being performed with a 'One Home Office' view.

Notwithstanding these matters, there have been positive areas regarding governance, risk management and control, and two particular examples of good practice were highlighted:

**Step-up/Step-down planning:** In response to uncertainties and potentially rapidly changing circumstances posed by the COVID-19 pandemic and other threats including European Union transition, prioritisation routes, known as Step-up Step-Down (SUSD) plans, were developed to facilitate an immediate response as required. The SUSD plans identified critical services within each of the commands, and the levers for activating them to ensure that staff and other resources were deployed effectively.

**Performance Reporting:** A step-up in the quality of dialogue at the Performance and Risk Committee, where cross-departmental risks are starting to be identified and explored, as well as in the ongoing improvements being made to the department's wider performance reporting approach and the planned new performance reporting framework.

Home Office's recently launched Transformation Programme provides an ideal platform to embed new ways of working as structures, roles and responsibilities and processes are reviewed, alongside cultural change. There is evidence of a strong appetite for improvement from the Home Office's Executive Committee.

### *Year-end governance assurance process*

As the Principal Accounting Officer, I am responsible for ensuring there is an effective process in place for monitoring and reporting governance issues during the year. I am supported by Directors General and Directors who have delegated financial and risk management authority appropriate to their responsibilities.

To prepare the Department's Governance Statement I am provided with feedback and assurance from across the Department.

This includes:

- Completion of the annual Director Simplified Management Assurance Framework to summarise the objectives, controls and risks within each Director's operations and provide an assessment of the level of assurance within business processes; and
- Content of Agency and ALB Governance Statements to ensure consistency and completeness of this statement.

## Conclusion and compliance with Code of Good Practice

Government policy on departmental governance is outlined in Corporate Governance in Central Departments: Code of Good Practice. This Code operates on a 'comply or explain' basis, whereby departments are asked to disclose any element of the Code with which they are not fully compliant, explaining their rationale and any alternative measures which have been put in place to meet the objectives of the Code. The Home Office meets the provisions outlined in the Code through the operation of its Departmental Board and sub-committees.

The Departmental Board has oversight of delivery of the Department's priorities. Through its operation, it sets the Department's risk appetite and ensures appropriate controls are in place to manage risk; has oversight of the performance of the Department's sponsored bodies; reviews financial management; and ensures the Department has the capacity to deliver against current and future needs.

**Matthew Rycroft CBE**

**Accounting Officer**

25 June 2021

## Annex to Governance Statement

### Board and Committee attendance during 2020–21

Name of Board member	Departmental Board	Executive Committee	Audit and Risk Assurance Committee
<b>Ministers</b>			
<b>Rt Hon Priti Patel MP</b> Secretary of State for the Home Department	5/5	n/a	n/a
<b>Baroness Williams of Trafford</b> Lords Minister	5/5	n/a	n/a
<b>Rt Hon James Brokenshire</b> Minister of State (Minister for Security)	4/5	n/a	n/a
<b>Kit Malthouse MP</b> Minster of State (Minster of State for Crime and Policing)	5/5	n/a	n/a
<b>Victoria Atkins MP</b> Parliamentary Under Secretary of State (Minister for Safeguarding)	5/5	n/a	n/a
<b>Kevin Foster MP</b> Parliamentary Under Secretary of State (Minister for Future Borders and Immigration)	4/5	n/a	n/a
<b>Chris Philp MP</b> Parliamentary Under Secretary of State (Minister for Immigration Compliance and the Courts)	4/5	n/a	n/a
<b>Lord Stephen Greenhalgh</b> Minister of State	4/5	n/a	n/a
<b>Executive Directors</b>			
<b>Matthew Rycroft</b> Permanent Secretary	5/5	27/28	n/a
<b>Charu Gorasia</b>	5/5	23/28	n/a

Director General, Capabilities and Resources			
<b>Emma Haddad</b> Director General, Asylum and Protection From 01/02/2021	n/a	3/3	n/a
<b>Patricia Hayes</b> Director General, Crime Policing & Fire Group	n/a	26/28	n/a
<b>Tyson Hepple</b> Director General, Immigration Enforcement	n/a	24/28	n/a
<b>Tom Hurd</b> Director General, Office of Security and Counter-Terrorism	n/a	16/24	n/a
<b>Paul Lincoln</b> Director General, Border Force	n/a	20/28	n/a
<b>Jennifer Rubin</b> Director General STARS & Chief Scientific Advisor From 04/01/2021	1/1	6/6	n/a
<b>Abi Tierney</b> Director General, Customer Service	n/a	26/28	n/a
<b>Glyn Williams</b> Director General, BICS Policy and International	n/a	24/28	n/a
<b>Alex Hurst/Joanna West</b> <b>(Jointly covering DG role)</b> Interim Director General, Serious and Organised Crime From 30/11/2020	n/a	8/8	n/a
<b>Jennifer Morrish / Diane Wills</b> <b>(Jointly covering DG role)</b> Interim Director General, Legal	n/a	10/10	n/a

From 09/11/2020			
<b>Simon Baugh</b> Director, Communications	n/a	25/28	n/a
<b>Jill Hatcher</b> Chief People Officer	n/a	27/28	n/a
<b>Former Executive Directors</b>			
<b>John Aston</b> Director General STARS & Chief Scientific Advisor Until 18/12/2020	5/5	20/22	n/a
<b>Joanna Davinson</b> Chief Digital, Data and Technology Officer Until 01/02/2021	n/a	22/25	n/a
<b>Shona Dunn</b> Second Permanent Secretary Until 09/11/2020	$\frac{3}{4}$	16/18	n/a
<b>Peter Fish</b> Director General, Legal Until 09/11/2020	n/a	14/18	n/a
<b>Julia Kinniburgh</b> Director General, Serious & Organised Crime Until 30/11/2020	n/a	17/20	n/a
<b>Mark Thompson</b> Interim Second Permanent Secretary Until 30/04/2020	n/a	3/3	n/a
<b>Non-Executive Directors</b>			
<b>Sue Langley</b> Lead Non-Executive Director	5/5	n/a	n/a
<b>James Cooper</b>	4/5	n/a	3/3
<b>Michael Fuller QPM</b>	4/4	n/a	2/3
<b>Jan Gower</b>	3/3	n/a	n/a
<b>Suzy Levy</b>	5/5	n/a	n/a
<b>John Paton</b>	4/4	n/a	n/a
<b>Tim Robinson CBE</b>	4/4	n/a	n/a
<b>Phil Swallow</b>	4/4	n/a	n/a

<b>Former Non-Executive Directors</b>			
<b>Mark Florman</b>	1/2	n/a	n/a
<b>John Studzinski CBE</b>	1/1	n/a	2/2
<b>Nicholas Shott</b>	1/1	n/a	2/2
<b>Independent Audit and Risk Assurance Committee Members</b>			
<b>John Aston</b>	n/a	n/a	1/1
<b>Richard Clarke</b>	n/a	n/a	1/1
<b>Sarah Pickup</b>	n/a	n/a	5/5
<b>Claire Cook</b>	n/a	n/a	5/5
<b>Terry Price</b>	n/a	n/a	5/5
<b>Former Independent ARAC Members</b>			
<b>Karina McTeague</b>	n/a	n/a	3/3

Not all members were invited to every meeting held.

Apologies had been received from all members who were unable to make any of the meetings to which they were invited.

Only Non-Executive Directors and Independents are members of the Audit & Risk Assurance Committee. Everyone else who attends does so when invited.

# Remuneration and Staff Report

## Diversity targets

Table 1 below sets out representation targets for the Department to achieve by 2025. These targets were derived in 2018 by setting them equal to either the UK economically active population or current Home Office representation, whichever was higher at the time.

**Table 1: Progress against Home Office workforce diversity targets<sup>71</sup>**

Characteristic	Grade	Target	2018	2020
<b>Black, Asian and minority ethnic</b>				
	All Staff	24%	24%	23%
	SCS	12%	6%	7%
<b>Disability</b>				
	All Staff	12%	9%	9%
	SCS	5%	3%	8%
<b>Woman</b>				
	All Staff	52%	52%	52%
	SCS	47%	39%	47%
<b>Lesbian, Gay and Bi*</b>				
	All Staff	6%	3%	4%
	SCS	6%	5%	5%

\* At the time of collecting this data, The Home Office's Adelphi system only recorded people as either "Heterosexual, Straight" or "LGB". The methodology for collecting data on sexual identity has been revised, see definitions for further detail.

## Women

The Department is committed to gender parity in the workplace. We are delivering on our commitment through prioritising action on attracting talent, achieving balanced representation and promoting a positive culture. We also continue to look to attract and retain a larger number of female Senior Civil Servants (SCS). Practises such as non-discriminatory job descriptions and anonymised recruitment help to reduce potential bias in the recruitment process.

<sup>71</sup> Taken from the [Home Office Gender Pay Gap \(GPG\) report](#) published in December 2020 (which is the latest available data and covers the period April 2019 to March 2020)

The Department is currently meeting its target for the proportion of women in the SCS and amongst All Staff, however the picture is inconsistent across grades and functions. Women are generally more represented at AA or AO, with 58.6% of staff across the Department. However, at grades EO (50.0%), HEO or SEO (50.6%), Grade 7 (48.4%) and Grade 6 (47.8%), representation is consistently under the 52% target.

Table 2 figures for March 2021 shows the number of senior managers and Directors broken down by male/female, against the population. In comparison to 2019-20; the number of female directors has increased by three, and male directors decreased by three. Female senior managers remain the same, with male senior managers increasing by 13. The total employee figure has increased by 2.5% (females by 1.6%, and males by 3.5%).

**Table 2: Number of male and female employees 31 March 2021<sup>1</sup>**

	Female	Male	Total at	Female representation by
			31 March 2021	%
Directors <sup>2</sup>	10	6	16	62.5%
Senior Managers <sup>3</sup>	125	152	277	45.1%
Employees	17,920	16,549	34,469	52.0%

**Table 3: Number of male and female employees 31 March 2020<sup>1</sup>**

	Female	Male	Total at	Female representation by
			31 March 2020	%
Directors <sup>2</sup>	7	9	16	43.8%
Senior Managers <sup>3</sup>	125	139	264	47.3%
Employees	17,637	15,991	33,628	52.4%

1. Based on headcount (not full-time equivalent). Includes permanent employees.
2. Members of the Executive Committee.
3. All managers at Senior Civil Service (SCS) level.

The [Home Office Gender Pay Gap \(GPG\) report](#) published in December 2020 (which is the latest available data and covers the period April 2019 to March 2020) showed an improving picture. The mean and median gender pay gaps continue on a downward trajectory, reducing to 8.2% (0.6% decrease from previous year) and 13.9% (0.7% decrease) respectively for 2019-20 (which covers the period April 2019 to March 2020). Reductions are primarily attributable to the shortening of the pay ranges by 2% last year, the targeting of the SCS pay award, and an increased representation of females at SCS.

The mean gender bonus pay gap reduced by 2.4% from 6.9% to 4.5%. However, the median gender bonus pay gap increased from 6.1% to 10%, due to a larger proportion of male employees receiving higher value bonus payments.

**Table 4: Home Office Hourly gender pay gap**

	Mean	Median
This year (2019-20)	8.2%	13.9%
Last year (2018-19)	8.8%	14.6%
2 years ago (2017-18)	9.6%	14.5%

## Disability

The Home Office is recognised as a Level 3 Disability Confident Employer where we promote positive visibility and encourage all staff and leaders to think disability inclusive in all aspects of the business to improve the working environment for disabled colleagues.

The Department has a target of 12% disability representation and currently 9% of staff report as disabled. Representation varies across grades; approximately 10% representation at AA/AO and 6% at grade 6. At SCS level 8% of staff reported as disabled, this exceeds the target of 5%.

In December 2020 we developed a robust Disability Action Plan, which seeks to increase disability representation and inclusion, by ensuring a level playing field in the way in which we recruit, retain and develop disabled colleagues. We ensure success of the plan through our Disability Champions Board.

## Workplace (Reasonable) adjustments (WRA)

We continue to support colleagues through workplace adjustments whilst working from home because of the COVID-19 pandemic.

This year, we will launch revised work placement adjustments guidance to make it easier for line managers to provide jobholders with the equipment and support needed to undertake their role. The guidance has been developed in partnership with the Business Disability Forum (BDF), the UK's national employers' network specifically focussed on disability, and stakeholders including Trade Unions, our disability network ABLE, line managers and jobholders. Workshops will be rolled out to familiarise line managers with the new guidance and support them to understand their role in WRAs.

## Race

Across the organisation Black, Asian and minority ethnic staff comprise a greater proportion of the workforce in the junior grades than in senior grades. At AA and AO, EO and HEO or SEO the rate is 24.8%, 23.8% and 24.1% respectively. In contrast senior grades' representation is 17.0% for Grade 7, 10.1% for Grade 6.

Black, Asian and minority ethnic SCS representation increased from 6% to 7% as per the most recently published data (1 April 2019 to 31 March 2020). There is under-representation of Black, Asian and minority ethnic leaders in the SCS. There is also under-representation of Black, Asian and minority ethnic staff in the pipeline to SCS too. In response to Recommendation 28 of the Windrush Lessons Learned Review (<https://www.gov.uk/government/publications/windrush-lessons-learned-review>), we committed to setting out comprehensive action and delivery plans to

address under-representation of Black, Asian and minority staff at senior levels and we have met our commitment to publish annual workforce diversity data which includes Black, Asian and minority staff representation levels (<https://www.gov.uk/government/statistics/home-office-workforce-diversity-statistics-2019-to-2020/home-office-workforce-diversity-statistics-2019-to-2020>).

In July 2020, we published an internal Race Action Plan and set up a dedicated delivery team in recognition of the focus we place on addressing inequalities for our Black, Asian and minority ethnic colleagues. Since March 2020, we have had a Race Delivery Board of senior level Race Champions to represent every Director General Group to lead local activity towards our goals. In March 2021, in response to Recommendation 27 of the Windrush Lessons Learned Report, we established a Strategic Race Board chaired by our Permanent Secretary, with membership including our staff race network and external experts.

To support Black, Asian and minority ethnic colleagues' development, break down barriers and increase exposure to opportunities we created a sponsorship scheme offered by members of the Executive Committee and People Committee. We are also piloting the introduction of diverse shortlists into our SCS recruitment.

## Sexual Orientation

Lesbian, Gay and Bi (LGB) representation appears to be greater at more senior grades, with 5.1% representation at SCS compared to 3.2% of AA/ AO staff. No grade or function achieved the target of 6% LGB representation. We have developed an LGBTI+ plan owned by the Department's LGBTI+ Champions Board. We continue to ensure areas of known strength (Employee Network, Allies and Role Models, Senior Leadership) remain strong. Recently, we celebrated LGBTI+ History month and Pride events around the country.

## Social Mobility

We have published the Department's first social mobility strategy setting out priorities around outreach, recruitment, retention and progression. We have also entered for the first time the Social Mobility Foundation top 75 employer index, placing at 54.

## Faith and Belief

The Faith and Belief Board meet quarterly to discuss the Faith and Belief priorities for the Department, promoting a culture to ensure those with faiths and none are able to bring their whole self to work. The board focuses on amplifying the dialogue on faith and belief, celebrating shared values and opportunities to work together whilst facilitating difficult conversations where needed.

## Staff Sickness

The rolling year average working days lost to sick absence for the Home Office as at 31 March 2021 is 5.49 days (7.55 days in 2019-20). This is a decrease of 2.06 rolling year average working days. This figure is per staff year for paid Civil Servants only, which is in line with cross-Government guidelines from Cabinet Office.

## Trade Union facility time data

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require certain public sector employers to publish information on facility time used by Trade Union representatives. The information below sets out the relevant Trade Union facility time data for the Home Office covering the period 1 April 2020 to 31 March 2021.

This table shows the total number of employees who were Trade Union representatives during the period.

Number of employees who were Trade Union representatives	Number of employees who were Trade Union representatives expressed as a Full Time Equivalent number
368	348

This table shows, of the employees who were Trade Union representatives employed during the period, the percentage of their working hours spent on facility time.

Percentage of time spent on facility time	Number of employees
0%	85
1-50%	283
51%-99%	0
100%	0

This table shows the percentage of the total pay bill spent on Trade Union facility time during the period.

Total cost of facility time	£844,010
Total pay bill	£1,625,665,001
Percentage of the total pay bill spent on facility time	0.05%

This data shows, as a percentage of total paid facility time hours, the number of hours spent by employees who were Trade Union representatives during the period, on paid trade union activities.

Time spent on paid TU activities as a percentage of total paid facility time hours	0
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## Distribution of Headcount of Senior Civil Service (SCS) salaries (actual) as at end of March 2021

Salary Bands	SCS within the range as at end of March 2021	Percentage
£70,000 - £75,000	18	6.25%
£75,000 - £80,000	62	21.53%
£80,000 - £85,000	58	20.14%
£85,000 - £90,000	29	10.07%
£90,000 - £95,000	27	9.38%
£95,000 - £100,000	22	7.64%
£100,000 - £105,000	12	4.17%
£105,000 - £110,000	10	3.47%
£110,000 - £115,000	8	2.78%
£115,000 - £120,000	8	2.78%
£120,000 - £125,000	7	2.43%
£125,000 - £135,000	7	2.43%
£135,000 - £140,000	7	2.43%
£140,000 - £150,000	7	2.43%
£150,000 - £155,000	1	0.35%
£155,000 - £160,000	1	0.35%
£160,000 - £165,000	3	1.04%
£185,000 - £190,000	1	0.35%
<b>Grand Total</b>	<b>288</b>	<b>100.00%</b>

This information has been extracted from Metis – the Home Office Human Resources record as at the end of March 2021.

Numbers are headcount of paid, Civil Servants at SCS grade.

Where individual £5k remuneration bands contain less than five individuals, some have been combined as per ONS statistical disclosure controls. However, those earning above £150k are subject to full disclosure.

Figures are for current paid civil servants only, in line with ONS guidelines on headcount reporting.

## Distribution of Headcount of Senior Civil Service (SCS) salaries (actual) as at end of March 2020

Salary Bands	SCS within the range as at end of March 2020	Percentage
£65,000 - £75,000	17	5.92%
£75,000 - £80,000	62	21.60%
£80,000 - £85,000	47	16.38%
£85,000 - £90,000	43	14.98%
£90,000 - £95,000	25	8.71%
£95,000 - £100,000	18	6.27%
£100,000 - £105,000	12	4.18%
£105,000 - £110,000	12	4.18%
£110,000 - £115,000	10	3.48%
£115,000 - £120,000	7	2.44%
£120,000 - £125,000	5	1.74%
£125,000 - £130,000	5	1.74%
£130,000 - £140,000	8	2.79%
£140,000 - £150,000	7	2.44%
£150,000 - £155,000	2	0.70%
£155,000 - £160,000	1	0.35%
£160,000 - £165,000	2	0.70%
£165,000 - £170,000	2	0.70%
£185,000 - £190,000	1	0.35%
£190,000 - £195,000	1	0.35%
<b>Grand Total</b>	<b>287<sup>(1)</sup></b>	<b>100.00%</b>

1. There are 5 SCS (Incoming Loans (OGD)) excluded from this list as their salaries are not held on the Home Office payroll system.

## Spend on consultancy services and temporary staff

The Home Office has a robust consultancy and contingent labour expenditure control process which has been the subject of continuing improvement and review to ensure it is fit for purpose. This process ensures that all requests to appoint or extend existing engagements for temporary labour and external consultancy services requires approval by the External Resources Governance (ERG) Board, made up of relevant Heads of Profession and chaired by the Chief Commercial Officer. This control covers the Home Office core and ALBs.

The Consultancy and Contingent Labour approvals process is owned and managed by the Chief Commercial Officer and was established in October 2010; requests for approvals are reviewed fortnightly. Consultancy requests over £20,000, if approved by the ERG Board, are submitted to the Director General, Capabilities & Resources who operates under delegation from the Home

Secretary for requirements up to the value of £200,000. Requests above this value also go to the Permanent Secretary for approval and then onwards to the Home Secretary and the relevant minister. All Consultancy requests over £10 million in value are also submitted to the Cabinet Office Spending Controls Team for additional scrutiny and approval.

Temporary Labour requirements are subject to review and scrutiny against business resource plans and Departmental engagement criteria based on Cabinet Office, Crown Commercial Service and HMRC guidance and good practice. Additional scrutiny requiring the personal approval of the Director General, Capabilities & Resources is also required for any engagements for SCS equivalent roles, durations likely to exceed two years and requirements attracting a charge rate of greater than £900 per day.

Full year spend in 2020-21 on Consultancy Services and Contingent Labour by the Home Office, including ALBs, was £110.5 million, a decrease of £12.1 million from 2019-20 spend. The spend on consultancy services of £32.4 million, was £1.3 million lower than in 2019-20. The spend on Contingent Labour/Agency costs of £78.1 million, was £10.8 million lower than in 2019-20.

The Home Office monitors Temporary Staff costs to ensure that the continuing expenditure represents the best value for money for the organisation. Of the £66.3 million spent on temporary staff in 2020-21, £35.8 million was for agency staff predominantly in UK Visas and Immigration, Her Majesty's Passport Office and Immigration Enforcement. This represents a decrease of £3.6 million in spend on this category of external resource compared to 2019-20. Agency staff have been retained primarily as a flexible resource to deal with backlogs in migrant casework, passport application/examination, and asylum applications.

The remainder of the Temporary Labour spend was associated with the engagement of specialist contractors and interim managers, primarily to assist the Home Office with our transformation plans and to deliver our Digital strategy.

<b>Consultancy Services</b>	<b>2020-21 total expenditure (£000)</b>	<b>2019-20 total expenditure (£000)</b>
Home Office Core Department	25,275	25,795
Disclosure and Barring Service	3,074	4,207
College of Policing	3,867	1,891
Security Industry Authority	107	1,375
Gangmasters and Labour Abuse Authority	79	386
<b>TOTAL</b>	<b>32,402</b>	<b>33,654</b>

<b>Contingent Labour/Agency Costs</b>	<b>2020-21 total expenditure (£000)</b>	<b>2019-20 total expenditure (£000)</b>
Home Office Core Department	66,341	79,145
Independent Office for Police Conduct	1,174	1,253
College of Policing	5,833	6,947
Disclosure and Barring Service	3,788	1,394
Security Industry Authority	963	143
Gangmasters and Labour Abuse Authority	-	2
Office of the Immigration Services Commissioner	-	14
<b>TOTAL</b>	<b>78,099</b>	<b>88,898</b>

<b>Total Consultancy Services and Contingent Labour/Agency Costs</b>	<b>2020-21 total expenditure (£000)</b>	<b>2019-20 total expenditure (£000)</b>
Home Office Core Department	91,616	104,940
Independent Office for Police Conduct	1,174	1,253
College of Policing	9,700	8,838
Disclosure and Barring Service	6,862	5,601
Security Industry Authority	1,070	1,518
Gangmasters and Labour Abuse Authority	79	388
Office of the Immigration Services Commissioner	-	14
<b>TOTAL</b>	<b>110,501</b>	<b>122,552</b>

## Off-payroll engagements

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, departments and their arm's length bodies must publish information on their high paid and/or senior off-payroll engagements.

The tables below provide the total number of off-payroll engagements, who are earning more than £245 per day plus new engagements during the year and a table showing those who were board members or senior officials during the year.

<b>Table 1: This table shows the number of off-payroll engagements as of 31 March 2021, for more than £245 per day and that last for longer than six months.</b>	<b>Main Department</b>	<b>Agencies</b>	<b>ALBs</b>
Number of existing engagements as of 31 March 2021	208	-	8
Of which:			
Number that have existed for less than one year at time of reporting	125	-	3
Number that have existed for between one and two years at time of reporting	50	-	5
Number that have existed for between two and three years at time of reporting	33	-	-
Number that have existed for between three and four years at time of reporting	-	-	-
Number that have existed for four or more years at time of reporting	-	-	-

All existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

<b>Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021, for more than £245 per day and that last for longer than six months.</b>	<b>Main Department</b>	<b>Agencies</b>	<b>ALBs</b>
Number of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021	141	-	7
Of which:			
Number of the above which were assessed as being within the scope of IR35	135	-	6
The number of these engagements which were assessed as being outside the scope of IR35	6	-	1
The number that were engaged directly (via PSC contracted to the department) and are on the departmental payroll	-	-	-
No. of engagements reassessed for consistency / assurance purposes during the year	141	-	7
The number that saw a change to IR35 status following a consistency review	90	-	1

<b>Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021</b>	<b>Main Department</b>	<b>Agencies</b>	<b>ALBs</b>
Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, during the financial year.	-	-	-
Number of individuals that have been deemed 'board members and/or, senior officials with significant financial responsibility', during the financial year. This figure should include both off-payroll and on-payroll engagements	14	-	6

### Civil Service People Survey

The annual Civil Service People Survey looks at civil servants' attitudes to and experience of working in government departments. The Home Office uses its annual staff survey results as an indicator of where to focus efforts in its People Plan.

The 2020 People Survey had a 60% response rate, this was the same response rate as the 2019 Survey. The departmental results show the staff engagement level has also stayed steady and the Employee Engagement Index – the key indicator of staff opinion – was 58% (2019 58%).

The rest of this report is audited information.

## Staff Costs

				2020-21	2019-20
	Permanently employed staff	Others	Ministers	Departmental group total	Departmental group total
	£000	£000	£000	£000	£000
Wages and salaries	1,302,069	116,892	293	1,419,254	1,367,113
Social security costs	134,880	-	33	134,913	124,840
Other pension costs	333,322	-	-	333,322	306,174
	<b>1,770,271</b>	<b>116,892</b>	<b>326</b>	<b>1,887,489</b>	<b>1,798,127</b>
Less recoveries in respect of outward secondments	(577)	-	-	(577)	(855)
<b>Total net costs</b>	<b>1,769,694</b>	<b>116,892</b>	<b>326</b>	<b>1,886,912</b>	<b>1,797,272</b>
<b>Of which:</b>					
Core department	1,624,712	99,369	326	1,724,407	1,646,547
Arm's length bodies	144,982	17,523	-	162,505	150,725
<b>Total net costs</b>	<b>1,769,694</b>	<b>116,892</b>	<b>326</b>	<b>1,886,912</b>	<b>1,797,272</b>

## Staff Costs by Business Segment

Business Segment	Permanently employed staff £000	Others £000	Ministers £000	2020-21	2019-20
				Departmental group total £000	Departmental group total £000
Crime, Policing and Fire Group	212,096	28,924	-	241,020	227,579
Office for Security and Counter Terrorism	57,935	2,621	-	60,556	52,216
Immigration Enforcement	223,251	3,546	-	226,797	231,738
UK Visas and Immigration	336,270	36,853	-	373,123	377,252
BICS PSG, Europe, International and ICI	53,693	3,900	-	57,593	41,507
Border Force	478,183	8,310	-	486,493	471,542
HM Passport Office	124,984	4,770	-	129,754	130,179
Enablers <sup>72</sup>	151,465	10,335	326	162,126	237,668
Serious and Organised Crime	35,204	1,621	-	36,825	27,591
Digital, Data and Technology	96,613	16,012	-	112,625	-
<b>Total staff costs</b>	<b>1,769,694</b>	<b>116,892</b>	<b>326</b>	<b>1,886,912</b>	<b>1,797,272</b>

## Defined Benefit Schemes

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multi-employer defined benefit schemes, but the Home Office is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (<http://www.civilservicepensionscheme.org.uk>).

