

---

---

**Home Office**

**Resource Accounts**

**2009-10**

---

---

Presented to the House of Commons pursuant to the Government Resources and  
Accounts Act 2000, Section 6 (4)

---



---

# Home Office Resource Accounts

## 2009-10

(For the year ended 31 March 2010)

Ordered by the House of Commons to be printed on  
26 July 2010

---

**© Crown Copyright 2010**

The text in this document (excluding the Royal Arms and other departmental or agency logos) may be reproduced free of charge in any format or medium providing it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

ISBN: 9780102966442

Printed in the UK by The Stationery Office Limited  
on behalf of the Controller of Her Majesty's Stationery Office

ID P002363739 07/10 4899 19585

Printed on paper containing 75% recycled fibre content minimum.

**Contents**

	Page
Annual Report	2
Statement of Accounting Officer's Responsibilities	30
Statement on Internal Control	31
The Certificate of the Comptroller and Auditor General to the House of Commons	36
The Accounting Schedules:	
<b>Statement of Parliamentary Supply</b>	<b>38</b>
<b>Consolidated Operating Cost Statement</b>	<b>39</b>
<b>Consolidated Statement of Financial Position</b>	<b>40</b>
<b>Consolidated Statement of Cash Flows</b>	<b>41</b>
<b>Consolidated Statement of Changes in Taxpayers' Equity</b>	<b>42</b>
<b>Consolidated Statement of Operating Costs by Departmental Strategic Objectives</b>	<b>43</b>
Notes to the Departmental Resource Accounts	
Data Tables	<b>Annex A</b>

## ANNUAL REPORT

These accounts relate to the Home Office for the year ended 31 March 2010. The Home Office is the lead department responsible for policing and crime reduction, co-ordinating security and counter terrorism, borders and immigration, and identity and passports.

## ANNUAL REVIEW

### Principal Activities

The central headquarters of the Home Office set the framework of objectives, financial allocations, strategy and performance management for the key services for which the Home Secretary was responsible, along with providing common support services and driving towards achievement of objectives. The Home Office also had responsibility for the UK Border Agency, the Identity & Passport Service, the Criminal Records Bureau and the Forensic Science Service, as well as lead responsibility for a number of Non-Departmental Public Bodies.

The Home Office relies on parliamentary voted funding to finance its operations.

### Aims and Objectives

The Home Office is the government department responsible for internal affairs in England and Wales. During 2009-10, the Home Office had responsibility for policing, crime reduction, counter terrorism, borders and immigration, identity and passports. The Home Office's purpose is to work together to protect the public. Alongside our partners, we tackle some of the most difficult problems in modern society, whilst striking the appropriate balance between maintaining public safety and guarding individual freedoms.

We published our departmental strategy in February 2008. This document outlined our strategic objectives, all of which require us to work with our partners and the public at local, national and international levels. Our strategic objectives were to:

- help people feel secure in their homes and local communities
- cut crime, especially violent, drug and alcohol related crime
- lead visible, responsive and accountable policing
- protect the public from terrorism
- secure our borders and control migration for the benefit of our country
- safeguard identity and the privileges of citizenship
- support the efficient and effective delivery of justice

### Management

The Home Secretary heads the department, and is supported by five other ministers. The ministerial team sets the overall strategies and policies for the Home Office and establishes clear targets against which our performance is measured. The Home Office Board is the leadership team for the Home Office and is responsible for making sure the department achieves its objectives. The board's collective focus is the corporate and strategic issues affecting the department, but each board member also has individual responsibility for their own business area. The board includes two non-executive directors who provide challenge and input based on their experiences from outside the Home Office.

### Headquarters

The Home Office's Headquarters is located at 2 Marsham Street, London SW1P 4DF.

### Ministers

The following ministers were responsible for the department during 2009-10:

<b>Rt Hon Alan Johnson MP</b>	<b>Secretary of State for the Home Department (from 5 June 2009)</b>
<b>Rt Hon Jacqui Smith MP</b>	<b>Secretary of State for the Home Department (until 5 June 2009)</b>
<b>Phil Woolas MP</b>	<b>Minister of State for Borders and Immigration</b>
<b>David Hanson MP</b>	<b>Minister of State for Security, Counter Terrorism, Crime and Policing (from 8 June 2009)</b>

<b>Vernon Coaker MP</b>	<b>Minister of State for Security, Counter Terrorism, Crime and Policing (until 8 June 2009)</b>
<b>Meg Hillier MP</b>	<b>Parliamentary Under Secretary of State for Identity</b>
<b>Alan Campbell MP</b>	<b>Parliamentary Under Secretary of State for Crime Reduction</b>
<b>Lord West of Spithead</b>	<b>Parliamentary Under Secretary of State for Security and Counter Terrorism</b>

### Officials

Officials serving on the board during 2009-10 were:

<b>Sir David Normington</b>	<b>Permanent Secretary</b>
<b>Yasmin Diamond</b>	<b>Director, Communications</b>
<b>Charles Farr</b>	<b>Director General, Office for Security and Counter Terrorism</b>
<b>James Hall</b>	<b>Chief Executive, Identity &amp; Passport Service</b>
<b>Lin Homer</b>	<b>Chief Executive, UK Border Agency</b>
<b>Helen Kilpatrick</b>	<b>Director General, Financial and Commercial</b>
<b>Peter Makeham</b>	<b>Director General, Strategy and Reform</b>
<b>Stephen Rimmer</b>	<b>Director General, Crime and Policing Group</b>
<b>Kevin White</b>	<b>Director General, Human Resources</b>

### Non-Executive Directors

<b>John Heywood</b>	<b>Formerly Senior Partner and CEO of Price Waterhouse Coopers Eastern Europe</b>
<b>Philip Augar</b>	<b>Formerly Group Managing Director of Schroders (from February 2010)</b>

### Appointment of Senior Officials

The Permanent Head of the department was appointed by the then Prime Minister on the recommendation of the Head of the Home Civil Service and with the agreement of the Ministerial Head of the department. Other members of the departmental board were appointed by the Permanent Secretary. 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.

### Ministers' and Board Members' Remuneration

Ministers' remuneration is set by the Ministerial and Other Salaries Act 1975 (as amended by the Ministerial and Other Salaries Order 1996) and the Ministerial and Other Pensions and Salaries Act 1991.

The Permanent Secretary's pay is set by the Prime Minister on the recommendation of the Permanent Secretaries' Remuneration Committee. The committee's membership and terms of reference were announced by the then Prime Minister on 9 February 1995 (Hansard, cols 245-247).

The pay of the management board is determined by the Permanent Secretary in accordance with the rules set out in Chapter 7.1, Annex A of the Civil Service Management Code.

Further details on remuneration are set out in the Remuneration Report beginning on page 22.

### Entities Consolidated

The Home Office departmental accounting boundary encompasses the central government department and three Executive Agencies: the Identity & Passport Service, the Criminal Records Bureau and the UK Border Agency. The accounts of these entities form part of the Home Office's consolidated financial statements.

### Identity & Passport Service (IPS)

The IPS's aim is to safeguard identity through the provision of documents which people can use to prove their identity. Its responsibilities are to provide passports and passport services, to carry out the statutory functions of the Registrar General and to provide the means of verifying the identity of individuals for accredited organisations.

**Criminal Records Bureau (CRB)**

The CRB helps protect children and other vulnerable people through safer recruitment, by making information from police records and other data sources more readily available to employers, ensuring greater consistency of vetting.

**UK Border Agency (UKBA)**

The UK Border Agency became an Executive Agency on 1 April 2009. The UK Border Agency regulates the flow of people and goods into the UK, strengthening our borders before, on, and after entry. It combines the work of the former Border and Immigration Agency of the Home Office, with UK Visas from the Foreign and Commonwealth Office (FCO), and the Detection Directorate of HM Revenue & Customs (HMRC).

**Entities not consolidated**

Public bodies carry out functions on behalf of the government but are operationally independent of the sponsoring department, allowing them to focus on their own objectives and make unbiased recommendations and decisions. Public bodies for which the Home Office had lead policy responsibility within government during 2009-10, but which are outside the consolidation boundary for accounting purposes, are set out below.

**Forensic Science Service Ltd (FSS)**

FSS is principally responsible for supplying scientific support for criminal investigations and for providing expert evidence to the courts. FSS is a government owned company and is treated as an investment on the Home Office Statement of Financial Position.

**Non-Departmental Public Bodies (NDPBs)**

Non-Departmental Public Bodies (NDPBs) are reflected in the Home Office accounts by the inclusion of funds paid to them as grants or expenses, and by the reflection of any control issues in the Home Office's Statement on Internal Control. The Executive NDPBs publish their own Annual Reports and Accounts which can be obtained from TSO or the relevant body.

**Executive NDPBs:** typically established in statute and carrying out executive, administrative, regulatory and/or commercial functions.

**Independent Police Complaints Commission**  
**Independent Safeguarding Authority**  
**National Policing Improvement Agency**  
**Office of the Immigration Services Commissioner**  
**Security Industry Authority**  
**Serious and Organised Crime Agency**

**Advisory NDPBs:** provide independent, expert advice to ministers on a wide range of issues.

**Advisory Council on the Misuse of Drugs**  
**Animal Procedures Committee**  
**Migration Advisory Committee**  
**National DNA Database Ethics Group**  
**Police Advisory Board for England and Wales**  
**Police Negotiating Board**  
**Technical Advisory Board**

**Tribunal NDPBs:** have jurisdiction in a specialised field of law.

**Investigatory Powers Tribunal**  
**Office of Surveillance Commissioners**  
**Police Discipline Appeals Tribunal**  
**Police Arbitration Tribunal**

**Independent Monitoring Boards:** of Immigration Removal Centres and Immigration Holding Rooms. These are independent "watchdogs" of the detention system. Their duty is to satisfy themselves as to the state of certain immigration premises, their administration and the treatment of detainees.

## OPERATING AND FINANCIAL REVIEW

### Help people feel secure in their homes and local communities

The overarching strategic objective of the Home Office is to help people feel secure in their homes and local communities and it underpins all elements of Home Office business. In order to ensure people have the security and confidence they need to go about their daily lives, we are focused on delivering our strategic objectives.

### Cut crime, especially violent, drug and alcohol related crime

Helping people feel secure is about reducing both crime and the fear of crime, focusing on crimes that matter most to local communities. In order to maximise the capability of local areas to identify and tackle these issues we continue to tackle crime issues such as anti-social behaviour, alcohol related crime and disorder, putting more drug-misusing offenders into treatment, tackling serious acquisitive crime and offering targeted support to vulnerable or worried communities.

To support improvements in local delivery, we provide support to Community Safety Partnerships by offering advice and guidance on specific delivery issues.

### Lead visible, responsive and accountable policing

The police play a vital role in ensuring the safety and security of the communities in which we live, and building public confidence has been at the heart of everything we do. The Home Office has worked to deliver a new vision for 21st Century policing based on four principles:

- a citizen-focused service that responds to the issues that matter to people
- national standards with clear levels to improve performance
- empowering professionals by giving officers more freedom
- value for money in doing whatever it takes to deliver maximum efficiency

### Protect the public from terrorism

The United Kingdom faces a real and serious threat from international terrorism. The first priority of the government is to ensure the security and safety of the nation and the public, so that people can go about their lives freely and with confidence. The Home Office, through the Office for Security and Counter Terrorism (OSCT), has the lead on co-ordinating and updating the government's strategy for counter terrorism, CONTEST.

In March 2010, we published our first annual report on CONTEST. This covers the 12 months since the strategy was completely revised and updated.

It sets out the principles that govern our response to the threat, particularly our commitment to human rights and the rule of law; and our intention to address not only the immediate threats from terrorism but its causes. Local, national and international partnerships and collaboration continue to be vital to the successful delivery of CONTEST.

Since 2001, over 230 people have been convicted of terrorist-related offences. The police and security services have disrupted over a dozen attempted terrorist plots in the UK. There have been no attacks by international terrorist groups or individuals associated with them in the UK during the period covered by this annual report. This reflects the resources and capabilities put in place to deal with the threat rather than the absence of a threat.

### Secure our borders and control migration for the benefit of our country

The UK Border Agency contributes to the objective to protect the public and is responsible for securing the UK border and controlling migration for the benefit of the country.

In 2009-10, the agency operated with three strategic objectives:

- to protect our borders and our national interests
- to tackle border tax fraud, smuggling and immigration crime
- to implement fast and fair decisions

Actions during 2009-10 included:



- tracking around a half (45-50 per cent) of passenger journeys through e-Borders
- making over 1,200 individual seizures of Class A drugs totalling 3,000 kg
- reducing asylum intake to 20,220 applications, excluding dependents, in 2009-10 from 27,670 in 2008-09
- increasing enforced removals and voluntary departures from 34,945 in 2008-09 to 37,745 in addition there were 26,205 removals at ports and juxtaposed controls (31,720 in 2008-09)
- processing nearly 2.5 million visa applications of which just over 2 million resulted in a visa being issued
- reducing the number of vacancies in occupations that are hard to recruit to from 14,295 in 2007 to 12,811
- introducing automated gates at ten sites around the UK for EEA citizens holding biometric passports
- concluding 61 per cent of asylum applications within six months

### **Safeguard identity and the privileges of citizenship**

The function of the Identity & Passport Service (IPS) during 2009-10 was to provide passport services for British nationals in the UK, begin providing identity cards for UK citizens, continue to put in place the framework for the wider National Identity Service (NIS) and to provide the civil registration services of the General Register Office (GRO).

Key achievements during the year have been:

- issuing 5.3 million passports. We exceeded all of our customer service targets, achieved a 99% customer satisfaction rating and were awarded the Customer Service Excellence standard
- issuing 10,000 identity cards as a new service for airside workers and volunteers in specified areas of the UK
- issuing 2 million vital event certificates, exceeding our service level targets in year
- being rated the top ranking national public service provider by customers for satisfaction with the service provided

### **Support the efficient and effective delivery of justice**

The Home Office shares responsibility for bringing criminals to justice with our national partners in the Criminal Justice System (CJS); the Ministry of Justice and the Attorney General's Office.

We work closely with our criminal justice partners to deal with the concerns that matter most to communities, and to provide joined-up support for victims.

During the past year we renewed our focus on ensuring maximum efficiency and effectiveness in the CJS, particularly in dealing with serious crime through better information technology, use of video links and more efficient processes.

#### **During the course of 2010-11 we will:**

##### **Enable the police and local communities to tackle crime and anti-social behaviour**

Enable police forces and local communities to deal better with the anti-social behaviour and crime that blights people's lives

##### **Increase the accountability of the police to citizens**

Make police forces more accountable to the communities they serve through oversight by a directly elected individual and transparency about what the police are doing locally to tackle crime

##### **Secure our borders and control immigration**

Limit non-European Economic Area migration, establish a border police force to secure our borders and end the detention of children for immigration purposes

**Protect people's freedoms and civil liberties**

Reverse state intrusion into the lives of law-abiding citizens by scrapping ID cards, bringing common sense into the employment vetting process and restoring rights of non-violent protest

**Protect our citizens from terrorism**

Support cross-government work on counter-terrorism, prevent the spread of extremism and confront extremist groups

**Future Developments**

All departments are facing future budgets cuts. The Home Office will have to reprioritise activities to ensure that strategic objectives are met. The 22 June Emergency Budget focused on deficit reduction to rebalance the economy. The Home Office has implemented a £367m reduction in its 2010-11 budget. The next Spending Review will implement further budget reductions. Although this exercise will not be concluded until the autumn, departments in general anticipate budget reductions of around 25 per cent during the Spending Review period. The Home Office is preparing for the implications of reduced future budgets.

**Key Announcements affecting the Home Office****Body Affected      Announcement**

IPS	On 27 May 2010 the Home Secretary announced the scrapping of Identity Cards and the National Identity Register, and a halt to the next generation of biometric passports.
CRB / ISA	On 15 June 2010 the Home Secretary announced a review of the scheme for registering people who have frequent contact with children or vulnerable adults. Voluntary registration with the Vetting and Barring Scheme (VBS) for new employees and job-movers was due to start on 26 July. This registration has now been stopped.
Home Office	It was announced in the Budget on 22 June 2010 that the government intends to adopt the Consumer Price Index (CPI) for the indexation of public service pensions from April 2011. This will have an impact upon the future operation of the pension schemes that the Home Office provides to employees.
UKBA	On 22 July 2010 it was announced that a decision has been made to terminate the contract with the prime supplier for the e-Borders programme. Raytheon Systems Limited had been awarded a 10 year contract on 14 November 2007 to lead the development of the e-Borders system, however the UK Border Agency has decided not to proceed to the end of the contract.

**FINANCIAL PERFORMANCE**

The Home Office, like other government departments, needs to report its financial performance in a number of ways. These are identified below:

**Resource Estimate (Estimates Boundary)**

This is a statement presented by HM Treasury to the House of Commons in which the Home Office seeks approval for its estimated spending for the coming financial year. The Estimate summarises both the resources and the cash required for the year and the Home Office actual outturns against these Estimates are reported in the Statement of Parliamentary Supply. This is a statement which only applies to central government and has no equivalent statement in IFRS (International Financial Reporting Standards) based accounts.

**Resource Accounts (Accounting Boundary)**

These are prepared annually and present the financial results of the Home Office. These accounts are prepared on the basis of IFRS and the Government Financial Reporting Manual (FRM). The Operating Cost Statement, Statement of Financial Position, Statement of Changes in Taxpayers' Equity, and the Cash Flow Statement have been adapted for central government from their commercial equivalents. The accounting boundary includes the financial results for the Home Office plus its agencies. The Resource Accounts only include the Grant in Aid paid to the NDPBs sponsored by the Home Office. The financial performance and assets and liabilities of the NDPBs are not consolidated within these accounts.

### Resource Budgeting (Budgeting Boundary)

Resource budgeting involves using resource accounting information as the basis for planning and controlling public expenditure. It introduces concepts such as capital consumption and requires the Home Office to match costs to the period in which the economic activity takes place. HM Treasury controls Home Office spending through the use of Departmental Expenditure Limits (DEL) and controls capital spending separately from resource spending. This is the basis on which HM Treasury controls (and the Home Office manages) spending in-year, and includes the full resource and capital DEL spending of the Home Office as opposed to the Grant in Aid provided by the Home Office to finance the activities of NDPBs.

The Finance Tables in the Annex to these Accounts, report on the resource consumption of those bodies which are included within the budgeting boundaries (i.e. including the full resource and capital consumption of the Home Office sponsored NDPBs). In this respect they will differ from those amounts reported in the Consolidated Statement of Operating Costs by Departmental Strategic Objectives.

### Funding

The Home Office is accountable to Parliament for its expenditure. Parliamentary approval for its spending plans is sought through Supply Estimates presented to the House of Commons, specifying the estimated expenditure and asking for the necessary funds to be voted. The department draws down voted funds in year from the Consolidated Fund as required.

The Estimates are structured by 'Requests for Resources' (RfR) and include a formal description ("ambit") of the services to be financed under each RfR. Voted money cannot be used to finance services that do not fall within the ambit of the RfR. The Home Office has one RfR which covers all of its activities.

### Outturn

The Summary of Resource Outturn, which is the main parliamentary control schedule, reports the outturn against Estimate (the Estimates Boundary) for each RfR. Additional detailed actual spending during 2009-10 against Estimate sub-heads is reported in the Analysis of Net Resource Outturn by Section. Estimates for each sub-heading are finalised in the Spring Supplementary Estimate with work to formulate these numbers taking place in December each year. It is possible that spending decisions taken in the last quarter of the financial year can result in monies being transferred from one delegated budget to another within individual Strategic Objectives. These changes cannot, however, be reflected in individual Estimate sub-heads and are dealt with after the year end by agreement with HM Treasury to vire monies between sub-heads.

### The differences between the various boundaries

#### Resource Estimate and the Resource Accounts

The Estimate does not include Income classified as Consolidated Fund Extra Receipts (CFER). It also excludes expense associated with the write-off of CFER related debtor invoices. These are, however, included in the Resource Accounts (item 1 in the table below).

Further differences exist between the Accounts (and Estimates) and the Budgeting Boundaries:

The Budgeting boundary excludes:

- capital grants provided by the Home Office to Local Authorities. Capital budgets are outside the Resource Budget boundary (item 2 in the table below)
- fee and penalty related income (item 5 in the table below)
- loan charges i.e. payments made by the Home Office to police authorities in respect of capital spend (item 4 in the table below)
- receipts from the sale of assets, which are treated as income in the Estimates and Accounts, but as capital receipts for budgeting purposes, and therefore excluded from the Resource Budget (item 7 in the table below)

The Budgeting boundary includes items which are not reported in the Estimate or Accounts:

- on balance sheet PFI. Payments to suppliers are classified as Resource Expenditure for budgetary purposes (item 3 in the table below)

- the expenditure of the NDPBs net of Grant in Aid\* provide by the Home Office, which is included in the Estimate and Accounts (item 6 in the table below)

\* note Grant in Aid has been provided in excess of Resource Budget, as Grant in Aid also covers Capital related spend.

### Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

		<b>2009-10</b>	<b>2008-09</b>
		<b>Outturn</b>	<b>Outturn*</b>
		<b>£000</b>	<b>£000</b>
Net Resource Outturn (Estimates) (see note 3)		10,769,554	10,221,560
Consolidated Fund Extra Receipts in the OCS:	1	(257,347)	(252,943)
Spend in respect of CFER write-off	1	3,263	-
Net Operating Cost		<u>10,515,470</u>	<u>9,968,617</u>
Capital grants to local authorities	2	(347,870)	(280,633)
Voted expenditure outside the budget	3	6,458	-
Loan Charges	4	(9,069)	(3,994)
Fine Refund to Carriers		-	(22)
Other Consolidated Fund Extra Receipts	5	101,701	97,163
Resource consumption of Non-Departmental Public Bodies	6	(98,919)	(184,532)
Receipt from the sale of assets	7	(29,631)	11,315
Resource Budget Outturn (Budget)		<u>10,138,140</u>	<u>9,607,914</u>
of which			
Departmental Expenditure Limits (DEL)		9,481,984	8,934,561
Annually Managed Expenditure (AME)		<u>656,156</u>	<u>673,353</u>
		<u>10,138,140</u>	<u>9,607,914</u>

\*Prior year numbers have not been restated.

Resource spend as reported in the Consolidated Statement of Operating Costs by Departmental Strategic Objectives, identifies amounts spent by Strategic Objective for both the current and previous year. The differences between the Estimate and Accounting boundaries are disclosed in Note 4 of the accounts.

The explanations for the variances have been summarised as per the department's organisational structure rather than listed as per sub-heads per Note 3. For the reporting year 2009-10, the Core Home Office had three Directorates:

- Crime and Policing Group (CPG)
- Office for Security and Counter Terrorism (OSCT)
- Central Services

### Explanation of Significant Variances against Estimates

In accordance with the Government Financial Reporting Manual (FReM), explanations have been provided for significant variances from the Net Estimate for Resources, or where it is thought appropriate to provide additional disclosure.

Grouping directly related sub-heads, the main factors at work are:

**Core Department and Agencies:**

**Crime and Policing Group (CPG)**

£000	<u>Net</u> <u>Outturn</u>	<u>Net</u> <u>Estimate</u>	<u>Under/(Over)</u>	<u>Variance</u>
A Police	194,584	70,251	(124,333)	(177%)
B Crime reduction and Drugs	113,973	69,682	(44,291)	(64%)
I Police Grants	5,508,898	5,650,752	141,854	3%
J Crime Reduction and Drugs Grants	186,695	217,849	31,154	14%
	6,004,150	6,008,534	4,384	0.1%

The overall variance is less than 1%. The estimate cover for the variance on sub-heads A and B is on sub-heads I and J. It was too late to adjust the Estimate when this was identified.

£000	<u>Net</u> <u>Outturn</u>	<u>Net</u> <u>Estimate</u>	<u>Under/(Over)</u>	<u>Variance</u>
C Criminal Records Bureau	(50,554)	(59,848)	(9,294)	16%

This amount mainly relates to the proportion of PFI contract for which the outturn has correctly reported against sub-head S but the equivalent estimate was not moved.

£000	<u>Net</u> <u>Outturn</u>	<u>Net</u> <u>Estimate</u>	<u>Under/(Over)</u>	<u>Variance</u>
O Police Superannuation Grants (AME)	624,349	733,000	108,651	15%

In 2008-09 some Police Authorities had significantly underestimated their forecast of pension payments. The estimate forecast for 2009-10 allowed for a margin of error and safety on top of the forecasts provided.