For 2020-21, employers’ contributions of £304 million were payable to PCSPS and CSOPS (2019-20 £280 million) at one of four rates in the range 26.6% to 30.3% (2019-20 26.6 % to 30.3%) of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2020-21 to be paid when the member retires and not the benefits paid during this period to existing pensioners. 27 persons (23 in 2019-20) retired early on ill-health grounds.

<sup>72</sup> Digital, data and Technology was separated from Enablers for 2020-21 only, the comparative numbers are within Enablers for 2019-20

## Partnership and Stakeholder Schemes

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. For 2020-21, employers' contributions of £2.2 million were paid to an appointed stakeholder pension provider (2019-20 £2.0 million). Employer contributions are age related and ranged from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £136,500 (2019-20 £253,200), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at 31 March 2021 were £2.3 million (£2.2 million in 2019-20). Contributions prepaid at that date were £nil (£nil in 2019-20).

## By Analogy Pension Scheme

The Home Office also operates a 'Broadly by Analogy' (BBA) Pension Scheme. This scheme is analogous with the PCSPS. The BBA pensions are unfunded, with benefits being paid as they fall due. Liabilities for the scheme rest with the Home Office and provision for these liabilities is reflected in the statement of financial position.

The BBA Pension arrangement is operated under broadly the same rules as the PCSPS. Liabilities relating to payments made before normal retirement under the terms of the Civil Service Compensation Scheme are excluded. The pension arrangements are unfunded, with benefits being paid as they fall due and guaranteed by the employer. There is no fund and, therefore, no surplus or deficit.

The size of this scheme is small and there are only a few former members of the Police Complaints Authority within the Home Office who are provided pensions under this arrangement. The exact value of the scheme is therefore not disclosed here.

## Average number of persons employed

The average number of full-time equivalent persons employed during the year was as follows:

Business Segment				2020-21	2019-20
	Permanently employed staff	Others	Ministers	Departmental Group Total	Departmental Group Total
Crime, Policing and Fire Group	3,985	252	-	4,237	4,134
Office for Security and Counter Terrorism	926	49	-	975	882
Border Force	9,122	207	-	9,328	9,027
UK Visas and Immigration	8,777	1,172	-	9,950	10,254
Immigration Enforcement	4,758	97	-	4,855	4,975
BICS PSG, Europe, International and ICI	784	32	-	816	719
HM Passport Office	3,596	377	-	3,973	3,639
Enablers	2,391	127	6	2,524	3,911
Digital Data & Technology <sup>73</sup>	1,617	479	-	2,096	-
Serious and Organised Crime	558	17	-	575	442
<b>Total Staff</b>	<b>36,514</b>	<b>2,809</b>	<b>6</b>	<b>39,329</b>	<b>37,983</b>
<i>Of which:</i>					
Core Department	33,445	2,638	6	36,089	35,290
<b>Departmental Group</b>	<b>36,514</b>	<b>2,809</b>	<b>6</b>	<b>39,329</b>	<b>37,983</b>

<sup>73</sup> Digital, data and Technology was separated from Enablers for 2020-21 only, the comparative numbers are within Enablers for 2019-20

## Reporting of Civil Service and other compensation schemes – exit packages

Exit Package cost band	Core Department & Agencies				Departmental Group	
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
Less than £10,000	- (-)	3 (-)	3 (-)	1 (-)	3 (5)	4 (5)
£10,000 - £25,000	- (3)	1 (21)	1 (24)	- (6)	3 (23)	3 (29)
£25,000 - £50,000	- (-)	3 (38)	3 (38)	- (-)	7 (47)	7 (47)
£50,000 - £100,000	- (-)	4 (57)	4 (57)	3 (1)	5 (57)	8 (58)
£100,000 - £150,000	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Total number of exit packages by type</b>	<b>- (3)</b>	<b>11 (116)</b>	<b>11 (119)</b>	<b>4 (7)</b>	<b>18 (132)</b>	<b>22 (139)</b>
<b>Total Resource cost (£000)</b>	<b>- (48)</b>	<b>424 (5,636)</b>	<b>424 (5,684)</b>	<b>229 (170)</b>	<b>686 (6,005)</b>	<b>915 (6,175)</b>

Comparative figures for the prior year are shown in brackets.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972 and as amended by the Superannuation Act 2010. Exit costs are accounted for in full in the year of departure. Where the Department has agreed early exits, the additional costs are met by the Department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

## Departmental Remuneration Report

### Service Contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at [www.civilservicecommission.org.uk](http://www.civilservicecommission.org.uk).

### Remuneration Policy

The remuneration of senior civil servants is set by the Cabinet Office following independent advice from the Review Body on Senior Salaries.

In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate, and where relevant, promote suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment, retention and, where relevant, promotion of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's Departmental Expenditure Limits; and
- the Government's inflation target.

In making recommendations, the Review Body shall consider any factors that the Government and other witnesses may draw to its attention. In particular, it shall have regard to:

- differences in terms and conditions of employment between the public and private sector and between the remit groups, taking account of relative job security and the value of benefits in kind;
- changes in national pay systems, including flexibility and the reward of success; and job weight in differentiating the remuneration for particular posts; and
- the relevant legal obligations, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability.

The Review Body may make other recommendations as it sees fit:

- to ensure that, as appropriate, the remuneration of the remit groups relates coherently to that of their subordinates, encourages efficiency and effectiveness; and takes account of the different management and organisational structures that may be in place from time to time;
- to relate reward to performance where appropriate;
- to maintain the confidence of those covered by the Review Body's remit that its recommendations have been properly and fairly determined; and
- to ensure that the remuneration of those covered by the remit is consistent with the Government's equal opportunities policy.

The Review Body will take account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at [www.gov.uk/government/organisations/review-body-on-senior-salaries](http://www.gov.uk/government/organisations/review-body-on-senior-salaries).

### **Ministers**

The Ministers responsible for the Department during 2020-21 are reported on page 56.

**Membership of the Home Office Departmental Board**

The membership of the Departmental Board during 2020-21 can be found in the annex to the Governance Statement on pages 89 to 92.

**Executive Committee**

The membership of the Executive Committee during 2020-21 is found in the annex to the Governance Statement on pages 89 to 92.

**Non-executive directors**

The information details relating to the non-executive directors is reported on page 60 to 61.

**Remuneration Committees**

The Home Office Remuneration Committee work to Cabinet Office guidelines to determine the amount of non-consolidated performance-related pay for Senior Civil Servants (SCS) within the Home Office. To assess the 2019-20 performance year the committees comprised:

Pay Band 3 Senior Pay and Performance Committee
The Perm Sec, 2nd Perm Sec, Non-Executive Director and Chief People Officer
Pay Band 2 Senior Pay and Performance Committee
The Perm Sec, 2nd Perm Sec, Chief People Officer, Chief Digital, Data and Technology Officer & all the Department’s Director Generals
Pay Band 1 Senior Pay and Performance Committee
The Perm Sec, 2nd Perm Sec, Chief People Officer, Chief Digital, Data and Technology Officer & all the Department’s Director Generals

The assessment and review of performance for senior civil servants is based on performance, job weight and challenge of the role. Individuals were ranked in one of three performance groups:

Group 1 – top

Group 2 – achieving

Group 3 – low

For the 2019-20 performance year, only Group 1 was eligible for a non-consolidated performance payment. Staff in all three groups were eligible for a pay award.

Arrangements for senior civil service pay and reward are determined centrally by the Cabinet Office following government’s response to the recommendations from the independent Senior Salaries Review Body (SSRB).

For the 2020-21 SCS pay award, Cabinet Office guidelines allowed for uplifts to new SCS1 and SCS2 minimums, consolidated pay increases limited to an average 1% award, and a further consolidated 1% to address pay progression and anomalies. Together these made an overall increase of 2% of SCS pay bill. In addition, up to 3.3% of the SCS pay bill could be used for non-consolidated performance payments.

The Home Office non-consolidated pot stands at 2.88% having previously converted 0.5% to fund targeting of top performers lower in the pay ranges.

The Home Office awarded staff in Groups 1, 2 and 3 base pay award increases of between 0% and 9% based on a combination of minimum uplift, individual performance award and anomalies payments. The average SCS base pay increase was 2.35%. 2.04% of the SCS pay bill was paid in non-consolidated performance payments to staff in Group 1; this equates to £530,000.

The 2020-21 pay award and bonus payments for the 2019-20 performance year were paid in November 2020. The bonuses were set at £13,000 (Pay Band 3); £9,500 (Pay Band 2) and £7,000 (Pay Band 1).

The assessment and review of performance for the 2020-21 performance year will be undertaken shortly.

## Remuneration and pension entitlements

The following sections provide details of the remuneration and pension interests of the Ministers and most senior management (i.e. Board members) of the Department.

### Single Total Figure of Remuneration

Ministers	Salary (£) <sup>(1)</sup>		Severance Pay (£)		Benefits in kind (to nearest £100)		Pension Benefits (to nearest £000) <sup>(2)</sup>		Total (to nearest £000)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Rt Hon Priti Patel MP	67,505 (67,505)	46,455 (67,505)	-	-	-	-	17,000	11,000	84,000	57,000
Victoria Atkins MP	22,375 (22,375)	22,375 (22,375)	-	-	-	-	5,000	6,000	28,000	28,000
Kit Malthouse MP	31,680 (31,680)	21,205 (31,680)	-	-	-	-	8,000	6,000	39,000	27,000
Kevin Foster MP	22,375 (22,375)	5,785 (22,375)	-	-	-	-	5,000	2,000	28,000	8,000
Baroness Williams of Trafford <sup>(3)</sup>	117,850 (117,850)	117,850 (117,850)	-	-	4,500	6,000	20,000	20,000	142,000	144,000
Rt Hon James Brokenshire MP	31,680 (31,680)	4,097 (31,680)	-	-	-	-	8,000	1,000	39,000	5,000
Chris Philp MP <sup>(4)</sup>	-	-	-	-	-	-	-	-	-	-
Lord Stephen Greenhalgh <sup>(5)</sup>	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> The salary shown for MP Ministers only relates to the difference between their MP's salary and their Minister's salary, as the MP element is paid via the Houses of Parliament and not the Home Office.

<sup>2</sup> The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to transfer of pension rights.

<sup>3</sup> Baroness Williams sits in the House of Lords and is not in receipt of an MP's salary, therefore, her full Minister's salary is reported here. The figure includes the Lords Office-holder allowance.

<sup>4</sup> Chris Philp is Parliamentary Under Secretary of State for both the Ministry of Justice and Home Office jointly. His ministerial salary is paid by Ministry of Justice.

<sup>5</sup> Lord Stephen Greenhalgh is an unpaid Minister of State jointly at the Ministry of Housing, Communities and Local Government and the Home Office.

## Single Total Figure of Remuneration

Officials	Salary (£000)		Bonus Payments (£000)		Benefits in kind (to nearest £100)		Pension Benefits (to nearest £000) <sup>(1)</sup>		Total (to nearest £000)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Current Officials</b>										
Matthew Rycroft Permanent Secretary	185-190 (180-185)	-	-	-	-	-	72	-	255-260	-
Shona Dunn Second Permanent Secretary	155-160 (155-160)	150-155 (150-155)	-	-	-	-	77	135	230-235	285-290
Charu Gorasia DG, Capabilities and Resources	160-165 (160-165)	155-160 (155-160)	10-15	-	-	-	78	111	250-255	265-270
Tyson Hepple DG, Immigration Enforcement	125-130 (130-135)	115-120 (110-115)	-	5-10	-	-	174	96	300-305	220-225
Tricia Hayes DG for Crime, Policing and Fire	130-135 (130-135)	10-15 (130-135)	-	-	-	-	57	6	190-195	15-20
Paul Lincoln DG, Border Force	135-140 (135-140)	130-135 (130-135)	-	-	-	-	57	78	190-195	210-215
Dr Abigail Tierney <sup>(5)</sup> DG HM Passport Office & DG UK Visas and Immigration	160-165 (160-165)	5-10 (160-165)	-	-	-	-	61	4	220-225	10-15
Glyn Williams DG, BICS Policy & Strategy	140-145 (135-140)	130-135 (130-135)	10-15	-	-	-	74	37	225-230	170-175
Jennifer Rubin DG, Science, Technology, Analysis, Research and Strategy (From 1 Jan 2021)	35-40 (145-150)	-	-	-	-	-	15	-	50-55	-
Emma Haddad <sup>(4)</sup> DG, Asylum and Protection (From 1 Feb 2021)	-	-	-	-	-	-	-	-	-	-
<b>Former Officials</b>										
Mark Thomson <sup>(2)</sup> DG HM Passport Office and Registrar General & DG UK Visas and Immigration (Until 30 Apr 2020)	20-25 (170-175)	170-175 (170-175)	0-5	10-15	-	-	-	-	25-30	185-190
Peter Fish <sup>(3)</sup> DG, Legal (Until 9 Nov 2020)	140-145 (140-145)	125-130 (125-130)	5-10	-	-	-	114	29	260-265	155-160
Julia Kinniburgh DG, Serious Organised & Economic Crime (Until 30 Nov 2020)	65-70 (130-135)	130-135 (130-135)	-	-	-	-	38	203	105-110	335-340
Tom Hurd <sup>(2)</sup> DG, Office for Security and Counter-Terrorism (Until 31 Mar 2021)	140-145 (135-140)	190-195 (130-135)	-	10-15	-	-	-	-	140-145	205-210

<sup>1</sup> The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to transfer of pension rights.

<sup>2</sup> Mark Thomson and Tom Hurd both chose not to be covered by the Civil Service pension arrangements during the reporting year.

<sup>3</sup> Peter Fish became Interim Treasury Solicitor and Permanent Secretary of the Government Legal Department on 9 November 2020. His salary disclosed above is for the full year to 31 March 2021.

<sup>4</sup> Emma Haddad joined the Home Office payroll from 1 April 2021 remaining on DWP's payroll until this time.

<sup>5</sup> Dr Abigail Tierney's 2019-20 details incorrectly included a benefit in kind of £1,000, which is now removed.

Non-Executive Directors	Salary (£000)		Bonus Payments (£000)		Benefits in kind (to nearest £100)		Pension Benefits (to nearest £000)		Total (to nearest £000)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Current Non-Executive Directors</b>										
Sue Langley	20-25	20-25	-	-	-	-	-	-	20-25	20-25
Suzy Levy	10-15	10-15	-	-	-	-	-	-	10-15	10-15
James Cooper	10-15	0-5	-	-	-	-	-	-	10-15	0-5
Michael Fuller QPM (From 7 July 2020)	10-15	-	-	-	-	-	-	-	10-15	-
John Paton (From 19 June 2020)	10-15	-	-	-	-	-	-	-	10-15	-
Phil Swallow (From 7 July 2020)	5-10	-	-	-	-	-	-	-	5-10	-
Timothy Robinson (From 7 July 2020) <sup>(1)</sup>	10-15	-	-	-	-	-	-	-	10-15	-
Janet Gower (From 1 January 2021)	0-5	-	-	-	-	-	-	-	0-5	-
<b>Former Non-Executive Directors</b>										
John Studzinski (Until 30 June 2020)	0-5	10-15	-	-	-	-	-	-	0-5	10-15
Nicholas Shott (Until 30 June 2020) <sup>(2)</sup>	0-5	10-15	-	-	-	-	-	-	0-5	10-15
Mark Florman (Until 31 July 2020)	0-5	10-15	-	-	-	-	-	-	0-5	10-15

<sup>1</sup> At his request, Timothy Robinson's fee will be donated directly to charity.

<sup>2</sup> At his request, Nicholas Shott's fee will be donated directly to charity.

The non-executive directors listed above are those who sat on the Home Office Departmental Board and the Executive Committee. Non-executive directors do not receive bonuses. Other non-executive directors are employed by the Home Office's NDPBs and their details can be found in the accounts of these bodies.

## Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts. In respect of Ministers in the House of Commons, departments bear only the cost of the additional Ministerial remuneration; the salary for their services as an MP (£81,932 from 1 April 2020) and various allowances to which they are entitled are borne centrally. However, the arrangement for Ministers in the House of Lords is different in that they do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their Ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the Department and is therefore shown in full in the figures above.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HM Revenue and Customs as a taxable emolument.

## Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2020-21 relate to performance in 2019-20 and the comparative bonuses reported for 2019-20 relate to the performance in 2018-19.

## Pay multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in the Home Office in the financial year 2020-21 was £185,000 – £190,000 (2019-20, £190,000 – £195,000). This was 5.5 times (2019-20, 5.9 times) the median remuneration of the workforce, which was £34,037 (2019-20, £32,505).

In 2020-21, no employees received remuneration in excess of the highest paid director. Remuneration bands ranged from £15,000 – £20,000 to £185,000 – £190,000.

Total remuneration includes salary, non-consolidated performance related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The following table shows the median earnings of the Department's workforce and the ratio between this and the earning of the highest paid director. Matthew Rycroft is the highest paid director for 2020-21. For 2019-20 the highest paid director was Tom Hurd.

	2020-21	2019-20
Band of Highest Paid Director's Total Remuneration (£000)	185-190	190-195
Median Total (£)	34,037	32,505
Remuneration Ratio	5.5	5.9

During 2020-21 the highest paid director's remuneration band decreased to £185,000-190,000 and the median total for staff has increased by £1,532. These differences explain the decrease in the Remuneration Ratio of 0.4.

## 2019-20 Comparison

	2019-20	2018-19
Band of Highest Paid Director's Total Remuneration (£000)	190-195	195-200
Median Total (£)	32,505	31,857
Remuneration Ratio	5.9	6.2

## Pension Benefits

	Accrued pension at age 65 as at 31/3/21	Real increase in pension at age 65	CETV at 31/3/21	CETV at 31/3/20	Real increase in CETV
Ministers	£000	£000	£000	£000	£000
Rt Hon Priti Patel MP	0-5	0-2.5	63	47	8
Victoria Atkins MP	0-5	0-2.5	16	11	2
Kit Malthouse MP	0-5	0-2.5	25	17	4
Kevin Foster MP	0-5	0-2.5	8	4	2
Baroness Williams	10-15	0-2.5	155	131	11
Rt Hon James Brokenshire MP	5-10	0-2.5	141	130	4

## Ministerial pensions

Pension benefits for Ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). The scheme is made under statute and the rules are set out in the Ministers' etc. Pension Scheme 2015, available at <http://qna.files.parliament.uk/ws-attachments/170890/original/PCPF%20MINISTERIAL%20SCHEME%20FINAL%20RULES.doc>

Those Ministers who are Members of Parliament may also accrue an MP's pension under the PCPF (details of which are not included in this report). A new MP's pension scheme was introduced from May 2015, although members who were MPs and aged 55 or older on 1 April 2013 have transitional protection to remain in the previous MP's final salary pension scheme.

Benefits for Ministers are payable from State Pension age under the 2015 scheme. Pensions are re-valued annually in line with Pensions Increase legislation both before and after retirement. The contribution rate from May 2015 is 11.1% and the accrual rate is 1.775% of pensionable earnings.

The figure shown for pension value includes the total pension payable to the member under both the pre- and post-2015 Ministerial pension schemes.

### *The Cash Equivalent Transfer Value (CETV)*

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total Ministerial service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### The real increase in the value of the CETV

This is the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the Minister. It is worked out using common market valuation factors for the start and end of the period.

	Accrued pension at pension age as at 31 March 2021 and related lump sum	Real increase / (decrease) in pension and related lump sum at pension age	CETV at 31 March 2021	CETV at 31 March 2020	Real increase / (decrease) in CETV	Employer contributions to partnership pension account
Officials	£000	£000	£000	£000	£000	£000
<b>Current Officials</b>						
Matthew Rycroft Permanent Secretary	85-90	2.5-5	1,409	1,314	40	-
Shona Dunn Second Permanent Secretary	55-60 plus a lump sum of 110-115	2.5-5 plus a lump sum of 0-2.5	1,010	923	46	-
Charu Gorasia DG, Capabilities and Resources	55-60	2.5-5	823	745	42	-
Tyson Hepple DG, Immigration Enforcement	55-60 plus a lump sum of 120-125	7.5-10 plus a lump sum of 15-17.5	1,045	870 <sup>(1)</sup>	140	-
Tricia Hayes DG for Crime, Policing and Fire	60-65 plus a lump sum of 125-130	2.5-5 plus a lump sum of 0-2.5	1,138	1,061 <sup>(1)</sup>	35	-
Paul Lincoln DG, Border Force	50-55 plus a lump sum of 25-30	2.5-5 plus a lump sum of 0-2.5	801	740	29	-
Glyn Williams DG, BICS Policy & Strategy	60-65 plus a lump sum of 185-190	2.5-5 plus a lump sum of 10-12.5	1,484	1,357	77	-
Dr Abigail Tierney DG, HM Passport Office and DG, UK Visas and Immigration	0-5	2.5-5	45	3	29	-
Jennifer Rubin DG, Science, Technology, Analysis, Research and Strategy (From 1 Jan 2021)	0-5	0-2.5	11	0	9	-
<b>Former Officials</b>						
Peter Fish DG, Legal (Until 9 November 2020)	45-50 plus a lump sum of 140-145	5-7.5 plus a lump sum of 15-17.5	1,145	1,009	120	-
Julia Kinniburgh DG, Serious Organised & Economic Crime (Until 30 November 2020)	50-55 plus a lump sum of 35-40	0-2.5 plus a lump sum of 0-2.5	803	756	19	-

### Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is updated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk).

## Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Compensation for loss of office

### *Board Members*

There were no Board Members departing under voluntary exit or voluntary redundancy terms in the financial year.

### *Ministers*

There were no Ministers departing under voluntary exit or voluntary redundancy terms in the financial year.

Sir Philip Rutnam resigned from his post as Permanent Secretary of the Home Office on 29 February 2020 and subsequently began legal proceedings against the Department.

On 4 March 2021, the Home Office and Sir Philip signed an agreement to settle these proceedings. As part of this settlement, the Home Office made a special payment of £340,000. A contribution to his legal costs was also made of £30,000 plus VAT.

## Matthew Rycroft CBE

25 June 2021

## Parliamentary accountability and audit report

### Statement of Parliamentary Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRoM) requires the Home Office to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SOPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn.

The SOPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (note 2); a reconciliation of outturn to net cash requirement (note 3); and, an analysis of income payable to the Consolidated Fund (note 4).

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 13, in the financial review section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOPS disclosures.

## Summary tables – mirrors part 1 of the Estimates

## Summary table, 2020-21, all figures presented in £000s

Type of spend	SoPS note	Outturn			Estimate			Outturn vs Estimate, saving/(excess)		Prior year outturn total, 2019-20
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
<b>Departmental Expenditure Limit</b>										
Resource	1.1	14,562,788	-	14,562,788	14,720,186	-	14,720,186	157,398	157,398	11,385,000
Capital	1.2	846,735	-	846,735	869,826	-	869,826	23,091	23,091	717,352
<b>Total</b>		<b>15,409,523</b>	<b>-</b>	<b>15,409,523</b>	<b>15,590,012</b>	<b>-</b>	<b>15,590,012</b>	<b>180,489</b>	<b>180,489</b>	<b>12,102,352</b>
<b>Annually Managed Expenditure</b>										
Resource	1.1	2,306,212	-	2,306,212	2,384,917	-	2,384,917	78,705	78,705	2,583,616
Capital	1.2	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>2,306,212</b>	<b>-</b>	<b>2,306,212</b>	<b>2,384,917</b>	<b>-</b>	<b>2,384,917</b>	<b>78,705</b>	<b>78,705</b>	<b>2,583,616</b>
<b>Total Budget</b>										
Resource	1.1	16,869,000	-	16,869,000	17,105,103	-	17,105,103	236,103	236,103	13,968,616
Capital	1.2	846,735	-	846,735	869,826	-	869,826	23,091	23,091	717,352
<b>Total Budget Expenditure</b>		<b>17,715,735</b>	<b>-</b>	<b>17,715,735</b>	<b>17,974,929</b>	<b>-</b>	<b>17,974,929</b>	<b>259,194</b>	<b>259,194</b>	<b>14,685,968</b>
Non-Budget Expenditure	1.1	-	-	-	-	-	-	-	-	-
<b>Total Budget and Non-Budget</b>		<b>17,715,735</b>	<b>-</b>	<b>17,715,735</b>	<b>17,974,929</b>	<b>-</b>	<b>17,974,929</b>	<b>259,194</b>	<b>259,194</b>	<b>14,685,968</b>

Figures in the areas outlined in bold cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on gov.uk, for detail on the control limits voted by Parliament.