£000	<u>Net</u> <u>Outturn</u>	<u>Net</u> <u>Estimate</u>	<u>Under/(Over)</u>	<u>Variance</u>
Q Loan Charges	9,069	7,945	(1,124)	(14%)

The outturn included £1.1m of costs that related to 2008-09.

£000	<u>Net</u> <u>Outturn</u>	<u>Net</u> <u>Estimate</u>	<u>Under/(Over)</u>	<u>Variance</u>
R Grant in aid to NDPBs	1,005,690	1,147,287	141,597	12%

The Grant in Aid Line was overstated in the Departmental Estimate. There was no suitable opportunity to correct this prior to year end and consequently a significant under-spend is recorded against this line. This was an oversight which has been corrected in the Main Estimate for 2010-11.

**Office for Security and Counter Terrorism (OSCT)**

£000	<u>Net</u> <u>outturn</u>	<u>Net</u> <u>Estimate</u>	<u>Under/(Over)</u>	<u>Variance</u>
D Office for Security and Counter Terrorism	331,717	252,824	(78,893)	(31%)
K Office for Security and Counter Terrorism Grants	658,345	745,806	87,461	12%
	990,062	998,630	8,568	1%

In total there is a saving of £8m against Estimate. Following an internal budget re-profiling exercise, the OSCT budget line D was reduced rather than budget line K. Additionally, further savings within Olympic Security, were realised as there was a change in profile of some projects.

**United Kingdom Border Agency (UKBA)**

£000	<u>Net Outturn</u>	<u>Net Estimate</u>	<u>Under/(Over)</u>	<u>Variance</u>
E UK Border Agency	1,469,866	1,499,122	29,256	2%
L UK Border Agency Grants	168,348	144,700	(23,648)	(16%)
	1,638,214	1,643,822	5,608	0.3%

Total UK Border Agency expenditure was in line with the Estimate. The total variance amounted to around 0.3% of expenditure. However, there was an underspend on Line E matched with a corresponding overspend on Line L which would not have been highlighted if budget allocations within the overall HO Resource Estimate had been refined in year to incorporate a more consistent classification of grant and other current costs.

**Identity & Passport Service**

£000	<u>Net Outturn</u>	<u>Net Estimate</u>	<u>Under/(Over)</u>	<u>Variance</u>
F Identity & Passport Service	95,625	114,391	18,766	16%

This underspend was primarily due to reducing discretionary costs early in the year when demand for IPS services remained uncertain.

**PFI Charges**

£000	<u>Net Outturn</u>	<u>Net Estimate</u>	<u>Under/(Over)</u>	<u>Variance</u>
T IFRS adjustments (PFI Charges)	189,850	242,215	52,365	22%

The estimate line was created during the Winter Supplementary Estimate to account for the effect of the introduction of International Financial Reporting Standards (IFRS) on the Estimate, where it differs from treatment in the accounts. The line was funded from estimate lines C (CRB), E (UKBA) and G (Central Services), and was based on our best understanding of the PFI schemes at the time. The variance is a result of forecasting more than the appropriate level of PFI estimate cover into Line S.

**AME Charges**

£000	<u>Net Outturn</u>	<u>Net Estimate</u>	<u>Under/(Over)</u>	<u>Variance</u>
S AME charges	11,307	-	(11,307)	(100%)

There was a Machinery of Government transfer during the year, and certain assets were transferred from HMRC to the UKBA. As a result of HMRC having different accounting policies, this resulted in a write down in asset values which did not become apparent until late in the year.

**Data Tables**

The Home Office is not required to produce a Departmental Annual Report for 2009-10, but is required to publish a series of specified data tables. The data tables, which are not subject to audit by the National Audit Office, are attached as an annex to the Resource Accounts. The 2008-09 expenditure against the Departmental Expenditure Limit (DEL) in the finance tables for 2008-09 is not as shown in the accounts as the table figures have been adjusted to take account of Machinery of Government and Clear Line of Sight (CLOS) project changes.

	<u>Resource DEL</u>	<u>of which Admin</u>	<u>AME</u>
<b>2008-09 Outturn as published in Data Tables</b>	<b>9,198,039</b>	<b>626,168</b>	<b>709,909</b>
<b>Adjustments arising from CLOS Project</b>			
Add back cost of capital	(646)	(8,097)	-
Provisions	59,686	5,365	(59,686)
Release of provisions	(23,130)	(8,146)	23,130
<b>Machinery of Government Adjustments</b>	<b>(299,388)</b>	<b>(267,301)</b>	<b>-</b>
<b>2008-09 as disclosed in Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets</b>	<b>8,934,561</b>	<b>347,989</b>	<b>673,353</b>



**Cash Requirement**

The overall cash requirement at 31 March 2010 was £4,291k lower than the full year estimate.

**Contingent Liabilities**

As required by the FReM, Note 28 also discloses the department's contingent liabilities not required to be disclosed under IAS37, but which have been reported to Parliament in accordance with *Managing Public Money*. The department is taking steps to help minimise the risks of these contingent liabilities crystallising as part of its normal risk management processes.

**Machinery of Government Changes**

On 1 April 2009, UKBA became a formal Executive Agency of the Home Office. The 2008-09 comparatives of these accounts have, therefore, been restated to take UKBA out of the core department balances and place them into the consolidated department balances.

On 1 April 2009, the Detection Directorate of HMRC formally merged into the UK Border Agency. The 2008-09 comparatives of these accounts have, therefore, been restated to include the Detection Directorate within UKBA.

**Going Concern**

The Consolidated Statement of Financial Position as 31 March 2010 shows taxpayers' equity of £479m (restated 2008-09 negative £32m).

In common with other government departments, the future financing of the department's liabilities is accordingly 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.

**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 notional NAO audit fee for 2009-10 core department was £440k (which includes £65k for the cost of the audit of the IFRS restatement of financial year 2008-09) and consolidated £1,064k (2008-09 core department £596k, consolidated £979k). The full 2009-10 amount represents notional cost. No remuneration has been paid to the NAO during 2009-10 for any non-audit work.

In so far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditor is unaware. The Accounting Officer has quarterly meetings with the Head of Audit and Assurance and 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 Comptroller and Auditor General is aware of that information.

**Political and Charitable Donations**

The Home Office has not made any political or charitable donations during 2009-10.

**Events since the Year End**

The Rt. Hon Theresa May MP was appointed Secretary of State for the Home Department; and Minister for Women and Equalities on 12 May 2010.

The following appointments have also been made:

Nick Herbert, Minister of State responsible for Policing, Crime and Security  
Damian Green, Minister of State responsible for Borders and Immigration  
Baroness Pauline Neville-Jones, Minister for State responsible for Security  
James Brokenshire, Parliamentary Under Secretary for Crime Prevention  
Lynne Featherstone, Parliamentary Under Secretary for Equalities and Criminal Information

The Home Secretary's announcement on 27 May 2010 confirmed the commitment, published in the coalition agreement on 20 May, to scrap Identity Cards and the National Identity Register and halt the next generation of biometric passports. All cards will be cancelled one month after the Identity Documents Bill receives Royal Assent. On cancellation, operational identity card assets will be impaired to nil value at an estimated cost of £15m based on valuations at 31 March 2010. There will also be additional one-off costs which include early contract termination, staff restructuring and closure of the Identity Commissioners Office, estimated at £7.5m. The net estimated exchequer savings from cancelling Identity Cards and the National Identity Register are estimated at £86m over a four year period. The cost implications of terminating or amending other contracts impacted by the announcement are currently a matter of commercial negotiation with suppliers, to protect the taxpayer's interests. It is therefore not possible to provide a breakdown of these costs at this time.

On 2 June the Chief Executive, James Hall, announced his retirement, effective from 15 July 2010.

On 15 June the Home Secretary announced a review of the scheme for registering people who have frequent contact with children or vulnerable adults. Voluntary registration with the Vetting and Barring Scheme (VBS) for new employees and job-movers was due to start on 26 July. This registration has now been stopped.

It was announced in the Budget on 22 June 2010 that the government intends to adopt the Consumer Price Index (CPI) for the indexation of public service pensions from April 2011. This will have an impact upon the future operation of the pension schemes that the Home Office provides to employees.

On 22 July 2010 it was announced that a decision has been made to terminate the contract with the prime supplier for the e-Borders programme. Raytheon Systems Limited had been awarded a 10 year contract on 14 November 2007 to lead the development of the e-Borders system, however the UK Border Agency has decided not to proceed to the end of the contract. The potential future impact of this decision is disclosed in note 38 to the accounts as an event after the reporting period. This decision will impact on future valuations of assets recorded in the accounts, on future financial and capital commitments as well as having cost implications arising from the termination of contracts. The UK Border Agency is proceeding with the e-Borders programme, and is working to ensure efficient commercial arrangements to support its delivery.



## STATEMENT ON CORPORATE GOVERNANCE

The HM Treasury *Code of Good Practice on Corporate Governance in Central Government Departments* (issued in July 2005), sets out good corporate governance practice that should be followed by central government departments. The Code sets out six underlying principles, each with specific supporting provisions.

The Code mandates the following areas of reporting:

- how the departmental board operates, including its delegations and committees
- which board members the board considers to be independent
- the work of the board's Audit Committee
- how the department manages its relationships with arm's length bodies with which it operates, including NDPBs, public corporations and wholly or largely owned companies

The Home Office complies with the principles and provisions of the Code and aims for early adoption of corporate governance good practice, reflecting the continuing determination and desire of the Home Office and the board to implement effectively current corporate governance good practice.

Each area requiring mandatory reporting is discussed below.

The Home Office Board is responsible for the corporate leadership of the department and is the key group through which ministers are supported in the leadership and corporate governance of the Home Office. Chaired by Sir David Normington, the Permanent Secretary, it brings together the heads of business areas and corporate services. External scrutiny, support and constructive challenge to the board is provided by the independent non-executive directors.

The role of the board is to provide the corporate leadership of the Home Office (including its Executive Agencies), supporting ministers in:

- setting the overall strategic direction and priorities, with particular attention to issues which cut across individual directorates or groups
- efficient and effective allocation and use of resources
- driving performance and improvement, and achieving priorities
- assessing and managing risk
- ensuring effective arrangements are in place to develop and implement policy and services
- leading public sector reform and change
- developing the present and future leadership cadre
- building the external reputation of the Home Office
- embedding Home Office values

### Audit Committee

The Audit Committee comprises four non-executive members and is chaired by a non-executive member of the Home Office Board, John Heywood. During 2009-10 the other committee members were: Mike Hawker, Bob Chilton, Peter Conway, Sarah Blackburn (until December 2009) and Anne Tutt (from January 2010).

The Audit Committee provides independent advice to the Permanent Secretary as principal Accounting Officer, and the Home Office Board and ministers on corporate governance, risk management and internal control. The committee's oversight extends to associated agencies and Non-Departmental Public Bodies, who each have their own Audit Committees. There are arrangements in place setting out how internal audit assurances and significant control issues arising within the Home Office group are notified to the Home Office Audit Committee and the Principal Accounting Officer.

During the year the committee sat four times. Members reviewed the comprehensiveness of assurances in meeting the board and Accounting Officer's needs and assessed the reliability and integrity of these assurances.

In accordance with the Terms of Reference for the committee, members gave consideration to the:

- strategic processes for risk, control and governance and the Statement on Internal Control

- the accounting policies, the resource accounts and the annual report of the department including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to external auditors
- planned activity and results of both internal and external audit
- adequacy of management response to issues identified by audit activity, including external audit's management letter
- assurances relating to the corporate governance requirements
- assurances on information handling including the status of implementation of recommendations made in the *Hannigan* Report
- anti-fraud policies, whistle blowing processes and arrangements for special investigations
- the process within the department for providing a level of assurance regarding value for money

Following each meeting the chair updates the board on the work of the committee and annually submits a report in respect of the department's control framework, highlighting any issues to which the board should give attention.

There are two further board sub-committees:

The Risk Committee which advises the Home Office Board on risk management and assists the board in fostering a culture of risk awareness, competence and management. The committee's responsibility and authority covers the entire Home Office including its agencies.

The Group Investment Board (GIB) which approves and monitors projects and programmes with a procurement element above a certain threshold. Criteria for inclusion are based on priority, value, complexity and sensitivity. The GIB approves investment decisions, but does not allocate funding. It meets monthly and is chaired by the Director General, Financial and Commercial.

### **Non-Departmental Public Bodies**

Home Office sponsored public bodies deliver functions that require operational independence from the department and ministers. The department however retains a role in their accountability which flows back through the Home Office to Parliament and ultimately the public. With these public bodies operating at arm's length from ministers it is important to define and manage their relationships with the Home Office to ensure that they fulfil the purpose for which they were set up and represent value for money for the public. To achieve this, each public body has a sponsor within the department.

Sponsors are responsible for managing the day-to-day, working relationship which is agreed and defined in a Framework Document. This document sets out how the relationship will function including for example how financial and performance reporting operates. To ensure that the relationships with our budget holding public bodies (Executive NDPBs) are working effectively they are tested on an annual basis.

### **Risk Management**

Risk management in the Home Office remains one of our critical processes and the effectiveness of this activity has been strengthened throughout 2009-10. The focus has continued to be the identification and effective management of the key threats to the public, with the Risk Committee keeping the board informed of emerging risks and the actions being taken to counter them.

Our risk management strategy is to be clear about what we are trying to achieve, to identify what might stop us from achieving these objectives, to assess these risks, take action to mitigate them to an agreed level and then to review progress. This framework comprises:

- clear accountabilities for the action to tackle risks
- a structured process for identifying, assessing, communicating, escalating and managing risks, detailed in the Home Office Risk Management Policy and Guidance
- expected behaviours

The results of risk assessment and the effects of the actions to address risk are documented in risk registers at corporate, directorate, agency, NDPB unit and project levels. The board considers risk appetite quarterly when it reviews the Home Office Corporate Risk Register and decides on its response to the prevalent level of risk exposure.

A detailed programme of work to improve the effectiveness of risk management began in Autumn 2007. This programme, based around behavioural change, remains the key to improving risk management capability in the department. This programme is tracked through the Risk Management Maturity Model which focuses on:

- improving knowledge and skills, in order to
- change behaviours, that can then be
- clearly seen and monitored by way of a series of measurable metrics

Public protection risks already have a high profile in risk registers, as this is the primary criterion by which all risk is assessed. However, the findings of the *Magee Review of Criminality Information* in 2008 highlighted the importance of putting in place a more effective mechanism of joining up the management of public protection risks across all government departments. Work is currently being taken forward to ensure that public protection risks are seen from a coordinated cross-government perspective, and we are in the lead on this. New cross-government public protection guidance, compliant with, and complementary to, existing processes is to be released shortly.

Following the loss of data disks from HMRC and the subsequent publication in June 2008 of the Data Handling Procedures in Government (*Hannigan Report*), all government departments assessed how well they managed their information assets. A key element of improving information asset management is strengthening information asset risk management. The department assimilated information asset risk management into the existing departmental risk management framework and now has top-level information asset risk registers for key business areas linked directly into the existing risk management system. A programme of risk management training designed to skill up all information asset owners has been undertaken, with progress tracked on an enhanced Risk Management Maturity Model, updated to take account of the *Hannigan Report*.

### Corporate Risks

Corporate risks change in accordance with the process set out above. As at 31 March 2010, the corporate level risks included:

- public concern about the level of migration
- public safety compromised by inability to detain or remove foreign national prisoners
- inability to sustain a year on year increase in removals, particularly foreign asylum seeker removals
- ineffective response to incidents that affect Home Office HQ critical business functions
- failure to prevent a terrorist attack
- spending reductions not prioritised to minimise impact on delivery of objectives
- loss or leakage of information
- economic downturn resulting in increased acquisitive crime

### Information Management

In June 2009, the Office of the Chief Information Officer published an updated version of the Information, Systems and Technology (IST) strategy which combines Information Technology (IT) and Information Management (IM) to ensure a coordinated approach that fully supports business areas. The principal objectives of the IST strategy align closely with the goals of the strategy:

- joining up the organisation effectively
- ensuring that assets (information, processes, systems and technology) are shared and re-used
- ensuring that the Home Office fully exploits its information to achieve its objectives driving compliance across the organisation to reduce operational and reputational risks

The IST strategy is focused on reducing risk, maximising our ability to manage and exploit information securely and to developing an affordable IST infrastructure, cutting costs where possible.

Information is the life-blood of our business, and its better, safer and more effective use underpins everything we do. Building on the principles set down in our IST strategy, we have published an IM strategy which sets out a strategic approach to managing the department's information over the next three years. The strategy addresses our need to share good quality information across the department, its agencies and the wider public sector in order to offer reliable joined-up services. It also recognises the need to ensure that any risks around using and sharing

our information are assessed effectively, and that we achieve the appropriate balance between protecting and sharing our information.

Following high-level data losses across government in 2008 and the publication of Sir Robert Hannigan's Data Handling Review, we put in place an Information Assurance Programme which, alongside measures already in place, ensured that in 2009-10 the Home Office achieved compliance with the *Mandatory Minimum Measures* set out in the *Hannigan* Report. In 2010-11 we will work to achieve compliance with the more demanding standards set out by CESG (the National Technical Authority for Information Assurance) in their Information Assurance Maturity Model at Levels 2 and 3.

### Personal Data Related Incidents

Notwithstanding all of the activities described above, given the scale and range of our information handling and the number of delivery partners and staff through whom we deliver, there is a risk of incidents occurring.

The tables below provide details of personal data related incidents.

**TABLE 1: SUMMARY OF PROTECTED PERSONAL DATA INCIDENTS FORMALLY REPORTED TO THE INFORMATION COMMISSIONER'S OFFICE IN 2009-10**

Date of incident	Nature of Incident	Nature of data involved	Number of people potentially affected	Notification steps
8 February 2010	A document hosted on the IPCC website of an investigation report by the Wiltshire Police PSD into the handling by Devon and Cornwall Constabulary of an investigation into a death was not correctly redacted and this resulted in the exposure of personal and other details related to the case and those investigating it.	Details of the complainant, names of police officers, pathologist, coroners and forensic staff and some witnesses, some information relating to forensic examinations and the names of two arrested, but not charged.	39	The ICO were notified of the breach and the IPCC are waiting for the ICO to comment.
Further action	New procedures were introduced for those who are responsible for publishing material to the IPCC website to ensure that redaction of data has been undertaken correctly prior to the publication of material.			

**TABLE 2: SUMMARY OF OTHER PROTECTED PERSONAL DATA INCIDENTS IN 2009-10**

Incidents 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. Small, localised incidents are not recorded centrally and are not cited in these figures.

Category	Nature of Incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises.	1
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured government premises.	-
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents.	-
IV	Unauthorised disclosure.	3
V	Other	18

## PUBLIC INTEREST AND OTHER

### Our Staff

Home Office staff have one of the most important jobs possible – to protect our citizens so that they can go about their lives secure and safe in a democratic country. In support to the business, we need to ensure that we provide the best service to our customers and make the Home Office a successful organisation capable of meeting its aims.

In May 2008, the Home Office published its people strategy, “*High motivation, high performance, high achievement*”. This strategy sets out how we will ensure that our people are enabled to work most successfully to help the organisation achieve the challenging agenda before us.

### Enabling Our People to Deliver

Our people strategy is how we enable Home Office people to best contribute to the success of the department and consists of six strands of work:

- ensuring that the Home Office remains a great place to work
- developing high quality leadership and management
- ensuring that our people have the skills they need
- delivering high performance
- working openly across the Home Office and in partnership with others
- being responsive to change

Achievements during 2009-10 include:

- the introduction of revised sickness absence management policies and improved data accuracy. These improvements mean that we are now in a position to put in place robust and challenging three year targets across the Home Office and its agencies by April 2010. The targets will drive further improvement and will also contribute to meeting the commitment to a ten per cent reduction in sickness absence across the Civil Service by 31 December 2010
- implementing our skills strategy; introducing gateway events where people newly-promoted into Executive Officer to Grade 7 level posts assess their skills and plan their development; publishing a prospectus of learning and development opportunities for staff at all levels and introducing a new e-learning portal. We have also increased participation of our staff in apprenticeships and are on target in achieving our commitment that 95 per cent of our staff have or are working towards a minimum level 2 qualification by March 2011

### Social and Community Issues

Staff can apply for special leave with pay of up to five working days a year to work outside the Home Office as a volunteer. More days are available for example for staff who undertake community work as a special constable, a magistrate or a school governor.

Teams within the department also undertake community work, for example by supporting the Whitehall Christmas Challenge.

### Staff Health and Wellbeing

The department developed and launched a Wellbeing Framework that outlined a comprehensive range of support mechanisms and activities to actively assist our staff to maximise their physical and psychological health, improve staff engagement, reduce sickness absence and improve business performance. In addition, the department's Health and Safety Headquarters team have been rolling out Health and Safety training to most of the Senior Civil Service and working effectively with Health and Safety colleagues in the agencies to ensure a collaborative approach towards cross cutting Health and Safety issues across the department.

During 2009-10 the average number of days recorded as absent due to sickness per member of staff was 9 days (2008-09 9 days).

### Our Three-year Diversity Strategy

In May 2007, we published a three-year diversity strategy that provided a focused driver for our commitment to mainstreaming diversity across the department. This will be refreshed in 2010.

The strategy created an effective framework that ensures a consistent approach across the Home Office in meeting the following five aims:

- the demonstration of effective leadership on equality and diversity by managers at all levels
- development of the potential of under-represented groups to create a representative workforce at all levels
- a working environment in which staff respect and value each other's diversity
- effective Home Office implementation of statutory obligations on equality and diversity
- provision of services in a way that promotes equality and respects diversity

Actions during 2009–10 included:

- developing an equality and diversity stakeholder strategy which allows us to engage with organisations directly on the issues which matter to them
- achieving 'Gold' benchmarks on race, disability and gender from *Race for Opportunity*, the Employers' Forum on Disability and Opportunity
- winning the *Race for Opportunity* award on widening the talent pool for our ethnic minority staff
- being recognised as the most lesbian, gay and bisexual-friendly employer in central government and being ranked as sixth overall by the *Stonewall Index*
- winning the Trans-Equality Index for the second consecutive year, in respect of our policies on gender identity
- launching the Disability Advisory Group, a group of external stakeholders who have advised the department on how our policies are likely to affect disabled people

In the course of 2010–11, we will:

- launch the department's refreshed diversity strategy
- publish a Single Equality Scheme setting out what the department is doing to meet its obligations on equality and diversity in the way we provide our services to the public; and develop training on unconscious bias for staff

### Provision of Information to and Consultation with Employees

The Home Office has in place a consultative framework, known as the Whitley system, for engaging workforce representatives. There are four recognised Trade Unions and facility time is provided to allow employee representatives to take part in industrial relations duties. Alongside this, the department has specific bodies for consulting minority groups – these include *The Network* covering members of staff from black and minority ethnic communities, *HODS* covering staff with disabilities and *Spectrum* covering lesbian, gay, bisexual, and transgender members of staff. The department provides resources for these and other representative bodies.

In addition, the department has a variety of communication channels in place to provide information on organisation and business developments to staff, and to provide an opportunity for feedback. The channels used range from timely electronic communications to face-to-face briefings.

The department gained Investors in People (IiP) accreditation in September 2000, retained accreditation in January 2004 following the three yearly review of performance against the standard was re-accredited in February 2008.

### Employment of Disabled Persons Policy

The Home Office is committed to the employment and career development of disabled people and is a holder of the Jobcentre Plus 'Positive about disabled people' *Two Tick* symbol. The symbol is a recognition given by Jobcentre Plus to employers who can demonstrate they are serious about achieving equality of opportunity for disabled people. The department has been a symbol holder since its inception.

Disability is not regarded as a bar to recruitment or promotion and selection is based upon the ability of the individual to do the job. The department is committed to ensuring that disabled staff have access to the same opportunities as other staff, not only when they first join the department but all stages in their career.



The department operates the Guaranteed Interview Scheme, which guarantees an interview to anyone with a disability whose application meets the minimum criteria for the post. Once in post, disabled staff are provided with any reasonable support they might need to carry out their duties.