### Net cash requirement 2020-21, all figures presented in £000s

Item	SoPS note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior year outturn total, 2019-20
Net cash requirement	3	16,709,336	17,939,599	1,230,263	14,678,066

### Administration Costs 2020-21, all figures presented in £000s

Type of spend	SoPS note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior year outturn total, 2019-20
Administration costs	1.1	320,554	357,421	36,867	322,143

Although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

## Notes to the Statement of Parliamentary Supply 2020-21 (£000s)

## SOPS 1. Outturn detail, by Estimate Line

## SOPS 1.1. Analysis of resource outturn by Estimate line

Type of spend (resource)	Resource outturn						Estimate				Outturn vs Estimate, saving/ (excess)	Prior year outturn total, 2019-20
	Administration			Programme			Total	Total	Virements	Total including virements		
	Gross	Income	Net	Gross	Income	Net						
<b>Spending in Departmental Expenditure Limit (DEL)</b>												
<b>Voted expenditure</b>												
A - Crime, Policing and Fire Group	28,772	(243)	28,529	9,540,137	(627)	9,539,510	9,568,039	9,536,898	31,384	9,568,282	243	8,515,469
B - Office for Security and Counter-terrorism	42,713	-	42,713	987,629	(22,640)	964,989	1,007,702	1,048,749	1,348	1,050,097	42,395	1,005,080
C - Serious and Organised Crime Group	22,374	(1,861)	20,513	436,941	(186,316)	250,625	271,138	277,946	23,508	301,454	30,316	137,608
D - UK Visas and Immigration	293	-	293	1,894,461	(1,192,685)	701,776	702,069	702,426	22,653	725,079	23,010	(683,885)
E - Immigration Enforcement	2,342	12	2,354	417,841	(28,351)	389,490	391,844	410,212	(530)	409,682	17,838	391,961
F - Border Force	1,834	-	1,834	694,825	(9,844)	684,981	686,815	698,001	(5,942)	692,059	5,244	616,198
G - HM Passport Office	373	-	373	240,631	(253,089)	(12,458)	(12,085)	(20,819)	8,734	(12,085)	-	(171,322)
H - Borders, Immigration and Citizenship System Policy and International	37,709	(1,290)	36,419	93,637	(6,468)	87,169	123,588	130,928	(7,050)	123,878	290	64,547
I - Enablers	237,569	(54,008)	183,561	717,842	(38,984)	678,858	862,419	973,177	(103,391)	869,786	7,367	1,401,127
J - Digital, Data and Technology	3,984	(19)	3,965	970,759	(113,539)	857,220	861,185	831,918	29,286	861,204	19	-
K - Arm's Length Bodies (Net)	-	-	-	100,074	-	100,074	100,074	130,750	-	130,750	30,676	108,217
L - Departmental Unallocated Provision	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total voted DEL</b>	<b>377,963</b>	<b>(57,409)</b>	<b>320,554</b>	<b>16,094,777</b>	<b>(1,852,543)</b>	<b>14,242,234</b>	<b>14,562,788</b>	<b>14,720,186</b>	<b>-</b>	<b>14,720,186</b>	<b>157,398</b>	<b>11,385,000</b>
<b>Total spending in DEL</b>	<b>377,963</b>	<b>(57,409)</b>	<b>320,554</b>	<b>16,094,777</b>	<b>(1,852,543)</b>	<b>14,242,234</b>	<b>14,562,788</b>	<b>14,720,186</b>	<b>-</b>	<b>14,720,186</b>	<b>157,398</b>	<b>11,385,000</b>
<b>Spending in Annually Managed Expenditure (AME)</b>												
<b>Voted expenditure</b>												
L - AME charges	-	-	-	(691)	-	(691)	(691)	22,800	(23,491)	(691)	-	207,553
M - Police and Fire superannuation	-	-	-	2,304,824	-	2,304,824	2,304,824	2,380,017	3,512	2,383,529	78,705	2,371,238
N - AME Charges Arm's Length Bodies (Net)	-	-	-	2,079	-	2,079	2,079	(17,900)	19,979	2,079	-	4,825
<b>Total voted AME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,306,212</b>	<b>-</b>	<b>2,306,212</b>	<b>2,306,212</b>	<b>2,384,917</b>	<b>-</b>	<b>2,384,917</b>	<b>78,705</b>	<b>2,583,616</b>
<b>Total spending in AME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,306,212</b>	<b>-</b>	<b>2,306,212</b>	<b>2,306,212</b>	<b>2,384,917</b>	<b>-</b>	<b>2,384,917</b>	<b>78,705</b>	<b>2,583,616</b>
<b>Total resource</b>	<b>377,963</b>	<b>(57,409)</b>	<b>320,554</b>	<b>18,400,989</b>	<b>(1,852,543)</b>	<b>16,548,446</b>	<b>16,869,000</b>	<b>17,105,103</b>	<b>-</b>	<b>17,105,103</b>	<b>236,103</b>	<b>13,968,616</b>

## SOPS 1.2. Analysis of capital outturn by Estimate line

Type of spend (capital)	Outturn			Estimate			Outturn vs Estimate, saving/(excess)	Prior year outturn total, 2019-20
	Gross	Income	Net	Total	Virements	Total including virements		
<b>Spending in Departmental Expenditure Limit (DEL)</b>								
<b>Voted expenditure</b>								
A - Crime, Policing and Fire Group	53,845	-	53,845	55,821	(1,976)	53,845	-	111,375
B - Office for Security and Counter-terrorism	105,455	-	105,455	111,140	-	111,140	5,685	104,930
C - Serious and Organised Crime Group	50,746	-	50,746	46,954	3,792	50,746	-	15,172
D - UK Visas and Immigration	57,358	-	57,358	55,526	1,832	57,358	-	50,000
E - Immigration Enforcement	17,817	-	17,817	17,409	408	17,817	-	9,218
F - Border Force	112,676	(304)	112,372	124,725	-	124,725	12,353	76,123
G - HM Passport Office	44,792	-	44,792	39,400	5,392	44,792	-	40,409
H - Borders, Immigration and Citizenship System Policy and International	109,425	-	109,425	113,565	(1,144)	112,421	2,996	2,889
I - Enablers	48,969	(832)	48,137	50,194	-	50,194	2,057	289,606
J - Digital, Data and Technology	231,386	72	231,458	239,292	(7,834)	231,458	-	-
K - Arm's Length Bodies (Net)	15,330	-	15,330	15,800	(470)	15,330	-	17,630
<b>Total voted DEL</b>	<b>847,799</b>	<b>(1,064)</b>	<b>846,735</b>	<b>869,826</b>	<b>-</b>	<b>869,826</b>	<b>23,091</b>	<b>717,352</b>
<b>Total spending in DEL</b>	<b>847,799</b>	<b>(1,064)</b>	<b>846,735</b>	<b>869,826</b>	<b>-</b>	<b>869,826</b>	<b>23,091</b>	<b>717,352</b>
<b>Spending in Annually Managed Expenditure (AME)</b>								
<b>Voted expenditure</b>								
L - AME charges	-	-	-	-	-	-	-	-
M - Police and Fire superannuation	-	-	-	-	-	-	-	-
N - AME Charges Arm's Length Bodies (Net)	-	-	-	-	-	-	-	-
<b>Total voted AME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total spending in AME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital</b>	<b>847,799</b>	<b>(1,064)</b>	<b>846,735</b>	<b>869,826</b>	<b>-</b>	<b>869,826</b>	<b>23,091</b>	<b>717,352</b>

The total Estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements are provided in the Supply Estimates Manual, available on Gov.uk.

The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Estimates laid before Parliament.

## SOPS 2. Reconciliation of outturn to net operating expenditure

Item	Reference	Outturn total	Prior year outturn total, 2019-20
<b>Total resource outturn</b>	<b>SoPS 1.1</b>	<b>16,869,000</b>	<b>13,968,616</b>
<b>Add:</b> Capital grants		208,291	219,610
Capital expenditure		53,335	50,755
PFI adjustments		2	15,419
Capital disposal adjustments		(803)	10
<b>Total</b>		<b>260,825</b>	<b>285,794</b>
<b>Less:</b> Income payable to the Consolidated Fund		(109,516)	(61,288)
Capital grant income		(2,302)	(2,102)
<b>Total</b>		<b>(111,818)</b>	<b>(63,390)</b>
<b>Net Operating Expenditure in Consolidated Statement of Comprehensive Net Expenditure</b>	<b>SoCNE</b>	<b>17,018,007</b>	<b>14,191,020</b>

As noted in the introduction to the SoPS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SoPS to the financial statements.

### SOPS 3. Reconciliation of net resource outturn to net cash requirement

Item	Reference	Outturn total	Estimate	Outturn vs Estimate, saving/(excess)
<b>Total resource outturn</b>	<b>SoPS 1.1</b>	<b>16,869,000</b>	<b>17,105,103</b>	<b>236,103</b>
<b>Total capital outturn</b>	<b>SoPS 1.2</b>	<b>846,735</b>	<b>869,826</b>	<b>23,091</b>
<i>Adjustments for ALBs:</i>				
Remove voted resource and capital		(117,483)	(128,650)	(11,167)
Add cash grant-in-aid		131,460	138,610	7,150
<i>Adjustments to remove non-cash items:</i>				
Depreciation and amortisation		(404,547)	(442,490)	(37,943)
New provisions and adjustments to previous provisions		(25,701)	(22,800)	2,901
Departmental unallocated provision		-	-	-
Accrued capital expenditure		(46,387)	-	46,387
Other non-cash items		(55,391)	-	55,391
<i>Adjustments to reflect movements in working balances:</i>				
Increase/(decrease) in inventories		(1,543)	-	1,543
Increase/(decrease) in receivables		37,172	-	(37,172)
(Increase)/decrease in payables		(582,965)	420,000	1,002,965
(Increase)/decrease in pension liability		(253)	-	253
Use of provisions		44,109	-	(44,109)
<b>Total</b>		<b>16,694,206</b>	<b>17,939,599</b>	<b>1,245,393</b>
<b>Removal of non-voted budget items:</b>				
Other adjustments		15,130	-	(15,130)
<b>Net cash requirement</b>		<b>16,709,336</b>	<b>17,939,599</b>	<b>1,230,263</b>

As noted in the introduction to the SoPS above, Outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

## SOPS 4. Amounts of income to the Consolidated Fund

### SOPS 4.1. Analysis of income payable to the Consolidated Fund

In addition to income retained by the Department, the following income is payable to the Consolidated Fund.

	Outturn total		Prior year, 2019-20	
	Accruals	Cash basis	Accruals	Cash basis
Income outside the ambit of the Estimate	41,268	65,012	19,124	(44,504)
[Excess] cash surrenderable to the Consolidated Fund	93,348	93,348	(117,766)	(117,766)
<b>Total amount payable to the Consolidated Fund</b>	<b>134,616</b>	<b>158,360</b>	<b>(98,642)</b>	<b>(162,270)</b>

### SOPS 4.2. Consolidated Fund Income

Consolidated Fund income shown in SOPS note 4.1 above does not include any amounts collected by the Department where it was acting as agent for the Consolidated Fund rather than as principal. In accordance with an HM Treasury direction, the non-retainable income generated is not recognised in the Resource Accounts.

Full details of income collected as agent for the Consolidated Fund are included within the Home Office's Trust Statement, published separately from but alongside these financial statements. This includes income relating to Immigration Skills Charge, Civil Penalties, Immigration Penalties and Consular Fees.

## Parliamentary Accountability Disclosures

The following sections are subject to audit.

### Losses and special payments

#### 1. Losses Statement

Losses are transactions of a type which Parliament could not have foreseen when Supply funding for the Department was voted. The term loss includes loss of public monies, stores, stocks, cash and other property entrusted to the Home Office. Examples include: cash losses, bookkeeping losses, exchange rate fluctuations, losses of pay, allowance and superannuation benefits, losses arising from overpayments, losses arising from failure to make adequate charges, and losses arising from accountable stores.

Situations where recurring or individual circumstances result in multiple losses of equivalent nature are grouped together. This group is subsequently counted as one case. This results in greater visibility where circumstances result in significant total values of cases despite individual cases being low value.

	2020-21						2019-20	
	Core Department & Agencies		Departmental Group		Core Department & Agencies		Departmental Group	
	Number of cases	£000	Number of cases	£000	Number of cases	£000	Number of cases	£000
Losses under £300,000	251	162	269	627	307	65	307	65
Cases over £300,000	5	40,860	6	41,595	3	3,483	3	3,483
<b>Total</b>	<b>256</b>	<b>41,022</b>	<b>275</b>	<b>42,222</b>	<b>310</b>	<b>3,548</b>	<b>310</b>	<b>3,548</b>
Cases over £300,000 comprise:								
Fruitless Payments	2	30,841	3	31,076	2	2,453	2	2,453
Cash Loss	1	806	1	806	1	1,030	1	1,030
Constructive Loss	1	1,114	1	1,114	-	-	-	-
Store Losses	1	8,599	1	8,599	-	-	-	-
<b>Total</b>	<b>5</b>	<b>40,860</b>	<b>6</b>	<b>41,595</b>	<b>3</b>	<b>3,483</b>	<b>3</b>	<b>3,483</b>

Losses over £300,000 comprised;

- HMRC launched an enquiry into the Home Office's compliance with the off-payroll working (IR35) rules in relation to contingent labour in 2018. That enquiry has concluded that there have been instances where contractors were incorrectly assessed as out of scope. HMRC has assessed the tax and national insurance lost between 6 April 2017, when the rules came into force, and 31 March 2021 at £29.5 million. Liability for that £29.5 million, as well as interest accruing on the outstanding amount, rests with the Home Office.

In addition, HMRC found that the Home Office had been 'careless' in its application of the off-payroll working rules. As a result, it imposed a penalty of £4 million. That penalty has been suspended for 3 months subject to certain conditions.

The conditions relate to meeting our notification and filing obligations, a 100% assurance check on all out of scope determinations, improved governance around our use of contractors and contingent labour, improved training of hiring managers and improved monitoring and assurance over compliance with IR35, not just at the point of procurement but throughout the contract life-cycle. The Home Office expects to meet those conditions.

- The Home Office incurred a financial sanction of £735,000 after securing retrospective approval from the Chief Secretary to the Treasury in relation to the College of Policing breaching the control process in negotiating the salary of its interim CEO.
- Fruitless payments totalling £0.8 million (2019-20 £2.0 million) were incurred by the Home Office as a result of cancellations of scheduled flights intended to remove ineligible asylum seekers, which were subsequently cancelled due to asylum seekers being granted the right to appeal.
- Cash losses totalling £0.8 million were incurred due to currency fluctuations. The 2019-20 £1.0 million loss was due to the application of incorrect exchange rates in our Visa application system resulting in undercharges of low value but high volume to individuals and where a decision was made that it was not economically viable to recover the amounts undercharged.
- Constructive losses totalling £1.1 million were incurred following the UK's departure from the EU for redundant EU badged Biometric Cards and associated peripherals written off.
- Store losses totalling £8.6 million were incurred as the result of a change in passports design to the new blue passport and the resulting destruction of old passport book stocks.

## 2. Special Payments

Special Payments are transactions that Parliament could not have anticipated when passing legislation or approving Supply Estimates for the Department. Examples include: extra contractual payments to contractors, ex-gratia payments to contractors, other ex-gratia payments, compensation payments, and extra statutory and extra regulatory payments.

Situations where recurring or individual circumstances result in multiple special payments of equivalent nature are grouped together and counted as one case.

	2020-21				2019-20			
	Core Department & Agencies		Departmental Group		Core Department & Agencies		Departmental Group	
	Number of cases	£000	Number of cases	£000	Number of cases	£000	Number of cases	£000
Special Payments under £300,000	6,831	71,819	6,875	71,912	11,294	39,051	11,375	39,249
Special Payments over £300,000	3	1,770	3	1,770	4	7,608	4	7,608
<b>Total</b>	<b>6,834</b>	<b>73,589</b>	<b>6,878</b>	<b>73,682</b>	<b>11,298</b>	<b>46,659</b>	<b>11,379</b>	<b>46,857</b>

Special payments under £300,000 for 2020-21 totalled £71.9 million (2019-20: £39.2 million).

These payments were in relation to:

- Adverse legal costs paid – 3,099 cases paid totalling £33.8m (3,394 cases totalling £28.7m in 2019-20)
- Tribunal award payments – 2,287 cases paid totalling £0.3m (6,442 cases totalling £0.9m in 2019-20)
- Compensation payments for wrongful detention - 330 cases totalling £9.3m (272 cases totalling £6.9m in 2019-20)
- Other compensation payments – 92 cases totalling £1.7m (626 cases totalling £1.7m in 2019-20)
- Ex-gratia payments - 324 payments totalling £1.2m (541 cases totalling £0.6m in 2019-20)
- Windrush compensation scheme – 741 cases totalling £25.7m (100 cases totalling £0.4m 2019-20)

Some cases may involve multiple payments which fall under different classes of special payments. These cases have been counted under each class.

Special Payments over £300,000 comprise adverse legal costs of £1.4m in connection with 2 cases brought against the Department and 1 compensation payment of £0.4m.

## Fees and Charges

Segment	Note	2020-21					2019-20 Restated					
		Income £'000	Full Cost £'000	Surplus/ (deficit) £'000	Fee recovery actual %	Fee recovery target %	Income £'000	Full Cost £'000	Surplus/ (deficit) £'000	Fee recovery actual %	Fee recovery target %	
Crime, Policing and Fire Group	College of Policing - People Development	1	24,135	69,543	(45,408)	35	100	28,727	48,017	(19,290)	60	100
Crime, Policing and Fire Group	SIA - Licensing and ACS Income	2	31,444	27,088	4,356	116	100	28,842	30,986	(2,144)	93	100
Crime, Policing and Fire Group	DBS Disclosures and Update Service	3	185,808	163,157	22,651	114	100	194,876	175,133	19,743	111	100
UK Visas & Immigration	Overseas	4	269,321	409,575	(140,254)	66	192	945,004	449,070	495,934	210	203
UK Visas & Immigration	In-Country	5	511,314	396,550	114,764	129	192	619,050	423,310	195,740	146	203
HM Passport Office	Passports & other associated income	6	270,691	547,958	(277,267)	49	100	509,740	630,843	(121,103)	81	100
HM Passport Office	Certificate Services	7	21,024	37,779	(16,755)	56	100	20,425	33,004	(12,579)	62	100
Information Services	Airwave	8	0	242,881	(242,881)	0	16	9,000	188,119	(179,119)	5	16
Information Services	ESMCP	8	105	235,404	(235,299)	0	28	76,072	270,754	(194,682)	28	28
Information Services	Police ICT	8	109,406	112,759	(3,353)	97	100	97,339	93,431	3,908	104	100
			<b>1,423,248</b>	<b>2,242,694</b>	<b>(819,446)</b>	<b>63</b>		<b>2,529,075</b>	<b>2,342,667</b>	<b>186,408</b>	<b>108</b>	

This analysis of income satisfies the Fees and Charges requirements of HM Treasury rather than IFRS 8 Operating Segments. Categories of income and costs below £10 million have been excluded from this analysis.

### Notes

- 1) People Development includes exams and assessments, learning and development services and leadership development services.
- 2) Security Industry Authority (SIA)
  - a) Licensing Income is the application fee for an individual SIA Licence. Individuals working in specific sectors of the private security industry are required by law to hold an SIA Licence.
  - b) Approved Contractor Scheme (ACS) income is the registration and application fees for companies joining the voluntary scheme for providers of security services. Companies who satisfactorily meet the agreed standards may be registered as approved and advertise themselves as such.
- 3) Disclosure and Barring Service (DBS)
  - a) A Standard DBS Disclosure provides details of all convictions held on the Police National Computer including current and “spent” convictions as well as details of any cautions, reprimands or final warnings on the applicant.
  - b) An Enhanced DBS Check provides details of all Cautions, Warnings, Reprimands and Convictions held on an individual’s criminal record. It will also search whether the applicant is on the children / vulnerable adults Barred Lists. The Barred Lists are a list of the names of individuals that are barred by law from working with children or vulnerable adults. The Enhanced DBS Check also has a section for ‘Other Relevant Police Information’ where the applicant’s local police force can add any further notes should they deem it relevant.
  - c) The DBS Update Service enables applicants to keep their DBS certificates up to date online and allows employers to check a certificate online.
- 4) UKVI Overseas is responsible for issuing Visas. The Group's cost recovery target is 203% with the additional income from fees contributing to the overhead costs within the Department.
- 5) UKVI In-Country deals with UK based applications for permanent settlement and Nationality applications. The Group's cost recovery target is 203% with the additional income from fees contributing to the overhead costs within the Department.
- 6) Passport activities include all services relating to the issuing of passports where the financial objective of this activity is to break even in year. A fee is charged for all passports except for those issued to war veterans, that is, those born on or before 2 September 1929.
- 7) Certificate Services includes all services relating to the issuing of certificates for birth, death and marriage. In addition, central HO funding is provided for support functions to maintain the registers of all vital events. The financial objective is to break even after central HO funding for non-fee bearing activities.
- 8) Information Services includes the Airwave radio service, Hendon Data Centre, police science and as well as project support and IT systems.

## Remote Contingent Liabilities

The Department has entered into the following unquantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort. None of these is a contingent liability within the meaning of IAS 37 since the possibility of a transfer of economic benefit in settlement is too remote.

## Non-statutory Liabilities

	1 April 2020	Change in year	Liabilities crystallised in year	Obligation expired in year	31 March 2021
	£000	£000	£000	£000	£000
Indemnity provided to BAA in respect of damage or injury caused to third parties from Border Force in their use of vehicles operating airside while transporting immigration officers between airside locations.	52,000	-	-	-	52,000
Indemnity granted in relation to Cyclamen programme up to a maximum €10 million. (Minute dated 17 July 2009)	8,333	304	-	-	8,637
Indemnity arising from Riot Damage Costs. (Minute dated 21 May 2012)	10,000	-	-	-	10,000
<b>Total</b>	<b>70,333</b>	<b>304</b>	<b>-</b>	<b>-</b>	<b>70,637</b>

The €10 million indemnity granted in relation to Cyclamen has been translated using sterling exchange rates as at 31 March 2021 (exchange rate used 1.1577).

The following liabilities are judged to be unquantifiable:

Police – City of London Economic Crime Basic Command Unit (ECBCU) (Minute dated 12 March 2004)

If the Home Office reduces or discontinues its share of the match funding of the expanded ECBCU then it will contribute up to 50% of the resulting costs, for example redundancy payment or property cost.

HMG guarantee for EU funding streams as announced in August and October 2016. Home Office responsibility covers AMIF Programmes.

The Home Office appeal to the Supreme Court in relation to the Gubeladze case (A8 Worker Registration Scheme) has failed. This outcome leaves the Department liable to refund Worker Registration Scheme fees collected over the period 2009 and 2011. The Home Office recognised a provision for this liability in its 2019-20 accounts. There is also an unquantifiable liability for claims for consequential losses.

## Indemnities

### *Home Office Central London Accommodation Strategy*

(Minute dated 23 January 2002)

The Home Office has indemnified the contractor for an unquantifiable amount against any financial loss arising from the Home Office providing defective information in respect of the contract.

### ***Border Force New Detection Technology (NDT)***

The following minutes have been used to notify Parliament of the contingent liability relating to the Border Force NDT, dated: 10 September 2003, 18 December 2003, 18 March 2004, 2 July 2004 and 30 August 2016.

The minutes above refer to the following locations and NDT equipment which is loaned by the Department to recipients:

Europe (deployment, and/or the demonstration of new Detection technology by the United Kingdom Border Force in Europe).

Equipment is occasionally deployed in support of Frontex operations (usually CO2 probes or Heartbeat detectors).

All ports operate CO2 probes.

### ***Specific European countries***

1. Belgium (loan of motion detection equipment and building; and loan of passive millimetre wave imager trucks and reflector and thermal imaging equipment)
2. The Netherlands (loan of motion detection equipment and building/ shelter, CO2 probes and Thermal Imaging equipment)
3. France (loan of motion detection equipment and building/ shelters; CO2 probes; and loan of passive millimetre wave imager reflectors and ISO containers)
  - i) **Calais:** Heartbeat equipment and building and Passive Millimetric Wave Imager ISO containers. Heartbeat equipment and two buildings in juxtaposed control zone commenced Spring 2004. 6 motion detectors (3 at DRI, 1 at RORO C7 operated by French stakeholders, 2 at UKBF sheds operated by UKBF staff and French stakeholders) and 7 hangars to operate with another hangar conversion to take place. Calais has 2 Passive Millimetric Wave Imagers operated in parallel.
  - ii) **Coquelles:** Heartbeat Detection Unit at the Euro tunnel operated in the juxtaposed control zone by the Home Office. Passive Millimetric Wave Imager ISO containers. Shelter for and Heartbeat detection equipment which is under control of, and operated by, the UKVI in the juxtaposed control zone. One hangar, Clanect Machine operated by French Stakeholders and 2 Passive Millimetric Wave Imagers with reflectors operated in series.
  - iii) **Dunkerque:** Heartbeat building commenced Summer 2005. Heartbeat equipment and building operated by the Home Office in the juxtaposed control zone and commenced operation in Spring 2004. 5 Hangars (3 at primary including a deep search area, 2 at secondary controls), 4 Clanect Machines operated by French Stakeholders.
  - iv) **Ostend:** Heartbeat shelters.
  - v) **St. Malo:** CO2 probes to be operated by French operators.
  - vi) **Vlissingen:** Heartbeat equipment and shelters.

- vii) **Zeebrugge**: Two further Heartbeat buildings and one Passive Millimetric Wave Imager ISO container.

The minutes also refer to the following:

Indemnity in respect of the deployment and/or demonstration of NDT by the Border Force in Europe. Within the scope of this indemnity “Europe” is defined as the member states of the Organisation for Security and Co-operation in Europe (OSCE); those North African and Middle Eastern countries with which the OSCE has special relationships (Algeria, Israel, Jordan, Morocco and Tunisia); and those countries which participate in Euro-Mediterranean dialogue with the Council of Europe (Libya, Syria, Lebanon and the Palestinian Authority).

Harmondsworth and Campsfield Inquiry Team (Minute dated 14 July 2007)

Indemnity provided to the Chairman and members of the team carrying out, in good faith and honesty, the inquiry into the disturbances at Harmondsworth and Campsfield Immigration Removal Centres.

### ***Credit Industry Fraud Avoidance Service (CiFas) – Fraud Protection Service***

(Minutes dated 23 November 2011 and 2 March 2016)

To indemnify bodies against erroneous data entered on the CiFas database, resulting in claims lodged against those organisations.

### ***Cyclamen***

(Minute dated 29 May 2009)

Indemnities to various port and airport authorities with the maximum exposure limited to £115 million, and with no individual indemnity being above £10 million.

### ***Chief Inspector of the Border Force – legal title remains Chief Inspector of UKBA***

As part of the secondment of the Chief Constable of Tayside Police to the position of independent Chief Inspector of UKBA, a contingent liability associated with pension entitlements falling to the Home Office was created.

### ***Daniel Morgan Independent Panel (DMIP) indemnity***

(Minute dated 17 June 2019)

The Daniel Morgan Independent Panel (DMIP) was set up by the Home Secretary in 2013 to shine a light on the 1987 murder of Daniel Morgan, its background and the handling of the case. A contingent liability was approved by HM Treasury to cover the cost of defending any claim, including, where unsuccessful, any damages and claimants’ costs raised against the Chair and four Panel members, as well as staff working in the Panel’s secretariat, with respect to any liabilities that may arise in the course of their roles.