Currently 6.71% per cent of staff working within the consolidated department have declared some form of disability, although the number of disabled members of staff is likely to be higher. Staff are encouraged to record their disability on our employee records system or their personnel files. By doing so the department is better placed to meet any necessary reasonable adjustments.<sup>1</sup>

### Pension Scheme Liabilities

Employees in the core department are primarily members of the Principal Civil Service Pension Scheme (PCSPS). This scheme is an unfunded multi-employer defined benefit scheme with benefits paid by the Cabinet Office as they fall due, secured against future tax yield. The Cabinet Office produces a separate annual PCSPS scheme statement. The Home Office pays contributions to meet the actuarially calculated cost of pensions and is responsible for certain costs associated with early retirements. These costs are charged to the Operating Cost Statement. The Home Office (in common with other departments) is unable to identify its share of the underlying PCSPS assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007. Details can be found in the Resource Accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

Civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (classic, premium or classic plus) which are now closed to new members, but which continue to take new contributions from existing members; or a 'whole career' scheme (nuvos). Nuvos has been available to new members since 30 July 2007. Since 1 October 2002, civil servants have also been able to opt for a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Ministers of the Home Office are members of the Ministerial Pension Scheme (MPS) which is a part of the Parliamentary Contributory Pension Fund (PCPF) and provides benefits on a 'final salary' basis. It is a funded scheme and is administered by the House of Commons Pensions Unit. These accounts include the Home Office liabilities for undischarged contribution payments, and for the future costs of early retirement compensation payable to the PCSPS. They do not show the total pension liability in respect of employees or pensioners within the departmental boundary.

### Payment of Suppliers

The department's policy is to pay valid invoices within 10 days of acceptance of relevant goods and services, or the receipt of an invoice if that is later. The consolidated Home Office prompt payment record for the 12 months to 31 March 2010 was 90% (85% in 2008-09 on 30 day terms).

The Home Office payment policy is described in the *Suppliers Guide*. This can be found, with other information published prior to 7 May 2010, on the archived version of the Home Office website kept by The National Archives.

<http://tna.europarchive.org/20100413151427/http://commercial.homeoffice.gov.uk/documents/suppliersguide1.html>

### Environmental Issues

The Home Office makes a significant contribution to the government's aims to make progress towards a world where we seek to simultaneously progress economic and social and environmental goals and policies in ways that develop and maintain a good quality of life for us all and into the future.

The ambition of the Home Office is to be recognised as a green organisation in the way we do our business. The Home Office has a considerable carbon footprint, and is a large procurer of goods and services. Our sustainability

---

<sup>1</sup> In December 2009 Cabinet Office aligned the reporting of diversity & equality information to include only those employees who had made a positive statement about the status of their information. Employees in the Home Office can select "Prefer not to say" and in line with Cabinet Office guidance this category has been removed from calculations for our reported figures. This change in methodology for reporting has led to a 0.5% improvement in our reported figures. Whereas in 2009 only 3% of staff declared some form of disability, during the last year and additional 3.21% of employees have declared some form of disability. This continued improvement in declaration rates has occurred as a result of the introduction of self-service recording facilities for the majority of our employees. During the next year self-service recording will be extended to all our employees.

priority is to reduce the impacts of our work on the environment, and particularly to reduce our carbon dioxide emissions.

The performance of all government departments in this area is reported annually in the *Sustainable Development in Government* (SDiG) report,

(<http://www.sdcommission.org.uk/publications/downloads/SOGE%202009%20Headline%20Commentary.pdf>) which covers a wide range of environmental issues, including reducing carbon dioxide emissions, reducing water consumption and waste generated, and increasing recycling.

The 2009 SDiG report shows that the Home Office performance has improved in comparison with the previous year. Departments are each awarded a 'star' rating from 1-5 and we have moved from 1 star in 2008 to 3 stars in 2009. In particular our performance was assessed as excellent on recycling, reducing CO2 emissions from offices and from administrative business travel and the sourcing of renewable electricity. Continuing work with the Carbon Trust should enable us to reduce CO2 emissions further. Our performance on waste generated and water consumption needs to improve in order to meet cross-government targets; therefore we have commissioned consultants to produce practical strategies to enable us to achieve reductions over the coming year. These will continue to be our main goals.

The Home Office has also published its third annual Sustainable Development Action Plan (SDAP) covering 2009-12 and it is available at <http://www.homeoffice.gov.uk/documents/sustainable-development-plan/index.html>. This identifies long, medium and short-term actions to ensure sustainable development is incorporated into our policies, operational and human resource strategies.

## Science and Research

Forensic science makes a valuable contribution to the effective investigation of crime and prosecution of offenders. The Forensic Science Regulator is independent of, but supported by, the Home Office to set and monitor the quality standards for forensic science, a modern quality standards framework is being implemented to underpin the effectiveness and reliability of traditional and modern forensic science methods.

Policing and Serious Organised Crime Analysis and Research (PSOCAR) in the Home Office offers a comprehensive programme of research and analysis to support policy. This comprises large long-term evaluations, e.g. on Integrated Service Delivery in Policing and the SOC Taskforce Pilots, and projects building an accurate and reliable evidence base, e.g. on improving public confidence and the links between homicide and organised crime. We have supported a range of high-level initiatives such as the Policing White Paper and the PMSU review on Serious Organised Crime *Extending our Reach*. We lead the work on core elements of effective practice in policing which informs the High Level Working Group on Improving Policing VfM, and have been working with economist colleagues on the evidence narrative on policing. A number of research reports and summaries have been published, to inform public debate and put good evidence in the public domain.

Home Office Scientific Development Branch (HOSDB) have continued to provide a strong mix of innovative capabilities, operational support and technical advice to the front-line and policy. Operational outcomes include the Serious Organised Crime Agency's (SOCA) improved ability to tackle top tier criminals more efficiently through developing enhanced surveillance systems, strengthened border security at Calais and a proportionate response to aviation security in the wake of the attempted Detroit bombing based on rapid technical assessment of security technologies, and potential new ways of tackling drugs supply through the development of a prototype drug detection systems to spot drugs in parcels entering the country. Home Office policies have also been strengthened, including through testing of "safer beer glasses" and collection of *Taser* safety and effectiveness data. Significant spends have been avoided through robust advice on biometrics proposals and lengthening the service life of police body armour.

The Home Office publishes high profile quality statistics, e.g. on crime, police personnel, police powers and procedures, immigration and asylum, citizenship, terrorists, and animal experiments. In 2009-10 as part of implementing the new Code of Practice for Official Statistics and new legislation, we cut access to figures before publication to a maximum of 24 hours and to fewer people, improved the coherent reporting of migration statistics, made more data available electronically, and continued with independent media briefings for key annual statistics. We launched a new bulletin on terrorist statistics, helped reduce burdens on the police, and carried out vital methodological work e.g. extending the British Crime Survey to cover under 16s, developing a data hub for collecting individual record level crime data.



**DEPARTMENTAL REMUNERATION REPORT****Remuneration Policy**

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Senior Salaries Review Body.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances, on Peers' allowances and on the pay, pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

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

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities
- regional/local variations in labour markets and their effects on the recruitment and retention 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
- the government's inflation target

In making recommendations, the Review Body considers any factors that the government and other witnesses may draw to its attention. In particular it has 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 of particular posts
- the need to maintain broad linkage between the remuneration of the three main remit groups, while allowing sufficient flexibility to take account of the circumstances of each group
- the relevant legal obligations, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability

The Review Body takes 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.ome.uk.com](http://www.ome.uk.com).

The disclosures within this remuneration report are subject to audit.

**Service Contracts**

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code. The code requires appointment to be on merit on the basis of fair and open competition, but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, all the named 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 Commissioners can be found at [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk).

Independent non-executive members of the Home Office Board are recruited through fair and open competition. All non-executive members of the board are appointed by the Permanent Secretary. Non-executive members 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.

## Public Appointments

The Home Office sponsors 19 public bodies including six executive and seven advisory NDPBs. Each public body is supported by a Sponsor Team that has responsibility for running public appointment campaigns, all of which are conducted in accordance with the Code of Practice of the Commissioner for Public Appointments. Where appointments are not regulated by the Commissioner, the Code is followed as best practice so as to ensure that the principles of openness and transparency and appointment on merit permeate all our appointments. Details of public appointments made during 2009-10 can be found on the Home Office website at: <http://www.homeoffice.gov.uk/about-us/corporate-publications-strategy/>

## Remuneration Committees

The Home Office Remuneration Committees determine the salaries paid to senior civil servants (SCS) within the Home Office. During 2009-10 the committees comprised:

<b>Pay Band 3 Remuneration Committee</b>
David Normington (Chair), John Heywood
<b>Pay Band 2 Remuneration Committee</b>
David Normington (Chair), Kevin White, Helen Kilpatrick, Yasmin Diamond, Charles Farr, Stephen Rimmer, Lin Homer, James Hall, Peter Makeham and David Seymour
<b>Pay Band 1 Remuneration Committee</b>
David Normington (Chair), Kevin White, Helen Kilpatrick, Yasmin Diamond, Charles Farr, Stephen Rimmer, Lin Homer, James Hall, Peter Makeham and David Seymour

The assessment and review of performance for Senior Civil Servants is based on individual performance. Individuals are ranked in 4 performance groups in each Pay Band

- Group 1 – top 25% of performers
- Group 2 – next 40% of performers
- Group 3 – next 20-30% of performer
- Group 4 – bottom 5-15% of performers

Group 1 and 2 will receive a non-consolidated performance payment i.e. 65% of the SCS.

The Senior Salaries Review Board (SSRB) determines the percentage of SCS pay that can be used for non-consolidated performance payments. For performance year 2009-10, the maximum that can be utilised is 8.6%. Given the current climate the Home Office decided, along with most other government departments, to limit the amount used for non-consolidated performance payments to under 5% of SCS pay.

Non-consolidated performance payments were £10,000 (Pay Band 2) and £7,500 (Pay Band 1) for Group 1 and £6,000 (Pay Band 2) and £3,500 (Pay Band 1) for Group 2. The payments relating to the 2008-09 year were paid in July 2009 and the 2009-10 payments will be made in July 2010.

The salary disclosed for officials for 2009-10 includes the payout of the 2008-09 performance related pay (paid out in July 2009), and the salary disclosed for 2008-09 prior year comparatives includes the payout of the 2007-08 performance related pay (paid out in September 2008). The total Home Office Board bonus pot for 2008-09 performance was £100,000 and that for 2009-10 performance was £60,000. Therefore, the salaries disclosed in the Remuneration Report for 2009-10 would not have been materially different had they been based on the 2009-10 bonus accrued, rather than the 2007-08 bonus actually paid out within 2009-10.

**Remuneration (including salary) and pension entitlements (audited)**

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.

**Remuneration (salary and payments in kind)**

Ministers	2009-10		2008-09	
	Salary £	Benefits in kind (to nearest £100)	Salary £	Benefits in kind (to nearest £100)
<b>Rt Hon Alan Johnson MP</b> <i>(From 5 June 2009)</i>	58,985 <sup>1</sup>	-	-	-
<b>Rt Hon Jacqui Smith MP**</b> <b>Home Secretary</b> <i>(Until 5 June 2009)</i>	33,737 <sup>2</sup>	-	79,179	-
<b>Liam Byrne MP</b> <i>(Until 2 October 2008)</i>	-	-	20,830	-
<b>Alan Campbell MP</b> <i>(From 6 October 2008)</i>	31,027	-	15,093	-
<b>Vernon Coaker MP</b> <i>(Until 8 June 2009)</i>	10,162 <sup>3</sup>	-	36,028	-
<b>David Hanson MP</b> <i>(From 8 June 2009)</i>	30,717 <sup>4</sup>	-	-	-
<b>Meg Hillier MP</b>	31,027	-	31,174	-
<b>Tony McNulty MP</b> <i>(Until 3 October 2008)</i>	-	-	20,830	-
<b>Lord West of Spithead*</b>	72,326	-	73,087	-
<b>Phil Woolas MP</b> <i>(From 6 October 2008)</i>	40,878	-	19,777	-

<sup>1</sup> Figure quoted is for the period 5 June 2009 to 31 March 2010. The full year equivalent is £78,356.

<sup>2</sup> Figure quoted is for the period 1 April 2009 to 5 June 2009. The full year equivalent is £78,356.

<sup>3</sup> Figure quoted is for the period 1 April 2009 to 8 June 2009. The full year equivalent is £40,646.

<sup>4</sup> Figure quoted is for the period 8 June 2009 to 31 March 2010. The full year equivalent is £40,646.

\* Lord West sits in the House of Lords and is not in receipt of an MP's salary; therefore, his full minister's salary is reported here. The salary shown for the other ministers only relates to the difference between their MP's salary and their minister's salary, as the MP element is paid via the House of Parliament and not the Home Office.

\*\* The Rt Hon Jacqui Smith MP received a payment of £19,589 in lieu of notice upon leaving the Home Office.

Officials	2009-10		2008-09	
	Salary £000	Benefits in kind (to nearest £100)	Salary £000	Benefits in kind (to nearest £100)
<b>Sir David Normington</b> <i>Permanent Secretary</i>	185-190	7,300	200-205	7,300 <i>(Restated)*</i>
<b>Yasmin Diamond</b> <i>Director, Communications</i>	145-150	900	125-130	1,400 <i>(Restated)</i>
<b>Charles Farr</b> <i>Director General, Office for Security and Counter Terrorism</i>	150-155	-	125-130	-
<b>James Hall</b> <i>Chief Executive, Identity &amp; Passport Service</i>	195-200	9,600	195-200	17,800
<b>Lin Homer</b> <i>Chief Executive, UK Border Agency</i>	220-225	500	225-230	3,500

Officials	2009-10		2008-09	
	Salary £000	Benefits in kind (to nearest £100)	Salary £000	Benefits in kind (to nearest £100)
<b>Helen Kilpatrick</b> <i>Director General, Financial and Commercial</i>	<b>220-225</b>	-	<b>220-225</b>	-
<b>Peter Makeham</b> <i>Director General, Strategy and Reform</i>	<b>175-180</b>	-	<b>170-175</b>	-
<b>Stephen Rimmer</b> <i>Director General, Crime and Policing Group (From 2 March 2009)</i>	<b>135-140</b>	-	<b>10 - 15</b> <i>(125 – 130 full year equivalent)</i>	-
<b>Kevin White</b> <i>Director General, Human Resources</i>	<b>200-205**</b>	-	<b>190-195**</b>	-
<b>Vic Hogg</b> <i>Acting Director General, Crime Reduction and Community Safety Group (From 6 October 2008 to 27 February 2009)</i>	-	-	<b>45-50</b> <i>(110-115 full year equivalent)</i>	-
<b>Moira Wallace</b> <i>Director General, Crime Reduction and Community Safety Group (Until 3 October 2008)</i>	-	-	<b>95-100</b> <i>(180-185 full-year equivalent)</i>	-

\*Sir David Normington's Benefits in Kind for 2008-09 have been restated to reflect the actual use of a car rather than the standard daily rate previously used.

\*\*Kevin White's salary includes accommodation expenses of £49,830 (2008-09 £49,656), which he ceased to receive from 1 April 2010.

## Salary

'Salary' includes gross salary; performance pay or bonuses; 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 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 (£64,766 from 1 April 2009, £63,291 from 1 April 2008, £61,820 from 1 November 2007) 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 employer and treated by HM Revenue & Customs as a taxable emolument. Benefits reported are calculated as the taxable value and include the private use of a car, travel and accommodation.

During 2009-10, Yasmin Diamond, the Director of Communications, held a standard housing loan which is available to all Home Office employees who meet the requirements of public expense moves. The loan had an original value of £30,065.05 and was issued before 1 April 2008. The value of the loan outstanding at 1 April 2009 was £20,789.40, which was its maximum value in the year, and at 31 March 2010 was £16,951.20. The repayment of principal during 2009-10 was £3,838.20. During 2009-10, no interest was payable, and so it qualified as a taxable benefit in kind.

Non-Executive Board Members	2009-10		2008-09	
	Salary £000	Benefits in kind (to nearest £100)	Salary £000	Benefits in kind (to nearest £100)
<b>John Heywood</b>	<b>20-25</b>	-	<b>20-25</b>	-
<b>Philip Augar</b> <i>(From February 2010)</i>	-	-	-	-
<b>Derrick Anderson CBE</b> <i>(until 31 December 2008)</i>	-	-	<b>15-20</b>	-

The non-executive board members listed above are those who sat on the Home Office Board. Other non-executive Directors are employed by the Home Office's agencies and NDPBs and their details can be found in the accounts of these bodies.

### Pension Benefits

Ministers	Accrued pension at age 65 as at 31 March 2010	Real increase in pension at age 65	CETV at 31 March 2010	CETV at 31 March 2009	Real increase in CETV
	£000	£000	£000	£000	£000
<b>Rt Hon Alan Johnson MP</b> <b>Secretary of State</b> <i>(From 5 June 2009)</i>	<b>10-15</b>	<b>0-2.5</b>	<b>177</b>	<b>150</b>	<b>20</b>
<b>Rt Hon Jacqui Smith MP</b> <b>Home Secretary</b> <i>(Until 5 June 2009)</i>	<b>5-10</b>	<b>0-2.5</b>	<b>93</b>	<b>88</b>	<b>2</b>
<b>Alan Campbell MP</b>	<b>0-5</b>	<b>0-2.5</b>	<b>48</b>	<b>34</b>	<b>8</b>
<b>Vernon Coaker MP (Until 8 June 2009)</b>	<b>0-5</b>	<b>0-2.5</b>	<b>54</b>	<b>49</b>	<b>3</b>
<b>Meg Hillier MP</b>	<b>0-5</b>	<b>0-2.5</b>	<b>20</b>	<b>12</b>	<b>4</b>
<b>David Hanson MP</b> <i>(From 8 June 2009)</i>	<b>5-10</b>	<b>0-2.5</b>	<b>97</b>	<b>79</b>	<b>9</b>
<b>Lord West of Spithead*</b>	-	-	-	-	-
<b>Phil Woolas MP</b>	<b>5-10</b>	<b>0-2.5</b>	<b>104</b>	<b>82</b>	<b>10</b>

\* Lord West has opted out of the PCPF and, therefore, a value is not reported.

### Ministerial Pensions

Pension benefits for ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). The scheme is made under statute (the regulations are set out in Statutory Instrument SI 1993 No 3253, as amended).

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). The arrangements for ministers provide benefits on an 'average salary' basis, taking account of all service as a minister. The accrual rate has been 1/40<sup>th</sup> since 15 July 2002 (or 5 July 2001 for those that chose to backdate the change) but ministers, in common with all other members of the PCPF, can opt for a 1/50<sup>th</sup> accrual rate and a lower rate of employee contribution. An additional 1/60<sup>th</sup> accrual rate option (backdated to 1 April 2008) was introduced from 1 January 2010.

Benefits for ministers are payable at the same time as MPs' benefits become payable under the PCPF or, for those who are not MPs, on retirement from ministerial office from age 65. Pensions are revalued annually in line with changes in the Retail Prices Index. From 1 April 2009 members pay contributions of 5.9% of their ministerial salary if they have opted for the 1/60<sup>th</sup> accrual rate, 7.9% of salary if they have opted for the 1/50<sup>th</sup> accrual rate or 11.9% of salary if they have opted for the 1/40<sup>th</sup> accrual rate. There is also an employer contribution paid by the

Exchequer representing the balance of cost as advised by the Government Actuary. This is currently 28.7% of the ministerial salary.

The accrued pension quoted is the pension the minister is entitled to receive when they reach 65, or immediately on ceasing to be an active member of the scheme if they are already 65.

### 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 within the guidelines and framework prescribed by the Institute and Faculty of Actuaries 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.

Officials	Accrued pension at age 60 as at 31 March 2010 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31 March 2010	CETV at 31 March 2009	Real increase in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £100
<b>Sir David Normington</b> <i>Permanent Secretary</i>	85-90 plus lump sum of 255-260	2.5-5 plus lump sum of 10-12.5	1,988	1,801	90	-
<b>Yasmin Diamond</b> <i>Director, Communications</i>	20-25 plus lump sum of 60-65	0-2.5 plus lump sum of 5-7.5	287	238	33	-
<b>Charles Farr</b> <i>Director General, Office for Security and Counter Terrorism</i>	50-55 plus lump sum of 150-155	7.5-10 plus lump sum of 22.5-30	929	745	133	-
<b>James Hall*</b> <i>Chief Executive, Identity &amp; Passport Service</i>	-	-	-	-	-	-
<b>Lin Homer</b> <i>Chief Executive, UK Border Agency</i>	90-95 plus lump sum of 0-5	5-7.5 plus lump sum of 0-2.5	1,574	1,388	104	-
<b>Helen Kilpatrick</b> <i>Director General, Financial and Commercial</i>	75-80 plus lump sum of 0-5	2.5-5 plus lump sum of 0-2.5	1,241	1,069	38	-
<b>Peter Makeham</b> <i>Director General, Strategy and Reform</i>	95-100 plus lump sum of 0-5	5-7.5 plus lump sum of 0-2.5	1,916	1,821	92	-



Officials	Accrued pension at age 60 as at 31 March 2010 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31 March 2010	CETV at 31 March 2009	Real increase in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £100
<b>Stephen Rimmer</b> <i>Director General, Crime and Policing Group</i>	<b>40-45</b> plus lump sum of <b>120-125</b>	<b>5-7.5</b> plus lump sum of <b>17.5-20</b>	<b>672</b>	<b>539</b>	<b>101</b>	-
<b>Kevin White</b> <i>Director General, Human Resources</i>	<b>55-60</b> plus lump sum of <b>175-180</b>	<b>2.5-5</b> plus lump sum of <b>10-12.5</b>	<b>1,403</b>	<b>1,243</b>	<b>93</b>	-

\* James Hall is not a member of any Civil Service Pension Scheme and has opted out of the Stakeholder Pension Scheme.

### Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (**classic, premium or classic plus**); or a whole career scheme (**nuvos**). 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** and **nuvos** are increased annually in line with changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with a significant employer contribution (**partnership** pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium, classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80<sup>th</sup> 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 1/60<sup>th</sup> 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 up rated in line with RPI. 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 3% and 12.5% (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 contribute a further 0.8% 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** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.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 within the guidelines and framework prescribed by the Institute and Faculty of Actuaries 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.

David Normington  
Accounting Officer  
22 July 2010



### Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, the department is required to prepare Resource Accounts for each financial year, in conformity with a HM Treasury direction, detailing the resources acquired, held, or disposed of during the year and the use of resources by the department during the year.

The Resource Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department, the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year.

HM Treasury has appointed the Permanent Secretary of the department as Accounting Officer of the department with responsibility for preparing the department's accounts and for transmitting them to the Comptroller and Auditor General.

In preparing the Accounts the Accounting Officer is required to comply with the Government Financial Reporting Manual (FReM) prepared by HM Treasury, and in particular to:

- observe the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual (FReM), have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the department's assets, are set out in the Accounting Officer's Memorandum, issued by the Treasury and published in *Managing Public Money*.

David Normington  
Accounting Officer  
22 July 2010

## Statement on Internal Control

### Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Home Office's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

I discharge my responsibilities as Accounting Officer in conjunction with Accounting Officers of the department's agencies, Non-Departmental Public Bodies (NDPBs) and other public bodies. My relationship with these Accounting Officers is set out in statements contained in the respective Framework Agreements, Financial Memoranda and designatory letters. Each of the Home Office agencies and NDPBs produces their own Statement on Internal Control which is published in their Resource Accounts. My Statement reflects the significant issues arising across the Home Office group.

The UK Border Agency attained full executive agency status on 1 April 2009 so 2009-10 has been the first year of its operation under this governance arrangement. In year the agency has concentrated on the delivery of its principal activities. Control weaknesses have been identified but these are fewer than in previous years and continued progress is being made by the agency.

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the Home Office for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

### Capacity to Handle Risk

Leadership in risk management continues to be provided through the commitment, processes and behaviours set out in the Home Office Risk Management Policy, which was agreed by the board and issued with accompanying guidance. This guidance draws on good practice from across government which has been recognised by our Audit Committee and others.

Key staff are trained to ensure they are equipped with the skills and tools they need to fulfil their duties. We have our own internal training provider with courses tailored to our guidance. In addition, we have achieved measurable improvement in the department's risk capability as demonstrated against the metrics of the Home Office's Risk Management Maturity Model. We have moved from a position of basic understanding in 2008, through the application phase of risk management, to the current position where we are now embedding risk management across the department.

The control framework for information risk management has been further strengthened this year. The phase 2 e-learning package has been successfully completed by a high percentage of Home Office staff that have specific responsibilities for information assurance; this has enhanced their knowledge, skills and behaviour. Information risk management complements, and has been integrated with, the conventional risk management process.

### The Risk and Control Framework

Our risk management strategy is to be clear about what we are trying to achieve, to identify what might stop us from achieving our objectives, to assess these risks, take action to mitigate them to an agreed level and then to review progress. This includes public protection risks as well as risks to our information, operations and projects. Agreeing the realistic range for each of our risks (our risk appetite) is a crucial element of the effective management of risk, and during this past year, this has been an area of significant focus and improvement. New guidance on the subject has been produced and is having an impact on the department, though there is still more

work to do. Businesses are looking at the level of risk currently identified and managed, and are reviewing whether this is above the level that they should be carrying.

This strategy is implemented throughout the organisation using a control framework comprising:

- clear accountabilities for the action to tackle risks
- a structured process for identifying, assessing, communicating, escalating and managing risks. This includes expected behaviours

The results of risk assessment and the effects of the actions to address risk are documented in risk registers at corporate, directorate/agency, NDPB and unit/project levels. These are used to track change over time and implement our process for escalating or de-escalating risks between levels.

The Home Office Board considers the realistic range for corporate risks quarterly when it reviews the corporate risk register and decides on its response to the existing level of risk exposure. It also reviews the mitigating actions to the identified risks and contingency plans.

### **Review of Effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the Audit Committee and a standing group of Home Office Directors. A plan to address weaknesses and ensure continuous improvement of the system is in place.

Ongoing review of the effectiveness of the control and risk management system across the Home Office is provided by:

- the Home Office Board which meets monthly to consider the strategic direction of the organisation and the risks facing the department along with the effectiveness of mitigating actions
- the Risk Committee which provides the board with advice on the top risks that it should consider for escalation to the corporate risk register. The Risk Committee is a sub-committee of the Home Office Board
- the Operating Reviews which I hold on a risk based frequency, typically monthly, to consider current and future financial, performance and risk issues faced by each Home Office business unit in detail
- the Group Investment Board which approves and monitors at key stages, projects above threshold criteria based on priority, risk, value, complexity and sensitivity
- the Audit Committee which provides independent advice to me and board members on the adequacy of arrangements for corporate governance, risk management and internal control
- Internal Audit who complete a risk based programme of audits annually and provide independent advice to the Audit Committee
- the National Audit Office who form an external opinion on the department's financial statements and conduct performance improvement reviews and value for money audits
- the Senior Information Risk Owner who provides an assessment of the department's information risk exposure and provides assurance on this
- the application of our Assurance Framework. This is designed to supplement risk management arrangements. The framework describes 'what good control looks like' in the context of Home Office business and it describes what the management arrangements are to provide assurance about the operations of the organisation's control systems

### **Continuous Improvement and Significant Control Issues**

In 2006, the first Capability Reviews were published. By 2008, in the second round of Capability Reviews the Home Office was judged to have vastly improved from its original position. During 2009-10 a further stocktake was carried out. This confirmed that further progress has been made. The department was judged to be keeping up the pace and momentum of improvement. The ambition and energy displayed by the leadership team was noted

and this reflected in the advances that had been made on people development and the continued improvement in processes, systems and corporate services. It remains our intention to embed and improve on this good progress.

### Financial Management

Following the Comptroller and Auditor General's disclaimer of the Home Office Accounts in 2004-05 the department launched a Financial Improvement Strategy to improve its financial management. The National Audit Office, in their report to Parliament in May 2009, commented that we had substantially improved our financial management. This continues to be a priority for us and supports our vision of excellence in financial management throughout the organisation

The National Audit Office gave a qualified opinion on the department's 2008-09 Resource Accounts. This was on the grounds of regularity because we had spent more than was allocated to us by Parliament. The overspend of £79 million arose following a judicial review on police pension payments which resulted in the department having to make additional payments. Measures have now been put in place to identify these situations at an earlier stage and prevent overspends occurring. These include revised procedures for the validation of pensions estimates provided by police forces, new guidance on contingent liabilities and additional reviews of the timing and value of provisions.

As a result of our ongoing improvement work, it was revealed that expenditure in 2008-09 had been incurred against a number of grants without formally receiving prior agreement from HM Treasury. During the current year, we identified one further grant stream where payments had been made without prior clearance from HM Treasury. We have continued to work closely with HM Treasury and the National Audit Office to strengthen the process for grant stream approvals.

Internal audit reports have additionally identified concerns over the specification and monitoring of grant recipients' compliance with grant conditions and delivery of agreed objectives. Continuing progress is being made by the Home Office to improve its controls over grants and grant management arrangements, but there is a need to improve transparency and accountability across the department.

There were two finance issues in respect of the UK Border Agency. The overpayment to asylum seekers by the agency was an issue identified in 2008-09. This arose where support payments had ceased with a delay, or they had not ceased at all. There were, however, 30% more cessations in 2009-10 compared to the previous year and overpayments reduced by 65%. The losses of £3.5 million which did occur in 2009-10 are reported in the UK Border Agency's accounts. These improvements have been made with the introduction of additional controls and further improvement is expected in 2010-11.

Civil penalties for employers committing immigration offences are a relatively new initiative in the UK Border Agency. During 2009-10, the processes, organisational structures, performance management and resources were insufficient to deliver a satisfactory collection rate. There is ongoing work to improve the targeting of penalties, raise awareness amongst operational front line staff, and build on existing processes and procedures relating to the invoicing, accounting and enforcement of civil penalties.

The department's response to the financial management issues identified during 2009-10 demonstrates that the Home Office is now better able to take rapid action when it identifies control issues. As a consequence of this I am confident that we will build on the improvements already made.

### Procurement /Contingent Labour

The Home Office has been a significant user of Consultancy and Contingent Labour services, especially where specialised skills are required on projects of national impact. The Home Office Commercial Group has developed procurement procedures and processes to facilitate effective procurement. We are putting in place further improvements to the guidance and procedures for managing potential or actual conflict of interests, monitoring compliance and the use of single tenders, which were noted as an area for improvement by internal audit. In 2010-11, we plan to reduce substantially our reliance on Consultancy and Contingent labour services as part of our response to the government's deficit reduction measures.

### Information Assurance

Control of Information Risk Management has been strengthened following work undertaken by the Office of the Chief Information Officer in conjunction with business areas. The Information, Systems and Technology strategy has been updated to ensure a coordinated approach that fully supports business areas across the Home Office.

In May 2010, the department assessed itself against the Cabinet Office requirements for information risk management the Information Assurance Maturity Model (IAMM)). This covered the Home Office core, delivery bodies and third party suppliers. The results confirm that we are adhering to Cabinet Office requirements. In the coming year we will continue to maintain a strong focus on information security, assurance and maturity.

The UK Border Agency continues to work with the central Home Office to implement the recommendations in the *Hannigan* Report on 'Data handling procedures in Government'. For operational and resource reasons, it is unable to comply fully with those relating to case file storage and to the encryption of personal data that is emailed outside the Government Secure Intranet, but information protection measures have been taken to mitigate the risk.

Internal Audit work during the year highlighted that non-compliance by managers could mean that vetting requirements for secondees, consultants and contingent labour could be by-passed. Action has been taken to improve guidance and tighten arrangements for requests for new IT accounts. Follow up work has identified a need to strengthen control over user account access and security on a number of sensitive systems. The work has also highlighted the need to improve the quality of user information recorded on key databases. A project has been set up to review and simplify the end-to-end system for recording information on joiners and leavers.

There have however been a number of reported low level incidents with respect to data handling and data transfer protocols. These include a small number of instances of individuals e-mailing Home Office data to personal email addresses, paper documents left on public transport, loss of portable media, a home burglary of a senior member of staff led to the loss of a laptop containing restricted documents and the inadvertent disclosure of two documents that were published by the UK Border Agency. These incidents have been investigated and there is no evidence of any compromise to the department. Procedures have been put in place to reduce the risk of recurrence of this and staff education in this area has been enhanced.

#### Programmes and Projects

Continuing improvements in our internal control framework have been acknowledged by the National Audit Office in relation to the positive steps we have taken to improve the way we manage our portfolio of major projects. We have considerably improved our processes in this area in a well thought through, structured and comprehensive way. The most recent NAO report on Home Office programmes and projects found that we are generally well controlled across the business and have been identified as a paradigm for the rest of government. Nevertheless, we need to ensure that we fully embed these new processes.

During 2010-11, and as part of the coalition programme, a number of Home Office programmes and projects will be subject to major review. These include the Vetting and Barring Programme, e-Borders, and Schengen.

#### Risk Management

Risk Management remains one of our critical processes and the effectiveness of this activity has been strengthened throughout 2009-10. The focus has continued to be the identification and effective management of the key threats to the public, with the Risk Committee keeping the board informed of emerging risks and the actions being taken to counter them. We will continue to develop our risk management maturity to ensure that good practice is fully embedded across the whole of the department. In order to support our focus on Value for Money, we are undertaking work to assess the cost of mitigating actions associated with our risks.

#### Business Continuity Planning

A Home Office Business Continuity Plan was agreed by directors general and distributed to Directorates and Business Units in May 2010. The Plan is subject to validation and will be exercised by September 2010. A fully tested Home Office Incident Management Plan is in place and was distributed to Directors General and Incident Commanders in February 2010.

#### **Taking forward the Coalition Programme**

The Coalition Agreement states that 'deficit reduction, and continuing to ensure economic recovery, is the most urgent issue facing Britain'. The Home Office will make a significant contribution to achieving this goal by bearing down on overheads and other costs, eliminating waste whilst minimising the impact on front line services to the public. This will no doubt generate new challenges but I believe we are in a strong position to take these on.

Following the decision to cancel Identity Cards and the National Identity Register, the Identity & Passport Service (IPS) is focussed on meeting the challenges of the decommissioning timetable and associated organisational changes. IPS will also need to manage risks arising from the rationalisation of its change programme, to focus on

those elements that will deliver the most efficiencies, whilst maintaining standards of customer service as well as the integrity and reputation of the UK passport. Plans are in place to achieve this.

We continue to make good progress in improving our control frameworks and in introducing further measures to ensure effective controls operate consistently across the Home Office Group. We will extend our strong focus on efficiency and value for money, challenging areas of the business to meet the current and future pressures and to build on efficiency gains made to date.

David Normington  
Accounting Officer  
22 July 2010



**THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS**

I certify that I have audited the financial statements of the Home Office for the year ended 31 March 2010 under the Government Resources and Accounts Act 2000. These comprise the Statement of Parliamentary Supply, the Operating Cost Statement and the Statement of Financial Position, the Statement of Cashflows, the Statement of Changes in Taxpayers' Equity, the Statement of Net Operating Costs by Departmental Strategic Objectives and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

**Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Department; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income 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.

**Opinion on Regularity**

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

**Opinion on Financial Statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2010 and of its net cash requirement, net resource outturn, net operating cost, net operating costs applied to departmental strategic objectives, changes in taxpayers' equity and cash flows 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 other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Annual Report 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
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

I have no observations to make on these financial statements.

Amyas C E Morse  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria, London, SW1W 9SP

23 July 2010



## Statement of Parliamentary Supply

## Summary of Resource Outturn 2009-10

Request for Resources	Note	Estimate			2009-10 Outturn			Net Total outturn compared with Estimate saving/ (excess) £000	2008-09 Outturn*
		Gross Expenditure	A in A	Net Total	Gross Expenditure	A in A	Net Total		
		£000	£000	£000	£000	£000	£000		
Request for Resources 1	3	12,597,153	(1,505,409)	11,091,744	12,157,558	(1,388,004)	10,769,554	322,190	10,221,560
<b>Total Resources</b>	<b>3</b>	<b>12,597,153</b>	<b>(1,505,409)</b>	<b>11,091,744</b>	<b>12,157,558</b>	<b>(1,388,004)</b>	<b>10,769,554</b>	<b>322,190</b>	<b>10,221,560</b>
Non-operating cost A in A			(4,387)			(16)		(4,371)	(6,733)

## Net Cash Requirement 2009-10

Net Cash Requirement	5	Estimate		2009-10 Outturn		2009-10 Net Total outturn compared with Estimate saving/ (excess) £000	2008-09 Outturn*
		£000	£000	£000	£000		
		£000	£000	£000	£000		
		11,286,171		11,281,880		4,291	10,156,247

## Summary of income payable to the Consolidated Fund

In addition to appropriations in aid, the following income relates to the department and is payable to the Consolidated Fund (cash receipts being shown in italics).

	6	Forecast 2009-10		Outturn 2009-10	
		Income £000	Receipts £000	Income £000	Receipts £000
Total		140,000	<i>140,000</i>	257,347	<i>251,158</i>

\*The 2008-09 outturn figures have not been restated as these numbers were previously reported to Parliament.

Explanations of variances between Estimates and Outturn are given in Note 3 and pages 9 to 11.

The notes on pages 44 to 102 form part of these accounts.

## Consolidated Operating Cost Statement

for the year ended 31 March 2010

	Note	Core Department			Consolidated			2009-10 £000	Core Department	Restated 2008-09 £000
		Staff Costs	Other Costs	Income	Staff Costs	Other Costs	Income	Consolidated		
<b>Administration Costs:</b>										
Staff costs	10	129,191			208,943			120,702	410,395	
Other administration Costs	11		76,459			179,779		144,867	356,821	
Operating income	13			(24,071)			(151,349)	(44,224)	(157,810)	
<b>Programme Costs</b>										
<b>Request for Resources 1</b>										
Staff costs	10	49,637			1,035,314			33,733	808,959	
Programme costs	12		8,897,924			10,751,258		8,548,483	10,227,531	
Income	13			(332,364)			(1,508,475)	(305,593)	(1,346,950)	
<b>Totals</b>		<b>178,828</b>	<b>8,974,383</b>	<b>(356,435)</b>	<b>1,244,257</b>	<b>10,931,037</b>	<b>(1,659,824)</b>	<b>8,497,968</b>	<b>10,298,946</b>	
<b>Net Operating Cost</b>	<b>4</b>			<b>8,796,776</b>			<b>10,515,470</b>	<b>8,497,968</b>	<b>10,298,946</b>	

All activities are from continuing operations. The Machinery of Government changes reflected in these financial statements are disclosed in Note 36.

The notes on pages 44 to 102 form part of these accounts.

### Consolidated Statement of Financial Position as at 31 March 2010

		31 March 2010 £000		31 March 2009 £000		1 April 2008 £000	
	Note	Core Department	Consolidated	Core Department	Consolidated	Core Department	Consolidated
<b>Non-current assets:</b>							
Property, plant and equipment	15	414,587	1,253,939	403,171	1,177,624	482,795	1,134,415
Intangible assets	16	11,975	223,051	8,407	108,803	10,093	104,695
Financial assets	17	18,068	18,068	18,068	18,068	67,260	67,260
<b>Total non-current assets</b>		<b>444,630</b>	<b>1,495,058</b>	<b>429,646</b>	<b>1,304,495</b>	<b>560,148</b>	<b>1,306,370</b>
<b>Current assets:</b>							
Assets classified as held for sale	14	3,029	3,029	-	-	-	-
Inventories	19	-	6,642	-	8,260	-	7,661
Trade and other receivables	20	606,730	698,175	252,027	335,669	210,075	275,681
Cash and cash equivalents	21	13,828	95,285	271,110	307,599	436,246	505,107
<b>Total current assets</b>		<b>623,587</b>	<b>803,131</b>	<b>523,137</b>	<b>651,528</b>	<b>646,321</b>	<b>788,449</b>
<b>Total assets</b>		<b>1,068,217</b>	<b>2,298,189</b>	<b>952,783</b>	<b>1,956,023</b>	<b>1,206,469</b>	<b>2,094,819</b>
<b>Current liabilities</b>							
Provisions	23	-	3,185	-	1,146	-	-
Trade and other payables	22	827,264	1,428,150	963,053	1,444,781	1,138,756	1,590,484
<b>Total current liabilities</b>		<b>827,264</b>	<b>1,431,335</b>	<b>963,053</b>	<b>1,445,927</b>	<b>1,138,756</b>	<b>1,590,484</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>240,953</b>	<b>866,854</b>	<b>(10,270)</b>	<b>510,096</b>	<b>67,713</b>	<b>504,335</b>
<b>Non-current liabilities</b>							
Trade and other payables	22	224,901	299,950	226,936	307,456	232,702	284,095
Provisions	23	12,672	87,658	145,512	234,803	23,072	72,825
<b>Total non-current liabilities</b>		<b>237,573</b>	<b>387,608</b>	<b>372,448</b>	<b>542,259</b>	<b>255,774</b>	<b>356,920</b>
<b>Assets less liabilities</b>		<b>3,380</b>	<b>479,246</b>	<b>(382,718)</b>	<b>(32,163)</b>	<b>(188,061)</b>	<b>147,415</b>
<b>Taxpayers' equity:</b>							
General fund		(75,853)	275,868	(444,434)	(237,846)	(339,767)	(177,570)
Revaluation reserve		39,200	151,023	61,716	193,361	151,706	323,404
Government Grant Reserve		40,033	52,355	-	12,322	-	1,581
<b>Total taxpayers' equity</b>		<b>3,380</b>	<b>479,246</b>	<b>(382,718)</b>	<b>(32,163)</b>	<b>(188,061)</b>	<b>147,415</b>

David Normington  
Accounting Officer

22 July 2010

The notes on pages 44 to 102 form part of these accounts.

**Consolidated Statement of Cash Flows**

for the year ended 31 March 2010

		2009-10 £000	Restated 2008-09 £000
	Note		
<b>Cash flows from operating activities</b>			
Net operating cost		(10,515,470)	(10,298,946)
Adjustments for non-cash transactions	11, 12	237,585	419,643
(Increase)/decrease in trade and other receivables		(362,506)	(59,988)
<i>less movements in receivables relating to items not passing through the OCS</i>		(8,835)	(3,653)
(Increase)/decrease in inventories		1,618	(709)
Increase/(decrease) in trade payables		(28,056)	(112,891)
<i>less movements in payables relating to items not passing through the OCS</i>		217,028	97,789
Use of provisions	23	(134,264)	(22,996)
<b>Net cash outflow from operating activities</b>		<b>(10,592,900)</b>	<b>(9,981,751)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	15	(311,895)	(186,007)
Purchase of intangible assets	16	(47,917)	(22,156)
Proceeds of disposal of property, plant and equipment		16	5,520
Payments to acquire investments		(30,000)	(10,000)
<b>Net cash outflow from investing activities</b>		<b>(389,796)</b>	<b>(212,643)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) - current year		11,043,545	9,990,685
From the Consolidated Fund (Supply) - prior year		-	-
From the Consolidated Fund (Supply) – Machinery of Government Change		-	298,167
From Dept of Employment and Dept of Health – Government Grant Reserve		9,058	10,858
Capital element of payments in respect of finance leases and on balance sheet PFI contracts		(48,026)	(43,027)
<b>Net financing</b>		<b>11,004,577</b>	<b>10,256,683</b>
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		21,881	62,289
Receipts due to the Consolidated Fund which are outside the scope of the department's activities		-	1,213
Payments of amounts due to the Consolidated Fund		(238,114)	(251,559)
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>(216,233)</b>	<b>(188,057)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	21	<b>307,599</b>	<b>505,107</b>
<b>Cash and cash equivalents at the end of the period</b>	21	<b>95,285</b>	<b>307,599</b>

The move from UKGAAP to IFRS had no effect on cash flows.

The notes on pages 44 to 102 form part of these accounts.

## Consolidated Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2010

		General Fund £000	Revaluation Reserve £000	Government Grant Reserve £000	Total Reserves £000
	<b>Note</b>				
<b>Balance at 31 March 2008 (UKGAAP)</b>		(126,053)	104,106	-	(21,947)
Effect of changes under International Financial Reporting Standards		(86,153)	215,311	-	129,158
Effect of changes in other accounting policies		(8)	6	1,581	1,579
Machinery of Government		34,644	3,981	-	38,625
<b>Restated balance at 1 April 2008 (IFRS)</b>		<b>(177,570)</b>	<b>323,404</b>	<b>1,581</b>	<b>147,415</b>
<b>Changes in taxpayers' equity for 2008-09</b>					
Net gain/(loss) on revaluation of property, plant and equipment		-	(80,178)	-	(80,178)
Net gain/(loss) on revaluation of intangible assets		-	12	-	12
Release of reserves to the operating cost statement		-	(19,026)	-	(19,026)
Non-cash charges - cost of capital	11,12	9,421	-	-	9,421
Non-cash charges - auditor's remuneration	11,12	979	-	-	979
Notional charges and income		(2,842)	-	-	(2,842)
Transfers between reserves		30,851	(30,851)	-	-
Net operating costs for the year		(10,298,946)	-	-	(10,298,946)
Other*		(599)	-	-	(599)
<b>Total recognised income and expense for 2008-09</b>		<b>(10,261,136)</b>	<b>(130,043)</b>	<b>-</b>	<b>(10,391,179)</b>
Net Parliamentary Funding - drawn down		9,990,685	-	-	9,990,685
Net Parliamentary Funding - deemed		407,142	-	-	407,142
Net Parliamentary Funding - MoG		298,167	-	-	298,167
Government Grant Reserve		-	-	10,741	10,741
Supply payable/(receivable) adjustment		(241,580)	-	-	(241,580)
CFERS payable to the Consolidated Fund	6	(253,554)	-	-	(253,554)
<b>Balance at 31 March 2009</b>		<b>(237,846)</b>	<b>193,361</b>	<b>12,322</b>	<b>(32,163)</b>
<b>Changes in taxpayers' equity for 2009-10</b>					
Net gain/(loss) on revaluation of property, plant and equipment		-	(17,831)	-	(17,831)
Net gain/(loss) on revaluation of intangible assets		-	2,825	-	2,825
Net gain/(loss) on revaluation of investments		-	-	-	-
Release of reserves to the operating cost statement		-	1,700	-	1,700
Non-cash charges - cost of capital	11,12	(4,476)	-	-	(4,476)
Non-cash charges - auditor's remuneration	11,12	1,064	-	-	1,064
Notional charges and income		80	-	-	80
Transfers between reserves		29,032	(29,032)	-	-
Net operating costs for the year		(10,515,470)	-	-	(10,515,470)
Other**		(24,312)	-	30,975	6,663
<b>Total recognised income and expense for 2009-10</b>		<b>(10,514,082)</b>	<b>(42,338)</b>	<b>30,975</b>	<b>(10,525,445)</b>
Net Parliamentary Funding - drawn down		11,043,545	-	-	11,043,545
Net Parliamentary Funding - deemed		241,580	-	-	241,580
Government Grant Reserve		-	-	9,058	9,058
Supply payable/(receivable) adjustment		(3,245)	-	-	(3,245)
CFERS payable to the Consolidated Fund	6	(254,084)	-	-	(254,084)
<b>Balance at 31 March 2010</b>		<b>275,868</b>	<b>151,023</b>	<b>52,355</b>	<b>479,246</b>

\* Other represents the difference of £599K between the CRB surplus reported on a UKGAAP basis and as restated for accounting policy changes.

\*\* Other comprises

	£000
Restatement of VBS prior year spend	23,504
UKBA prior year adjustment	796
CRB adjustment	12

The notes on pages 44 to 102 form part of these accounts.

## Consolidated Statement of Operating Costs by Departmental Strategic Objectives

for the year ended 31 March 2010

Objective	Gross Expenditure £000	Income £000	2009-10 Net Expenditure £000	Gross Expenditure £000	Income £000	Restated 2008-09 Net Expenditure £000
Objective a	524,300	(151,444)	372,856	1,023,614	(297,583)	726,031
Objective b	7,403,013	(154,719)	7,248,294	7,013,059	(135,946)	6,877,113
Objective c	1,021,269	(12,393)	1,008,876	835,686	(12,414)	823,272
Objective d	2,735,592	(888,448)	1,847,144	2,508,683	(686,560)	1,822,123
Objective e	481,019	(452,820)	28,199	416,754	(372,257)	44,497
Objective f	10,101	-	10,101	5,910	-	5,910
<b>Net Operating Cost</b>	<b>12,175,294</b>	<b>(1,659,824)</b>	<b>10,515,470</b>	<b>11,803,706</b>	<b>(1,504,760)</b>	<b>10,298,946</b>

Since February 2008, the Home Office has had one overarching objective and six strategic objectives. The overarching objective is:

Help people feel secure in their homes and local communities

The six strategic objectives, against which performance during 2009-10 was measured, are set out below:

- a) Cut crime, especially violent, drug and alcohol related crime
- b) Lead visible, responsive and accountable policing
- c) Protect the public from terrorism
- d) Secure our borders and control immigration for the benefit of our country
- e) Safeguard identity and the privileges of citizenship
- f) Support the efficient and effective delivery of justice

Figures for 2008-09 have been restated for the Machinery of Government changes.