### ***Matthew Rycroft CBE***

#### **Accounting Officer**

25 June 2021

## THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

### Opinion on financial statements

I certify that I have audited the financial statements of the Home Office and of its Departmental Group for the year ended 31 March 2021 under the Government Resources and Accounts Act 2000. The Department comprises the core Department and its agencies. The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2020. The financial statements comprise: the Department's and Departmental Group's Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Department's and the Departmental Group's affairs as at 31 March 2021 and of the Department's net expenditure and Departmental Group's net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

### Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2021 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Home Office in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Home Office's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Home Office's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Home Office is adopted in consideration of the requirements set out in HM Treasury's Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other Information

The other information comprises information included in the Annual Report but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the Home Office and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or

- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Report Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Home Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Home Office will not continue to be provided in the future or either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the Government Internal Audit Agency and those charged with governance, including obtaining and reviewing supporting documentation relating to the Home Office's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Home Office's controls relating to the

Government Resources and Accounts Act 2000, Managing Public Money and the Supply and Appropriation (Main Estimates) Act 2020;

- discussing among the engagement team and involving relevant internal and external specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;
- obtaining an understanding Home Office's framework of authority as well as other legal and regulatory frameworks that the Home Office Group operate in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Home Office. The key laws and regulations I considered in this context included the Government Resources and Accounts Act 2000, Managing Public Money, the Supply and Appropriation (Main Estimates) Act 2020, Employment Law and tax Legislation, and relevant legislation relating to fees charged by the Home Office;
- specific risk assessments performed in respect of significant risks relating to fraud: risk-based sampling of manual journals to identify those presenting higher risk of fraud, informed by planning risk assessment and review of the Statement of Parliamentary Supply outturn against budget; review of estimates presented within the accounts; analysis of individual income streams to address the potential risk of fraud in revenue recognition; review Home Office submissions to HMRC on non-compliance with IR35 tax legislation;

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- substantive testing of manual journals including journals with fraud characteristics; reviewing estimates within the account and challenging underlying assumptions and methodologies; substantive testing of income streams to address risk of fraud in revenue recognition; and substantive testing of liabilities owed to HMRC for non-compliance with IR35 legislation including a financial penalty which has been suspended and the conditions attached to this suspended penalty.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and

that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## **Report**

My report is set out on page 139.

**Gareth Davies**

**Date 30 June 2021**

**Comptroller and Auditor General**

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

## The Report of the Comptroller and Auditor General to the Houses of Commons

The Home Office is the lead government department responsible for reducing and preventing crime, and ensuring people feel safe in their homes and communities. The Department delivers this through supporting visible, responsible and accountable policing; overseeing fire prevention and rescue; keeping the United Kingdom safe from the threat of terrorism and extremism; securing the UK border and controlling immigration by considering applications to enter and stay in the UK and by issuing passports and visas. The net cost of providing these services is reported in the Resource Accounts.

During 2020-21 the Department agreed tax liabilities relating to incorrect assessment of contractors under IR35. This is reported as a fruitless payment of £29.5 million in the Losses and Special Payment section of the Accountability report relating to tax liabilities arising from the Department's errors in assessing the employment status of contractors under IR35 for the years 2017-18 to 2020-21. This charge relates to arrears of tax due and the interest on those arrears.

In addition, HMRC found that the Home Office had been 'careless' in its application of the off-payroll working rules. As a result, it imposed a penalty of £4 million. That penalty has been suspended for 3 months subject to certain conditions and therefore not included within the losses total.

The conditions relate to meeting the Home Office's notification and filing obligations, a 100% assurance check on all out of scope determinations, improved governance around the use of contractors and contingent labour, improved training of hiring managers and improved monitoring and assurance over compliance with IR35, not just at the point of procurement but throughout the contract life-cycle. The Home Office expects to meet those conditions.

**Gareth Davies**

**Date 30 June 2021**

**Comptroller and Auditor General**

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

# 3. THE FINANCIAL STATEMENTS

## Consolidated Statement of Comprehensive Net Expenditure

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

### For the year ended 31 March 2021

	Note	Core department & agencies £'000	2020-21 Departmental group £'000	Core department & agencies £'000	2019-20 Departmental group £'000
Revenue from contracts with customers	4	(1,502,070)	(1,725,888)	(2,629,569)	(2,883,291)
Other operating income	4	(519,265)	(519,265)	(634,154)	(634,154)
<b>Total operating income</b>		<b>(2,021,335)</b>	<b>(2,245,153)</b>	<b>(3,263,723)</b>	<b>(3,517,445)</b>
Staff costs	3	1,724,407	1,886,912	1,646,547	1,797,272
Main police grants	3	8,197,837	8,197,837	7,665,216	7,665,216
Police pensions top-up grant	3	1,785,735	1,785,735	1,860,220	1,860,220
Fire pensions top-up grant	3	519,089	519,089	511,018	511,018
Other grants	3	3,112,676	3,095,543	2,461,593	2,464,414
Purchase of goods and services	3	1,482,189	1,536,035	1,140,376	1,204,102
Depreciation and impairment charges	3	415,212	429,793	288,437	303,942
Provision expense	3	16,644	17,931	218,964	221,310
Other operating expenditure	3	1,651,757	1,764,296	1,517,043	1,651,505
Grant in aid to ALBs	3	131,460	-	122,243	-
<b>Total operating expenditure</b>		<b>19,037,006</b>	<b>19,233,171</b>	<b>17,431,657</b>	<b>17,678,999</b>
<b>Net operating expenditure</b>		<b>17,015,671</b>	<b>16,988,018</b>	<b>14,167,934</b>	<b>14,161,554</b>
Finance expense	3	29,989	29,989	29,466	29,466
<b>Net expenditure for the year</b>		<b>17,045,660</b>	<b>17,018,007</b>	<b>14,197,400</b>	<b>14,191,020</b>
<b>Other Comprehensive Net Expenditure</b>					
Items which will not be reclassified to net operating costs:					
Net (gain)/loss on revaluation of property, plant and equipment		22,588	22,588	(25,498)	(28,727)
Net (gain)/loss on revaluation of Intangible assets		(6,694)	(7,029)	(805)	(750)
<b>Comprehensive net expenditure for the year</b>		<b>17,061,554</b>	<b>17,033,566</b>	<b>14,171,097</b>	<b>14,161,543</b>

All activities are continuing operations.

The notes on pages 146 to 177 form part of these accounts.

## Consolidated Statement of Financial Position

This statement presents the financial position of the Home Office. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

<b>As at 31 March 2021</b>		<b>2020-21</b>		<b>2019-20</b>	
	<b>Note</b>	<b>Core department &amp; agencies £'000</b>	<b>Departmental group £'000</b>	<b>Core department &amp; agencies £'000</b>	<b>Departmental group £'000</b>
<b>Non-current assets</b>					
Property, plant and equipment	5	1,579,604	1,624,560	1,453,695	1,498,517
Intangible assets	6	602,123	630,387	599,787	629,063
Trade receivables and other non-current assets	9	6,640	6,640	8,035	8,035
<b>Total non-current assets</b>		<b>2,188,367</b>	<b>2,261,587</b>	<b>2,061,517</b>	<b>2,135,615</b>
<b>Current assets</b>					
Inventories		7,640	7,640	9,183	9,183
Trade and other receivables	9	810,527	803,747	781,017	788,930
Cash and cash equivalents	8	159,781	277,799	(160,849)	(63,058)
<b>Total current assets</b>		<b>977,948</b>	<b>1,089,186</b>	<b>629,351</b>	<b>735,055</b>
<b>Total assets</b>		<b>3,166,315</b>	<b>3,350,773</b>	<b>2,690,868</b>	<b>2,870,670</b>
<b>Current liabilities</b>					
Provisions	11	139,152	140,185	56,896	58,432
Trade and other payables	10	3,075,369	3,144,849	2,104,257	2,177,473
<b>Total current liabilities</b>		<b>3,214,521</b>	<b>3,285,034</b>	<b>2,161,153</b>	<b>2,235,905</b>
<b>Total assets less current liabilities</b>		<b>(48,206)</b>	<b>65,739</b>	<b>529,715</b>	<b>634,765</b>
<b>Non-current liabilities</b>					
Other payables	10	267,900	269,944	273,908	274,554
Provisions	11	208,910	214,718	318,631	322,891
Pension liability		259	2,729	6	2,372
<b>Total non-current liabilities</b>		<b>477,069</b>	<b>487,391</b>	<b>592,545</b>	<b>599,817</b>
<b>Assets less liabilities</b>		<b>(525,275)</b>	<b>(421,652)</b>	<b>(62,830)</b>	<b>34,948</b>
<b>Taxpayers' equity and other reserves</b>					
General fund	SoCTE	(751,655)	(656,283)	(335,496)	(249,980)
Revaluation reserve	SoCTE	226,639	237,360	272,672	287,300
Pension reserve	SoCTE	(259)	(2,729)	(6)	(2,372)
<b>Total equity</b>		<b>(525,275)</b>	<b>(421,652)</b>	<b>(62,830)</b>	<b>34,948</b>

The notes on pages 146 to 177 form part of these accounts.

**Matthew Rycroft CBE**

**Accounting Officer**

25 June 2021

## Consolidated Statement of Cash Flows

The Statement of Cash Flows shows the changes in cash and cash equivalents of the department during the reporting period. The statement shows how the department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the departments' future public service delivery.

### For the year ended 31 March 2021

	Note	Core department & agencies £'000	2020-21 Departmental group £'000	Core department & agencies £'000	2019-20 Departmental group £'000
<b>Cash flows from operating activities</b>					
Net expenditure for the year		(17,045,660)	(17,018,007)	(14,197,400)	(14,191,020)
Adjustments for non-cash transactions		471,776	488,680	537,535	556,836
(Increase)/decrease in trade and other receivables	9	(28,115)	(13,422)	(81,438)	(115,298)
Less movements in receivables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure		(9,057)	(9,464)	(475)	(506)
(Increase)/decrease in inventories and assets classified as held for sale		1,543	1,543	382	382
Increase/(decrease) in trade payables	10	965,104	962,766	(931,353)	(918,110)
Less movements in payables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure		(382,139)	(403,974)	437,242	420,432
Use of provisions	11	(44,109)	(44,351)	(16,865)	(16,867)
Increase/(decrease) in pension liability		253	357	(21)	147
<b>Net cash outflow from operating activities</b>		<b>(16,070,404)</b>	<b>(16,035,872)</b>	<b>(14,252,393)</b>	<b>(14,264,004)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	5	(379,613)	(387,373)	(319,217)	(327,067)
Less: PPE capital creditors		33,155	33,155	83,506	83,506
Purchase of intangible assets	6	(210,053)	(216,864)	(150,287)	(157,246)
Less: Intangibles capital creditors		13,232	13,232	53,642	53,642
Proceeds of disposal		15,548	15,814	5,708	5,954
<b>Net cash outflow from investing activities</b>		<b>(527,731)</b>	<b>(542,036)</b>	<b>(326,648)</b>	<b>(341,211)</b>
<b>Cash flows from financing activities</b>					
From the Consolidated Fund (Supply) - current year		16,920,450	16,920,450	14,254,637	14,254,637
Consolidated Fund Extra Receipts paid to Consolidated Fund		-	-	(253,000)	(253,000)
Advances from the Contingencies Fund		1,250,000	1,250,000	-	-
Repayments to the Contingencies Fund		(1,250,000)	(1,250,000)	-	-
Movement on PFI, PFI Finance Leases and Finance Leases		(1,685)	(1,685)	11,290	11,225
<b>Net financing</b>		<b>16,918,765</b>	<b>16,918,765</b>	<b>14,012,927</b>	<b>14,012,862</b>
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		320,630	340,857	(313,114)	(339,353)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		320,630	340,857	(566,114)	(592,353)
Cash and cash equivalents at the beginning of the period		(160,849)	(63,058)	405,265	529,295
<b>Cash and cash equivalents at the end of the period</b>		<b>159,781</b>	<b>277,799</b>	<b>(160,849)</b>	<b>(63,058)</b>

The notes on pages 146 to 177 form part of these accounts.

## Consolidated Statement of Changes in Taxpayers' Equity

This statement shows the movement in the year on the different reserves held by [the Department], analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

### Departmental Group

For the year ended 31 March 2021

	Note	General fund £'000	Revaluation reserve £'000	Pension reserve £'000	Total reserves £'000
<b>Balance at 31 March 2019</b>		<b>(686,113)</b>	<b>286,678</b>	<b>(2,225)</b>	<b>(401,660)</b>
Net Parliamentary Funding - drawn down		14,254,637	-	-	14,254,637
Net Parliamentary Funding - deemed		305,663	-	-	305,663
Supply (payable)/receivable		117,771	-	-	117,771
Consolidated Fund Extra Receipts		(80,413)	-	-	(80,413)
Comprehensive Net Expenditure for the year		(14,191,020)	-	-	(14,191,020)
<b>Non-cash adjustments</b>					
Net (gain)/loss on revaluation of property, plant and equipment		-	28,727	-	28,727
Net (gain)/loss on revaluation of Intangible assets		-	750	-	750
<b>Movements in reserves</b>					
Non-cash charges - auditor's remuneration	3	493	-	-	493
Transfers between reserves		29,002	(28,855)	(147)	-
<b>Balance at 31 March 2020</b>		<b>(249,980)</b>	<b>287,300</b>	<b>(2,372)</b>	<b>34,948</b>
Net Parliamentary Funding - drawn down		16,920,450	-	-	16,920,450
Net Parliamentary Funding - deemed		(117,771)	-	-	(117,771)
Supply (payable)/receivable		(93,348)	-	-	(93,348)
Consolidated Fund Extra Receipts		(131,659)	-	-	(131,659)
Comprehensive Net Expenditure for the year		(17,018,007)	-	-	(17,018,007)
<b>Non-cash adjustments</b>					
Net (gain)/loss on revaluation of property, plant and equipment		-	(22,588)	-	(22,588)
Net (gain)/loss on revaluation of Intangible assets		-	7,029	-	7,029
<b>Movements in reserves</b>					
Non-cash charges - auditor's remuneration	3	530	-	-	530
Other		-	(1,236)	-	(1,236)
Transfers between reserves		33,502	(33,145)	(357)	-
<b>Balance at 31 March 2021</b>		<b>(656,283)</b>	<b>237,360</b>	<b>(2,729)</b>	<b>(421,652)</b>

The notes on pages 146 to 177 form part of these accounts

# Consolidated Statement of Changes in Taxpayers' Equity

## Core Department and Agencies

For the year ended 31 March 2021

	Note	General fund £'000	Revaluation reserve £'000	Pension reserve £'000	Total reserves £'000
<b>Balance at 31 March 2019</b>		<b>(785,740)</b>	<b>276,758</b>	<b>(27)</b>	<b>(509,009)</b>
Net Parliamentary Funding - drawn down		14,254,637	-	-	14,254,637
Net Parliamentary Funding - deemed		305,663	-	-	305,663
Supply (payable)/receivable		117,771	-	-	117,771
Consolidated Fund Extra Receipts		(61,288)	-	-	(61,288)
Comprehensive Net Expenditure for the year		(14,197,400)	-	-	(14,197,400)
<b>Non-cash adjustments</b>					
Net (gain)/loss on revaluation of property, plant and equipment		-	25,498	-	25,498
Net (gain)/loss on revaluation of Intangible assets		-	805	-	805
<b>Movements in reserves</b>					
Non-cash charges - auditor's remuneration	3	493	-	-	493
Transfers between reserves		30,368	(30,389)	21	-
<b>Balance at 31 March 2020</b>		<b>(335,496)</b>	<b>272,672</b>	<b>(6)</b>	<b>(62,830)</b>
Net Parliamentary Funding - drawn down		16,920,450	-	-	16,920,450
Net Parliamentary Funding - deemed		(117,771)	-	-	(117,771)
Supply (payable)/receivable		(93,348)	-	-	(93,348)
Consolidated Fund Extra Receipts		(109,516)	-	-	(109,516)
Comprehensive Net Expenditure for the year		(17,045,660)	-	-	(17,045,660)
<b>Non-cash adjustments</b>					
Net (gain)/loss on revaluation of property, plant and equipment		-	(22,588)	-	(22,588)
Net (gain)/loss on revaluation of Intangible assets		-	6,694	-	6,694
<b>Movements in reserves</b>					
Non-cash charges - auditor's remuneration	3	530	-	-	530
Other		-	(1,236)	-	(1,236)
Transfers between reserves		29,156	(28,903)	(253)	-
<b>Balance at 31 March 2021</b>		<b>(751,655)</b>	<b>226,639</b>	<b>(259)</b>	<b>(525,275)</b>

## Notes to the Departmental Resource Accounts

### 1. Statement of accounting policies

#### 1.1. Basis of preparation

The financial statements have been prepared in accordance with the 2020-21 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Department for the purpose of giving a true and fair view has been selected. The policies adopted by the Department are described below. They have been applied consistently in dealing with items that are considered material to the financial statements.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare a Statement of Parliamentary Supply and supporting notes to show Outturn against Estimate in terms of the net resource requirement and the net cash requirement.

In common with other government departments, the future financing of the Department's liabilities is to be met by future grants of Supply and the application of future income, both to be approved annually by Parliament. It has been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

The accounts have been prepared under the Government Resources and Accounts Act 2000.

#### 1.2. Accounting convention

These accounts have been prepared on an accruals basis under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

#### 1.3. Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements and assumptions that affect the amounts reported for assets and liabilities at the year ending 31 March, and for amounts reported for income and expenses during the year. In the process of applying the Department's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- Provisions: judgements and assumptions that affect the value of the major provisions recognised in these accounts are described within the provisions note to these accounts. This narrative notably includes explanation of the judgements and assumptions affecting the provision recognised in 2020-21 in respect of the Windrush Compensation Scheme.
- Police pensions and fire and rescue pension top-up grant accrual
- Service concessions

Details of the accounting policies for each of these areas is set out separately below within this note.

COVID-19, which was declared a 'global pandemic' on 11 March 2020, has impacted global financial markets and wider economies. The impact on the value of Home Office land and buildings has been taken into account in the professional valuation of these assets.

#### 1.4. Basis of consolidation

These accounts are the consolidation of the Core department, its five executive non-departmental public bodies (NDPBs) and the College of Policing Limited. The NDPBs consolidated within the departmental boundary are:

- Disclosure and Barring Service (DBS)
- Gangmasters and Labour Abuse Authority (GLAA)
- Independent Office for Police Conduct (IOPC)
- Office of the Immigration Services Commissioner (OISC)
- Security Industry Authority (SIA)

The College of Policing Limited is a company limited by guarantee. It is classified as an arm's length body by the Treasury and is consolidated within the departmental boundary as a NDPB.

The NDPBs and the College of Policing also produce and publish their own annual reports and accounts. Transactions between entities included in the consolidated accounts are eliminated.

#### 1.5. Property, plant and equipment

Property, plant and equipment is recognised initially at cost and thereafter carried at fair value less depreciation and impairment charged subsequent to the date of revaluation.

Cost comprises the amount of cash paid to acquire the asset and includes any costs directly attributable to making the asset capable of operating as intended. The capitalisation threshold for expenditure on property, plant and equipment is £5,000.

Fair value of properties is based on professional valuations every five years and in the intervening years by the use of published indices appropriate to the type of property. Properties transferred to the Government Property Agency are revalued on date of transfer and accounted for as a capital grant in kind. Valuations are undertaken in accordance with the Royal Institute of Chartered Surveyors Appraisal and Evaluation Manual.

The last valuation was performed by Cushman & Wakefield Plc, which is a registered valuer recognised by the Royal Institute of Chartered Surveyors. The valuation was carried out as at 31 March 2021.

Where open market value is obtainable, other operational assets are revalued to open market value. Where open market value is not obtainable, other operational assets are valued using depreciated replacement cost. Published indices appropriate to the category of asset are used to estimate value.

The inputs used to value property, plant and equipment are therefore categorised as level 2 inputs in the IFRS 13 fair value hierarchy.

Any revaluation surplus is credited to the revaluation reserve except to the extent that it reverses a decrease in the carrying value of the same asset previously recognised in the Consolidated Statement of Comprehensive Net Expenditure, in which case the increase is recognised in the Consolidated Statement of Comprehensive Net Expenditure.

A revaluation deficit is recognised in the Consolidated Statement of Comprehensive Net Expenditure, except to the extent of any existing surplus in respect of that asset in the revaluation reserve.

Depreciation is calculated to write down the costs of the assets to their estimated residual value on a straight-line basis over their expected useful lives as follows:

- Buildings – up to 60 years or life of lease
- Improvements to leasehold buildings – the shorter of the duration of lease or anticipated useful life
- Plant and equipment – 2 to 15 years
- Computers – 2 to 15 years
- Transport equipment – 3 to 20 years
- Furniture and fittings – 3 to 10 years

Assets in the course of construction are not depreciated until the point at which they are ready to be brought into use. No depreciation is provided on freehold land and non-current assets held for sale.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

## **1.6. Intangible assets**

Intangible assets are measured on initial recognition at cost. Following initial recognition, where an active market exists, intangible assets are carried at fair value at the period ending 31 March. Where no active market exists, the Department uses published indices to assess the depreciated replacement cost.

The inputs used to value intangible assets are therefore categorised as level 2 inputs in the IFRS 13 fair value hierarchy.

Internally generated intangible assets are not capitalised unless it is a development cost. Expenditure is recognised in the Consolidated Statement of Comprehensive Net Expenditure in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. All intangible assets are currently assessed to have a finite life and are assessed for impairment. The amortisation period and the amortisation method are reviewed at least at each financial year end.

### **Software licences**

Externally acquired computer software licences are amortised over the shorter of the term of the licence and the useful economic life of three to fifteen years.

### **Internally developed software**

This includes software that arises from internal or third-party development for internal or external access. The direct costs associated with the development stage of internally developed software are included in the cost of the asset. These assets are amortised over the useful economic life of three to ten years. Note 6 to the accounts refers to these assets as Information Technology.

### **Assets under construction**

Assets in the course of construction are not amortised until the point at which they are ready to be brought into use. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred.

## **1.7. Leases**

Assets held under finance leases, which transfer to the Department substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease, with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the Consolidated Statement of Comprehensive Net Expenditure to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and the rentals payable are charged to the Consolidated Statement of Comprehensive Net Expenditure on a straight-line basis over the lease term.

All finance leases and the majority of operating leases held by the Department are in respect of properties. Renewal, purchase options and escalation clauses are in line with market practice.

## **1.8. Service concessions**

The Department is party to private finance initiatives (PFIs). The classification of such arrangements as service concession arrangements requires the Department to determine, based on an evaluation of the terms and conditions of the arrangements, whether it controls the infrastructure.

This evaluation represents a significant source of estimation uncertainty for the Department.

The Department accounts for PFI transactions on a control approach based on the FReM, which uses IFRIC 12 Service Concession Arrangements to inform its treatment. The Department is considered to control the infrastructure in a public-to-private service concession arrangement if:-

- the Department controls or regulates the services that the operator must provide using the infrastructure, to whom it must provide them, and at what price; and

- the Department controls any significant residual interest in the property at the end of the concession term through ownership, beneficial entitlement or otherwise.

Where it is determined that such arrangements are not in scope of IFRIC 12, the Department assesses such arrangements under IFRIC 4 Determining Whether an Arrangement Contains a Lease.

Where it is identified that the arrangement conveys a right to use an asset in return for a payment or series of payments, the lease element is accounted for as either an operating lease or finance lease in accordance with the risk and reward-based approach set out in the section of this note on leases.

Where it is determined that arrangements are in scope of IFRIC 12, the Department recognises the infrastructure as a non-current asset.

Where the contract is separable between the service element, the interest charge and the infrastructure asset, the asset is measured as under IAS 17, with the service element and the interest charge recognised as incurred over the term of the concession arrangement. Where there is a unitary payment stream that includes infrastructure and service elements that cannot be separated, the various elements will be separated using estimation techniques.

In determining the interest rate implicit in the contract, the Department applies the risk-free market rate at the time the contract was signed. The rate is not changed unless the infrastructure element or the whole contract is renegotiated. The risk-free rate is determined by reference to the real rate set by HM Treasury.

The nominal rate is then calculated by adjusting this real term rate by the UK inflation rate.

The Department recognises a liability for the capital value of the contract. That liability does not include the interest charge and service elements, which are expensed annually to the Consolidated Statement of Comprehensive Net Expenditure.

On initial recognition of Public-Private partnership arrangements or PFI contracts under IFRS, the Department measures the non-current asset in the same way as other non-current assets of that generic type. A liability is recognised for the capital value of the contract at its fair value at the period end, which will normally be the outstanding liability in respect of the asset (that is, excluding the interest and service elements), discounted by the interest rate implicit in the contract.

Assets are revalued in accordance with the revaluation policy for property, plant and equipment and intangible assets. Liabilities are measured using the appropriate discount rate.

Revenue received under any revenue sharing provision in the service concession arrangement is recognised when all the conditions set by IFRS 15 Revenue from Contracts with Customers have been satisfied.

## **1.9. Cash and cash equivalents**

Cash in the Statement of Financial Position comprises cash at bank and in hand. For the purpose of the cash flow statement, cash and cash equivalents consist of cash, less any outstanding bank overdrafts.

## 1.10. Provisions

A provision is recognised when the Department has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using the real rate set by HM Treasury.

Provisions represent a significant source of estimation uncertainty for the Department.

## 1.11. Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Department discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money.

These comprise:

- items over £300,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to Parliament by Departmental Minute prior to the Department entering into the arrangement; and
- all items (whether or not they arise in the normal course of business) over £300,000 (or lower, where required by specific statute or where material in the context of resource accounts) which are required by the FReM to be noted in the resource accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

## 1.12. Income

Income is recognised in accordance with IFRS 15. Revenue is recognised when a performance obligation included within a contract with a customer is satisfied, at the transaction price allocated to that performance obligation.

Income principally comprises fees and charges for services provided on a full cost basis to external customers.

Free passports issued for all British Nationals born on or before 2 September 1929 that was introduced on 18 October 2004 is financed by Parliamentary Supply drawn down by the Home Office.