Explanations of variances between Estimates and Outturn are given on pages 9 to 11.

Wherever possible, administration costs have been attributed to objectives in accordance with the department's normal management account practices or have been allocated in the same proportions as programme expenditure.

For further details see Note 24.

The notes on pages 44 to 102 form part of these accounts.

**Notes to the Departmental Resource Accounts for the year ended 31 March 2010****1. Statement of accounting policies*****Basis of preparation***

The financial statements have been prepared in accordance with the 2009-10 *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 particular 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 two additional primary statements. The *Statement of Parliamentary Supply* and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement. The *Consolidated Statement of Operating Cost by Departmental Strategic Objectives* and supporting notes analyse the department's income and expenditure by the objectives agreed with ministers.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000). The Statement of Financial Position as at 31 March 2010 shows taxpayers' equity of £479 million.

In common with other government departments, the future financing of the department's liabilities is accordingly 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.

**1.1 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, intangible assets and inventories.

**1.2 Basis of consolidated resource accounts**

These accounts include the non-agency parts of the department (the core department) and its Executive Agencies: UK Border Agency, the Identity & Passport Service and the Criminal Records Bureau. The Executive Agencies also produce and publish their own Annual Reports and Accounts. Transactions between entities included in the consolidated resource accounts are eliminated.

A list of all those entities within the departmental boundary is given at Note 34.

**1.3 Changes in accounting policy**

In accordance with the FReM the department has adopted International Financial Reporting Standards, Note 2 to these accounts shows the reconciliation of adjustments between the previously published accounts for 2008-09 and those figures reported in these accounts. The Adoption of IAS 20 by CRB in relation to treatment of assets under the Vetting and Barring scheme is reflected in Note 37 to these accounts. There have been no other changes in accounting policy.

**1.4 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:

*Service concession arrangements (Note 27)*



The department is party to Private Finance Initiatives (PFI). 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.

#### *Leases (Note 26)*

The department is the lessee of property, plant and equipment. The classification of such leases as operating or finance lease requires the department to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Statement of Financial Position.

#### *Impairment of assets (Note 15 and 16)*

The department assesses whether there are any indicators of impairment for all financial and non-financial assets at each reporting date. Assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, if the asset is not held for the purpose of generating cash flows, value in use is assumed to be equal to the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential.

#### *Development costs*

Initial capitalisation of costs is based on management's judgement that technological and economical feasibility is confirmed.

### **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. Any cost of capital charge associated with the item of property, plant or machinery is not capitalised. The capitalisation threshold for expenditure on property, plant and equipment is between £500 and £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. The most recent valuation for the department's land and buildings occurred on 31 March 2006, with revaluations for PFI and Finance Leases being undertaken in March 2009, in accordance with the Royal Institute of Chartered Surveyors Appraisal and Evaluation Manual by chartered surveyors Donaldson's. Other operational assets are revalued to open market value where obtainable, or on the basis of depreciated replacement cost where market value is not obtainable. Published indices appropriate to the category of asset are normally used to estimate value.

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 Operating Cost Statement, in which case the increase is recognised in the Operating Cost Statement. A revaluation deficit is recognised in the Operating Cost Statement, 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
- Plant and equipment - 2 to 15 years
- Computers - 2 to 7 years
- Vehicles - 5 to 7 years
- Furniture and fittings - 3 to 10 years

Assets in the course of construction are not depreciated until the asset is 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.

## 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 year ending 31 March. Where no active market exists the department uses published indices to assess the depreciated replacement cost. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Operating Cost Statement 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 whenever there is an indication that the intangible asset may be impaired. 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 five years.

### *Research and development*

Research costs are expensed as incurred. Development expenditure is recognised as an intangible asset when the department can demonstrate: the technical feasibility of completing the intangible asset so that it will be available for use, its intention to complete and its ability to use the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of development expenditure as an asset, where an active market exists, the asset is subsequently measured at fair value. Where no active market exists, the asset is carried at amortised replacement cost, indexed for relevant price increases, as a proxy for fair value.

Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred.

## 1.6 Donated assets

Donated assets are capitalised at their fair value on receipt, and this value is credited to the donated assets reserve. Subsequent revaluations are also taken to this reserve and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the Operating Cost Statement. At present the department has no donated assets.

## 1.7 Third party assets

The department holds funds on behalf of Local Authorities in respect of the British Nationality application fee. This money is held by UKBA pending transfer to the Local Authorities.

## 1.8 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 Operating Cost Statement so as 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 Operating Cost Statement on a straight line basis over the lease term.

## 1.9 Service concessions (PFI/PPP)

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 above at section 1.8 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, currently 3.5%. 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 Operating Cost Statement.

On initial recognition of existing PPP 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 year ending 31 March, which will normally be the outstanding liability in respect of the property (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 (section 1.5 above) and Intangible assets (section 1.6 above). 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 laid down in IAS 18 *Revenue* have been satisfied.

## 1.10 Financial Instruments

### Financial assets

Financial assets are recognised when the department becomes party to the contracts that give rise to them and are classified as: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or as available-for-sale financial assets as appropriate. The department determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

When financial assets are recognised initially, they are measured at fair value, except for loans, Public Dividend Capital (PDC) and other interests in public bodies outside the departmental boundary which are reported at historical cost, less any impairment.

Fair value is determined as the transaction price plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The department considers whether a contract contains an embedded derivative when the entity first becomes party to it. Embedded derivatives are separated from the host

contract if it is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract.

The subsequent measurement of financial assets depends on their classification. The following classifications are currently applicable:

*Financial assets at fair value through profit or loss*

Financial assets classified as held for trading and other assets designated as such on inception are included in this category. Financial assets are classified as held for trading if they are acquired for sale in the short term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or as financial guarantee contracts. Assets are carried in the Statement of Financial Position at fair value with gains or losses recognised in the operating cost statement.

*Investments in other public sector bodies*

Loans and PDC issued by the Home Office to the Forensic Science Service are shown at historic cost, less any impairment.

*Loans and receivables*

Trade and other receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are subsequently measured at amortised cost. Provision is made when there is objective evidence that the department will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Financial assets are derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

## **Financial liabilities**

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

*Financial liabilities at fair value through profit or loss*

Derivatives, including any separated embedded derivatives, where they are not recognised as financial assets, are classified as held for trading and included in this category. Gains or losses on liabilities held for trading are recognised in profit or loss.

*Other financial liabilities*

Trade and other payables are recognised at cost, which is subsequently deemed to be materially the same as the fair value. Where the time value of money is material, payables are subsequently measured at amortised cost.

Financial liabilities are derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

### **1.11 Inventories**

Inventories are valued at the lower of current replacement cost and net realisable value. Consumable stocks are valued at current replacement cost.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

### **1.12 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.

### **1.13 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 (currently 1.8 per cent).

The Home Office is required to meet the cost of paying the pensions of employees who retire early from the date of their retirement until they reach normal pensionable age. Imminent early retirement costs are written to accrued charges at the year ending 31 March whereas the balancing liability of payments, up to normal retirement age in respect of early retirement programmes announced in the current or previous years, is discounted to present value and written to early retirement provisions (see Note 23). Provisions for early departure costs are discounted at the pensions rate (currently 1.8 per cent). Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

### 1.14 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 £250,000 (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 £250,000 (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.

### 1.15 Operating income

Operating income is income which relates directly to the operating activities of the department. It is stated net of VAT.

#### *Rendering of services*

Operating income principally comprises fees and charges for services provided on a full cost basis to external customers, as well as public repayment work. Operating income also includes:

- income for the Identity & Passport Service from their continuing activities, representing the sale value of all services provided during the year. All income is recognised when the passport is issued. Income from free passports issued for all British Nationals born on or before 2 September 1929 that was introduced on 18 October 2004 is financed from Parliamentary Supply drawn down by the Home Office and passed to the Identity & Passport Service; and
- income for the Criminal Records Bureau from their continuing activities, representing the sale value of all services provided during the year. Operating income represents:
  - fees charged to applicants for applications for enhanced and standard disclosure of prescribed criminal record information and
  - fees charged to register corporate bodies and signatories to access the criminal record process.

Income is recognised on the receipt of a counter-signed application. Monies received for Disclosure notices that are not expected to be returned are included in Other Payables.

#### *Dividends*

Income from investments is recognised when the department's right to receive payment is established.

#### *Appropriations in aid*

Operating income includes both income appropriated in aid and income due to the Consolidated Fund which HM Treasury has agreed should be treated as operating income.

### 1.18 Administration and programme expenditure

The Operating Cost Statement is analysed between administration and programme costs. Administration costs reflect the costs of running the department. These include both the administration costs and associated operating income. Income is analysed in the notes under which the administration cost-control regime is allowed to be offset against gross administrative costs in determining the outturn against the administration cost limit, and that operating income which is not.

Programme costs reflect non-administration costs, including payments of grants and other disbursements by the department, as well as certain staff costs where they relate directly to service provision. The classification of expenditure and income as administration or as programme follows the definition of administration costs set out by HM Treasury.

### 1.19 Capital charge

A charge, reflecting the cost of capital utilised by the department, is included in operating costs. The charge is calculated at the real rate set by HM Treasury (currently 3.5 per cent), on the average carrying amount of all assets less liabilities, except for:

- a. property, plant and equipment and intangible assets where the cost of capital charge is based on opening values, adjusted pro rata for in-year:
  - additions at cost
  - disposals as valued in the opening statement of financial position (plus any subsequent capital expenditure prior to disposal)
  - impairments at the amount of the reduction of the opening statement of financial position value (plus any subsequent capital expenditure)
  - depreciation of property, plant and equipment and amortisation of intangible assets
- b. donated assets, and cash balances with the Office of the Paymaster General, where the charge is nil.

### 1.20 Foreign currency translation

The department's functional currency and presentation currency is pounds sterling. Transactions in foreign currency are initially recorded in the functional currency by applying the exchange rate ruling at the date of the transaction, except where rates do not fluctuate significantly, in which case an average rate for the period is used. Monetary assets and liabilities denominated in foreign currency are retranslated at the functional currency rate of exchange ruling at the year ending 31 March. All translation differences are taken to the Operating Cost Statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

### 1.21 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit scheme is unfunded and non-contributory except in respect of dependants' benefits. The department recognises the expected cost of these elements 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. In respect of the defined contribution schemes, the department recognises the contributions payable for the year.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Home Office is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the Resource Accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2009-10, employers' contributions were payable to the PCSPS at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme's 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 2009-10 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

### 1.22 Home Office grants

Grants (excluding Grant in Aid) are usually accounted for on an accruals basis and are paid as a reimbursement against expenditure that the grant recipient has already made. Grant in Aid is a funding mechanism to finance all or part of the costs of the body receiving the Grant in Aid.

The Home Office provides funding to Local Authorities to support activities provided locally to help achieve Home Office aims and objectives. Some of that funding takes the form of specific grants, which are provided directly by the department to Local Authorities to spend on specific activities, within prescribed terms and conditions. The remaining funding is provided through Area Based grants. This provides the Local Authorities with a greater degree of discretion over the precise nature of the activities funded. The department and other contributing departments channel their Area Based grant funding through a centrally pooled funding stream which is managed within the Department for Communities and Local Government (DCLG). DCLG is responsible for making the grant payments from the central Area based grant pool to the various Local Authorities, who are the Accountable Bodies in respect of Area Based grants. The roles and responsibilities of the contributing departments and DCLG are defined in a "*Memorandum of Understanding between Departmental Accounting Officers*". In 2009-10, those Local Authorities that did not have an Area Based grant also received Home Office funding through DCLG's centrally pooled freestanding Safer and Stronger Communities Fund (SSCF) arrangements; similar roles and responsibilities were agreed between the two departments.

National Policing Improvement Agency (NPIA) was funded in the financial year 2009-10 by taking a top-slice from the total funds available to provide for policing including grants to police authorities. The budgeted amount for the year was £554.73million.

### 1.23 Value Added Tax

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.

### 1.24 Machinery of Government changes

Machinery of Government changes which involve the transfer of functions or responsibilities between two or more government departments are accounted for in accordance using merger accounting in accordance with the FReM. The prior year comparatives have been restated to reflect these Machinery of Government changes. By doing so it appears that the entity always existed in its present form. This enables the user of the accounts to make useful comparisons between the data from the prior year to the current year.

### 1.25 Statement of Operating Costs by Departmental Strategic Objectives

In relation to the Consolidated Statement of Operating Costs by Departmental Strategic Objectives and associated note, the information disclosed has been compiled using information obtained directly from the general ledger accounting system based on cost centres together with the returns from the agencies.

Costs (other than central services) are specifically allocated to the appropriate Home Office objective on the basis of expenditure incurred. The central services spend has been allocated to each of the objectives on a proportional basis.

### 1.26 Intra-Government balances

Intra-Government balances have been derived from information obtained directly from the accounts payable and receivable sub-ledgers based on supplier and customer.

Items which cannot be directly attributed to an individual supplier or customer are allocated on a proportional basis.

**1.27 Government Grant Reserve**

The government grant reserve represent amounts paid to the Home Office by the Department of Health and Department for Education to fund assets purchased by the department and its agencies for the Vetting and Barring Scheme (VBS).

The reserve will be released over the useful life of the assets once the scheme goes live.

**1.28 International Financial Reporting Standards (IFRS) and other accounting changes that have been issued but are not yet effective**

During the accounting year 2009-10 there has been one new IFRS and amendments to two existing accounting standards that are applicable to the Home Office.

IFRS9 – Financial Instruments was issued in November 2009 and will become effective from January 2013. This IFRS will replace IAS 39. It simplifies the classification and measurement of financial assets, removing the numerous categories of financial asset specified in IAS 39, and resulting in one impairment method. The Home Office intends to apply this new standard in the accounting year 2013-14. The impact of applying this new standard is not currently known.

IAS24 – Related Party Disclosures was amended in November 2009 to become effective from January 2011. The revision of IAS 24 simplifies and clarifies the definition of a related party, and provides government-related entities with partial exemption from the disclosure requirements relating to related party transactions and outstanding balances (including commitments). The Home Office intends to apply the amended IAS24 in the accounting year 2011-12. The impact of applying this revised standard is not currently known.

IAS 17 – Leases was amended in April 2009 and is effective from January 2010. This amendment clarifies that where a lease includes both land and buildings elements, they are separately assessed in accordance with the general guidance on the classification of leases in IAS 17, taking into account that land normally has an indefinite economic life. Thus the land element may be classified as a finance lease, even if title is not expected to pass to the lessee. The Home Office intends to adopt this amended standard in the accounting year 2010-11. We will reassess unexpired leases, and account for any change retrospectively in accordance with IAS 8, unless the information to do this is not available. The impact of applying this revised standard is not currently known.

## 2. First-time adoption of IFRS

This is the first year that the department has presented their financial statements under IFRS, as adapted and interpreted for the public sector. The last financial statements for the year ended 31 March 2009 were prepared under UK generally accepted accounting practice (GAAP) to the extent that it was meaningful and appropriate to the public sector. The date of transition to IFRS was 1 April 2008.

In line with HM Treasury advice, Prior Period Adjustments (PPAs) arising from the adoption of IFRS were not included in spring Supplementary Estimates for 2009-10 on the basis that the PPA numbers could have been misleading, particularly where transactions may well have pre-dated the 2001-02 cut off point for reporting PPAs, as only part of an obligation would have been included. PPAs arising from a change in accounting policy related to other than IFRS were included in the Estimates in line with conventional arrangements.

### Consolidated Statement of Taxpayers' Equity

	<b>General Fund £000</b>	<b>Revaluation Reserve £000</b>
<b>Taxpayers' Equity at 31 March 2009 under UK GAAP</b>	(181,742)	81,586
Adjustments for:		
IFRIC 12 - Service Concession Arrangements		
IAS 16 - Property, Plant and Equipment		
IAS 17 - Leases	Reclassification of PFI contract to on balance sheet	32,036
	(20,160)	
IAS 19 - Employee Benefits	Accrual for employee benefits	-
	(27,293)	
IAS 17 - Leases	Recognition of finance leases	75,737
	(31,111)	
IAS 17 - Leases	Accrual for pre-determined increases in lease payments	-
IFRIC 12 - Service Concession Arrangements	(4,455)	
IAS 16 - Property, Plant and Equipment		
IAS 17 - Leases	Reclassification of prepayment	-
	3,580	
IAS 18 - Revenue	Deferred Income Adjustment	-
	(3,319)	
IAS 16 - Property, Plant and Equipment	Reclassification of AUC as a revenue expense	-
	(461)	
<b>Taxpayers' Equity at 31 March 2009 under IFRS</b>	(264,961)	189,359
Add: Machinery of Government Change (HMRC)	27,281	3,979
Add: Restatement – IPS Government Grant Reserve	117	-
Add: Other Accounting Policy Changes - CRB	(283)	23
<b>Taxpayers' Equity at 1 April 2009 under IFRS</b>	<b>(237,846)</b>	<b>193,361</b>

## 2. First-time adoption of IFRS (continued)

## Consolidated Operating Cost Statement

	31 March 2009 £000
<b>Net operating cost for 2008-09 under UK GAAP</b>	9,968,617
Adjustments for:	
Increase in cost of capital	2,730
Increase in depreciation (IAS 16, IFRIC 12, IAS 17)	50,578
Increase in finance charges (IFRIC 12, IAS 17)	28,844
Increase in employee expenses (IAS 19)	4,389
Decrease in pre-determined rental increases (IAS 17)	(416)
Decrease in operational charges due to capitalisation of on balance sheet finance leased assets and PFI's (IAS 17)	(63,986)
Restatement of income	779
Increase in 2008-09 operating cost	<u>22,918</u>
Net operating cost for 2008-09 under IFRS	9,991,535
Add: Machinery of Government Change (HMRC)	307,137
Add: Other Accounting Policy Changes - CRB	274
<b>Net operating cost for 2008-09 under IFRS</b>	<u><u>10,298,946</u></u>

## Reconciliation of adjustments from previous GAAP to International Financial Reporting Standards (IFRS) – as at 1 April 2008

## Core Department

	Note	Previous GAAP 1 April 2008 £000	Effect of transition to IFRS £000	IFRS 1 April 2008 £000
<b>Non-current assets</b>				
Property, plant and equipment	2.1	120,693	362,102	482,795
Intangible assets	2.2	891	9,202	10,093
Investments		67,260	-	67,260
Trade receivables and other non-current assets		-	-	-
<b>Total non-current assets</b>		<u>188,844</u>	<u>371,304</u>	<u>560,148</u>
<b>Current assets</b>				
Assets classified as held for sale		-	-	-
Inventories		-	-	-
Trade and other receivables	2.3	209,863	212	210,075
Financial assets		-	-	-
Cash and cash equivalents		436,246	-	436,246
<b>Total current assets</b>		<u>646,109</u>	<u>212</u>	<u>646,321</u>
<b>Total assets</b>		<u>834,953</u>	<u>371,516</u>	<u>1,206,469</u>
<b>Current liabilities</b>				
Trade and other payables	2.4	1,098,301	40,455	1,138,756
Other liabilities		-	-	-
<b>Total current liabilities</b>		<u>1,098,301</u>	<u>40,455</u>	<u>1,138,756</u>
<b>Non-current assets plus/less net current assets/liabilities</b>		<u>(263,348)</u>	<u>331,061</u>	<u>67,713</u>
<b>Non-current liabilities</b>				
Trade and other payables	2.5	-	232,702	232,702
Provisions for liabilities and charges		23,072	-	23,072
<b>Total non-current liabilities</b>		<u>23,072</u>	<u>232,702</u>	<u>255,774</u>
<b>Assets less liabilities</b>		<u>(286,420)</u>	<u>98,359</u>	<u>(188,061)</u>
<b>Taxpayers' equity</b>				
General fund	2.6	(296,347)	(43,420)	(339,767)
Revaluation reserve	2.7	9,927	141,779	151,706
<b>Total taxpayers' equity</b>		<u>(286,420)</u>	<u>98,359</u>	<u>(188,061)</u>

## Reconciliation of adjustments from previous GAAP to IFRS – as at 1 April 2008 (continued)

## Notes to the reconciliation – Core Department

	1 April 2008 £000
<b>2.1 Adjustments to property, plant and equipment are as follows:</b>	
Recognition of on balance sheet PFI	345,761
Recognition of finance lease assets	25,543
Reclassification to intangible assets	(9,202)
<b>Total adjustment to property, plant and equipment</b>	<b>362,102</b>
<b>2.2 Adjustments to intangible assets are as follows:</b>	
Reclassification from property, plant and equipment	9,202
<b>Total adjustment to intangible assets</b>	<b>9,202</b>
<b>2.3 Adjustments to current trade and other receivables are as follows:</b>	
Holiday leave taken in advance recognised as prepaid employee entitlements	212
<b>Total adjustment to current trade and other receivables</b>	<b>212</b>
<b>2.4 Adjustments to current trade and other payables are as follows:</b>	
Recognition of current portion of PFI creditors	33,162
Recognition of current portion of finance lease liability	2,740
Employee benefits now recognised as an accrual – bonus payments	911
Employee benefits now recognised as an accrual – holiday pay	3,642
<b>Total adjustment to current trade and other payables</b>	<b>40,455</b>
<b>2.5 Adjustments to non-current trade and other payables are as follows:</b>	
Recognition of non-current portion of PFI creditor	224,779
Recognition of non-current portion of finance lease liability	7,923
<b>Total adjustment to non-current trade and other payables</b>	<b>232,702</b>
<b>2.6 Adjustments to general fund are as follows:</b>	
Initial recognition of on balance sheet PFI	(32,851)
Initial recognition of finance lease	(6,228)
Initial recognition of accrued employee benefits – holiday pay	(3,430)
Initial recognition of accrued employee benefits – bonus payments	(911)
<b>Total adjustment to general fund</b>	<b>(43,420)</b>
<b>2.7 Adjustments to revaluation reserve are as follows:</b>	
Recognition of PFI asset revaluation reserve	120,670
Recognition of finance leased asset revaluation reserve	21,109
<b>Total adjustment to revaluation reserve</b>	<b>141,779</b>

## Reconciliation of adjustments from previous GAAP to IFRS – as at 1 April 2008 (continued)

## Consolidated

	Note	Previous GAAP 1 April 2008	Effect of transition to IFRS	IFRS 1 April 2008
		£000	£000	£000
<b>Non-current assets</b>				
Property, plant and equipment	2.8	695,823	391,424	1,087,247
Intangible assets	2.9	2,343	100,773	103,116
Investments		67,260	-	67,260
Trade receivables and other non-current assets	2.10	3,685	(3,685)	-
<b>Total non-current assets</b>		<b>769,111</b>	<b>488,512</b>	<b>1,257,623</b>
<b>Current assets</b>				
Assets classified as held for sale		-	-	-
Inventories		7,662	-	7,662
Trade and other receivables	2.11	273,250	1,379	274,629
Financial assets		-	-	-
Cash and cash equivalents		505,107	-	505,107
<b>Total current assets</b>		<b>786,019</b>	<b>1,379</b>	<b>787,398</b>
<b>Total assets</b>		<b>1,555,130</b>	<b>489,891</b>	<b>2,045,021</b>
<b>Current liabilities</b>				
Trade and other payables	2.12	1,500,938	80,128	1,581,066
Other liabilities		-	-	-
<b>Total current liabilities</b>		<b>1,500,938</b>	<b>80,128</b>	<b>1,581,066</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>54,192</b>	<b>409,763</b>	<b>463,955</b>
<b>Non-current liabilities</b>				
Trade and other payables	2.13	3,489	280,608	284,097
Provisions for liabilities and charges		72,646	-	72,646
<b>Total non-current liabilities</b>		<b>76,135</b>	<b>280,608</b>	<b>356,743</b>
<b>Assets less liabilities</b>		<b>(21,943)</b>	<b>129,155</b>	<b>107,212</b>
<b>Taxpayers' equity</b>				
General fund	2.14	(126,050)	(86,155)	(212,205)
Revaluation reserve	2.15	104,107	215,310	319,417
<b>Total taxpayers' equity</b>		<b>(21,943)</b>	<b>129,155</b>	<b>107,212</b>

## Reconciliation of adjustments from previous GAAP to IFRS – as at 1 April 2008 (continued)

## Notes to the reconciliation – Consolidated

	1 April 2008 £000
<b>2.8</b>	<b>Adjustments to property, plant and equipment are as follows:</b>
	Recognition of on balance sheet PFI 351,365
	Recognition of finance lease assets 106,790
	Capitalisation of internal staff costs
	Reclassification to intangible assets (66,270)
	De-recognition of non-current assets (461)
	<b>Total adjustment to property, plant and equipment</b> <u>391,424</u>
<b>2.9</b>	<b>Adjustments to intangible assets are as follows:</b>
	Reclassification from property, plant and equipment 66,270
	Recognition of on balance sheet PFI 30,818
	Recognition on balance sheet PFR - Prepayment 3,685
	<b>Total adjustment to intangible assets</b> <u>100,773</u>
<b>2.10</b>	<b>Adjustments to non-current trade and other receivables are as follows:</b>
	Initial recognition of PFI prepayment (3,685)
	<b>Total adjustment to non-current trade and other receivables</b> <u>(3,685)</u>
<b>2.11</b>	<b>Adjustments to current trade and other receivables are as follows:</b>
	Holiday leave taken in advance recognised as prepaid employee entitlements 1,162
	Initial recognition of PFI prepayments 217
	<b>Total adjustment to current trade and other receivables</b> <u>1,379</u>
<b>2.12</b>	<b>Adjustments to current trade and other payables are as follows:</b>
	Recognition of current portion of PFI creditors 44,000
	Recognition of current portion of finance lease liability 9,157
	Employee benefits now recognised as an accrual – bonus payments 5,200
	Employee benefits now recognised as an accrual – holiday pay 18,866
	Restatement of PPP income accrual and deferred income 2,540
	Recognition of pre-determined rental increases 365
	<b>Total adjustment to current trade and other payables</b> <u>80,128</u>
<b>2.13</b>	<b>Adjustments to non-current trade and other payables are as follows:</b>
	Recognition of non-current portion of PFI creditor 237,841
	Recognition of non-current portion of finance lease liability 38,261
	Recognition of pre-determined rental increases 4,506
	<b>Total adjustment to non-current trade and other payables</b> <u>280,608</u>
<b>2.14</b>	<b>Adjustments to general fund are as follows:</b>
	Initial recognition of on balance sheet PFI (20,114)
	Initial recognition of finance lease (35,265)
	Initial recognition of accrued employee benefits – holiday pay (17,704)
	Initial recognition of accrued employee benefits – bonus payments (5,200)
	Initial recognition of pre-determined rental increases (4,871)
	Initial recognition of capitalised staff costs -
	Restatement of PPP income accrual and deferred income (2,540)
	Reclassification of NCA as revenue cost (461)
	<b>Total adjustment to general fund</b> <u>(86,155)</u>
<b>2.15</b>	<b>Adjustments to revaluation reserve are as follows:</b>
	Recognition of PFI revaluation reserve 120,670
	Recognition of finance leased asset revaluation reserve 94,640
	<b>Total adjustment to revaluation reserve</b> <u>215,310</u>



## Reconciliation of adjustments from previous GAAP to IFRS – as at 1 April 2009

## Core Department

	Note	Effects of transition to IFRS			IFRS 1 April 2009 £000
		Previous GAAP 1 April 2009 £000	Opening adjustments 1 April 2008 £000	2008-09 Adjustments £000	
<b>Non-current assets</b>					
Property, plant and equipment	2.16	135,392	362,102	(94,323)	403,171
Intangible assets	2.17	633	9,202	(1,428)	8,407
Investments		18,068	-	-	18,068
Trade receivables and other non-current assets		-	-	-	-
<b>Total non-current assets</b>		<b>154,093</b>	<b>371,304</b>	<b>(95,751)</b>	<b>429,646</b>
<b>Current assets</b>					
Assets classified as held for sale		-	-	-	-
Inventories		-	-	-	-
Trade and other receivables	2.18	248,259	212	3,556	252,027
Financial assets		-	-	-	-
Cash and cash equivalents		271,110	-	-	271,110
<b>Total current assets</b>		<b>519,369</b>	<b>212</b>	<b>3,556</b>	<b>523,137</b>
<b>Total assets</b>		<b>673,462</b>	<b>371,516</b>	<b>(92,195)</b>	<b>952,783</b>
<b>Current liabilities</b>					
Trade and other payables	2.19	922,336	40,455	262	963,053
Other liabilities		-	-	-	-
<b>Total current liabilities</b>		<b>922,336</b>	<b>40,455</b>	<b>262</b>	<b>963,053</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>(248,874)</b>	<b>331,061</b>	<b>(92,457)</b>	<b>(10,270)</b>
<b>Non-current liabilities</b>					
Trade and other payables	2.20	-	232,702	(5,766)	226,936
Provisions for liabilities and charges		145,512	-	-	145,512
<b>Total non-current liabilities</b>		<b>145,512</b>	<b>232,702</b>	<b>(5,766)</b>	<b>372,448</b>
<b>Assets less liabilities</b>		<b>(394,386)</b>	<b>98,359</b>	<b>(86,691)</b>	<b>(382,718)</b>
<b>Taxpayers' equity</b>					
General fund	2.21	(402,945)	(43,420)	1,931	(444,434)
Revaluation reserve	2.22	8,559	141,779	(88,622)	61,716
<b>Total taxpayers' equity</b>		<b>(394,386)</b>	<b>98,359</b>	<b>(86,691)</b>	<b>(382,718)</b>

## Reconciliation of adjustments from previous GAAP to IFRS – as at 1 April 2009 (continued)

## Notes to the reconciliation – Core Department

	1 April 2009 £000
<b>2.16</b>	<b>Adjustments to property, plant and equipment are as follows:</b>
	On balance sheet PFI movement (94,887)
	Finance lease asset movement (864)
	Reclassification to intangible assets 1,428
	<b>Total adjustment to property, plant and equipment</b> <u>(94,323)</u>
<b>2.17</b>	<b>Adjustments to intangible assets are as follows:</b>
	Reclassification from property, plant and equipment (1,428)
	<b>Total adjustment to intangible assets</b> <u>(1,428)</u>
<b>2.18</b>	<b>Adjustments to current trade and other receivables are as follows:</b>
	Finance lease movement 3,580
	Movement in holiday pay accrual (24)
	<b>Total adjustment to current trade and other receivables</b> <u>3,556</u>
<b>2.19</b>	<b>Adjustments to current trade and other payables are as follows:</b>
	PFI creditor movement 512
	Movement on bonus payments accrual (409)
	Movement on holiday pay accrual 159
	<b>Total adjustment to current trade and other payables</b> <u>262</u>
<b>2.20</b>	<b>Adjustments to non-current trade and other payables are as follows:</b>
	Movement on non-current portion of PFI creditor (3,776)
	Movement on non-current portion of finance lease liability (1,990)
	<b>Total adjustment to non-current trade and other payables</b> <u>(5,766)</u>
<b>2.21</b>	<b>Adjustments to general fund are as follows:</b>
	On balance sheet PFI movement (2,990)
	Finance Leave Movement 1,115
	Initial recognition of PFI prepayment 3,580
	Employee benefits movements 226
	<b>Total adjustment to general fund</b> <u>1,931</u>
<b>2.22</b>	<b>Adjustments to revaluation reserve are as follows:</b>
	PFI - movement on revaluation reserve (88,633)
	Finance lease asset reserve movements 11
	<b>Total adjustment to revaluation reserve</b> <u>(88,622)</u>

## Reconciliation of adjustments from previous GAAP to IFRS – as at 1 April 2009 (continued)

## Consolidated

	Note	Effects of transition to IFRS			IFRS 1 April 2009 £000
		Previous GAAP 1 April 2009 £000	Opening adjustments 1 April 2008 £000	2008-09 Adjustments £000	
<b>Non-current assets</b>					
Property, plant and equipment	2.23	844,321	391,424	(104,361)	1,131,384
Intangible assets	2.24	5,666	100,773	(9,965)	96,474
Investments		18,068	-	-	18,068
Trade receivables and other non-current assets	2.25	7,778	(3,685)	(4,093)	-
<b>Total non-current assets</b>		<b>875,833</b>	<b>488,512</b>	<b>(118,419)</b>	<b>1,245,926</b>
<b>Current assets</b>					
Assets classified as held for sale		-	-	-	-
Inventories		8,260	-	-	8,260
Trade and other receivables	2.26	335,126	1,379	(1,829)	334,676
Financial assets		-	-	-	-
Cash and cash equivalents		307,600	-	-	307,600
<b>Total current assets</b>		<b>650,986</b>	<b>1,379</b>	<b>(1,829)</b>	<b>650,536</b>
<b>Total assets</b>		<b>1,526,819</b>	<b>489,891</b>	<b>(120,248)</b>	<b>1,896,462</b>
<b>Current liabilities</b>					
Trade and other payables	2.27	1,344,618	80,128	4,594	1,429,340
Other liabilities		-	-	-	-
<b>Total current liabilities</b>		<b>1,344,618</b>	<b>80,128</b>	<b>4,594</b>	<b>1,429,340</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>182,201</b>	<b>409,763</b>	<b>(124,842)</b>	<b>467,122</b>
<b>Non-current liabilities</b>					
Trade and other payables	2.28	47,088	280,608	(20,241)	307,455
Provisions for liabilities and charges		235,269	-	-	235,269
<b>Total non-current liabilities</b>		<b>282,357</b>	<b>280,608</b>	<b>(20,241)</b>	<b>542,724</b>
<b>Assets less liabilities</b>		<b>(100,156)</b>	<b>129,155</b>	<b>(104,601)</b>	<b>(75,602)</b>
<b>Taxpayers' equity</b>					
General fund	2.29	(181,742)	(86,155)	2,936	(264,961)
Revaluation reserve	2.30	81,586	215,310	(107,537)	189,359
<b>Total taxpayers' equity</b>		<b>(100,156)</b>	<b>129,155</b>	<b>(104,601)</b>	<b>(75,602)</b>

## Reconciliation of adjustments from previous GAAP to IFRS – as at 1 April 2009 (continued)

## Notes to the reconciliation – Consolidated

	1 April 2009 £000
<b>2.23</b>	
<b>Adjustments to property, plant and equipment are as follows:</b>	
On balance sheet PFI movement	(87,457)
Finance leased asset movements	(26,046)
Reclassification to intangible assets	9,142
<b>Total adjustment to property, plant and equipment</b>	<b>(104,361)</b>
<b>2.24</b>	
<b>Adjustments to intangible assets are as follows:</b>	
Recognition of on balance sheet PFI	(823)
Reclassification from property, plant and equipment	(9,142)
<b>Total adjustment to intangible assets</b>	<b>(9,965)</b>
<b>2.25</b>	
<b>Adjustments to non current trade and other receivables are as follows:</b>	
Transfer PFI prepayment to Property, Plant and Equipment (AUC)	(4,093)
<b>Total adjustment to investments</b>	<b>(4,093)</b>
<b>2.26</b>	
<b>Adjustments to current trade and other receivables are as follows:</b>	
Movement in holiday pay accrual	(192)
Movement in PFI prepayments	(1,637)
<b>Total adjustment to current trade and other receivables</b>	<b>(1,829)</b>
<b>2.27</b>	
<b>Adjustments to current trade and other payables are as follows:</b>	
PFI creditors movement	(1,612)
Finance lease liability movement	1,285
PPP restatement of Income accrual and deferred income	779
Movement on pre-determined rental increases	(55)
Movement on bonus payments accrual	630
Movement on holiday payments accrual	3,567
<b>Total adjustment to current trade and other payables</b>	<b>4,594</b>
<b>2.28</b>	
<b>Adjustments to non-current trade and other payables are as follows:</b>	
Movement on pre-determined rental increases	(361)
Non-current portion of PFI creditor movement	(7,298)
Non-current portion of finance lease liability movement	(12,582)
<b>Total adjustment to non-current trade and other payables</b>	<b>(20,241)</b>
<b>2.29</b>	
<b>Adjustments to general fund are as follows:</b>	
On balance sheet PFI movement	(46)
Initial recognition of PFI prepayment	3,580
Finance lease movement	4,154
Movement on pre-determined rental increases	416
PPP restatement of Income accrual and deferred income	(779)
Accrued employee benefits movement	(4,389)
<b>Total adjustment to general fund</b>	<b>2,936</b>
<b>2.30</b>	
<b>Adjustments to revaluation reserve are as follows:</b>	
PFI revaluation reserve movement	(88,634)
Finance leased asset revaluation reserve movement	(18,903)
<b>Total adjustment to revaluation reserve</b>	<b>(107,537)</b>

## 3. Analysis of net resource outturn by section

	Outturn						2009-10	2008-09	Prior-year outturn *
	Admin	Other Current	Grants	Gross resource Expenditure outturn	A in A	Net Total	£000 Estimate	£000	
							Net Total	Net Total outturn compared with Estimate	
<b>Request for Resources 1: Protecting the public and securing our future</b>									
<b>SPENDING IN DEPARTMENTAL EXPENDITURE (DEL):</b>									
<b>Central Government Spending:</b>									
A – Police	18,250	168,993	47,541	234,784	(40,200)	194,584	70,251	(124,333)	87,067
B – Crime Reduction and Drugs	25,916	19,830	75,621	121,367	(7,394)	113,973	69,682	(44,291)	96,182
C – Criminal Records Bureau	72,306	-	-	72,306	(122,860)	(50,554)	(59,848)	(9,294)	-
D – Office for Security and Counter Terrorism	24,720	162,814	150,456	337,990	(6,273)	331,717	252,824	(78,893)	176,320
E – UK Border Agency	107,503	1,745,571	355,758	2,208,832	(738,966)	1,469,866	1,499,122	29,256	1,277,791
F – Identity & Passport Service	-	425,206	-	425,206	(329,581)	95,625	114,391	18,766	98,006
G – Central Services	136,764	176,833	-	313,597	(142,730)	170,867	177,885	7,018	251,594
H – European Solidarity Mechanism	-	-	-	-	-	-	1	1	1
Support for Local Authorities:									
I – Police Grants	-	-	5,508,898	5,508,898	-	5,508,898	5,650,752	141,854	5,383,058
J – Crime Reduction and Drugs Grants	-	-	186,695	186,695	-	186,695	217,849	31,154	227,033
K – Office for Security and Counter Terrorism Grants	-	-	658,345	658,345	-	658,345	745,806	87,461	629,644
L – UK Border Agency grants	-	-	168,348	168,348	-	168,348	144,700	(23,648)	196,153
M – Area Based Grants	-	-	80,925	80,925	-	80,925	79,591	(1,334)	76,870
<b>SPENDING IN ANNUALLY MANAGED EXPENDITURE</b>									
Central Government Spending:									
N – Police Superannuation	-	-	-	-	-	-	(1,746)	(1,746)	-
Support for Local Authorities:									
O – Police Superannuation	-	-	624,349	624,349	-	624,349	733,000	108,651	668,451
Non-budget									
P – Fine Refunds to Carriers	-	-	-	-	-	-	37	37	22
Q – Loan charges	-	-	9,069	9,069	-	9,069	7,945	(1,124)	3,994
R – Grant in aid to NDPBs	-	-	1,005,690	1,005,690	-	1,005,690	1,147,287	141,597	1,044,472
T – IFRS adjustments (PFI charges)**	-	189,850	-	189,850	-	189,850	242,215	52,365	-
<b>SPENDING IN AME</b>									
Central Government Expenditure									
S – AME charges	-	11,307	-	11,307	-	11,307	-	(11,307)	4,902
<b>Resource Outturn</b>	<b>385,459</b>	<b>2,900,404</b>	<b>8,871,695</b>	<b>12,157,558</b>	<b>(1,388,004)</b>	<b>10,769,554</b>	<b>11,091,744</b>	<b>322,190</b>	<b>10,221,560</b>

Detailed explanations of the variances are given on pages 9 to 11.

\* The 2008-09 figures have not been restated as these numbers were previously reported to Parliament.

\*\* The Estimates show all PFI charges as Other Current Expenditure. The 2008-09 figures have not been restated as these numbers were previously reported to Parliament.

#### 4. Reconciliation of outturn to net operating cost and against Administration Budget

##### 4.1 Reconciliation of net resource outturn to net operating cost

	Note	Outturn	Supply Estimate	2009-10 £000 Outturn compared with Estimate	Restated 2008-09 £000 Outturn
Net resource outturn*	3	10,769,554	11,091,744	322,190	10,221,560
Non-supply income (CFERs)	6	(257,347)	(140,000)	117,347	(252,943)
Non-supply expenditure		3,263	-	-	-
Machinery of Government transfers	36	-	-	-	307,137
First time adoption of IFRS		-	-	-	22,918
Other Changes in Accounting Policy (CRB)		-	-	-	274
<b>Net Operating Cost</b>		<b>10,515,470</b>	<b>10,951,744</b>	<b>439,537</b>	<b>10,298,946</b>

\* The 2008-09 net resource outturn has not been restated as this figure had been previously reported to Parliament.

##### 4.2 Outturn against final Administration Budget

	Note	Budget	2009-10 £000 Outturn	Restated 2008-09 £000 Outturn
Gross Administration Budget *	3	395,476	385,459	489,383
Income allowable against the Administration Budget *	13	(149,137)	(151,349)	(152,449)
Income not allowable against the Administration Budget		-	-	-
<b>Net outturn against the final Administration Budget</b>		<b>246,339</b>	<b>234,110</b>	<b>336,934</b>

\* The 2008-09 outturn figures have not been restated as these numbers were previously reported to Parliament.

#### 5. Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with estimate: saving/(excess) £000
Resource Outturn	3	11,091,744	10,769,554	322,190
Capital				
Acquisition property, plant and equipment		357,091	359,812	(2,721)
Investments		-	30,000	(30,000)
Non-operating A in A				
Proceeds of asset disposals		(4,387)	(16)	(4,371)
Accruals adjustments				
Non-cash items	11,12	(190,665)	(237,585)	46,920
Changes in working capital other than cash		20,058	225,851	(205,793)
Use of provision	23	12,330	134,264	(121,934)
<b>Net Cash Requirement</b>		<b>11,286,171</b>	<b>11,281,880</b>	<b>4,291</b>

The variance between Estimate and outturn is less than 1% which is below the threshold used for variance analysis.

## 6. Analysis of income payable to the Consolidated Fund

In addition to Appropriations in Aid (A in A), the following income relates to the department and is payable to the Consolidated Fund (cash receipts being shown in italics).

	Note	Forecast 2009-10		Outturn 2009-10	
		Income £000	Receipts £000	Income £000	Receipts £000
Operating income and receipts – excess A in A		-			
Other operating income and receipts not classified as A in A	13	140,000	<i>140,000</i>	193,934	<i>187,745</i>
Excess receipts payable to the Consolidated Fund		-	-	-	-
		<b>140,000</b>	<b><i>140,000</i></b>	<b>193,934</b>	<b><i>187,745</i></b>
Non-operating income and receipts – excess A in A	8	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	13	-	-	63,413	<i>63,413</i>
<b>Total income payable to the Consolidated Fund</b>		<b>140,000</b>	<b><i>140,000</i></b>	<b>257,347</b>	<b><i>251,158</i></b>

## 7. Reconciliation of income recorded within the Operating Cost Statement to operating income payable to the Consolidated Fund

	Note	2009-10 £000	Restated 2008-09 £000
Operating income	13	1,659,824	1,504,760
Income authorised to be appropriated in aid	3	(1,388,004)	(1,232,100)
Non supply adjustments - EU income*	9,13	(14,473)	(19,327)
Reconciliation to unrestated parliamentary schedule			(390)
<b>Operating income payable to the Consolidated Fund</b>	<b>6,13</b>	<b><i>257,347</i></b>	<b><i>252,943</i></b>

\* For the prior year, non supply adjustments relate to EU income. For the purposes of Note 13 this income is shown as A in A.

## 8. Non-operating income – Excess Appropriations in Aid

	2009-10 £000	2008-09 £000
Proceeds on disposal of non current assets	-	20
Repayment of loan principal	-	1,193
<b>Non-operating income - excess A in A</b>	<b>-</b>	<b>1,213</b>

## 9. Non-Operating Income not classified as Appropriations in Aid

The Home Office does not have any non operating income not classified as Appropriation in Aid.



## 10. Staff numbers and related costs

Staff costs comprise:

	2009-10 Core Department £000					2009-10 Consolidated £000			Restated 2008-09 Consolidated
	Total	Permanently employed staff	Others	Ministers	Special advisers	Total	Permanently employed staff	Others	Total
Wages and salaries	145,805	102,729	42,554	309	213	1,019,789	941,808	77,981	990,819
Social security costs	10,333	10,284	-	26	23	66,846	66,797	49	60,658
Other pension costs	23,356	23,296	-	18	42	159,819	159,724	95	168,912
<b>Sub Total</b>	<b>179,494</b>	<b>136,309</b>	<b>42,554</b>	<b>353</b>	<b>278</b>	<b>1,246,454</b>	<b>1,168,329</b>	<b>78,125</b>	<b>1,220,389</b>
Less recoveries in respect of outward secondments	(666)	(666)	-	-	-	(2,197)	(2,197)	-	(1,035)
<b>Total Net Costs*</b>	<b>178,828</b>	<b>135,643</b>	<b>42,554</b>	<b>353</b>	<b>278</b>	<b>1,244,257</b>	<b>1,166,132</b>	<b>78,125</b>	<b>1,219,354</b>

\* Of which:

Charged to administration costs	208,943								410,395
Charged to programme costs	1,035,314								808,959
	<u>1,244,257</u>								<u>1,219,354</u>

Core Department

Charged to administration costs	129,191								120,702
Charged to programme costs	49,637								33,733
	<u>178,828</u>								<u>154,435</u>

Staff costs of £666k were charged to capital expenditure.

### Staff Costs by Departmental Strategic Objective

Departmental Strategic Objective	Total	Permanently employed staff	Others	Ministers	2009-10 £000	2008-09 £000
					Special advisers	Total
a	31,682	26,344	5,290	27	21	27,918
b	47,235	35,828	11,240	93	74	32,256
c	47,308	35,884	11,257	93	74	37,405
d	975,558	937,120	38,238	112	88	965,450
e	141,034	129,864	11,126	25	19	155,488
f	1,440	1,092	343	3	2	837
<b>Total</b>	<b>1,244,257</b>	<b>1,166,132</b>	<b>77,494</b>	<b>353</b>	<b>278</b>	<b>1,219,354</b>
Of which:						
Core Department	178,828	135,643	42,554	353	278	154,435

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Home Office is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the Resource Accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2009-10, employer's contributions of £159m were payable to the PCSPS (£168m in 2008-09) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2009-10 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

**10. Staff numbers and related costs (continued)**

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £302,805 (£289,401 in 2008-09) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £134,404 (£143,219 in 2008-09), 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

There were no contributions due to the partnership pension providers at the year ending 31 March.

11 persons (26 in 2008-09) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £20,869 (£41,025 in 2008-09).

**Average number of persons employed**

The average number of whole-time equivalent persons employed during the year was as follows. These figures include those working in the department as well as in the agencies included within the consolidated departmental resource accounts.

Departmental Strategic Objective	Total	Permanently employed staff	Others	Ministers	2009-10	2008-09
					Special advisers	Total
a	985	915	67	2	1	869
b	681	569	110	1	1	653
c	675	533	140	1	1	400
d	25,524	24,547	976	1	-	26,533
e	3,962	3,900	61	1	-	4,079
f	22	20	2	-	-	8
Total	31,849	30,484	1,356	6	3	32,542
Staff engaged on capital projects	-	-	-	-	-	-
	31,849	30,484	1,356	6	3	32,542
Of which:						
Core Department	1,768	1,443	319	4	3	1,362

Since February 2008, the Home Office has had one overarching objective and six strategic objectives. The overarching objective is:

Help people feel secure in their homes and local communities

The six strategic objectives, against which performance during 2009-10 was measured, are set out below:

- a) Cut crime, especially violent, drug and alcohol related crime
- b) Lead visible, responsive and accountable policing
- c) Protect the public from terrorism
- d) Secure our borders and control immigration for the benefit of our country
- e) Safeguard identity and the privileges of citizenship
- f) Support the efficient and effective delivery of justice

## 11. Other administration costs

		2009-10 £000		Restated 2008-09 £000
	Note	Core Department Consolidated	Core Department Consolidated	Consolidated
Rentals under operating leases		4,321	4,532	3,588
Service charges		15,368	14,099	124,470
Non-cash items:				
Depreciation		5,955	7,617	27,195
Amortisation		2,831	9,659	2,394
Impairment		-	-	(18,715)
(Profit) on disposal of property, plant and equipment		-	-	(149)
Loss on disposal of property, plant and equipment		68	68	3
PFI Interest charges		-	-	25,359
Finance lease interest charges		550	550	681
Cost of Capital charges		(12,979)	(11,190)	(6,786)
Notional charges		(351)	(292)	50
Auditors' remuneration and expenses		440	839	754
Provision movements	23	1,211	4,366	52
Bad debt provision	23	(63)	195	(1,798)
Other:				
Publication stationery and printing		1,747	1,747	3,898
Facilities management and accommodation		26,615	55,605	70,226
Travel, subsistence and hospitality		5,339	11,816	20,630
Professional fees		10,237	24,105	27,854
Media and IT		3,518	5,160	25,003
Early retirement costs		5,846	5,846	10,111
Other administration expenditure		5,806	45,057	42,001
<b>Total</b>		<b>76,459</b>	<b>179,779</b>	<b>356,821</b>

No remuneration has been paid to the NAO for any non-audit work.