Passport fees include an element relating to consular protection services provided by the FCO worldwide. These fees are not retained by the Home Office and are remitted to HM Treasury as Consolidated Fund Extra Receipts. These fees are separately reported in the Home Office Trust Statement.

Income which relates directly to the operating activities of the Department is stated net of VAT.

### Revenue from Contracts with Customers

IFRS 15, which became effective from 2018-19, provides a comprehensive standard for revenue recognition.

The Home Office recognises revenue primarily from the provision of immigration-related documentation such as passports and visas as well as certificates for the registration of births, deaths and marriages.

### Performance obligations

The table below sets out, for each income stream, when performance obligations are typically satisfied, the significant payment terms, and the nature of the goods or services which the Department supplies.

All income streams usually have a contract of a duration of one year or less, and therefore transaction price allocated to remaining performance obligations is not disclosed, applying the practical expedient in IFRS 15.121.

Income stream	Description of income stream	Performance obligation	Determination of transaction price	Payment terms
Passport fees	Supply of passports and other services by HM Passport Office	On delivery of the passport to the customer	Set out in legislation	Payment on application
Visa and immigration fees	Supply of visas and immigration documents	On delivery of the visa or immigration decision to the customer	Set out in legislation	Payment on application
Asset recovery income	Recovery of proceeds of crime	The Department has powers set out in legislation to recover this income	Value of penalty collected	Penalty payment by court order
Certificate services	Supply of copies of birth, marriage and death certificates	Delivery of the certificate to the customer	Set out in legislation	Payment on application
DBS income	Supply of criminal records checks by the Disclosure and Barring Service	Delivery of the information to the customer	Set out in legislation	Payment on application
EU income	Grants from the Asylum, Migration and Integration Fund (AMIF)	Work done to meet the criteria for grant payment	Set out in grant agreement	Payment in arrears on satisfaction of grant obligations
Hendon Data Centre Income	Supply of IT services to police forces	The supply of IT services over time	Set out in agreement between department and police forces	Payment quarterly in accordance with the agreement

### ***Significant judgements in the application of IFRS 15***

The total consideration from contracts with customers is included in the transaction price for each of these income streams. None of these income streams contain variable consideration which may be constrained.

Identifying when the goods or services are supplied is straightforward for income streams corresponding to performance obligations satisfied at a point in time (passport fees, visa and immigration fees, certificate services, and DBS income).

For asset recovery income, income is recognised when HMCTS has collected receipts against confiscation orders and those receipts become payable to the Department.

For EU income, the performance obligations are set out in the Asylum, Migration and Integration Fund (AMIF) UK National Programme, and whether a performance obligation has been delivered is judged against the expectations set out in the National Programme.

For Hendon Data Centre Income, the performance obligations and transaction price are set out in an agreement between the Department and police forces, and revenue is recognised against the terms set out in that agreement.

### ***Other Operating Income***

Airwave income is not recognised under IFRS 15 as there is no performance obligation corresponding to this income stream. Instead, this is a reduction in the cost of the contract, paid by the supplier.

The Immigration Health Surcharge is not recognised under IFRS 15 as the funds are not retained by the Department. The Immigration Health Surcharge, which the UK government introduced in April 2015, is charged to all non-European Economic Area nationals. This fee is designed to help ensure the National Health Service (NHS) remains sustainable and receives a fair contribution to the cost of healthcare from temporary migrants. The Home Office collects this fee on behalf of the Department of Health and Social Care and it is then transferred via the supply estimate process.

### ***Contract balances***

Most departmental income comes from services for which payment is made in advance, which gives rise to a contract liability. Contract liabilities, reported under IFRS 15, are disclosed separately in the note for trade payables and other current liabilities. Contract liabilities are recognised on receipt of cash for services and derecognised at the point of provision of those services.

Contract assets (accrued income) primarily relate to the Department's right to consideration for work completed but not yet billed at the reporting date. Contract liabilities (deferred income) primarily relate to the consideration received from customers in advance of transferring a good or service.

## 1.13. Pensions

### *Principal Civil Service Pension Scheme (PCSPS):*

The Department recognises the expected costs on a systematic and rational basis over the period during which it benefits from employees' services by payments to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS.

### *Civil Servants and Others Pension Scheme (CSOPS):*

CSOPS, known as Alpha, is an unfunded, defined benefit scheme which started on 1 April 2015. The Department recognises the expected costs on a systematic and rational basis over the period during which it benefits from employees' services by payments to the CSOPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the CSOPS.

### *Partnership and Stakeholder Schemes:*

The employer made a basic contribution of between 3% and 12.5% of pensionable earnings up to 30 September 2015 and between 8% and 14.75% of pensionable earning from 1 October 2015 (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contributed a further 0.8% of pensionable pay up to 30 September 2015 and 0.5% of pensionable pay from 1 October 2015 to cover the cost of centrally-provided risk benefit cover (death in service and ill-health retirement).

### *Broadly By Analogy (BBA):*

The BBA pensions are unfunded, with benefits being paid as they fall due. Liabilities for the scheme rest with the core department and the Independent Office for Police Conduct, its operators, and provision for these liabilities is reflected in the Statement of Financial Position. The annual cost of the associated pension contribution is recognised in the Statement of Comprehensive Net Expenditure, and amounts relating to changes in the actuarial valuation of scheme liabilities are adjusted via the Statement of Changes in Taxpayers' Equity. The scheme liabilities have been calculated by the Government Actuary's department.

## 1.14. Home Office grants

Grant-in-aid is recognised on a cash basis. Grant-in-aid is a funding mechanism to finance all or part of the costs of relevant entities within the Home Office group.

Other grants are recognised on an accruals basis: grant expenditure is recognised at the point at which the relevant work is done by the grant recipient.

For most grants, the Department recognises grant expenditure monthly on the assumption of work done, which is confirmed and adjusted quarterly based on evidence from the grant recipient. Grant payments are made quarterly in arrears once in receipt of this evidence.

Significant grants given by the Department include the main police grant, counter-terrorism policing grant, and police pensions and fire and rescue pension top-up grant.

### ***Main police grant***

Main police grants are based on funding levels set out in the Police Grant Report (England and Wales) 2020-21. This includes, among other grant streams, DCLG formula funding and legacy council tax grants. The majority of this grant expenditure is recognised on a straight-line basis across the year.

### ***Counter-terrorism policing grant***

The counter-terrorism policing grant is paid quarterly in arrears based on claims submitted by the National Counter Terrorism Security Office. Grant expenditure is recognised evenly across the year based on assumptions of work done in between payments.

### ***Police pensions and fire and rescue pension top-up grant***

Police pensions and fire and rescue pension top-up grants are recognised as the best estimates of the difference between outgoing pension expenditure and incoming pension contributions in a single year.

The top-up grant accrual represents a significant source of estimation uncertainty for the Department.

Each police force and fire and rescue service participates in unfunded defined benefit and defined contribution pension schemes. Each authority recognises the associated long-term pension liability for these schemes in its own financial statements.

Because these schemes are unfunded, the Department is required under legislation to make grants to police forces and fire brigades to match the estimated cash deficit in their pension schemes for the year. The grant is based on estimates provided in-year by the police and fire services and adjusted for actual outturns from prior years.

The Department recognises an accrual at the year-end for the element of the grant that has not been paid by the year-end. There are inherent uncertainties involved with the calculation of the pension grant, for example the number of retirees and amounts taken in lump sums, which means that the accrual is the best estimate of the liability at the year-end.

The top-up grant provides the mechanism by which cash funding is provided to the schemes to allow them to meet their liabilities as they fall due. The Department meets these commitments via the supply estimates process each year. Therefore, the Department does not recognise a provision or contingent liability in respect of future years' pension top up grants.

## **1.15. Value added tax (VAT)**

Most of the activities of the Department are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

## 1.16. Operating segments

IFRS 8 Operating Segments has been applied in full without interpretation or adaptation in line with HM Treasury guidance. Segmental information is included in Note 2 to these accounts.

The Department recognises all revenues from external customers as within the United Kingdom. Similarly, the Department recognises all its non-current assets as within the United Kingdom. Non-current assets based in foreign countries are in aggregate of immaterial value to these accounts.

## 1.17. Financial instruments

The majority of the Department's financial instruments are trade receivables and payables.

Receivables are shown net of expected credit loss. The Department holds receivables with customers with low credit risk (mainly central government departments and police forces), and other receivables are simple trade receivables held for collecting cash in the normal course of business.

The Home Office does not operate hedge accounting, so the specific requirements of IFRS 9 for hedging instruments do not apply.

## 1.18. International Financial Reporting Standards (IFRS) that have been issued but are not yet effective

### *IFRS 16 Leases*

The International Accounting Standards Board (IASB) has issued the final version of IFRS 16 which replaces IAS 17 for annual periods beginning on or after 1 January 2019. The FReM has deferred implementation of IFRS 16 until 1 April 2022, and therefore this standard does not affect the 2020-21 financial statements.

The full impact of the introduction of this standard will require assets and liabilities to be increased by the same amount, as operating leases will be treated in the same way as finance leases. The Department is undertaking a programme of work to assess the impact of the introduction of IFRS 16 on the Statement of Financial Position. Preliminary analysis has indicated that there will be a material impact; the results of this piece of work should be published in the 2021-22 Home Office annual report and accounts. IFRS 16 will be adopted by the Department for the first time in 2022-23 with 2021-22 forming a comparative year.

College of Policing Limited adopted IFRS 16 in 2019-20 because they are a company limited by guarantee, and as such they are obligated to prepare their accounts in this way to comply with the requirements of the Companies Act. The impact on the consolidated group accounts is not material.

### *IFRS 4 Insurance Contracts adapted for IFRS 9*

The IASB has adapted IFRS 4 Insurance Contracts as an interim measure between the introduction of IFRS 9 (2018-19) and the new insurance contracts accounting standard IFRS 17 (2022-23 expected). The Financial Reporting Advisory Board agreed to endorse the IFRS 4 amendments without adaptation or interpretation. It is not expected to have a material impact on the financial statements.

## 2. Statement of Operating Costs by Operating Segment

For the year ended 31 March 2021

	2020-21			2019-20		
	Gross expenditure £000	Income £000	Net £000	Gross expenditure £000	Income £000	Net £000
<b>Reportable Segment</b>						
Crime, Policing and Fire Group	12,223,230	(224,772)	11,998,458	11,137,255	(258,982)	10,878,273
Office for Security and Counter-terrorism	1,109,519	(22,889)	1,086,630	1,103,631	(18,803)	1,084,828
Serious and Organised Crime Group	501,622	(189,702)	311,920	335,896	(183,139)	152,757
UK Visas and Immigration	1,897,993	(1,297,338)	600,655	1,738,026	(2,311,897)	(573,871)
Immigration Enforcement	420,206	(25,368)	394,838	433,725	(41,767)	391,958
Border Force	704,922	(16,551)	688,371	639,687	(24,466)	615,221
HM Passport Office	241,048	(253,089)	(12,041)	291,596	(463,107)	(171,511)
Borders, Immigration and Citizenship System Policy and International Enablers	136,257	(7,758)	128,499	78,085	(11,633)	66,452
Digital, Data and Technology	1,014,076	(94,128)	919,948	1,950,564	(203,651)	1,746,913
	1,014,287	(113,558)	900,729	-	-	-
<b>Net Expenditure</b>	<b>19,263,160</b>	<b>(2,245,153)</b>	<b>17,018,007</b>	<b>17,708,465</b>	<b>(3,517,445)</b>	<b>14,191,020</b>
<b>Reconciliation between operating segments and SoPS note 1</b>						
<b>Add:</b>						
Income payable to the Consolidated Fund	-	109,516	109,516	-	61,288	61,288
Capital grant income	-	2,302	2,302	-	2,102	2,102
NDPB income (reported as net expenditure in SOPS Note 1)	(223,818)	223,818	-	(253,722)	253,722	-
<b>Less:</b>						
Capital grants	(208,291)	-	(208,291)	(219,610)	-	(219,610)
Capital expenditure	(52,097)	(1,238)	(53,335)	(50,755)	-	(50,755)
PFI adjustments	(2)	-	(2)	(15,419)	-	(15,419)
Capital disposal adjustments	-	803	803	-	(10)	(10)
NBV cost of disposal (treated as negative expenditure for SOPS)	-	-	-	4,997	(4,997)	-
<b>Net resource outturn</b>	<b>18,778,952</b>	<b>(1,909,952)</b>	<b>16,869,000</b>	<b>17,173,956</b>	<b>(3,205,340)</b>	<b>13,968,616</b>
<b>Departmental net assets by operating segment</b>						
	Total assets £000	Total liabilities £000	Net assets £000	Total assets £000	Total liabilities £000	Net assets £000
<b>Reportable Segment</b>						
Crime, Policing and Fire Group	211,800	(894,117)	(682,317)	214,725	(883,772)	(669,047)
Office for Security and Counter-terrorism	66,261	(146,389)	(80,128)	60,648	(163,995)	(103,347)
Serious and Organised Crime Group	29,505	(224,856)	(195,351)	20,008	(147,134)	(127,126)
UK Visas and Immigration	577,603	(1,030,808)	(453,205)	458,384	(506,673)	(48,289)
Immigration Enforcement	50,722	(53,818)	(3,096)	43,361	(63,006)	(19,645)
Border Force	309,652	(71,159)	238,493	266,070	(58,784)	207,286
HM Passport Office	163,384	(40,455)	122,929	163,375	(56,563)	106,812
Borders, Immigration and Citizenship System Policy and International Enablers	183,001	(58,865)	124,136	1,819	(22,907)	(21,088)
Digital, Data and Technology	1,140,110	(1,043,720)	96,390	1,642,280	(932,888)	709,392
	618,735	(208,238)	410,497	-	-	-
<b>Total balance</b>	<b>3,350,773</b>	<b>(3,772,425)</b>	<b>(421,652)</b>	<b>2,870,670</b>	<b>(2,835,722)</b>	<b>34,948</b>

The Crime, Policing and Fire Group (CPFG), and the services the group oversee, play vital roles in achieving the Home Office's core purpose of protecting the public. CPFG are responsible for the implementation of crime and policing policy and sponsor the Disclosure and Barring Service, the Independent Office for Police Conduct, the Security Industry Authority, the Gangmasters and Labour Abuse Authority and the College of Policing.

The Office for Security and Counter-Terrorism gives strategic direction to the UK's work to counter the threat from international terrorism and reduce serious and organised crime. Its primary objectives are to protect the public from terrorism by reducing the risk to the UK and its interests overseas, so that people can go about their lives freely and with confidence and to substantially reduce the level of serious and organised crime affecting the UK and its interests.

Serious Organised Crime (SOC) Group works with the National Crime Agency, police, other government departments, agencies and partner organisations to tackle serious and organised crime. SOC Group is responsible for leading and implementing policy on the government's response to the threat from serious and organised crime. In particular, the Group delivers (either directly, or through partners) many of the objectives of the Serious and Organised Crime Strategy which draws on the same structure as the Government's counter-terrorism strategy, grouping the response to organised crime into four areas (known as the 4Ps): PREVENT, PURSUE, PROTECT and PREPARE.

UK Visas and Immigration is responsible for considering applications from visitors to come to or remain in the UK. It is a high-volume service that aims to become a globally trusted operator delivering excellent customer service and secure decisions.

Immigration Enforcement is responsible for preventing abuse, pursuing immigration offenders and increasing compliance with immigration law. It works with partners to regulate migration in line with the law and government policy and supports economic growth.

Border Force (BF) is a professional law enforcement command within the Home Office. The average number of BF employees was 9,300 in 2020-21. BF operates together with a number of key partners at 140 ports. These include the Security & Intelligence Agencies, Police Forces, the National Crime Agency, HM Revenue & Customs, other government departments, port operators and an assortment of trade bodies. BF has primacy at 127 ports (including Juxtaposed).

Her Majesty's Passport Office (HMPO), provides accurate and secure records of key events and has responsibility to:

- provide passport services for British nationals residing in the UK and, in association with the Foreign and Commonwealth Office, to those residing overseas; and
- administer civil registration in England and Wales.

The Borders, Immigration & Citizenship System Policy and Strategy Group (BICS) was established to provide the Department with a focused cross-cutting capability to help it meet the government's agenda. This is done through a mixture of strategy and policy work, casework, management of external programmes, and coordinating and liaising with colleagues across the Department and externally. BICS sponsor the Office of the Immigration Services Commissioner.

Enablers includes Corporate Services, Communications Directorate, Human Resources Directorate and Strategy, Delivery and Private Office Group.

Digital, Data and Technology supports all technology-related commercial activity in the Home Office.

### 3. Expenditure

	Note	2020-21		2019-20	
		Core department & agencies	Departmental group	Core department & agencies Restated	Departmental group Restated
		£'000	£'000	£'000	£'000
<b>Staff costs</b>					
Wages and salaries		1,294,372	1,419,254	1,250,425	1,367,113
Social security costs		123,748	134,913	114,607	124,840
Other pension costs		306,607	333,322	282,071	306,174
<b>Subtotal</b>		<b>1,724,727</b>	<b>1,887,489</b>	<b>1,647,103</b>	<b>1,798,127</b>
Less recoveries in respect of outward secondments		(320)	(577)	(556)	(855)
<b>Total net staff costs</b>		<b>1,724,407</b>	<b>1,886,912</b>	<b>1,646,547</b>	<b>1,797,272</b>
<b>Grants</b>					
Grants - current					
Main police grants					
Home Office police core settlement (1)		4,675,829	4,675,829	4,339,717	4,339,717
Ministry for Communities and Local Government formula funding (2)		3,014,619	3,014,619	2,818,110	2,818,110
Legacy council tax grants (3)		507,389	507,389	507,389	507,389
<b>Total main police grants</b>		<b>8,197,837</b>	<b>8,197,837</b>	<b>7,665,216</b>	<b>7,665,216</b>
Other current grants (4)		2,906,039	2,887,252	2,244,804	2,244,804
Grants - capital (5)		206,637	208,291	216,789	219,610
Grants - police pensions grants (6)		1,785,735	1,785,735	1,860,220	1,860,220
Grants - fire and rescue services top-up grants (6)		519,089	519,089	511,018	511,018
<b>Non-cash items</b>					
Depreciation	5	200,251	206,972	160,477	166,224
Amortisation	6	204,296	212,156	127,957	137,713
Impairments - non-current assets		10,665	10,665	3	5
(Profit)/loss on disposal of non-current assets		344	973	(300)	1,119
PFI Interest charges		24,304	24,304	23,610	23,610
Finance lease interest charge		5,685	5,685	5,856	5,856
External auditors' remuneration		530	530	493	493
Provision movements		16,644	17,931	218,964	221,310
Bad debt movement		9,057	9,464	475	506
Impairments - inventories		1,247	1,247	236	236
Revaluations		13,189	13,495	-	2,250
<b>Purchase of goods and services</b>					
Publications, stationery and printing		10,180	10,560	11,249	12,069
Passport printing and stationery		72,088	72,088	53,141	53,141
Facilities management and staff services		40,512	63,081	48,222	69,846
Travel, subsistence and hospitality		33,051	37,637	67,180	76,706
Professional fees		163,575	175,880	124,210	139,278
External auditors' remuneration		-	317	-	315
Media and IT		148,755	162,444	98,845	115,218
Asylum costs		814,433	814,433	470,254	470,254
Detention costs		95,267	95,267	90,463	90,463
UK Visas & Immigration commercial partner costs		40,584	40,584	106,540	106,540
FCO charges		63,744	63,744	70,272	70,272
<b>Other operating expenditure</b>					
Rentals under operating leases		67,488	70,366	45,505	49,130
Other IT and accommodation related service charges		1,219,940	1,278,865	1,154,855	1,231,534
Asset recovery costs		94,130	94,130	86,750	86,750
Other costs		245,832	295,226	229,029	279,487
Grant in aid to ALBs		131,460	-	122,243	-
<b>Total</b>		<b>19,066,995</b>	<b>19,263,160</b>	<b>17,461,123</b>	<b>17,708,465</b>

Home Office grants reported above include the following:

Funding for police purposes, comprising of:

Home Office Police Core Settlement (1)

Funding to local policing bodies made under Section 46 of the Police Act 1996

Ministry for Communities and Local Government formula funding (2)

Grant funding previously paid to local policing bodies by the Secretary of State for Communities and Local Government under section 78A of the Local Government Finance Act 1988 through the Local Government Finance Report (England). It is now paid by the Home Secretary under Section 46 of the Police Act 1996. This is as a result of the Government decision that local policing bodies should be funded from outside the business rates retention scheme.

Legacy Council Tax Grants (3)

This funding comprises Council Tax Freeze Grant from the 2011-12, 2013-14 and 2014-15 schemes, payable to local policing bodies in England who chose to freeze or lower precept in those years and the Local Council Tax Support Grant, which was paid to local policing bodies in England from 2013-14 following the localisation of council tax support schemes.

It was previously paid by the Secretary of State for Communities and Local Government under Section 31(4) of the Local Government Act 2003. It is now paid by the Home Secretary under Section 46 of the Police Act 1996. This is a result of the Government's ambition to simplify police funding arrangements.

Other (4)

Various other grants are paid by the Home Office to local policing bodies, charities and local councils. The main examples of other grants include Police Uplift Programme grants and Police Special Grants.

In addition, other types of grant include:

Capital Grants (5)

Financial support paid to third parties for the purchase or improvement of assets (including buildings, equipment and land), which are expected to be used for a period of at least one year.

Two property assets, Vulcan House and Stephenson House, were transferred to the Government Property Agency on 31 March 2021. This transaction is recognised in these accounts as a capital grant in kind.

Police Pensions and Fire and Rescue Services top-up Grants (6)

The Department makes a grant to police forces and to the Fire and Rescue Services to match the estimated deficit in their Police and Fire and Rescue pension schemes for the year. The grant is based on estimates provided in-year by the respective forces and adjusted for actual outturns from prior years.

## 4. Income

	2020-21		2019-20	
	Core department & agencies £'000	Departmental group £'000	Core department & agencies £'000	Departmental group £'000
<b>Revenue from contracts with customers</b>				
Passport fees	210,946	210,946	412,398	412,398
Visa and immigration income	800,798	800,798	1,688,615	1,688,615
Hendon data centre income	22,460	22,460	94,839	94,839
Certificate services	19,708	19,708	18,803	18,803
DBS income	(2)	166,959	-	194,781
EU income	69,803	69,803	73,086	73,086
Asset recovery income	188,032	188,032	186,193	186,193
Other revenue from contracts with customers	190,325	247,182	155,635	214,576
<b>Other operating income</b>				
Airwave	-	-	9,000	9,000
Immigration Health Surcharge	376,809	376,809	532,459	532,459
Other income	32,940	32,940	31,407	31,407
<b>Total retained income</b>	<b>1,911,819</b>	<b>2,135,637</b>	<b>3,202,435</b>	<b>3,456,157</b>
<b>Payable to consolidated fund</b>				
Immigration Health Surcharge	104,013	104,013	65,218	65,218
Other income	5,503	5,503	(3,930)	(3,930)
<b>Total payable to Consolidated Fund</b>	<b>109,516</b>	<b>109,516</b>	<b>61,288</b>	<b>61,288</b>
<b>Total</b>	<b>2,021,335</b>	<b>2,245,153</b>	<b>3,263,723</b>	<b>3,517,445</b>

## 5. Property, plant and equipment

### 2020-21 Departmental Group

	Land £'000	Buildings £'000	Transport equipment £'000	Information technology £'000	Plant & machinery £'000	Furniture & fittings £'000	Payments on account & Assets under construction £'000	Departmental group total £'000
<b>Cost or valuation</b>								
At 1 April 2020	40,101	1,148,504	68,575	504,053	579,288	115,839	591,621	3,047,981
Additions	47	401	767	28,522	2,296	9,109	346,231	387,373
Disposals	(4,261)	(27,683)	(2,613)	(77,240)	(29,034)	(6,630)	(846)	(148,307)
Impairments	-	-	-	(8,707)	-	-	-	(8,707)
Reclassifications	-	727	2,198	46,971	2,762	436	(53,094)	-
Revaluations	2,173	(46,399)	(1,320)	6,399	(19,625)	(473)	-	(59,245)
<b>At 31 March 2021</b>	<b>38,060</b>	<b>1,075,550</b>	<b>67,607</b>	<b>499,998</b>	<b>535,687</b>	<b>118,281</b>	<b>883,912</b>	<b>3,219,095</b>
<b>Depreciation</b>								
At 1 April 2020	-	(492,564)	(48,322)	(394,912)	(530,407)	(83,259)	-	(1,549,464)
Charged in year	-	(53,729)	(6,231)	(107,906)	(22,038)	(17,068)	-	(206,972)
Disposals	-	17,380	2,600	76,749	28,869	6,551	-	132,149
Impairments	-	-	-	6,604	-	-	-	6,604
Reclassifications	-	(79)	-	-	-	79	-	-
Revaluations	-	12,468	918	(4,075)	13,488	349	-	23,148
<b>At 31 March 2021</b>	<b>-</b>	<b>(516,524)</b>	<b>(51,035)</b>	<b>(423,540)</b>	<b>(510,088)</b>	<b>(93,348)</b>	<b>-</b>	<b>(1,594,535)</b>
<b>Carrying amount at 31 March 2021</b>	<b>38,060</b>	<b>559,026</b>	<b>16,572</b>	<b>76,458</b>	<b>25,599</b>	<b>24,933</b>	<b>883,912</b>	<b>1,624,560</b>
<b>Carrying amount at 1 April 2020</b>	<b>40,101</b>	<b>655,940</b>	<b>20,253</b>	<b>109,141</b>	<b>48,881</b>	<b>32,580</b>	<b>591,621</b>	<b>1,498,517</b>
<b>Asset financing:</b>								
Owned	38,060	288,171	16,572	76,453	10,764	21,976	875,482	1,327,478
Finance leased	-	23,655	-	-	269	-	8,400	32,324
On balance sheet PFI/other concession arrangements	-	247,200	-	5	14,566	2,957	30	264,758
<b>Carrying amount at 31 March 2021</b>	<b>38,060</b>	<b>559,026</b>	<b>16,572</b>	<b>76,458</b>	<b>25,599</b>	<b>24,933</b>	<b>883,912</b>	<b>1,624,560</b>
<b>Of the total:</b>								
Core department	36,767	534,764	15,867	70,765	24,658	19,947	876,836	1,579,604
Arm's length bodies	1,293	24,262	705	5,693	941	4,986	7,076	44,956
<b>Carrying amount at 31 March 2021</b>	<b>38,060</b>	<b>559,026</b>	<b>16,572</b>	<b>76,458</b>	<b>25,599</b>	<b>24,933</b>	<b>883,912</b>	<b>1,624,560</b>

## 2019-20 Departmental Group

	Land £'000	Buildings £'000	Transport equipment £'000	Information technology £'000	Plant & machinery £'000	Furniture & fittings £'000	Payments on account & Assets under construction £'000	Departmental group total £'000
<b>Cost or valuation</b>								
At 1 April 2019	38,550	1,158,675	62,298	369,462	559,636	113,366	477,367	2,779,354
Additions	44	40,324	9,243	130,288	14,871	2,860	129,437	327,067
Disposals	-	(91,236)	(2,898)	(1,596)	(338)	(603)	-	(96,671)
Impairments	-	-	(4)	-	(10)	-	-	(14)
Reclassifications	-	2,215	-	5,236	2,642	925	(15,183)	(4,165)
Revaluations	1,507	38,526	(64)	663	2,487	(709)	-	42,410
<b>At 31 March 2020</b>	<b>40,101</b>	<b>1,148,504</b>	<b>68,575</b>	<b>504,053</b>	<b>579,288</b>	<b>115,839</b>	<b>591,621</b>	<b>3,047,981</b>
<b>Depreciation</b>								
At 1 April 2019	-	(525,815)	(45,501)	(321,298)	(495,641)	(70,378)	-	(1,458,633)
Charged in year	-	(38,330)	(5,793)	(75,161)	(32,933)	(14,007)	-	(166,224)
Disposals	-	85,948	2,881	1,636	25	631	-	91,121
Impairments	-	-	-	-	11	-	-	11
Reclassifications	-	-	-	346	-	-	-	346
Revaluations	-	(14,367)	91	(435)	(1,869)	495	-	(16,085)
<b>At 31 March 2020</b>	<b>-</b>	<b>(492,564)</b>	<b>(48,322)</b>	<b>(394,912)</b>	<b>(530,407)</b>	<b>(83,259)</b>	<b>-</b>	<b>(1,549,464)</b>
<b>Carrying amount at 31 March 2020</b>	<b>40,101</b>	<b>655,940</b>	<b>20,253</b>	<b>109,141</b>	<b>48,881</b>	<b>32,580</b>	<b>591,621</b>	<b>1,498,517</b>
<b>Carrying amount at 1 April 2019</b>	<b>38,550</b>	<b>632,860</b>	<b>16,797</b>	<b>48,164</b>	<b>63,995</b>	<b>42,988</b>	<b>477,367</b>	<b>1,320,721</b>
<b>Asset financing:</b>								
Owned	40,101	342,430	20,253	109,135	32,025	29,537	589,259	1,162,740
Finance leased	-	46,129	-	-	-	-	2,263	48,392
On balance sheet PFI/other concession arrangements	-	267,381	-	6	16,856	3,043	99	287,385
<b>Carrying amount at 31 March 2020</b>	<b>40,101</b>	<b>655,940</b>	<b>20,253</b>	<b>109,141</b>	<b>48,881</b>	<b>32,580</b>	<b>591,621</b>	<b>1,498,517</b>
<b>Of the total:</b>								
Core department	38,734	632,036	19,706	103,751	48,148	26,695	584,625	1,453,695
Arm's length bodies	1,367	23,904	547	5,390	733	5,885	6,996	44,822
<b>Carrying amount at 31 March 2020</b>	<b>40,101</b>	<b>655,940</b>	<b>20,253</b>	<b>109,141</b>	<b>48,881</b>	<b>32,580</b>	<b>591,621</b>	<b>1,498,517</b>

## 6. Intangible assets

### 2020-21 Departmental Group

	Information technology £'000	Software licences £'000	Websites £'000	Payments on account & Assets under construction £'000	Departmental group total £'000
<b>Cost or valuation</b>					
At 1 April 2020	1,061,067	69,852	4,103	407,542	1,542,564
Additions	190,600	672	199	25,393	216,864
Disposals	(51,449)	(1,186)	-	(263)	(52,898)
Impairments	(34,161)	(6,568)	-	-	(40,729)
Reclassifications	128,827	3,014	-	(131,841)	-
Revaluations	17,829	1,268	6	-	19,103
<b>At 31 March 2021</b>	<b>1,312,713</b>	<b>67,052</b>	<b>4,308</b>	<b>300,831</b>	<b>1,684,904</b>
<b>Amortisation</b>					
At 1 April 2020	(851,554)	(57,870)	(4,077)	-	(913,501)
Charged in year	(207,726)	(4,353)	(77)	-	(212,156)
Disposals	51,292	977	-	-	52,269
Impairments	26,060	4,871	-	-	30,931
Reclassifications	(9)	9	-	-	-
Revaluations	(11,064)	(994)	(2)	-	(12,060)
<b>At 31 March 2021</b>	<b>(993,001)</b>	<b>(57,360)</b>	<b>(4,156)</b>	<b>-</b>	<b>(1,054,517)</b>
<b>Carrying amount at 31 March 2021</b>	<b>319,712</b>	<b>9,692</b>	<b>152</b>	<b>300,831</b>	<b>630,387</b>
<b>Carrying amount at 1 April 2020</b>	<b>209,513</b>	<b>11,982</b>	<b>26</b>	<b>407,542</b>	<b>629,063</b>
<b>Asset financing:</b>					
Owned	317,269	8,190	152	300,831	626,442
On balance sheet PFI/other concession arrangements	2,443	1,502	-	-	3,945
<b>Carrying amount at 31 March 2021</b>	<b>319,712</b>	<b>9,692</b>	<b>152</b>	<b>300,831</b>	<b>630,387</b>
<b>Of the total:</b>					
Core department	303,071	8,379	132	290,541	602,123
Arm's length bodies	16,641	1,313	20	10,290	28,264
<b>Carrying amount at 31 March 2021</b>	<b>319,712</b>	<b>9,692</b>	<b>152</b>	<b>300,831</b>	<b>630,387</b>

## 2019-20 Departmental Group

	Information technology £'000	Software licences £'000	Websites £'000	Payments on account & Assets under construction £'000	Departmental group total £'000
<b>Cost or valuation</b>					
At 1 April 2019	948,827	71,191	4,103	376,342	1,400,463
Additions	84,091	992	-	72,163	157,246
Disposals	(19,245)	(2,172)	-	(225)	(21,642)
Impairments	(2)	-	-	-	(2)
Reclassifications	45,249	(346)	-	(40,738)	4,165
Revaluations	2,147	187	-	-	2,334
<b>At 31 March 2020</b>	<b>1,061,067</b>	<b>69,852</b>	<b>4,103</b>	<b>407,542</b>	<b>1,542,564</b>
<b>Amortisation</b>					
At 1 April 2019	(734,643)	(55,467)	(4,019)	-	(794,129)
Charged in year	(132,463)	(5,192)	(58)	-	(137,713)
Disposals	18,004	2,115	-	-	20,119
Reclassifications	(1,153)	807	-	-	(346)
Revaluations	(1,299)	(133)	-	-	(1,432)
<b>At 31 March 2020</b>	<b>(851,554)</b>	<b>(57,870)</b>	<b>(4,077)</b>	<b>-</b>	<b>(913,501)</b>
<b>Carrying amount at 31 March 2020</b>	<b>209,513</b>	<b>11,982</b>	<b>26</b>	<b>407,542</b>	<b>629,063</b>
<b>Carrying amount at 1 April 2019</b>	<b>214,184</b>	<b>15,724</b>	<b>84</b>	<b>376,342</b>	<b>606,334</b>
<b>Asset financing:</b>					
Owned	204,932	10,480	26	407,542	622,980
On balance sheet PFI/other concession arrangements	4,581	1,502	-	-	6,083
<b>Carrying amount at 31 March 2020</b>	<b>209,513</b>	<b>11,982</b>	<b>26</b>	<b>407,542</b>	<b>629,063</b>
<b>Of the total:</b>					
Core department	189,155	10,097	-	400,535	599,787
Arm's length bodies	20,358	1,885	26	7,007	29,276
<b>Carrying amount at 31 March 2020</b>	<b>209,513</b>	<b>11,982</b>	<b>26</b>	<b>407,542</b>	<b>629,063</b>

## 7. Financial Instruments

As the cash requirements of the Department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The Department has very limited powers to borrow, invest surpluses, or purchase foreign currency. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risk facing the Department in undertaking its activities.

The majority of financial instruments relate to contracts for goods and services in line with the Department's expected purchase and usage requirements and the Department is, therefore, exposed to little credit, liquidity or market risk.

## 8. Cash and cash equivalents

	2020-21		2019-20	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£'000	£'000	£'000	£'000
Balance at 1 April	(160,849)	(63,058)	405,265	529,295
Net change in cash and cash equivalent balances	320,630	340,857	(566,114)	(592,353)
<b>Balance at 31 March</b>	<b>159,781</b>	<b>277,799</b>	<b>(160,849)</b>	<b>(63,058)</b>
<b>The following balances at 31 March were held at:</b>				
Government Banking Service	159,732	178,481	(160,897)	(100,180)
Commercial banks and cash in hand	49	99,318	48	37,122
<b>Balance at 31 March</b>	<b>159,781</b>	<b>277,799</b>	<b>(160,849)</b>	<b>(63,058)</b>

## 9. Trade receivables, financial and other assets

	2020-21		2019-20	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
Trade receivables	160,495	138,427	122,515	124,196
VAT receivables net of payables	58,680	56,691	33,229	31,868
Staff receivables	(1,240)	(1,216)	(824)	(733)
Receivables - government departments	335,014	335,014	318,441	318,441
Other receivables	(46,290)	(46,263)	(185)	(3,331)
Prepayments and accrued income	303,868	321,094	307,836	318,484
Amounts due from the Consolidated Fund in respect of Supply	-	-	5	5
	<b>810,527</b>	<b>803,747</b>	<b>781,017</b>	<b>788,930</b>
<b>Amounts falling due after more than one year:</b>				
Other receivables	6,640	6,640	8,035	8,035
	<b>6,640</b>	<b>6,640</b>	<b>8,035</b>	<b>8,035</b>

## 10. Trade payables and other current liabilities

	Core department & agencies £'000	2020-21 Departmental group £'000	Core department & agencies £'000	2019-20 Departmental group £'000
<b>Amounts falling due within one year:</b>				
Other taxation and social security	13,550	17,570	12,494	16,370
Trade payables	59,127	63,309	88,188	90,949
Other payables	10,773	11,867	14,720	14,781
Staff payables	49,924	51,152	94,586	94,613
Accruals	1,491,437	1,537,201	1,110,298	1,162,636
Accruals - Police Pensions	349,872	349,872	375,612	375,612
Accruals - Fire Pensions	119,335	119,335	117,750	117,750
Contract liabilities	473,280	486,472	200,714	214,867
Payables - government departments	255,766	255,766	178,751	178,751
Current part of finance leases	15,448	15,448	19,871	19,871
Current part of imputed finance lease element of on balance sheet PFI contracts and other service concession arrangements	37,229	37,229	34,419	34,419
Amounts issued from the Consolidated Fund for supply but not spent at year end	93,348	93,348	(117,766)	(117,766)
Consolidated Fund Extra Receipts due to be paid to the Consolidated Fund (received)	65,012	65,012	(44,504)	(44,504)
Consolidated Fund Extra Receipts due to be paid to the Consolidated Fund (receivable)	41,268	41,268	19,124	19,124
	<b>3,075,369</b>	<b>3,144,849</b>	<b>2,104,257</b>	<b>2,177,473</b>
<b>Amounts falling due after more than one year:</b>				
Other payables, accruals and deferred income	13,229	15,273	19,165	19,811
Imputed finance lease element of on-balance sheet PFI contracts and other service concession arrangements	205,521	205,521	205,593	205,593
Finance leases	49,150	49,150	49,150	49,150
	<b>267,900</b>	<b>269,944</b>	<b>273,908</b>	<b>274,554</b>

### 10.1. Contract balances

	Contract liabilities £'000
At 1 April 2020	214,867
Decrease due to revenue recognised in the period	(825,672)
Increase due to cash received in advance and not recognised as revenue during the year	1,097,277
<b>At 31 March 2021</b>	<b>486,472</b>

#### Presented within:

Current	486,472
Non-current	-

## 11. Provisions for liabilities and charges

	2020-21		2019-20	
	Core department & agencies £'000	Departmental group £'000	Core department & agencies £'000	Departmental group £'000
<b>Balance at 1 April</b>	<b>375,527</b>	<b>381,323</b>	<b>173,428</b>	<b>176,880</b>
Provided in the year	120,877	122,798	257,188	259,614
Provisions not required written back	(104,233)	(104,867)	(38,224)	(38,304)
Provisions utilised in the year	(44,109)	(44,351)	(16,865)	(16,867)
Borrowing costs (unwinding of discounts)	-	-	-	-
<b>Balance at 31 March</b>	<b>348,062</b>	<b>354,903</b>	<b>375,527</b>	<b>381,323</b>
<b>Comprising</b>				
Not later than one year	139,152	140,185	56,896	58,432
Later than one year and not later than five years	85,850	89,953	165,213	168,795
Later than five years	123,060	124,765	153,418	154,096
<b>Balance at 31 March</b>	<b>348,062</b>	<b>354,903</b>	<b>375,527</b>	<b>381,323</b>

## Provisions analysis

	Early departure £'000	Dilapidations £'000	Legal claims £'000	Windrush compensation scheme £'000	Pensions and other £'000	Departmental group total £'000
<b>Balance at 1 April 2020</b>	<b>176</b>	<b>60,130</b>	<b>62,397</b>	<b>159,603</b>	<b>99,017</b>	<b>381,323</b>
Provided in the year	331	5,139	52,342	26,031	38,955	122,798
Provisions not required written back	-	(3,184)	(31,314)	-	(70,369)	(104,867)
Provisions utilised in the year	(174)	-	(18,301)	(25,634)	(242)	(44,351)
Transfer of provisions	-	-	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>333</b>	<b>62,085</b>	<b>65,124</b>	<b>160,000</b>	<b>67,361</b>	<b>354,903</b>
<b>Comprising:</b>						
Not later than one year	331	418	59,274	80,000	162	140,185
Later than one year and not later than five years	-	4,103	5,850	80,000	-	89,953
Later than five years	2	57,564	-	-	67,199	124,765
<b>Balance at 31 March 2021</b>	<b>333</b>	<b>62,085</b>	<b>65,124</b>	<b>160,000</b>	<b>67,361</b>	<b>354,903</b>
<b>Of the total:</b>						
Core department	2	55,858	65,002	160,000	67,200	348,062
Arm's length bodies	331	6,227	122	-	161	6,841
<b>Balance at 31 March 2021</b>	<b>333</b>	<b>62,085</b>	<b>65,124</b>	<b>160,000</b>	<b>67,361</b>	<b>354,903</b>

	Early departure £'000	Dilapidations £'000	Legal claims £'000	Windrush compensation scheme £'000	Pensions and other £'000	Departmental group total £'000
<b>Balance at 1 April 2019</b>	<b>1,426</b>	<b>58,440</b>	<b>51,502</b>	<b>-</b>	<b>65,512</b>	<b>176,880</b>
Provided in the year	79	4,842	44,873	160,000	49,820	259,614
Provisions not required written back	-	(3,152)	(18,878)	-	(16,274)	(38,304)
Provisions utilised in the year	(1,329)	-	(15,141)	(397)	-	(16,867)
Transfer of provisions	-	-	41	-	(41)	-
<b>Balance at 31 March 2020</b>	<b>176</b>	<b>60,130</b>	<b>62,397</b>	<b>159,603</b>	<b>99,017</b>	<b>381,323</b>
<b>Comprising:</b>						
Not later than one year	174	1,380	56,748	-	130	58,432
Later than one year and not later than five years	-	3,543	5,649	159,603	-	168,795
Later than five years	2	55,207	-	-	98,887	154,096
<b>Balance at 31 March 2020</b>	<b>176</b>	<b>60,130</b>	<b>62,397</b>	<b>159,603</b>	<b>99,017</b>	<b>381,323</b>
<b>Of the total:</b>						
Core department	176	54,528	62,332	159,603	98,888	375,527
Arm's length bodies	-	5,602	65	-	129	5,796
<b>Balance at 31 March 2020</b>	<b>176</b>	<b>60,130</b>	<b>62,397</b>	<b>159,603</b>	<b>99,017</b>	<b>381,323</b>

### Early Departure Costs

The Home Office meets the additional costs of benefits beyond the normal Principal Civil Service Pension Scheme (PCSPS) benefits in respect of employees who retire early by paying the required amount to PCSPS to cover the period between early departure and normal retirement date. The Home Office provides for this in full when the early retirement programme becomes binding on the Home Office by establishing a provision or accrual for the estimated payments.

Severance costs outstanding at year end under the new Civil Service Compensation Scheme are accrued for rather than provided for in a provision.

### Dilapidations

The Home Office makes provisions to cover its obligations for the reinstatement of its leasehold buildings to their original state before its occupation.

### Legal Claims

Provision has been made for various legal claims against the Home Office. The provision reflects all known claims where legal advice indicates that it is more than 50% probable that the claim will be successful, and the amount of the claim can be reliably estimated. The amount provided is on a percentage expected probability basis. No reimbursement will be received in respect of any of these claims. Legal claims, which may succeed but are less likely to do so (or cannot be estimated), are disclosed as contingent liabilities in Note 12.

### Windrush compensation scheme

On 3 April 2019, the Home Office launched the Windrush Compensation Scheme, which is one of the measures the Government introduced to help right the wrongs experienced by members of the Windrush generation.

The Windrush Compensation Scheme is open to:

- Commonwealth citizens who arrived in the UK before 1 January 1973 and who are lawfully here because they have a right of abode, or settled status, or are now British Citizens;
- Commonwealth citizens overseas who settled in the UK before 1 January 1973;
- Any person of any nationality who arrived in the UK before 31 December 1988 and is lawfully here because they have a right of abode, or settled status, or are now a British citizen;
- The children and grandchildren of Commonwealth citizens, in certain circumstances;
- The estates of those who are now deceased but would have otherwise been eligible to claim compensation; and
- Close family members of eligible claimants where there is evidence of certain direct financial losses, or significant impact on their life.

These accounts recognise a provision of £160 million, being the best estimate of the total value of future compensation scheme payments.

The provision value is based on the likelihood of number of claimants, and the estimated costs for the different areas of loss for which claims may be made. There is a considerable amount of uncertainty in these assumptions, due to incompleteness of data on how many individuals have

been impacted, and how they have been impacted. There is no limit to the amount of compensation available should the claims be accepted.

## Pensions and Other Provisions

The Department has further provisions which do not fall into the above categories, but which satisfies the criteria for provision creation.

The following is the most significant provision making up the other provisions figure:

### Forensic Science Service (FSS)

A provision of £67.2 million relates to the value of the pension liability for FSS. The £31.7 million decrease in the provision during the year was predominantly due to strong pension scheme asset performance, which exceeded the increase in the value placed on the pension liability during 2020-21.

## 12. Contingent liabilities

Contingent liabilities cover all known claims where legal advice indicates that the criteria for recognition of a provision has not been met or where the possibility of economic transfer is remote.

There are a number of legal claims outstanding against the Department including unlawful detention and unlawful dismissal claims that fall under this definition. The nature of these claims is such that it is not possible to predict the outcome with reasonable certainty nor to quantify the financial impact to the Department.

## 13. Leases

### 13.1. Finance Leases

	2020-21	2020-21	2019-20	2019-20
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£'000	£'000	£'000	£'000
<b>Buildings</b>				
Not later than one year	10,243	10,243	10,109	10,109
Later than one year and not later than five years	36,685	36,685	39,929	39,929
Later than five years	58,475	58,475	65,474	65,474
	<b>105,403</b>	<b>105,403</b>	<b>115,512</b>	<b>115,512</b>
Less interest element	(40,805)	(40,805)	(46,491)	(46,491)
<b>Present value of obligations</b>	<b>64,598</b>	<b>64,598</b>	<b>69,021</b>	<b>69,021</b>
<b>Total commitment</b>	<b>64,598</b>	<b>64,598</b>	<b>69,021</b>	<b>69,021</b>

## 13.2. Operating Leases

	2020-21		2019-20	
	Core department & agencies £000	Departmental group £000	Core department & agencies £000	Departmental group £000
<b>Buildings</b>				
Not later than one year	18,494	21,769	36,151	40,868
Later than one year and not later than five years	94,301	106,158	93,401	103,601
Later than five years	143,827	149,887	208,383	221,132
	<b>256,622</b>	<b>277,814</b>	<b>337,935</b>	<b>365,601</b>
<b>Other</b>				
Not later than one year	46	149	26	130
Later than one year and not later than five years	26	26	41	159
Later than five years	-	-	-	-
	<b>72</b>	<b>175</b>	<b>67</b>	<b>289</b>
<b>Total commitment</b>	<b>256,694</b>	<b>277,989</b>	<b>338,002</b>	<b>365,890</b>

## 14. Commitments under PFI and other service concession arrangements

### 14.1. "Off-balance sheet" (SoFP)

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of off-balance sheet (SoFP) PFI or other service concession transactions was £169 million (2019-20: £207 million). Total future minimum payments under off-balance sheet PFI and other service concession arrangements are given in the table below for each of the following periods:

	2020-21		2019-20	
	Core department & agencies £'000	Departmental group £'000	Core department & agencies £'000	Departmental group £'000
Not later than one year	288,552	288,552	213,443	213,443
Later than one year and not later than five years	212,723	212,723	371,106	371,106
Later than five years	-	-	-	-
<b>Total commitment</b>	<b>501,275</b>	<b>501,275</b>	<b>584,549</b>	<b>584,549</b>

### 14.2. "On-balance sheet" (SoFP)

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service element of on-balance sheet PFI or other service concession transactions was £59 million (2019-20: £141 million). Total future obligations under on-balance sheet PFI and other service concession arrangements are given in the table below for each of the following periods:

	2020-21		2019-20	
	Core department & agencies £'000	Departmental group £'000	Core department & agencies £'000	Departmental group £'000
<b>Minimum lease payments</b>				
Not later than one year	32,750	32,750	32,010	32,010
Later than one year and not later than five years	138,083	138,083	135,214	135,214
Later than five years	190,033	190,033	225,652	225,652
	<b>360,866</b>	<b>360,866</b>	<b>392,876</b>	<b>392,876</b>
<i>Less interest element</i>	(204,739)	(204,739)	(228,958)	(228,958)
<b>Present value</b>	<b>156,127</b>	<b>156,127</b>	<b>163,918</b>	<b>163,918</b>
<b>Service elements due in future periods</b>				
Not later than one year	20,473	20,473	63,005	63,005
Later than one year and not later than five years	69,042	69,042	68,447	68,447
Later than five years	95,016	95,016	112,826	112,826
<b>Total service elements due in future periods</b>	<b>184,531</b>	<b>184,531</b>	<b>244,278</b>	<b>244,278</b>
<b>Total commitment</b>	<b>340,658</b>	<b>340,658</b>	<b>408,196</b>	<b>408,196</b>

## 15. Capital and Other Commitments

### 15.1. Capital commitments

	2020-21		2019-20	
	Core department & agencies £000	Departmental group £000	Core department & agencies £000	Departmental group £000
Property, plant & equipment	33,973	33,973	15,808	15,808
Intangible assets	41,634	41,694	115,548	116,240
<b>Total commitment</b>	<b>75,607</b>	<b>75,667</b>	<b>131,356</b>	<b>132,048</b>

These commitments include:

£22 million with Lendlease, for acquisitions and Mast Build for Extended Area Service (EAS): covering major and minor roads that fall outside of those in the primary coverage area, mostly rural areas including many national parks and areas of outstanding natural beauty. This extension of coverage is part of the new Emergency Services Network (ESN) critical communications system. This will replace the current Airwave service used by the emergency services in Great Britain (England, Wales and Scotland) and transform how they operate.

£13.3 million with Leidos, ending the contracts with the legacy suppliers (Northrop Grumman and IBM). Providing reduced service charges from the consolidation with Leidos, enabling tech refresh, and transition/transformation of platforms to the Cloud which will enable further savings in future years.

£10.3 million with multiple suppliers, an estimated value of 20/21 CDEL contractual commitments across DSAB programme that cannot be avoided due to ongoing contract terms. This value equates to approximately 90 days payment to Fujitsu and IBM suppliers, plus 30 days for all other suppliers, after which point costs would become avoidable. Value is indicative only - it would apply

at any point during 20/21 as the sunk cost that would be incurred if all programme activity was halted immediately.

£5.3 million with BAE Systems Applied Intelligence Limited, working with Home Office Digital Data and Technology (DDaT) and Border Force to design and develop Cerberus, an advanced risking capability that brings together and analyses diverse data in real time to evaluate risks and understand threats at the border.

£5.1 million with Leonardo MW Ltd, for Cyclamen Capability Management Unit (CCMU). A dedicated Leonardo task team to maintain and develop the Cyclamen Capability to ensure that it continues to work as it was designed. Assessing and managing the changes to sites for the duration on the contract in order to respond directly to change tasks. Change Team Extension from 01/01/2021 to 31/03/2025.

## 15.2. Other financial commitments

	2020-21		2019-20	
	Core department & agencies £'000	Departmental group £'000	Core department & agencies £'000	Departmental group £'000
Not later than one year	2,286,388	2,302,531	2,029,490	2,045,624
Later than one year and not later than five years	3,985,569	3,985,569	4,184,308	4,184,308
Later than five years	1,879,748	1,879,748	2,339,841	2,339,841
<b>Total commitment</b>	<b>8,151,705</b>	<b>8,167,848</b>	<b>8,553,639</b>	<b>8,569,773</b>

The department has entered into non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements). The payments to which the department are committed are as follows:

The Public Safety Radio Communications Service contract with Airwave Solutions Ltd for the provision of an emergency telecommunications network for the police services of England, Scotland and Wales commenced in February 2000 and is due to expire at the end of December 2022. The total contract value is £5.4 billion.

Following award in January 2019, and becoming fully operational in September 2019, The Home Office's Asylum Accommodation Support Contracts are scheduled to run for 10 years with a total value of approximately £4.0 billion. The first 18 months of these contracts with Clearsprings, Ready Homes Ltd, Serco Ltd and Mears Ltd have needed to be keenly managed as a result of increased short-term demand, however there is no cause to review the expected value at this point.