## 12. Programme costs

		2009-10 £000		Restated 2008-09 £000
	Core Department	Consolidated	Core Department	Consolidated
Note				
Rentals under operating leases	1,296	79,283	22,782	79,985
Interest charges	-	-	-	-
PFI service charges	102,097	152,259	31,387	31,387
Non-cash items:				
Depreciation	22,111	112,101	10,581	91,545
Amortisation	639	26,304	60	17,170
Impairment	36,175	51,434	58,121	68,090
Loss on disposal of property, plant and equipment	-	212	11	167
Cost of capital charges	(5,464)	6,714	2,669	16,206
PFI interest charges	23,730	24,243	-	236
Finance lease interest charges	23	6,546	69	4,258
Notional charges	-	372	-	338
Auditors' remuneration and expenses	-	225	-	225
Provision provided for in year	23 (13,545)	(28,966)	133,905	163,077
Bad debt provision	23 338	8,448	-	5,259
Other				
Grants - current	7,370,989	7,899,451	7,173,767	7,689,327
Grants - capital	347,870	347,870	270,633	270,633
Grants - EU	-	14,473	-	19,328
Publication stationery and printing	426	6,160	605	3,172
Facilities management and accommodation	153,325	276,447	127,803	244,162
Travel, subsistence and hospitality	5,280	47,348	3,471	46,068
Professional fees	66,065	202,000	48,387	179,566
Media and IT	29,661	182,463	34,600	161,153
Grants - pension costs	638,498	638,498	538,451	538,451
Other programme costs	118,410	697,373	91,181	597,728
<b>Total</b>	<b>8,897,924</b>	<b>10,751,258</b>	<b>8,548,483</b>	<b>10,227,531</b>

No remuneration has been paid to the NAO for any non-audit work.

## 13. Income

	2009-10 £000		Restated 2008-09 £000	
	Core Department Total	Consolidated Total	Core Department Total	Consolidated Total
<b>Appropriated in Aid</b>				
Passport fees	-	302,137	-	290,734
Non cash notional income	-	-	-	3,347
Other administration income	24,071	146,931	44,224	150,767
Programme income	172,526	938,936	150,375	787,642
EU Income	-	14,473	-	19,327
Total Appropriated in Aid	196,597	1,402,477	194,599	1,251,817
<b>Payable to Consolidated Fund</b>				
Passport fees	-	58,995	-	58,727
Other administration income	-	-	-	-
Other programme income	159,838	193,934	152,218	184,552
Other CFER receipts	-	4,418	3,000	9,664
Total payable to Consolidated Fund	159,838	257,347	155,218	252,943
<b>Total</b>	<b>356,435</b>	<b>1,659,824</b>	<b>349,817</b>	<b>1,504,760</b>
Of which:				
Administration income	24,071	151,349	44,224	157,810
Programme Income	332,364	1,508,475	305,593	1,346,950
	<b>356,435</b>	<b>1,659,824</b>	<b>349,817</b>	<b>1,504,760</b>

## 13.1 Analysis of income from services provided to external and public sector customers

Objective	Note	Income £000	Full Cost £000	Surplus / (deficit) £000	2009-10	
					Fee recovery actual %	Fee recovery target %
a Perimeter detection system		1,565	1,565	-	100	100
a CRB Disclosures – Enhanced	1	116,225	114,365	1,860	102	100
a CRB Disclosures – Standard	1	7,903	5,868	2,035	135	100
a CRB Disclosures – ISA Adult First	1	1,685	1,102	583	153	100
b Animal Licences (scientific procedures)		3,800	3,830	(30)	99	100
c Data Subject Access Requests		150	2,515	(2,365)	6	6
d UKBA	2	729,168	570,237	158,931	128	125
d UKBA Border Force	2	2,510	3,763	(1,253)	67	100
e Passports	3	364,523	368,746	(4,223)	99	100
e ID Cards	4	196	7,738	(7,542)	3	100
e General Register Office	5	19,704	26,182	(6,478)	75	100
		<b>1,247,429</b>	<b>1,105,911</b>	<b>141,518</b>		

This analysis of income satisfies the Fees and Charges requirements of HM Treasury rather than IFRS 8 Operating Segments. This analysis is not provided for IFRS 8 purposes. The department has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector information guidance. Categories of miscellaneous income and costs below £1m have been excluded from this analysis.

## Notes:

1. CRB cost recovery targets anticipated the volume of disclosure applications being processed through the new vetting and barring scheme to increase. The number of disclosures issued through CRB was higher than anticipated, resulting in an income over-recovery against cost. The cost recovery target for CRB is 100%, £4.4m of surplus income for 2009-10 was surrendered to the Consolidated Fund (£6.7m in 2008-09).
2. UKBA charges fees for issuing visas, and for UK based applications for permanent settlement and Nationality applications. UKBA fees fund not only the cost of processing applications but the broader costs of delivering an effective immigration system and secure border. The cost recovery target is 125%, with additional income from fees contributing to the wider agenda.
3. Fees and charges for the IPS include the non-retainable element of the passport fee for consular protection. £59m was surrendered to HM Treasury for 2009-10 (£58.7m in 2008-09). Cost recovery is 100%. For 2009-10, one-off costs have resulted in a small deficit in passport income.
4. The operational deficit on ID Cards reflects the early relatively low volumes processed. The cost of the scheme was funded by the Home Office.
5. GRO services are funded by a combination of fees and Home Office funding, as fees cannot be charged for Statutory Services.

## 13.1 Analysis of income from services provided to external and public sector customers (continued)

Restated 2008-09

Objective	Income	Full Cost	Surplus / (deficit)	Fee recovery actual	Fee recovery target
	£000	£000	£000	%	%
a Perimeter detection system	2,035	2,035	-	100	100
a CRB Disclosures – Enhanced	100,275	97,416	2,859	103	100
a CRB Disclosures – Standard	11,037	7,967	3,070	139	100
a CRB Disclosures – ISA Adult First	1,735	1,175	560	148	100
b Animal Licences (scientific procedures)	3,762	3,776	(14)	100	100
c Data Subject Access Requests	69	1,654	(1,585)	4	6
d UKBA International Group – Visas	283,739	300,934	(17,195)	94	100
d UKBA Immigration Group	320,953	239,544	81,409	134	100
d UKBA Border Force	2,156	3,456	(1,300)	62	100
e Passports	351,714	364,688	(12,974)	96	100
e ID Cards	-	-	-	-	-
e General Register Office	18,735	25,612	(6,877)	73	100
	<b>1,096,210</b>	<b>1,048,257</b>	<b>47,953</b>		

## Analysis of 2009-10 income streams by objective

	Income	Full Cost	Surplus / (deficit)	Fee recovery actual	Fee recovery target
	£000	£000	£000	%	%
a Cut crime, especially violent, drug and alcohol related crime	127,378	122,900	4,478	104	100
b Lead visible, responsive and accountable policing	3,800	3,830	(30)	99	100
c Protect the public from terrorism	150	2,515	(2,365)	6	6
d Secure out borders and control immigration for the benefit of our country	731,678	574,000	157,678	127	100
e Safeguard identity and the privileges of citizenship	384,423	402,666	(18,243)	95	100
	<b>1,247,429</b>	<b>1,105,911</b>	<b>141,518</b>		

## Restated analysis of 2008-09 income streams by objective

	Income	Full Cost	Surplus / (deficit)	Fee recovery actual	Fee recovery target
	£000	£000	£000	%	%
a Cut crime, especially violent, drug and alcohol related crime	115,082	108,593	6,489	106	100
b Lead visible, responsive and accountable policing	3,762	3,776	(14)	100	100
c Protect the public from terrorism	69	1,654	(1,585)	4	6
d Secure out borders and control immigration for the benefit of our country	606,848	543,934	62,914	112	100
e Safeguard identity and the privileges of citizenship	370,449	390,300	(19,851)	95	100
	<b>1,096,210</b>	<b>1,048,257</b>	<b>47,953</b>		



**14. Assets held for sale**

		2009-10 £000		Restated 2008-09 £000
	Core Department Total	Consolidated Total	Core Department Total	Consolidated Total
Land	2,306	2,306	-	-
Buildings	723	723	-	-
Vehicles	-	-	-	-
Information Technology	-	-	-	-
Plant and Equipment	-	-	-	-
Furniture and Fittings	-	-	-	-
Assets Under Construction	-	-	-	-
	<b>3,029</b>	<b>3,029</b>	-	-

Assets are continually reviewed to ensure they support the needs of the department. The assets identified as held for sale are surplus to departmental requirements in meeting these objectives. The sale of these assets is actively pursued by the department with an expectation that the assets will be sold within 12 months of the date of classification.

The assets are not depreciated during this time.

At 31 March 2010 one asset, a residential property, was held for sale having been identified as surplus to departmental requirements. The property was marketed in 2009-10 and the sale was completed on 6 April 2010.

## 15. Property, plant and equipment

	Land £000	Buildings £000	Vehicles £000	Information Technology £000	Plant and Equipment £000	Furniture and Fittings £000	Payments on Account and Assets under Construction £000	Total £000
<b>Cost or valuation</b>								
At 1 April 2009	54,480	1,412,128	47,458	277,336	178,108	68,882	348,767	2,387,159
Additions	686	9,032	782	27,099	6,965	2,713	289,912	337,189
Disposals	-	(3,393)	(2,985)	(2,203)	(17,624)	(13,703)	-	(39,908)
Impairment	(70)	(3,695)	(5,414)	(919)	(330)	(185)	(4,398)	(15,011)
Transfer to assets held for sale	(2,306)	(1,794)	-	-	-	-	-	(4,100)
Reclassifications	-	(735)	(2,736)	7,337	16,386	-	(129,261)	(109,009)
Revaluations	(4,482)	(36,994)	302	32,157	(1,495)	444	-	(10,068)
<b>At 31 March 2010</b>	<b>48,308</b>	<b>1,374,549</b>	<b>37,407</b>	<b>340,807</b>	<b>182,010</b>	<b>58,151</b>	<b>505,020</b>	<b>2,546,252</b>
<b>Depreciation</b>								
At 1 April 2009	-	(825,242)	(26,115)	(211,591)	(106,369)	(40,218)	-	(1,209,535)
Charged in year	-	(43,330)	(2,826)	(39,566)	(26,543)	(7,456)	-	(119,721)
Disposals	-	3,334	2,845	2,186	17,580	13,690	-	39,635
Impairment	-	940	1,617	35	(2,849)	-	-	(257)
Transfers to assets held for sale	-	1,071	-	-	-	-	-	1,071
Reclassifications	-	98	2,720	10,309	(2,810)	-	-	10,317
Revaluations	-	(313)	(2,086)	(13,826)	2,588	(186)	-	(13,823)
<b>At 31 March 2010</b>	<b>-</b>	<b>(863,442)</b>	<b>(23,845)</b>	<b>(252,453)</b>	<b>(118,403)</b>	<b>(34,170)</b>	<b>-</b>	<b>(1,292,313)</b>
<b>Net book value at 31 March 2010</b>	<b>48,308</b>	<b>511,107</b>	<b>13,562</b>	<b>88,354</b>	<b>63,607</b>	<b>23,981</b>	<b>505,020</b>	<b>1,253,939</b>
Net book value at 1 April 2009	54,480	586,886	21,343	65,745	71,739	28,664	348,767	1,177,624
<b>Asset financing:</b>								
Owned	7,394	50,662	580	70,283	21,961	4,753	500,929	656,562
Finance leased	40,914	190,334	12,982	-	18,218	8,701	-	271,149
On balance sheet PFI contracts	-	270,111	-	18,071	23,428	10,527	4,091	326,228
<b>Net book value at 31 March 2010</b>	<b>48,308</b>	<b>511,107</b>	<b>13,562</b>	<b>88,354</b>	<b>63,607</b>	<b>23,981</b>	<b>505,020</b>	<b>1,253,939</b>

Buildings, excluding dwellings, comprises freehold, long leasehold (leases with 50+ years to run from the year ending 31 March) and short leasehold buildings. The Home Office does not currently hold any assets classified as dwellings.

Other property, plant and equipment were revalued on the basis of the latest available indices.

Assets under Construction comprise capital additions for projects that have not yet gone live. As assets are taken into service they are reclassified to the appropriate asset category and are subject to depreciation.

The balance held on Assets Under Construction relates to assets being developed by Home Office departmental group including the OSCT Cyclamen Programme, UKBA e-Borders programme and the VBS programme. Reclassifications relate to assets which were previously held as Assets under Construction and which have now been brought into use and these predominantly relate to the OSCT Cyclamen Programme and UKBA e-Borders.

## 15. Property, plant and equipment (continued)

	Land	Buildings	Vehicles	Information Technology	Plant and Equipment	Furniture and Fittings	Payments on Account and Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>								
At 1 April 2008	57,745	1,388,586	45,340	267,166	165,110	62,238	174,400	2,160,585
Additions	-	55,088	2,241	26,314	9,021	6,171	160,006	258,841
Disposals	-	(10,262)	(294)	(1,832)	(58)	(508)	(113)	(13,067)
Impairment	-	(4,469)	-	(3,902)	-	-	(2,164)	(10,535)
Adjustment	-	-	-	-	-	-	(380)	(380)
External transfers	-	411	-	(871)	-	14	(7,964)	(8,410)
Reclassifications	-	819	-	-	1,326	-	(2,145)	-
Revaluations	(3,265)	(18,045)	171	(9,539)	2,709	967	27,127	125
<b>At 31 March 2009</b>	<b>54,480</b>	<b>1,412,128</b>	<b>47,458</b>	<b>277,336</b>	<b>178,108</b>	<b>68,882</b>	<b>348,767</b>	<b>2,387,159</b>
<b>Depreciation</b>								
At 1 April 2008	-	(706,021)	(22,727)	(180,705)	(83,204)	(33,513)	-	(1,026,170)
Charged in year	-	(44,082)	(3,586)	(35,565)	(22,082)	(6,805)	-	(112,120)
Disposals	-	4,871	260	1,773	45	557	-	7,506
Impairment	-	-	-	1,060	-	-	-	1,060
External transfers	-	-	-	1,009	-	-	-	1,009
Reclassifications	-	-	-	-	-	-	-	-
Revaluations	-	(80,010)	(62)	837	(1,128)	(457)	-	(80,820)
<b>At 31 March 2009</b>	<b>-</b>	<b>(825,242)</b>	<b>(26,115)</b>	<b>(211,591)</b>	<b>(106,369)</b>	<b>(40,218)</b>	<b>-</b>	<b>(1,209,535)</b>
<b>Net book value at 1 April 2009</b>	<b>54,480</b>	<b>586,886</b>	<b>21,343</b>	<b>65,745</b>	<b>71,739</b>	<b>28,664</b>	<b>348,767</b>	<b>1,177,624</b>
Net book value at 1 April 2008	57,745	682,565	22,613	86,461	81,906	28,725	174,400	1,134,415
<b>Asset financing:</b>								
Owned	54,480	255,426	21,343	46,841	45,670	16,541	348,767	789,068
Finance leased	-	124,652	-	-	-	-	-	124,652
On balance sheet PFI contracts	-	206,808	-	18,904	26,069	12,123	-	263,904
<b>Net book value at 1 April 2009</b>	<b>54,480</b>	<b>586,886</b>	<b>21,343</b>	<b>65,745</b>	<b>71,739</b>	<b>28,664</b>	<b>348,767</b>	<b>1,177,624</b>
<b>Asset financing:</b>								
Owned	57,745	280,398	22,613	74,108	52,278	14,731	174,400	676,273
Finance leased	-	106,789	-	-	-	-	-	106,789
On balance sheet PFI contracts	-	295,378	-	12,353	29,628	13,994	-	351,353
<b>Net book value at 1 April 2008</b>	<b>57,745</b>	<b>682,565</b>	<b>22,613</b>	<b>86,461</b>	<b>81,906</b>	<b>28,725</b>	<b>174,400</b>	<b>1,134,415</b>
<b>Analysis of Property, plant and equipment</b>								
The net book value of property, plant and equipment comprises:								
Core Department	6,194	224,684	580	7,146	37,273	10,935	127,775	414,587
Agencies	42,114	286,423	12,982	81,208	26,334	13,046	377,245	839,352
at 31 March 2010	48,308	511,107	13,562	88,354	63,607	23,981	505,020	1,253,939
Core Department	8,765	256,025	459	5,996	30,892	12,641	88,393	403,171
Agencies	45,715	330,861	20,884	59,749	40,847	16,023	260,374	774,453
at 1 April 2009	54,480	586,886	21,343	65,745	71,739	28,664	348,767	1,177,624
Core Department	9,298	335,143	230	14,791	34,448	14,439	74,446	482,795
Agencies	48,447	347,422	22,383	71,670	47,458	14,286	99,954	651,620
at 1 April 2008	57,745	682,565	22,613	86,461	81,906	28,725	174,400	1,134,415

## 16. Intangible assets

Intangible assets comprise software licences for the department and agencies consolidated into these statements.

	Information Technology £000	Software Licences £000	Website Development £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2009	188,558	3,109	387	192,054
Additions	43,931	3,986	-	47,917
Disposals	-	-	(379)	(379)
Impairment	(121)	-	-	(121)
Reclassification	109,008	-	-	109,008
Transfers	-	-	-	-
Revaluations	5,678	57	(8)	5,727
<b>At 31 March 2010</b>	<b>347,054</b>	<b>7,152</b>	<b>-</b>	<b>354,206</b>
<b>Amortisation</b>				
At 1 April 2009	(81,483)	(1,481)	(287)	(83,251)
Charged in year	(34,963)	(931)	(69)	(35,963)
Disposals	-	-	356	356
Impairment	120	-	-	120
Reclassification	(10,317)	-	-	(10,317)
Transfers	-	-	-	-
Revaluations	(2,014)	(86)	-	(2,100)
<b>At 31 March 2010</b>	<b>(128,657)</b>	<b>(2,498)</b>	<b>-</b>	<b>(131,155)</b>
<b>Net book value at 31 March 2010</b>	<b>218,397</b>	<b>4,654</b>	<b>-</b>	<b>223,051</b>
Net book value at 1 April 2009	107,075	1,628	100	108,803
<b>Cost or valuation</b>				
At 1 April 2008	158,144	2,450	387	160,981
Additions	23,025	153	-	23,178
Disposals	-	(36)	-	(36)
Impairment	-	-	-	-
Reclassification	5,794	-	-	5,794
Transfers	2,074	542	-	2,616
Revaluations	(479)	-	-	(479)
<b>At 31 March 2009</b>	<b>188,558</b>	<b>3,109</b>	<b>387</b>	<b>192,054</b>
<b>Amortisation</b>				
At 1 April 2008	(54,972)	(1,086)	(228)	(56,286)
Charged in year	(25,695)	(431)	(59)	(26,185)
Disposals	-	36	-	36
Transfers	(1,009)	-	-	(1,009)
Revaluations	193	-	-	193
<b>At 31 March 2009</b>	<b>(81,483)</b>	<b>(1,481)</b>	<b>(287)</b>	<b>(83,251)</b>
<b>Net book value at 1 April 2009</b>	<b>107,075</b>	<b>1,628</b>	<b>100</b>	<b>108,803</b>
<b>Net book value at 1 April 2008</b>	<b>103,172</b>	<b>1,364</b>	<b>159</b>	<b>104,695</b>

## Analysis of intangible assets

The net book value of intangible assets comprises:

	Information Technology £000	Software licences £000	Website Development £000	Total £000
Core Department	8,493	3,482	-	11,975
Agencies	209,904	1,172	-	211,076
<b>at 31 March 2010</b>	<b>218,397</b>	<b>4,654</b>	<b>-</b>	<b>223,051</b>
Core Department	8,397	10	-	8,407
Agencies	98,678	1,618	100	100,396
<b>at 1 April 2009</b>	<b>107,075</b>	<b>1,628</b>	<b>100</b>	<b>108,803</b>
Core Department	10,072	21	-	10,093
Agencies	93,100	1,343	159	94,602
<b>at 1 April 2008</b>	<b>103,172</b>	<b>1,364</b>	<b>159</b>	<b>104,695</b>

## 17. Financial instruments

### Risk Management Objectives and Policies

The FReM requires disclosure of the objectives and policies of an entity in holding financial instruments, and the role financial instruments have had during the period in creating or changing the risks the entity faces in undertaking its activities.

As the cash requirements of the department are met through the Estimates process, financial instruments play a more limited role in creating 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 to buy non-financial items in line with the department's expected purchase and usage requirements and the department is, therefore, exposed to little credit, liquidity or market risk.

### Liquidity Risk

The department's net revenue resource requirements are financed by resources voted annually by Parliament, as is most of its capital expenditure. It is not, therefore, exposed to significant liquidity risks, and the department has no need to maintain commercial borrowing facilities.

### Interest Rate Risk

The department has no material financial assets or financial liabilities carrying variable rates of interest and it is not therefore exposed to significant interest rate risk.

### Currency Risk

The majority of the department's foreign currency transactions are undertaken by UKBA. All foreign currency transactions are accounted for in accordance with accounting policy Note 1.20. The Agency has a number of transactions in currencies other than Sterling, which are explained below.

1. UKBA International Group has a large number of foreign currency transactions. Salaries for locally engaged staff and most overseas expenditure are covered by a Service Level Agreement with the Foreign & Commonwealth Office (FCO). The rates are agreed annually and adjusted for exchange rate movements. The FCO collect visa fee income on the Agency's behalf, and the department manages the risk to reduce exchange loss.
2. UKBA International Group use two large commercial partners to deliver their service around the world. One contract charges the Agency a fixed monthly fee, and therefore they hold the risks.

### Credit risk

There are no significant concentrations of credit risk within the department. The maximum credit risk exposure relating to financial assets is represented by carrying value as at the year ending 31 March. Credit risks arising from acting as a guarantor are disclosed in the contingent liabilities note.

## 17. Financial instruments (continued)

31 March 2010	Loans and receivables	Equity investments	Amortised cost	Total book value	Fair value
	£000	£000	£000	£000	£000
<b>Financial Assets</b>					
Cash	95,285	-	-	95,285	95,285
Loan Notes	18,067	-	-	18,067	18,067
Investments	-	1	-	1	1
Trade and Other Receivables	176,448	-	-	176,448	176,448
<b>Financial Liabilities</b>					
Bank overdraft	-	-	(7,279)	(7,279)	(7,279)
Finance lease and hire purchase obligations	-	-	(338,550)	(338,550)	(338,550)
Trade and other payables	-	-	(1,152,741)	(1,152,741)	(1,152,741)
<b>Total</b>	<b>289,800</b>	<b>1</b>	<b>(1,498,570)</b>	<b>(1,208,769)</b>	<b>(1,208,769)</b>
<b>31 March 2009</b>					
<b>Financial Assets</b>					
Cash	307,599	-	-	307,599	307,599
Loan Notes	18,067	-	-	18,067	18,067
Investments	-	1	-	1	1
Trade and Other Receivables	203,989	-	-	203,989	203,989
<b>Financial Liabilities</b>					
Bank overdraft	-	-	(3,360)	(3,360)	(3,360)
Finance lease and hire purchase obligations	-	-	(355,237)	(355,237)	(355,237)
Trade and other payables	-	-	(947,117)	(947,117)	(947,117)
<b>Total</b>	<b>529,655</b>	<b>1</b>	<b>(1,305,714)</b>	<b>(776,058)</b>	<b>(776,058)</b>

All assets and liabilities are Sterling denominated. Amortised costs are quoted at current day prices.