In accordance with Home Office legal obligations under the Council of Europe Convention on Action against Human Trafficking (ECAT), the Home Office awarded a 5 year Modern Slavery Victim Care contract to The Salvation Army on 29th June 2020 for the provision of support for potential and confirmed adult victims of modern slavery and their dependents in England and Wales. The Contract allows for an optional extension period on the same terms for a maximum of 3 years from the end of the 5-year initial term. The Contract entered operational services on 4th January 2021, following a period of Implementation. The anticipated Whole Life Cost of the contract is £379m over five years which may fluctuate due to the volumes of Service Users requiring support increasing or decreasing. This cost includes Implementation, Recovery and

Reflection, Places of Safety and Reach-In totalling a contract value of £281m, with Pass-Through Costs, Project Management, Contract Management and Inflation applied.

In February 2020, the Home Office entered into a contract with Serco UK Ltd to run the Gatwick Immigration Removal Centre (IRC). Serco are contracted for the provision of operational, management and maintenance services at Brook House Immigration Removal Centre and Tinsley House Immigration Removal Centre/Pre-Departure Accommodation (with Welfare Services). The contract length is 10 year maximum (8 years, plus 2) with a contract value of £276m. This was a negotiated procurement contract.

In November 2020, the Home Office awarded a contract with Amazon Web Services EMEA SARL for the provision of public cloud hosting services for a period of three years. The contract replaced a contract awarded to the same supplier in December 2019 for public cloud hosting services and is valued to a maximum of £120 million. The new contract benefits from a greater level of discount opportunities under the Crown Commercial Service's One Government Value Agreement.

In May 2020 the Home Office awarded a contract to Sopra Steria Ltd for the provision of a Scanning Validation and Storage (SVS) Service to support HMPO's Passport Application Service. This replaces the current Business Process Outsourcing (BPO) service contract. The term of the contract is 8 years in total (5+2+1). The contract is valued at £64.5 million for the full eight years. Forecast savings for SVS over BPO contract are £5 million per year.

## 16. Related-party transactions

The Home Office is the sponsor of the Non-Departmental Public Bodies (NDPBs) listed in Note 17. These bodies are regarded as related parties, with which the Home Office has had various material transactions during the year. Details of related party transactions of NDPBs are disclosed in their audited accounts.

The Department has had transactions with other government departments and other central government bodies. In particular there have been transactions with:

- The Cabinet Office: Civil Superannuation relating to the employees' pension scheme. The employer's contribution to this pension scheme can be found in the Staff Report within the accountability section; and
- The Foreign and Commonwealth Office relating to the overseas collection of both Visa income and the Immigration Health Surcharge.
- The Forensic Archive Ltd is considered a related party operating under the 'guardianship' of the Home Office with Home Office senior management sitting on the board.

Ministers' interests are declared and maintained through the Register of Members' Interests at the House of Commons and the Register of Lords' Interest at the House of Lords.

Board members and key senior management staff are subject to a standard annual interests review, stating whether they, their spouses or close family members have been in a position of influence or control in organisations with which the Home Office has transactions.

The Remuneration Report provides information on key management compensation.

No minister, board member, key manager or other related parties has undertaken any material transactions with the Department during the year.

## 17. Entities within the Departmental boundary

The entities within the boundary during 2020-21 comprise supply financed agencies and those entities listed in the Designation and Amendment Orders presented to Parliament. They are:

### Entities consolidated

The Home Office departmental boundary encompassed the central Government Department and five Non-Departmental Public Bodies (NDPBs). The accounts of these entities form part of the Home Office's consolidated financial statements.

**Executive NDPBs:** typically established in statute and carrying out executive, administrative, regulatory and/or commercial functions.

- Disclosure and Barring Service
- Gangmasters and Labour Abuse Authority
- Immigration Services Commissioner
- Independent Office for Police Conduct
- Security Industry Authority

The accounts of the above NDPBs can be found at <http://www.official-documents.gov.uk>.

### Other Entities

College of Policing Limited

The College of Policing is a company limited by guarantee. It is classified as an Arm's Length Body by HM Treasury, and is consolidated within the Departmental boundary as a NDPB.

### Entities within the Core Department

Advisory, tribunal and other NDPBs do not publish accounts as they do not have any money delegated to them. Where there are costs, these are met from Home Office budgets.

**Advisory non-departmental public bodies:** provide independent, expert advice to ministers on a wide range of issues.

- The Advisory Council on the Misuse of Drugs
- Biometrics and Forensics Ethics Group
- The Committee for the Protection of Animals Used for Scientific Purposes
- Firefighters' Pension Scheme Advisory Board
- Migration Advisory Committee
- Police Advisory Board for England and Wales
- Police Remuneration Review Body
- Technical Advisory Board

**Tribunal non-departmental public bodies:** have jurisdiction in a specialised field of law.

- Investigatory Powers Tribunal
- Police Appeals Tribunal

### Other

- Commission for Countering Extremism
- Forensic Archive Ltd
- Her Majesty's Inspectors of Constabulary
- Independent Family Returns Panel
- Investigatory Powers Commissioner's Office
- Office for Communications Data Authorisations
- Office of the Chief Inspector of the UK Border Agency
- The Office of the Commissioner for the Retention and Use of Biometric Material
- Office of the Director of Labour Market Enforcement
- The Office of the Forensic Science Regulator
- The Office of the Independent Anti-Slavery Commissioner
- The Office of the Independent Monitor for the purposes of Part 5 of the Police Act 1997
- The Office of the Independent Reviewer of Terrorism Legislation
- The Office of the person appointed under sections 47H(4), 127H(4), 195H(4), 290(8) and 303E(9) of the Proceeds of Crime Act 2002
- The Office of the Surveillance Camera Commissioner
- National Crime Agency Remuneration Review Body

The National Crime Agency is outside the departmental boundary and is not consolidated in this Report, but its operations are mentioned because the Home Office has a policy remit for the Agency.

## 18. Events after the reporting period date

In accordance with the requirements of IAS 10 Events After the Reporting Period, events are considered up to the date on which the accounts are authorised for issue.

There were no significant events after the reporting period that require disclosure.

The date the Accounts are authorised for issue by Matthew Rycroft (Accounting Officer) is interpreted as the same date the Accounts are certified by the Comptroller and Auditor General.

## Annexes (not subject to audit)

### A – Financial Information by Arm’s Length Body

Arm’s length body	Total operating income	Total operating expenditure	Net expenditure for the year (including financing)	Permanently employed staff		Other staff	
	£’000	£’000		Number of employees	Staff costs	Number of employees	Staff costs
	£’000	£’000	£’000		£’000		£’000
College of Policing Limited	(24,135)	70,031	45,896	583	30,717	91	10,912
Disclosure and Barring Service	(185,808)	163,159	(22,649)	1,075	39,225	72	3,824
Gangmasters and Labour Abuse Authority	(1,149)	7,607	6,458	113	5,137	2	190
Immigration Services Commissioner	-	4,124	4,124	61	3,046	-	-
Independent Office for Police Conduct	(91)	74,037	73,946	979	52,776	8	1,174
Security Industry Authority	(31,422)	27,453	(3,969)	249	14,091	9	1,413
	<b>(242,605)</b>	<b>346,411</b>	<b>103,806</b>	<b>3,060</b>	<b>144,992</b>	<b>182</b>	<b>17,513</b>

### B – COVID-19 costs

Business area	Resource DEL (Programme)			Income only impacts		
	Budget	Outturn	Variance	Budget	Outturn	Variance
	£’000	£’000	£’000	£’000	£’000	£’000
Crime, Policing and Fire Group	270,087	248,760	21,327			
Serious and Organised Crime Group	22,739	17,700	5,039			
UK Visas and Immigration	1,229,417	1,268,393	(38,976)	969,022	973,723	4,701
Immigration Enforcement	1,958	2,250	(292)			
Border Force	14,690	16,400	(1,710)	8,900	9,800	900
HM Passport Office	198,434	206,520	(8,086)	198,434	206,520	8,086
Borders, Immigration and Citizenship System Policy and International	16,500	7,800	8,700	16,500	7,800	(8,700)
Enablers	3,735	4,354	(619)			
Digital, Data and Technology	9,590	12,700	(3,110)			
	<b>1,767,150</b>	<b>1,784,877</b>	<b>(17,727)</b>	<b>1,192,856</b>	<b>1,197,843</b>	<b>4,987</b>

Of the total £1.8 billion COVID-19 financial impacts, £1.2 billion related to income shortfalls. Page 10 of this report explains how the Department has managed the COVID-19 challenges.

### C – EU Exit costs

	Resource DEL (Programme)			Capital DEL		
	Budget	Outturn	Variance	Budget	Outturn	Variance
	£’000	£’000	£’000	£’000	£’000	£’000
Crime, Policing and Fire Group	1,200	14	1,186	0	0	0
Office for Security and Counter-terrorism	0	15	(15)	0	(9)	9
Serious and Organised Crime Group	1,000	995	5	0	0	0
UK Visas and Immigration	72,600	76,684	(4,084)	12,000	3,409	8,591
Immigration Enforcement	12,076	11,128	948	0	0	0
Border Force	141,200	143,005	(1,805)	18,000	15,800	2,200
Borders, Immigration and Citizenship System Policy and International	42,134	48,305	(6,171)	14,000	14,338	(338)
Enablers	54,313	51,930	2,383	15,100	0	15,100
Digital, Data and Technology	99,657	84,796	14,861	19,050	10,957	8,093
Core activity supporting EU Transition	28,830	82,400	(53,570)	215,360	169,900	45,460
	<b>453,010</b>	<b>499,272</b>	<b>(46,262)</b>	<b>293,510</b>	<b>214,395</b>	<b>79,115</b>

Funding was reclassified during the year once requirements became clarified, with the bulk of spend being on introducing new border controls and ensuring a continuation of Internal Security capabilities, as well as the introduction of the new points-based immigration system. The Performance report on pages 25 to 34 explains the Department’s EU Exit related work.

## 4. TRUST STATEMENT

## Introduction to the Trust Statement

### Accounting Officer's Foreword to the Trust Statement

I am pleased to present the Foreword to the Home Office Trust Statement.

This Statement provides an account of revenues collected which by statute or convention are due to the Consolidated Fund<sup>1</sup> where the Home Office undertakes the collection acting as agent rather than principal. The legislative requirement for the Statement is set out in the Exchequer and Audit Departments Act 1921.

We fully acknowledge our responsibility to administer these revenues efficiently and fairly, and to pursue the amounts due so as to minimise the loss of revenue to the Exchequer where debt cannot be collected.

**Matthew Rycroft CBE**

**Accounting Officer**

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<sup>1</sup> The Consolidated Fund is the central account administered by HM Treasury, which receives the proceeds of taxation and makes issues to fund Supply Services

## Scope of the Trust Statement

An Accounts direction, issued by HM Treasury on 23 December 2020, requires the Home Office to prepare a Trust Statement for the financial year ended 31 March 2021.

The Trust Statement must report the revenue and other income collected by the Department and payable into the Consolidated Fund (other than the Immigration Health Charge as explained below).

For the Home Office, this revenue comprises the Immigration Skills Charge, consular fees associated with the issuing of passports and visas as well as fines for breaches of immigration law.

## Immigration charges

### *Immigration Skills Charge*

The Immigration Skills Charge Regulation 2017 came into force in April 2017 and requires persons licenced by the Secretary of State to assign certificates of sponsorship to skilled workers to pay a charge (the Immigration Skills Charge) to the Secretary of State. The charge was put in place to encourage employers to recruit more talent from the UK labour market rather than relying on workers from abroad.

The amount of the charge depends on the size of the organisation, if the sponsor is a small or charitable organisation, the charge is at a lower rate. The amount of the charge also varies depending on the period of employment, with set rates of charge applying for the period of prospective employment ranging from 12 months or less and up to 60 months. A refund of all or part of the charge may be made where, for example, a worker leaves their job early, is refused a visa, or withdraws their application.

The Department, as part of its Visa process, collects the Immigration Skills Charge, The Charge is payable by people who are sponsoring applications for a visa to work in the UK for 6 months or more under a Tier 2 visa for skilled workers. This can be either as a General visa or as an Intra-company Transfer visa.

Operational costs incurred by the Department in the collection of this charge, as agreed with HM Treasury, are also attributed to and reported in the Trust Statement.

### *Immigration Health Surcharge*

The Immigration Health Surcharge was introduced by the government in 2015. It is intended to fund healthcare from the National Health Service that migrants requiring a UK Visa will have access to. HM Treasury has directed that the revenue received for the collection of the Immigration Health Surcharge is reported in the Home Office Resource Accounts and not in the Trust Statement.

## Consular fees

Consular fees are an element of UK passport fees relating to consular protection services provided by the Foreign and Commonwealth Office (FCO) worldwide. These fees are not retained by the Home Office and are remitted to HM Treasury as Consolidated Fund Extra Receipts.

The part of the UK passport fee for these consular services are £15.62 per adult standard passport, £4.28 per child passport and £23.18 per jumbo passport (for passports issued both in the UK and overseas).

## Civil Penalties

There are a range of Civil Penalties levied by the Home Office that when collected are payable into the Consolidated Fund. These are principally:

- Civil and Immigration penalties levied where investigations establish that individuals have been found to be working in breach of employment restrictions.
- Civil penalties levied where investigations establish that landlords have let a property to a person unqualified to rent in breach of the Immigration Act 2014.
- Under Section 40 of the Immigration and Asylum Act 1999, carriers are liable to charges if they carry a passenger to the UK who is not properly documented.

The Trust Statement is prepared in compliance with all relevant accounting and disclosure requirements given in Managing Public Money and other guidance issued by HM Treasury. This includes the Government Financial Reporting Manual and the principles underlying it as well as International Financial Reporting Standards as adapted or interpreted for the public sector.

**Matthew Rycroft CBE**

**Accounting Officer**

## Our Performance

This Trust Statement shows that gross revenues for the Consolidated Fund have decreased from £302 million in 2019-20 to £198 million in 2020-21. The most significant factor in causing this decrease has been COVID-19. There has been a substantial decrease in revenue from products, which are demand-led: Immigration Skills Charge, and the Passport Consular Fees shown under “Other Income”. In the case of Civil Penalties, operational activity was reduced, or paused, causing a significant drop in volumes.

The expenditure that the Home Office set-off against revenues was £34 million in 2020-21, compared to £38 million in 2019-20. The department undertook a review of its debtors in 2020-21, as in 2019-20, to consider debts that are irrecoverable. Accordingly, there has been an increase in the debtors provision (see note 3.3 in the Notes to the accounts) of £26 million in 2020-21, whereas in 2019-20 the provision increased by £16 million. Debts amounting to £20m were written off during the year (2019-20 £9 million), and these were utilised against the provision. Other expenditure has decreased from £22 million in 2019-20 to £8 million in 2020-21, reflecting the downturn in activity due to COVID-19.

The cash position has decreased from £266 million to £94 million, reflecting firstly the paying down of all outstanding Consolidated Fund balances from 2019-20, and secondly moving to a pattern of regular monthly remittances to HM Treasury, of amounts due to the Consolidated Fund.

Managing the policies and processes that minimise the need to impose immigration civil penalties is a key part of the Home Office’s remit. During 2020-21 the reduction in operational enforcement activity due to the COVID-19 pandemic has caused the most significant drop in Illegal Working and Landlord civil penalty referrals, and subsequent output in 2020. On 24 March 2020, Ministers agreed to pause the issuing of new employer and landlord civil penalties. Since the decision to restart debt collection in October 2020, operational activity has been significantly limited, because of the continued COVID-19 restrictions resulting in few referrals for civil penalty consideration. The remaining two classes of civil penalty (Hauliers and Carriers) have been similarly affected.

The online right to work checking service, implemented in 2019, allowing employers easily to check a person’s right to work and then evidence this, enables our caseworkers quickly to verify employer compliance, when considering civil penalties.

**Matthew Rycroft CBE**

**Accounting Officer**

25 June 2021

## Our controls and governance

### Statement of Accounting Officer's Responsibilities

Under the Exchequer and Audit Departments Act 1921, HM Treasury has directed the Home Office to prepare, for each financial year, a Trust Statement ("the Statement") in the form and on the basis set out in the Accounts Direction. The Statement is to be prepared on an accruals basis and must give a true and fair view of the state of affairs of the duties, fees and taxes, and of the collection of fines and penalties and of the related expenditure and cash flows for the financial year.

In preparing the Statement, the Accounting Officer is required to comply with the requirements of the [Government Financial Reporting Manual](#) (FReM) and in particular to:

- observe the Accounts Direction issued by Treasury, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- have taken all steps that ought to have been taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information, and that they are not aware of any relevant information of which the entity's auditors are unaware of;
- state whether applicable accounting standards, as set out in the FReM have been followed, and disclose and explain any material departures in the accounts;
- prepare the Statement on a going concern basis; and
- confirm that the Statement, as a whole, is fair, balanced and understandable and take personal responsibility for the Statement and the judgments required for determining that it is fair, balanced and understandable.

HM Treasury has appointed the Permanent Secretary of the Department as Accounting Officer of the Home Office.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the Department are set out in [Managing Public Money](#) published by HM Treasury.

### Governance Statement

As the Accounting Officer, I am responsible for ensuring there is an effective process in place for monitoring and reporting governance issues during the year. I am supported by Directors General and Directors who have delegated financial and risk management authority appropriate to their responsibilities.

The Home Office operates and follows the principles of good governance in accordance with HM Treasury guidance. The Governance Statement, which covers all aspects of the Home Office, including those reported here in this Trust Statement, is provided in the Accountability Report (section 2 on pages 52 to 92).

## **Auditors**

The Statement is audited by the Comptroller and Auditor General under the Exchequer and Audit Departments Act 1921. The notional fee for this audit service is £90,000 (2019-20: £83,000), which is included in the Home Office Resource accounts. No non-audit work was carried out by the auditors.

So far as I am aware, there is no relevant information of which the auditors are unaware. I have taken all steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

**Matthew Rycroft CBE**

**Accounting Officer**

25 June 2021

## THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

### Opinion on financial statements

I certify that I have audited the financial statements of the Home Office Trust Statement for the year ended 31 March 2021 under the Exchequer and Audit Departments Act 1921. The financial statements comprise the Statement of Revenue, Other Income and Expenditure, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

In my opinion:

- the Home Office Trust Statement gives a true and fair view of the state of affairs of the Statement of Revenue, Other Income and Expenditure, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including the significant accounting policies as at 31 March 2021 and of the net revenue for the year then ended; and
- the financial statements have been properly prepared in accordance with the Exchequer and Audit Departments Act 1921 and HM Treasury directions issued thereunder.

### Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Home Office in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Home Office's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Home Office's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the Home Office is adopted in consideration of the requirements set out in HM Treasury's Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

### **Other Information**

The other information comprises information included in the Foreword to the Trust Statement, Our Performance and Our Controls and Governance section, but does not include the financial statements and my auditor's report thereon. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Accounting Officer's Foreword to the Trust Statement, Our Performance and Our Controls and Governance sections for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;

- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing the Home Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Home Office will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit and report on the financial statements in accordance with the Exchequer and Audit Departments Act 1921.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the Home Office's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Home Office's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Home Office's controls relating to the Exchequer and Audit Departments Act 1921;
- discussing among the engagement team and involving relevant internal specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, management override of controls and the significant accounting estimate on the impairment of civil and immigration penalty debts;
- obtaining an understanding of Home Office's framework of authority as well as other legal and regulatory frameworks that the Home Office operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Home Office. The key laws and regulations I considered in this context included the Exchequer and Audit Departments Act 1921 and relevant legislation relating to levies, fines and penalties charged by the Home Office.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;

- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- for revenue recognition, we have extended our substantive testing on Immigration Skills Surcharge as the income stream most susceptible to fraud. For management override of controls, we have undertaken substantive testing of manual journals including journals with fraud characteristics. For the impairment of civil penalty debt, we have substantively tested the key assumptions including completing sensitivity analysis to identify any management bias or indication of fraud.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my report.

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## Report

My report is set out on page 190.

**Gareth Davies**  
**Comptroller and Auditor General**

**Date 30 June 2021**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

## The Report of the Comptroller and Auditor General to the Houses of Commons

The Home Office Trust Statement must report the revenue and other income collected by the Department and payable into the Consolidated Fund. This revenue comprises the Immigration Skills Charge, consular fees associated with the issuing of passports and visas, as well as immigration civil penalties for breaches of immigration law. The main revenue streams of immigration civil penalties are illegal workers and hauliers.

Despite the debt collection activities described in Note 3.2, the recoverability of these civil penalty debts is such that the gross receivable at year end requires significant impairment.

In the prior year, without qualifying my opinion, I drew attention to the disclosures made in the Trust Statement concerning the material uncertainty created by the impact of COVID-19 on the recoverability of receivables. Because of COVID-19, the lack of historic and forward-looking macro-economic information created a material uncertainty in estimating how much of the debt will be recovered.

In March 2020, Ministers agreed to pause the issuing of illegal worker civil penalties until October 2020 due to the impact of COVID-19 on small businesses, which significantly reduced immigration civil penalty income in 2020-21 to £14.7m (2019-20: £44.4m). Operational debt collection activity has also been limited in year due to the impact of COVID-19 restrictions. This has increased the impairment charge in year by £26.4m to a total impairment charge of £83.3m leaving a net receivable of £9.1m as at 31 March 2021 (as at 31 March 2020: £32.1m). The Home Office concluded that the reduction in value of the net receivable, supported by the sensitivity analysis disclosed in Note 7.2, indicate there is no material uncertainty in the net receivable balance as at 31 March 2021.

The impact of the reduction in immigration civil penalties issued in year has reduced the estimation uncertainty over this balance as a higher proportion of the debt is aged. Based on historic data on recoverability, aged debt is significantly less likely to be recovered irrespective of the wider macroeconomic environment. The reduction in estimation uncertainty is supported by the sensitivity analysis disclosed in Note 7.2 which illustrates that a significant change in the forecasted return of cash receipts would not have a material impact on the net receivable as at 31 March 2021.

As set out in the disclosure in Note 3.1, the Home Office is currently unable to analyse its debtor balance with any degree of granularity, which increases the inherent uncertainty in the net receivable balance. The Home Office is actively working to improve its understanding of its debtor population, tendering external expertise to review its Expected Credit Loss model and seeking recommendations on what additional data could be collected to refine its debt collection activity. Improved data collection should also mitigate the risk that material estimation uncertainty may arise within the recoverability of receivables estimate, particularly if immigration civil penalties issued in future periods increase.

**Gareth Davies**

**Date 30 June 2021**

**Comptroller and Auditor General**

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

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## Our income and expenditure

### Statement of Revenue, Other Income and Expenditure

for the year ended 31 March 2021

		2020-21	2019-20
			<i>Restated</i> <sup>1</sup>
	Note	£000	£000
<b>Levies and similar revenue</b>			
Immigration Skills Charge	2.1	139,325	171,867
<b>Total levies and similar revenue</b>		<b>139,325</b>	<b>171,867</b>
<b>Fines and penalties</b>			
Immigration Civil Penalties	2.2	14,735	44,406
<b>Total fines and penalties</b>		<b>14,735</b>	<b>44,406</b>
<b>Other income</b>			
Duties and Fees	2.3	44,143	85,240
<b>Total other income</b>		<b>44,143</b>	<b>85,240</b>
<b>Total revenue and other income</b>		<b>198,203</b>	<b>301,513</b>
<b>Expenditure</b>			
Discounts		143	2,135
Credit losses - increase / (decrease) in impairment of receivables	3.2	26,485	16,078
Element retained		3,984	16,246
Costs of collection		3,676	3,930
<b>Total expenditure</b>		<b>34,288</b>	<b>38,389</b>
<b>Net revenue for the Consolidated Fund</b>	6	<b>163,915</b>	<b>263,124</b>

There were no recognised gains or losses accounted for outside the above Statement of Revenue, Other Income and Expenditure.

The notes on pages 194 to 207 form part of this statement.

<sup>1</sup> Note on "restatement": previous year, "Fines and Penalties" were split between "Civil Penalties" and Immigration Civil Penalties", whereas both lines actually relate to "Civil Penalties" in the field of "Immigration", hence "Immigration Civil Penalties", as reported this year. The split would simply identify "Landlords" separately, which are the smallest of the four Civil Penalty "Profile Classes", representing only £5K out of overall Civil Penalty income of £15m, hence immaterial.

## Statement of Financial Position

as at 31 March 2021

	Note	2020-21 £000	2019-20 £000
<b>Current assets</b>			
Current assets receivables	3.1	9,121	32,135
Cash and cash equivalents	4	93,605	266,314
<b>Total current assets</b>		<b>102,726</b>	<b>298,449</b>
<b>Current liabilities</b>			
Payables	5	(3,539)	(612)
Contract liabilities	5	(24,671)	(12,200)
<b>Total current liabilities</b>		<b>(28,210)</b>	<b>(12,812)</b>
<b>Net current assets</b>		<b>74,516</b>	<b>285,637</b>
<b>Total net assets</b>		<b>74,516</b>	<b>285,637</b>
<b>Represented by:</b>			
<b>Balance on Consolidated Fund Account</b>	6	<b>74,516</b>	<b>285,637</b>

The notes on pages 194 to 207 form part of this statement.

**Matthew Rycroft CBE**

**Accounting Officer**

25 June 2021

## Statement of Cash Flows

for the year ended 31 March 2021

		2020-21	2019-20
	Note	£000	£000
<b>Net cash flows from operating activities</b>	A	<b>202,327</b>	<b>256,841</b>
Cash paid to the Consolidated Fund	6	(375,036)	(191,000)
<b>Increase/(decrease) in cash in this period</b>	B	<b>(172,709)</b>	<b>65,841</b>
<b>Notes to the Statement of Cash Flows</b>			
<b>A: Reconciliation of net cash flow to movement in net funds</b>			
Net revenue for the Consolidated Fund	6	163,915	263,124
(Increase) / decrease in receivables	3.1	23,014	(5,784)
Increase / (decrease) in payables	5	15,398	(499)
<b>Net cash flows from operating activities</b>		<b>202,327</b>	<b>256,841</b>
<b>B: Analysis of changes in net funds</b>			
Increase / (decrease) in cash in this period	4	(172,709)	65,841
Net funds at 1 April (Net cash at bank)	4	266,314	200,473
<b>Net funds at 31 March (closing balance)</b>		<b>93,605</b>	<b>266,314</b>
<b>The following balances as at 31 March were held at:</b>			
Government Banking Services	4	93,605	266,314
<b>Total cash balances</b>		<b>93,605</b>	<b>266,314</b>

The notes on pages 194 to 207 form part of this statement.

## Notes to the Trust Statement

### 1. Statement of Accounting Policies

#### 1.1. Basis of accounting

The Trust Statement is prepared in accordance with:

- the 2020-21 Financial Reporting Manual (FReM) issued by HM Treasury, in particular Chapter 8.2 which deals with Consolidated Fund revenue and Trust Statements. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as interpreted for the public sector.
- the Accounts Direction issued by HM Treasury on 23 December 2020 under 2(3) of the Exchequer and Audit Departments Act 1921, whereof a working definition has been adopted, thus to identify the three income streams which are in-scope, for this Trust Statement:

Sponsoring Department	Income Stream
Home Office	i) <b>Immigration Skills Charge (ISC)</b> , and expenses incurred in the collection thereof.
	ii) The consular element of <b>Passport Fees</b>
	iii) <b>Civil Penalties</b> collected in respect of five "Profile Classes", namely: Illegal Workers, Hauliers, Carriers, Landlords, and Biometric Residence Permits, net of discounts for prompt payment as appropriate, any allowance for uncollectible amounts measured in accordance with IFRS 9, and expenses incurred in the collection thereof.
	iv) The indirect costs attributable to administering the above and incurred in preparing the Trust Statement.

The accounting policies described below have been applied consistently in dealing with items considered material in relation to the accounts.

The income and associated expenditure contained in these statements are those flows of funds which Home Office handles on behalf of the Consolidated Fund, and where it is acting as agent, rather than as principal.

The financial information contained in the statements and in the notes is rounded to the nearest £'000.

## 1.2. Changes in accounting policies and disclosures

There has been no change in accounting policy in the reporting period.

## 1.3. Accounting convention

The Trust Statement has been prepared under the historical cost convention.

The preparation of the accounts in conformity with IFRS requires the use of certain critical accounting estimates (see note 1.9). It also requires management to exercise its judgement in the process of applying the accounting policies.

The income and associated expenditure recognised in these statements reflects those flows of funds which the Home Office receives and surrenders, in its capacity as agent, on behalf of the Consolidated Fund and other entities. As directed by HM Treasury, the income and associated expenditure relating to the Immigration Health Surcharge continues to be reported in the Home Office Resource Accounts even though these funds are also received by the Home Office and surrendered, in its capacity as agent, on behalf of the Consolidated Fund.

## 1.4. Revenue recognition

Levies and penalties are measured in accordance with IFRS 15 Revenue from Contracts with Customers. They are measured at the fair value of amounts received or receivable net of repayments. Revenue is recognised when:

- An event to which a levy or similar charge has occurred (i.e. the supply of a visa or passport).
- A penalty is validly imposed and an obligation to pay arises.

The Home Office, in its Trust Statement, recognises revenue from three main forms of Income: Levies and similar revenue, Fines and penalties and Duties and fees.

The table below sets out, for each income stream reported within the Trust Statement, when performance obligations are typically satisfied, the significant payment terms, and the nature of the goods or services supplied. All income streams usually have a contract duration of one year or less, and therefore the transaction price allocated to remaining performance obligations is not disclosed, applying the practical expedient in IFRS 15.121.

Income Stream	Description of Income Stream	Performance Obligation	Payment Terms
Immigration Skills Charge	Supply of visa documents	On delivery of the visa or application decision to the customer	Payment in advance
Consular Fees	Fee for the supply of passports and other services by HM Passport Office	On delivery of the passport to the customer	Payment in advance
Civil Penalties	Recovery of civil penalty	The powers of the Home Office to recover this income is set out in legislation. Income is recognised when a penalty is issued	Penalty payment by legislation

Contract assets (accrued revenue) reported within the Trust Statement, primarily relate to the consideration due for work completed but not yet billed at the reporting date. Contract liabilities (deferred revenue) primarily relate to the consideration received from customers in advance of transferring a good or service.

There are no contract assets held within the Trust Statement. Of the three revenue streams within the Trust Statement, only immigration charges have contract liabilities. Civil penalties and consular fees have no contract liabilities. The following table provides an analysis on significant changes to contract liabilities during the year.

CONTRACT LIABILITIES	31 March 2021	31 March 2020
	£000	£000
Balance at 1 April	(12,200)	(11,930)
Decrease due to revenue recognised in year	139,325	171,867
Increase due to cash received in advance and not recognised as revenue in year	(151,796)	(172,137)
<b>Balance at 31 March</b>	<b>(24,671)</b>	<b>(12,200)</b>
Presented within:		
Current	(24,671)	(12,200)
Non-current	-	-

## 1.5. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Home Office becomes a party to the contractual provisions of an instrument.

## 1.6. Financial assets

For the purposes of this Trust Statement, the Home Office holds financial assets (see note 7) in the following categories:

- Receivables held at amortised cost;
- Cash and cash equivalent.

Both receivables and cash and cash equivalents are held at amortised cost following the adoption of IFRS 9 'Financial Instruments'. Amortised costs entail valuing statement of financial position items based on expected cash flows, adjusted for impairment in accordance with the requirements of the FReM and IFRS 9. IFRS 9 allows a practical expedient called a provision matrix to be used to measure impairment losses, (see 1.10 below).

Receivables held at amortised cost comprise:

- illegal workers civil penalties, the amounts due from individuals and companies in breach of employment restrictions for which, at the financial year end, payments had not been received:

- civil penalties levied against landlords in breach of the Immigration Act 2014, amounts for which payments have not been received at the financial year end;
- other civil penalties levied against carriers in breach of the Immigration and Asylum Act 1999, amounts for which payments have not been received at the financial year end.

The present value of receivables is determined by making an assessment to reduce the carrying value of receivables to the estimated future flow of repayments, using our judgement on likely debt collection rates, discounted at HM Treasury's discount rate currently at 3.7% (2019-20: 3.7%).

HM Treasury have mandated that balances with core central government departments (including their executive agencies) are excluded from recognising stage 1 and 2 impairments, with the liabilities being assessed as having zero 'own credit risk' by entities holding these liabilities.

Cash and cash equivalents comprise current balances with banks and other financial institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

### 1.7. Financial liabilities

For the purposes of this Trust Statement, the Home Office holds financial liabilities (see note 7) in the following categories:

- Payables
- Contract Liabilities (see note 1.4).

Payables comprise:

- Payables in the Statement of Financial Position. Payables are amounts established as due at the reporting date, but where payment is made subsequently. Since these balances are expected to be settled within 12 months of the reporting date there is no material difference between fair value, amortised cost and historical cost.
- Contract liabilities in the Statement of Financial Position. Contract liabilities are amounts relating to Immigration Skills Charges recorded as payments in advance at the reporting date, until such time when either a visa is delivered or an application decision is made to the customer.

### 1.8. Receivables

Receivables are shown net of impairments in accordance with the requirements of IFRS 9.

Each class of debt has been assessed separately using performance reports to provide data concerning recoverability and the length of time it takes for debt to be repaid.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on any market. Receivables are derecognised when the rights to receive cash flows from the assets have expired.

### 1.9. Critical accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the

circumstances. When preparing the Trust Statement, the Home Office makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The only key estimate in the Trust Statement is the impairment of immigration civil penalty debt addressed in Note 1.10 below.

### **1.10. Impairment of debt and expected credit losses**

Receivables are shown net of impairments, in accordance with the requirements of the FReM and IFRS 9.

Under IFRS 9, allowances are made for credit losses on an 'expected loss' basis. The amortised cost of receivables is determined by making an impairment to reduce the carrying value of receivables to the estimated future flow of repayments.

The amortised cost of receivables is dependent on future collection rates. The current year's impairment has been calculated based on a provision matrix. This provision matrix uses 'lifetime expected credit losses' to measure impairment losses for each class of civil penalty debt.

### **1.11. Cash**

All income, except for that relating to civil penalties, is recorded at the same time as cash is received. For civil penalties, the determination of cash received is calculated by the increase or decrease in the Receivable balance, adjusted by the in-year income. Expenses incurred in the production of the Trust Statement are deemed paid in cash. Surrendering of Consolidated Fund Receipts to HM Treasury are made in cash at regular intervals throughout the year.

### **1.12. Trust Statement Expenses**

#### ***Discounts***

The amount of a Civil penalty imposed can be reduced by 30% where payment is received in full within 21 days. There are also circumstances where the Penalty imposed is reduced on appeal. The amount paid into the Consolidated Fund is net of any prompt payment discount and net of any reduction decision made on appeal.

#### ***Costs of Collection***

Costs of collection relate to the operation and reporting of the Trust Statement. These costs include bank charges relating to the payment handling charges associated with collecting the Immigration Skills Charge and recharge of cost of staff involved directly in producing the Trust Statement and supporting the associated audit.

Payment handling charges associated with the Immigration Skills Charge are estimated based on the proportional split between the Visa sponsorship fee and the Immigration Skills Charge. The cost of staff reported as part of Costs of collection relates to those staff involved in administering the Immigration Skills Charge and to those involved in preparing the Trust Statement.

### **1.13. Retained Income**

£4.0 million Civil Penalty costs of collection, (2019-20 £16.2 million), have been offset against Civil Penalty income, in accordance with arrangements in place from previous years.

## 1.14. Contract Liabilities

A cash component for the Immigration Skills Charge is received as part of the sponsorship visa application being lodged. The revenue for the Immigration Skills Charge is deferred until a decision is made regarding the outcome of the visa application. At this point, a transfer is made from deferred income to earned income, or alternatively, a refund is given to the applicant removing the amount of the refund from deferred income.

## 2. Revenue and other income

### 2.1. Levies and similar revenues

The Immigration Skills Charge was introduced in April 2017 as a result of changes under the Immigration Act, 2016. The Immigration Skills Charge levies employers who employ migrants in skilled areas and is collected as part of the Tier 2 visa applications. This income is not retained by the Home Office and is remitted to HM Treasury as Consolidated Fund Extra Receipts.

	2020-21	2019-20
	£000	£000
Immigration Skills Charge	139,325	171,867

The Immigration Skills Charge is levied as part of the process to apply for Tier 2 visas and accounted for as deferred income until the visa application has been properly considered by the Home Office. If that consideration determines that the visa application is declined, the Immigration Skills Charge levy is refunded and removed from deferred income. If the consideration approves the visa application, the income is recognised as earned.

### 2.2. Fines and penalties

Immigration Civil Penalties are levied on business who employ those who do not have the permission to enter or remain in the UK. Immigration penalties are levied on individuals who enter or remain illegally in the UK. The Department is not permitted to retain this income without HM Treasury approval, (see also note 1.13). In 2020-21, the Department retained £4.0 million of this income (£16.2 million in 2019-20), the remaining income being surrendered to the Consolidated Fund.

	2020-21	2019-20
	£000	Restated <sup>1</sup> £000
Immigration Penalties	14,735	44,406
<b>Total fines and penalties</b>	<b>14,735</b>	<b>44,406</b>

<sup>1</sup> Note on "restatement": previous year, "Fines and Penalties" were split between "Civil Penalties" and Immigration Civil Penalties", whereas both lines actually relate to "Civil Penalties" in the field of "Immigration", hence "Immigration Civil Penalties", as reported this year. The split would simply identify "Landlords" separately, which are the smallest of the four Civil Penalty "Profile Classes", representing only £5K out of overall Civil Penalty income of £15m, hence immaterial.

### 2.3. Other Income

Consular fees are an element of passport fees relating to consular protection services provided by the Foreign and Commonwealth Office (FCO) worldwide. These fees are not retained by the Home Office and are remitted to HM Treasury as Consolidated Fund Extra Receipts.

	2020-21	2019-20
	£000	£000
Consular fees	44,143	73,263
Other	-	11,977
<b>Total other income</b>	<b>44,143</b>	<b>85,240</b>

The amount of the consular services element of the Passport fee is set within the Passport (fees) Regulations. The Consular services element is recognised in the same way and as part of the same process as the Passport fee income – recognised when services and goods are issued. The monies collected for Consular Services are paid over periodically to the Consolidated Fund, but not at the time of collecting each fee.

### 3. Receivables

#### 3.1 Amounts due at 31 March 2021

	2020-21	2019-20
	£000	£000
Receivables at 1 April	112,732	118,344
Less Debts written off	(20,327)	(9,083)
<b>Receivable before Impairment</b>	<b>92,405</b>	<b>109,261</b>
Less: Estimated impairments	(83,284)	(77,126)
<b>Receivables Net book value at 31 March</b>	<b>9,121</b>	<b>32,135</b>

Receivables represents the amount due from individuals and businesses where invoices or other demands for payment have been issued but not paid for at 31 March 2021, and also the amounts due from those on whom financial penalties have been imposed prior to 31 March 2021, but not paid at that date.

Debts are only written off when the debtor is dissolved, bankrupt or in liquidation and the debt is deemed irrecoverable through any further means.

A full review of debtors to determine write-offs is conducted on an annual basis. Following the 2020-21 review, an amount of £20.3 million was written off (£9.1 million in 2019-20). The write-off has been recognised in the accounts on the basis of a decision confirmed by Home Office, and approved by HM Treasury, albeit at the Balance Sheet date the amounts to be written off had not yet been processed on the Receivables Ledger.

Receivables on the Statement of Financial Position are reported after the deduction of the estimated value of Impairments, using an Expected Credit Loss model.

Under IFRS 9, this impairment loss estimation can be measured using a practical expedient called a provision matrix. The provision matrix calculates the expected credit loss for each segment of

civil debt using the historical loss experience of these segments of debt. The two key segments of civil debt are Illegal Workers (IWCP) and Hauliers. Debt collection data for the 7 years prior to the balance sheet date has been used to estimate the expected future rate of repayments. The assumption that historic loss experience is a proxy for future collection leads to inherent uncertainty in the estimate for impairment loss. The Home Office is currently unable to analyse its debtor balance with any degree of granularity, which increases the inherent uncertainty in this estimate. The Home Office is actively working to improve its understanding of its debtor population, tendering external expertise to review its Expected Credit Loss model and seeking recommendations on what additional data could be collected to refine its debt collection activity. Improved data collection should also mitigate the risk that material estimation uncertainty may arise within the recoverability of receivables estimate, particularly if immigration civil penalties issued in future periods increase. The estimated future flow of repayments is discounted at HM Treasury's discount rate currently at 3.7% (2019-20: 3.7%).

In accordance with IFRS 9, the net receivable at the balance sheet date is adjusted for future economic conditions by using a macroeconomic overlay calculation. The limited data on the debtor population increases the uncertainty in this macroeconomic overlay calculation.

The resulting estimated future flow of repayments is then deducted from the debt outstanding at the balance sheet date, to calculate the estimated impairment provision.

### 3.2. Credit losses

	2020-21	2019-20
	£000	£000
Debts written off	-	-
Increase / (decrease) in the value of impairments	26,485	16,078
<b>Total Credit Losses / (Gains)</b>	<b>26,485</b>	<b>16,078</b>

The debt impairment has increased significantly in 2020-21 because:

- In March 2020, Ministers agreed to pause the issuing of illegal worker civil penalties until October 2020 due to the impact of COVID-19 on small businesses, which significantly reduced immigration civil penalty income in 2020-21;
- Debt collection activities were paused in year and subject to restrictions caused by the impact of COVID-19. As part of the operational response to COVID-19, and to support businesses and landlords, Home Office temporarily paused all active debt recovery of outstanding penalties. This was resumed later in the year, via a phased approach. For IWCP and Landlords, Phase 1 resumed in September 2020 for existing debtors, with soft communication only: to remind the debtor of the outstanding liability and to offer the opportunity to pay. From November 2020 Phase 2 commenced, this involved full resumption of all debt recovery activities. For Hauliers, Operational debt recovery recommenced on the 19th November 2020. This was also a phased return, with operational activity increasing over Q3 and Q4 as Clandestine Entrants Civil Penalty team (CECPT) staff returned to working in the office and frontline resourcing was made available. Administrative debt recovery actions (Dunning letters etc) remain suspended, however the impact of this on collection outcomes is considered low, based on historical success rates of these measures.

There are plans to place this element of debt recovery with SSCL, and further work is ongoing to put a contract in place with a debt collection agency; and

- A higher percentage of outstanding debt is aged. Aged debt is significantly less likely to be recovered regardless of the wider macroeconomic environment based on historic data on recoverability.

The table below sets out the series of actions that the Home Office undertakes as part of its debt management procedures before considering that a debt has become irrecoverable:

Income Stream	Initial Activity	Further Action	Final Action
IWCP (Illegal Workers Civil Penalties) and Landlords	Home Office Shared Services undertake all debt collection activities with the exception of Civil Penalties.	All other uncollected debt is returned by our Shared Services centre to the originating business areas after 90 days past due, either to either make further attempts to collect, or consider write-offs.	A check is performed on the company, to confirm if still trading, and a decision is reached regarding write-offs.
Carriers Liaison	Home Office Shared Services undertake all debt collection activity.	If debt collection is unsuccessful the debt is returned to the business area after 90 days.	The debt is considered by the business area for write-off.
Hauliers	Debt collection activity is performed by the Clandestine Entrants Civil Penalty Team (CECPT).	N/A	N/A

### 3.3. Change to impairment of receivables

	2020-21 £000	2019-20 £000
Balance at 1 April	77,126	70,131
Net remeasurement	26,485	16,078
Write-off	(20,327)	(9,083)
<b>Balance at 31 March</b>	<b>83,284</b>	<b>77,126</b>

In accordance with IFRS 9, the provision matrix used to calculate the provision on the impairment of receivables (as explained further in 3.1 above) has resulted in an increase in the provision balance from £77.1 million in 2019-20 to £83.3 million in 2020-21. The provision model estimates expected credit losses, based on the average of individual historical debtor performance over 7 years.

The Home Office has considered how macroeconomic conditions affect the accounting for expected credit losses.

The Home Office has previously researched data on key macroeconomic determinants notably on inflation, unemployment, GDP and insolvencies and performed an analysis to assess whether there is a correlation between those macroeconomic factors and the level of payment of penalties. We could not find evidence that a relationship exists between the macroeconomic environment and the payment of fines. The non-payment rate for civil penalties has been high despite a period of relative economic stability over recent years, suggesting that non-payment of these debts is driven by willingness to pay rather than the economic environment.

The Home Office Central Economics Unit have further investigated macro-economic relationships, and the extent to which the future macro-economic environment may impact the propensity to settle unpaid fines.

The output of this macroeconomic analysis is an estimated additional percentage adjustment, to the impairment calculated by extrapolation of past performance. This may be termed the “Macroeconomic Overlay” and is outlined further below.

Using log linear regression models, Home Office economists have produced a macroeconomic overlay figure which has been applied to the Home Office accounts receivables, as revised by reference to historical debtor performance. This macroeconomic overlay figure adjusts the ‘revised balance’ according to how changes to the macroeconomy affect variables such as insolvency and credit card repayments, which are used as proxies to represent Home Office debt repayment.

The regression modelling in this report finds significant evidence that a 1% change in GDP is correlated with a central estimated change in debt repayments of 1.39%, with high and low estimated declines of 2.01% and 0.69% respectively. The Home Office has used figures from the Office of Budget Responsibility (OBR) which reflect the future forecast in the macroeconomy. The figures from the OBR include the forecasted impact of COVID-19 in the future periods.

Using the central estimated change percentages, these “Macroeconomic Overlay” figures have been applied to the Accounts receivables ‘revised balance’ using GDP forecasts from financial years 2021-22 to 2026-27.

The value of the overlay adjustment is a decrease in provision of £0.8m.

Because of the degree of uncertainty in developing these estimates, we have considered the impact on our debtors over a range of potential outcomes and used sensitivity analysis around this to show the possible outcomes. Further detail is included in note 7.2 (a).

#### 4. Cash and cash equivalents

	2020-21 £000	2019-20 £000
Balance at 1 April	266,314	200,473
Net change in cash and cash equivalent balances	(172,709)	65,841
<b>Balance at 31 March</b>	<b>93,605</b>	<b>266,314</b>
The following balances at 31 March were held at:		
Government Banking Service	93,605	266,314
<b>Total</b>	<b>93,605</b>	<b>266,314</b>

#### 5. Payables and contract liabilities

	2020-21 £000	2019-20 £000
Payables	3,539	612
Contract Liabilities	24,671	12,200
<b>Total Payables and Contract Liabilities at 31 March</b>	<b>28,210</b>	<b>12,812</b>

Contract liabilities represent revenue for the Immigration Skills Charge as deferred until a decision is made regarding the outcome of the visa application.

Payables represent refunds plus any other debts which are due but not yet paid.

## 6. Balance on the consolidated fund account

	2020-21 £000	2019-20 £000
Balance on the Consolidated Fund at 1 April	285,637	213,513
Net Revenue for the Consolidated Fund	163,915	263,124
Less amounts paid to the Consolidated Fund	(375,036)	(191,000)
<b>Balance on the Consolidated Fund at 31 March</b>	<b>74,516</b>	<b>285,637</b>

## 7. Financial instruments

### 7.1. Classification and categorisation of financial instruments

	Note	2020-21 £000	2019-20 £000
<b>Financial assets</b>			
Cash	4	93,605	266,314
Civil penalties receivables	3	9,121	32,135
<b>Total financial assets</b>		<b>102,726</b>	<b>298,449</b>
<b>Financial liabilities</b>			
Payables and contract liabilities	5	28,210	12,812
<b>Total financial liabilities</b>		<b>28,210</b>	<b>12,812</b>

On behalf of the Consolidated Fund, the Home Office is party to financial instrument arrangements as part of its normal operations. These financial instruments include bank accounts, receivables and payables.

IFRS 7, 'Financial Instruments: Disclosures', requires disclosure of the role that financial instruments have had during the year in creating or changing risks an entity faces in the course of its operations. As the Home Office is acting as agent on behalf of the Consolidated Fund in collecting levies, fines and penalties and similar revenues and surrendering these funds when received, it cannot incur losses through the Trust Statement. Write-offs and impairment charges disclosed in the Income and Expenditure Statement reflect the non-recoverability of gross debt since the Home Office obligation to surrender financial penalties is limited to the amount it is able to collect in revenue. The Home Office, on behalf of the Consolidated Fund and other parties, has no requirement to borrow or invest surplus funds. As such, the Home Office, in its capacity as agent, is not exposed to the degrees of financial or market risk facing a business entity acting as principal.

## 7.2. Risk exposure to financial instruments

### a) Carrying amount and fair values

The fair value of cash balances approximate their carrying amount largely owing to the short-term maturity of this financial instrument (less than three months).

The amortised cost of receivables is determined by making an impairment to reduce the carrying value of receivables, to the net present value of the estimated future flow of repayments, discounted at the Treasury rate of 3.7% (2019-20: 3.7%).

There is no effect of a change in the discount rate as the discount rate remains unchanged from the previous year. The impact of a reasonable change in this discount rate is reflected in the table below:

	Change in Discount Rate	2020-21 £000	2019-20 £000
Projected Cash Collections	+1%	(215)	(268)
Projected Cash Collections	-1%	225	276

The key assumption behind the provision matrix's calculation of the impairment provision is that the estimated future flow of repayments reflects historical trends with a macroeconomic overlay adjustment made to incorporate forward-looking economic factors in accordance with IFRS 9. As described in Note 3.2, the impact of COVID-19 has disrupted debt collection activities in year, and these may be disrupted in future periods which could increase the uncertainty over future collection rates.

The table below is a sensitivity analysis showing the impact on trade receivables across alternative assumptions:

	Change in Assumption	Increase / (decrease) in net receivables	
		2020-21 £000	2019-20 £000
Projected Cash Collections	+40%	3,648	12,852
Projected Cash Collections	+30%	2,736	9,639
Projected Cash Collections	+20%	1,824	6,426
Projected Cash Collections	+10%	912	3,213
Projected Cash Collections	+5%	456	1,607
Projected Cash Collections	-5%	(456)	(1,607)
Projected Cash Collections	-10%	(912)	(3,213)
Projected Cash Collections	-20%	(1,824)	(6,426)
Projected Cash Collections	-30%	(2,736)	(9,639)
Projected Cash Collections	-40%	(3,648)	(12,852)

**b) Liquidity risk**

Liquidity risk is the risk that the Home Office, on behalf of the Consolidated Fund and other parties, will encounter difficulty raising liquid funds to meet commitments as they fall due. The Home Office is obliged to surrender only those funds that it has collected and banked and, as such, in its capacity as agent, does not have significant liquidity risk.

**c) Credit risk**

Credit risk is the risk that a third party will default on its obligation to the Home Office on behalf of the Consolidated Fund and other parties, thereby causing the Consolidated Fund and other parties, for whom the Home Office acts as agent, to incur a loss. Credit risk arises from deposits with banks and receivables. The maximum exposure to credit risk at the balance sheet date is:

	<b>2020-21</b>	<b>2019-20</b>
	<b>£000</b>	<b>£000</b>
Cash at bank	93,605	266,314
Receivables	9,121	32,135
<b>Total</b>	<b>102,726</b>	<b>298,449</b>

Cash at bank comprises liquid bank balances held with commercial banks, including those administered through the GBS.

The size of the risk inherent within the trade receivables balance (shown net of impairment above) is reflected in the receivables impairment which totals £83.3 million in 2020-21 (£77.1 million in 2019-20). The Home Office, through the Governance and Risk management structures outlined in the Governance Statement, continues to assess and implement programmes to increase collection of receivables.

**d) Currency risk and interest rate risk**

There is no exposure to currency risk as all fees, charges and penalties are imposed, collected and payable in sterling. The Home Office Trust Statement has no exposure to interest rate risk.

**8. Related party transactions**

In relation to this Trust Statement, the Home Office has had transactions with HM Treasury and the Exchequer relating to payments made into the Consolidated Fund.

Ministers' interests are declared and maintained through the Register of Members' Interests at the House of Commons and the Register of Lords' Interest at the House of Lords.

Board members and key senior management staff are subject to a standard annual interests' review, stating whether they, their spouses or close family members have been in a position of influence or control in organisations with which the Home Office has transactions. Further detail is included in the Home Office Resource Accounts in Note 16.

## 9. Events after the reporting period

There were no significant events after the reporting period that require disclosure.

In accordance with the requirements of IAS 10 Events After the Reporting Period, events are considered up to the date on which the accounts are authorised for issue.

The date the Accounts are authorised for issue is interpreted as the same date the Accounts are certified by the Comptroller and Auditor General.