## 17.1 Investments

	Forensic Science Service (GovCo)		Other Investments £000	Total £000
	Share Capital £000	Loan Stock £000		
<b>Balance at 1 April 2008</b>	48,000	19,260	-	67,260
Additions	10,000	-	-	10,000
Loan repayments	-	(1,193)	-	(1,193)
Revaluations	(57,999)	-	-	(57,999)
Loans repayable within 12 months transferred to receivables	-	-	-	-
<b>Balance at 31 March 2009</b>	<b>1</b>	<b>18,067</b>	<b>-</b>	<b>18,068</b>
Additions	30,000	-	-	30,000
Loan Repayments	-	-	-	-
Revaluations	(30,000)	-	-	(30,000)
Loans repayable within 12 months transferred to receivables	-	-	-	-
<b>Balance at 31 March 2010</b>	<b>1</b>	<b>18,067</b>	<b>-</b>	<b>18,068</b>

The department's share of the net assets and results of the Forensic Science Service Ltd is summarised below.

	31 March 2010 Unaudited £000	31 March 2009 £000	31 March 2008 £000
Net assets	24,876	30,309	43,550
Turnover	112,951	125,794	138,001
Surplus/(Deficit) (before financing)	(45,301)	(17,220)	1,025

The FSS, formerly an Executive Agency of the Home Office, was vested as a government-owned company (Gov Co) in December 2005. The move to Gov Co status was agreed as the most appropriate structure to enable the FSS to operate as a corporate entity, at arms length from government, but under robust and appropriate shareholder control.

During 2008-09, a detailed analysis by the company of the changing nature of the forensics markets revealed a more pessimistic view of the market share available and of its ability to exploit its share to best effect. It was clear that the company needed to reconfigure its business model in order to place it on a sustainable footing.

The FSS produced a new Strategic Business Plan, which was agreed by the Home Office, following consultation with HM Treasury, in December 2008. At its core is its Transformation Plan, which presents a new more effective, integrated service and on which the company has consulted with its workforce. Transformation has now begun, with the initiation of national business streams in April 2010. Transformation will be completed by Spring 2011. Under this new plan, the FSS will be able to finance, and enable the delivery of, its Strategic Business Plan, within the agreed timescales and optimise its commercial potential. During 2009-10 the FSS has continued to pursue the Transformation Plan, and to enable this, the Home Office has provided a further £30m of funding in 2009-10 with the agreement of HM Treasury and plans to provide a further £10m in 2010-11.

During 2009-10 the FSS has continued to make payments of interest due on its loan from the Home Office and the department remains confident of the FSS' ability to service the loan and to repay the capital.

In 2007-08, the Home Office valued FSS in accordance with the FReM at its historic cost. In recognition of the increasingly competitive forensics market in which the company operates, the Home Office decided that it would be appropriate to review the valuation of the company in 2008-09. The valuation, in accordance with Accounting Standards, has been undertaken on the basis of the future discounted cash flows and has resulted in the investment being revalued downwards to a nominal sum of £1,000. The Home Office will revalue its investment in the company periodically and substantively, as appropriate, following the completion of the Transformation plan in 2011-12. The enterprise value of the FSS, incorporating the £50m investment from the Home Office (2008-09 £10m, 2009-10 £30m, planned 2010-11 £10m), is estimated to be £13m.



## 18. Impairments

The Home Office has incurred the following impairments to Non Current Assets and Investments:

	2009-10 £000	2008-09 £000
Charged the Operating Cost Statement	51,434	49,375
Charged to the Revaluation Reserve	42,689	115,413
	<b>94,123</b>	<b>164,788</b>

## 19. Inventories

	31 March 2010 £000		31 March 2009 £000		1 April 2008 £000	
	Core Department	Consolidated	Core Department	Consolidated	Core Department	Consolidated
Work in progress	-	493	-	754	-	939
Finished goods and goods for resale	-	6,149	-	7,506	-	6,722
	-	<b>6,642</b>	-	<b>8,260</b>	-	<b>7,661</b>

## 20. Trade receivables and other current assets

	31 March 2010 £000		31 March 2009 £000		1 April 2008 £000	
	Core Department	Consolidated	Core Department	Consolidated	Core Department	Consolidated
<b>Current:</b>						
Trade receivables	43,861	36,833	51,241	68,201	126,211	129,969
VAT receivables net of creditors	27,117	45,450	20,041	29,203	33,307	42,213
Staff receivables	5,359	11,841	6,957	9,146	9,724	11,731
Receivables – government departments	7,596	21,762	4,323	11,801	4,481	7,299
Other receivables	37,641	41,110	1,378	41,884	36,352	75,971
Prepayments and accrued income	485,156	541,179	168,087	175,434	-	8,498
	<b>606,730</b>	<b>698,175</b>	<b>252,027</b>	<b>335,669</b>	<b>210,075</b>	<b>275,681</b>
<b>Non current:</b>						
Trade receivables	-	-	-	-	-	-
Staff receivables	-	-	-	-	-	-
Receivables – government departments	-	-	-	-	-	-
Prepayments and accrued income	-	-	-	-	-	-
	-	-	-	-	-	-

## 20.1 Intra-Government balances

	31 March 2010 £000		31 March 2009 £000		1 April 2008 £000	
	Core Department	Consolidated	Core Department	Consolidated	Core Department	Consolidated
<b>Current:</b>						
Balances with other central government bodies	141,436	148,945	188,807	205,053	156,985	156,338
Balances with local authorities	416,615	420,831	1,263	7,205	9,474	19,403
Balances with NHS Trusts	2,186	3,621	-	1,440	-	1,656
Balances with public corporations and trading funds	95	96	-	7	-	-
<i>Subtotal: intra-government balances</i>	560,332	573,493	190,070	213,705	166,459	177,397
Balances with bodies external to government	46,398	124,682	61,957	121,964	43,616	98,284
<b>Total receivables at 31 March</b>	<b>606,730</b>	<b>698,175</b>	<b>252,027</b>	<b>335,669</b>	<b>210,075</b>	<b>275,681</b>
<b>Non current:</b>						
Balances with other central government bodies	-	-	-	-	-	-
Balances with local authorities	-	-	-	-	-	-
Balances with NHS Trusts	-	-	-	-	-	-
Balances with public corporations and trading funds	-	-	-	-	-	-
<i>Subtotal: intra-government balances</i>	-	-	-	-	-	-
Balances with bodies external to government	-	-	-	-	-	-
<b>Total receivables at 31 March</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Included within trade receivables is £60.99m (2008-09: £58.1m) that will be due to the Consolidated Fund once debts are collected.

## 21. Cash and cash equivalents

	£000	£000
	Core Department	Consolidated
Balance at 1 April 2008	436,246	505,107
Net change in cash and cash equivalent balances	(165,136)	(197,508)
Balance at 31 March 2009	<u>271,110</u>	<u>307,599</u>
Net change in cash and cash equivalent balances	(257,282)	(212,314)
Balance at 31 March 2010	<u>13,828</u>	<u>95,285</u>

The following balances at 31 March were held at:

	31 March 2010 £000		31 March 2009 £000		1 April 2008 £000	
	Core Department	Consolidated	Core Department	Consolidated	Core Department	Consolidated
Office of HM Paymaster General	12,829	52,509	269,166	274,295	434,799	500,287
Commercial banks and cash in hand	999	42,776	1,944	33,304	1,447	4,820
	<u>13,828</u>	<u>95,285</u>	<u>271,110</u>	<u>307,599</u>	<u>436,246</u>	<u>505,107</u>

The bank overdraft of £7,279k (2008-09: £3,360k, 2007-08: £12,811k) has not been included in the above balances and is disclosed in current trade payables and other liabilities. The movement on overdraft is included as a movement in cash within the consolidated Cash Flow Statement.

## 22. Trade payables and other current liabilities

	31 March 2010 £000		31 March 2009 £000		1 April 2008 £000	
	Core Department	Consolidated	Core Department	Consolidated	Core Department	Consolidated
<b>Current:</b>						
Other taxation and social security	53,165	53,165	51,201	51,201	38,105	38,110
Trade payables	75,677	120,828	59,250	84,764	128,289	192,545
Other payables	6,701	34,127	6,568	9,595	52,903	67,127
Overdraft	-	7,279	-	3,360	-	12,811
Staff payables	833	833	1,138	1,138	14,600	14,600
Accruals and deferred income	487,620	985,051	405,191	831,741	289,734	631,365
Unpaid Pension Contributions	196	196	199	199	207	207
Payables - government departments	34,391	40,764	40,790	45,346	53,750	56,767
Current part of finance leases	2,740	13,171	2,740	14,543	2,740	9,157
Current part of imputed finance lease element of on balance sheet PFI contracts	26,001	32,796	33,672	40,590	33,159	42,526
Amounts issued from the Consolidated Fund for supply but not spent at year end	3,245	3,245	241,580	241,580	407,142	407,142
Consolidated Fund extra receipts due to be paid to the Consolidated Fund						
- received	75,705	75,705	62,660	62,660	85,151	85,151
- receivable	60,990	60,990	58,064	58,064	32,976	32,976
	<u>827,264</u>	<u>1,428,150</u>	<u>963,053</u>	<u>1,444,781</u>	<u>1,138,756</u>	<u>1,590,484</u>
<b>Non current:</b>						
Other payables, accruals and deferred income	-	7,367	-	7,352	-	7,995
Finance leases	3,766	66,747	5,933	69,561	7,923	38,259
Imputed finance lease element of on balance sheet PFI contracts	221,135	225,836	221,003	230,543	224,779	237,841
	<u>224,901</u>	<u>299,950</u>	<u>226,936</u>	<u>307,456</u>	<u>232,702</u>	<u>284,095</u>

## 22.1 Intra-Government Balances

	31 March 2010 £000		31 March 2009 £000		1 April 2008 £000	
	Core Department	Consolidated	Core Department	Consolidated	Core Department	Consolidated
<b>Current:</b>						
Balances with other central government bodies	323,191	348,010	465,169	476,931	652,888	743,790
Balances with local authorities	242,050	345,569	222,916	311,504	44,910	126,363
Balances with NHS Trusts	5,334	5,334	317	492	17,945	17,945
Balances with public corporations and trading funds	159	2,263	3,805	3,963	-	518
<i>Subtotal: intra-government balances</i>	<i>570,734</i>	<i>701,176</i>	<i>692,207</i>	<i>792,890</i>	<i>715,743</i>	<i>888,616</i>
Balances with bodies external to government	256,530	726,974	270,846	651,891	423,013	701,868
<b>Total payables at 31 March</b>	<b>827,264</b>	<b>1,428,150</b>	<b>963,053</b>	<b>1,444,781</b>	<b>1,138,756</b>	<b>1,590,484</b>
<b>Non current:</b>						
Balances with other central government bodies	-	-	-	6	-	11
Balances with local authorities	-	-	-	-	-	-
Balances with NHS Trusts	-	-	-	-	-	-
Balances with public corporations and trading funds	-	-	-	-	-	-
<i>Subtotal: intra-government balances</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>6</i>	<i>-</i>	<i>11</i>
<b>Balances with bodies external to government</b>	<b>224,901</b>	<b>299,950</b>	<b>226,936</b>	<b>307,450</b>	<b>232,702</b>	<b>284,084</b>
<b>Total payables at 31 March</b>	<b>224,901</b>	<b>299,950</b>	<b>226,936</b>	<b>307,456</b>	<b>232,702</b>	<b>284,095</b>

The bank overdraft of £7,279k (2008-09: £3,360k, 2007-08: £12,811k) has not been included in the above balances and is disclosed in current trade payables and other liabilities. The movement on overdraft is included as a movement in cash within the consolidated Cash Flow Statement.

## 23. Provisions for liabilities and charges

	Core Department			Consolidated		
	Early departure costs £000	Other £000	Total £000	Early departure costs £000	Other £000	Total £000
<b>Balance at 1 April 2008</b>	18,953	4,119	23,072	19,955	52,870	72,825
Provided in the year	(921)	134,184	133,263	7,315	203,484	210,799
Provisions not required written back	(2,296)	(3,034)	(5,330)	(2,335)	(22,344)	(24,679)
Provisions utilised in the year	(5,038)	(455)	(5,493)	(5,264)	(17,732)	(22,996)
Unwinding of discount	-	-	-	-	-	-
<b>Balance at 1 April 2009</b>	<b>10,698</b>	<b>134,814</b>	<b>145,512</b>	<b>19,671</b>	<b>216,278</b>	<b>235,949</b>
Analysed as:						
Current	-	-	-	304	842	1,146
Non current	10,698	134,814	145,512	19,367	215,436	234,803
Provided in the year	5,597	1,256	6,853	10,138	17,795	27,933
Provisions not required written back	(4,370)	(15,087)	(19,457)	(4,463)	(35,272)	(39,735)
Provisions utilised in the year	(4,029)	(116,207)	(120,236)	(5,149)	(129,115)	(134,264)
Unwinding of discount	-	-	-	202	758	960
<b>Balance at 31 March 2010</b>	<b>7,896</b>	<b>4,776</b>	<b>12,672</b>	<b>20,399</b>	<b>70,444</b>	<b>90,843</b>
Analysed as:						
Current	-	-	-	246	2,939	3,185
Non current	7,896	4,776	12,672	20,153	67,505	87,658

**23. Provisions for liabilities and charges (continued)****Analysis of expected timing of discounted flows**

	Early departure costs £000	Core Department		Early departure costs £000	Consolidated	
		Other £000	Total £000		Other £000	Total £000
In the remainder of the Spending Review period to 31 March 2011	2,653	4,171	6,824	4,760	37,403	42,163
Between 1 April 2011 and 31 March 2016	4,978	605	5,583	14,303	23,859	38,162
Between 1 April 2016 and 31 March 2021	242	-	242	1,313	8,590	9,903
Thereafter	23	-	23	23	592	615
<b>Balance at 31 March 2010</b>	<b>7,896</b>	<b>4,776</b>	<b>12,672</b>	<b>20,399</b>	<b>70,444</b>	<b>90,843</b>

No amounts are expected to be called upon after 2061.

**23.1 Early departure costs**

The Department meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to PCSPS over the period between early departure and normal retirement date. The department provides for this in full when the early retirement programme becomes binding on the department by establishing a provision for the estimated payments discounted by the HM Treasury discount rate of 1.8% in real terms.

**23.2 Other Provisions**

A provision for the dilapidations on various Home Office leases is included within the Other Provision balance. The largest of these is for the dilapidations on the UK Border Agency estate.

Another component of the Other Provisions relates to outstanding compensation claims. Provision has been made for various legal claims against the department and the UK Border Agency. 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 29.

**24. Notes to the Consolidated Statement of Operating Costs by Departmental Strategic Objectives**

Programme grants and other current expenditure have been allocated as follows:

	2009-10 £000	Restated 2008-09 £000
Objective a	399,188	690,574
Objective b	7,218,113	6,765,711
Objective c	968,025	789,963
Objective d	1,653,488	1,395,617
Objective e	30,093	42,941
Objective f	9,190	4,734
<b>Total</b>	<b>10,278,097</b>	<b>9,689,540</b>

## 24. Notes to the Consolidated Statement of Operating Costs by Departmental Strategic Objectives (continued)

The Home Office capital is employed for immigration and border control, crime reduction/detection and central services.

Administration costs have been attributed to objectives in accordance with the Department's normal management account practices, wherever possible, or have been allocated in the same proportions as programme expenditure.

### Capital Employed by Departmental Strategic Objectives

	<b>31 March 2010</b>	<b>Restated 31 March 2009</b>
	£000	£000
Objective a	20,795	(2,457)
Objective b	424,931	(22,617)
Objective c	55,731	(2,593)
Objective d	(13,071)	(4,483)
Objective e	(9,640)	6
Objective f	500	(19)
<b>Total</b>	<b>479,246</b>	<b>(32,163)</b>

Since February 2008, the Home Office has had one overarching objective and six strategic objectives. The overarching objective is:

Help people feel secure in their homes and local communities

The six strategic objectives, against which performance during 2009-10 was measured, are set out below:

- a) Cut crime, especially violent, drug and alcohol related crime
- b) Lead visible, responsive and accountable policing
- c) Protect the public from terrorism
- d) Secure our borders and control immigration for the benefit of our country
- e) Safeguard identify and the privileges of citizenship
- f) Support the efficient and effective delivery of justice

**25. Capital commitments**

	31 March 2010 £000		31 March 2009 £000		1 April 2008 £000	
	Core Department	Consolidated	Core Department	Consolidated	Core Department	Consolidated
Contracted capital commitments as at 31 March not otherwise included in these financial statements						
Property, plant and equipment	7,202	208,879	209	30,632	95	32,021
Intangible assets	-	428,028	-	306,218	-	366,898
	<b>7,202</b>	<b>636,907</b>	<b>209</b>	<b>336,850</b>	<b>95</b>	<b>398,919</b>

Included in the above note are the Identity & Passport Service contracts with IBM (NBIS Programme), CSC (TCE Programme) and De La Rue (NGP Programme), all of which relate to the National Identity Scheme.

The Home Secretary's announcement on 27 May 2010 confirmed the commitment to scrap identity cards and the national identity register and to halt the next generation of biometric passports. The financial impact of this agreement upon the total value of the capital commitments disclosed above is subject to commercial negotiation and is therefore uncertain.

On 15 June the Home Secretary announced a review of the scheme for registering people who have frequent contact with children or vulnerable adults. Voluntary registration with the Vetting and Barring Scheme (VBS) for new employees and job-movers was due to start on 26 July. This registration has now been stopped. The impact of this decision will be reviewed.



**26. Commitments under leases****26.1 Operating leases**

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

**Obligations under Operating Leases comprise:**

	31 March 2010 £000		Restated 31 March 2009 £000		Restated 1 April 2008 £000	
	Core Department	Consolidated	Core Department	Consolidated	Core Department	Consolidated
<b>Land</b>						
Not later than one year	2,473	3,689	2,702	3,514	2,809	3,567
Later than one year and not later than five years	6,224	10,742	7,357	12,029	8,597	11,174
Later than five years	4,489	84,661	5,788	87,022	2,871	76,841
	13,186	99,092	15,847	102,565	14,277	91,582
<b>Buildings:</b>						
Not later than one year	2,128	59,527	2,644	61,368	2,372	51,490
Later than one year and not later than five years	7,408	157,352	7,689	160,865	5,617	139,588
Later than five years	8,600	150,102	10,353	179,821	5,900	139,401
	18,136	366,981	20,686	402,054	13,889	330,479
<b>Other:</b>						
Not later than one year	43	6,103	44	4,584	316	5,664
Later than one year and not later than five years	27	9,915	109	7,997	1,058	8,551
Later than five years	-	1,332	-	1,918	1	6,572
	70	17,350	153	14,499	1,375	20,787
<b>Total commitment</b>	<b>31,392</b>	<b>483,423</b>	<b>36,686</b>	<b>519,118</b>	<b>29,541</b>	<b>442,848</b>

## 26.2 Finance leases

Total future minimum lease payments under finance leases are given in the table below for each of the following periods:

## Obligations under finance leases comprise:

	31 March 2010 £000		31 March 2009 £000		1 April 2008 £000	
	Core Department	Consolidated	Core Department	Consolidated	Core Department	Consolidated
<b>Buildings:</b>						
Not later than one year	2,465	12,896	2,740	12,748	2,740	9,157
Later than one year and not later than five years	4,799	40,068	6,404	41,781	8,284	29,642
Later than five years	215	127,827	1,075	132,223	1,935	24,056
	7,479	180,791	10,219	186,752	12,959	62,855
Less interest element	973	100,873	1,546	104,445	2,296	15,437
	6,506	79,918	8,673	82,307	10,663	47,418
<b>Other:</b>						
Not later than one year	1,124	1,124	3,500	3,500	3,580	3,580
Later than one year and not later than five years	3,201	3,201	500	500	4,000	4,000
Later than five years	-	-	-	-	-	-
	4,325	4,325	4,000	4,000	7,580	7,580
Less interest element	-	-	-	-	-	-
	4,325	4,325	4,000	4,000	7,580	7,580
<b>Total commitment</b>	<b>10,831</b>	<b>84,243</b>	<b>12,673</b>	<b>86,307</b>	<b>18,243</b>	<b>54,998</b>

Total present value minimum lease payments under finance leases are given in the table below for each of the following periods:

	31 March 2010 £000		31 March 2009 £000		1 April 2008 £000	
	Core Department	Consolidated	Core Department	Consolidated	Core Department	Consolidated
<b>Buildings:</b>						
Not later than one year	2,465	12,896	2,740	12,748	2,740	9,157
Later than one year and not later than five years	3,915	35,773	5,316	37,481	6,864	24,499
Later than five years	126	31,249	617	32,078	1,059	13,762
Total present value of obligations	6,506	79,918	8,673	82,307	10,663	47,418
<b>Other:</b>						
Not later than one year	1,124	1,124	3,500	3,500	3,580	3,580
Later than one year and not later than five years	3,201	3,201	500	500	4,000	4,000
Later than five years	-	-	-	-	-	-
<b>Total present value of obligations</b>	<b>4,325</b>	<b>4,325</b>	<b>4,000</b>	<b>4,000</b>	<b>7,580</b>	<b>7,580</b>

## **27. Commitments under PFI contracts**

### **27.1 On balance sheet**

#### **Home Office Central London Accommodation**

On 26 March 2002, a 29 year public private partnership contract was signed for the construction and maintenance of a new central London headquarters building at 2 Marsham Street. The new building houses the majority of staff in the Home Office based in central London. For financial reporting purposes 2 Marsham Street is recorded as on balance sheet. The operational and variable payment streams to the contractor for building services are charged to the Operating Cost Statement Construction.

#### **Home Office IT Systems**

The core Home Office modernisation programme commenced in February 2001 when the contractor, Sirius, a specially constructed consortium of Fujitsu (formerly ICL), PWC (who have now departed from the contract) and Global Crossing assumed responsibility for operating and maintaining the Home Office's IT and telephony. Over the ten year life span of the programme, the contractor is developing the Home Office's email, Intranet, Extranet and telephone voice services. For financial reporting purposes the contract is treated as an on balance sheet asset. The operational and variable payment streams to the contractor for IT and telephony are charged to the Operating Cost Statement. The potential costs incurred if the Sirius contract was terminated are £12 million. This was reported within contingent liabilities (Note 32.1) in 2008-09.

#### **Home Office Secure Network**

In 2008-09, the Home Office entered into a contract with Hewlett Packard to provide and support a secure email system and this contract expires in 2014 (the system went live in 2009-10). The operational and variable payments streams to the contractor are charged to the Operating Cost Statement.

#### **UKBA - IT Support Services**

The UK Border Agency has a contract with Atos Origin to supply IT infrastructure, development and support services. The contract commenced on 1 November 2004 for an initial period of six years. During the current financial year the provision in the contract to extend for a further five years has been utilised giving a final expiry date of 31 January 2016. This contract has been classified as a service concession and under IFRIC 12 assets within the contract are treated as those of the Agency.

#### **Criminal Records Bureau PPP Contract**

2009-10 was the eighth year of the ten year contract awarded under the PPP initiative to provide the disclosure processing service. The contract (from March 2002 to March 2012) has an estimated total value of £400m, with the actual final value determined by demand for disclosure notices.

## 27. Commitments under PFI contracts (continued)

	31 March 2010 £000		31 March 2009 £000		1 April 2008 £000	
	Core Department	Consolidated	Core Department	Consolidated	Core Department	Consolidated
<b>Total obligations under on balance sheet PFI contracts for the following periods comprises:</b>						
Not later than one year	26,002	54,746	33,672	75,396	33,159	78,747
Later than one year and not later than five years	106,746	113,127	104,844	133,664	111,102	179,174
Later than five years	516,557	516,892	543,969	543,969	570,889	570,889
	649,305	684,765	682,485	753,029	715,150	828,810
Less interest element	(444,792)	(445,994)	(468,522)	(468,843)	(492,298)	(492,871)
<b>Total</b>	<b>204,513</b>	<b>238,771</b>	<b>213,963</b>	<b>284,186</b>	<b>222,852</b>	<b>335,939</b>

## 27.2 Charge to the Operating Cost Statement and future commitments

The total amount charged in the operating costs statement in respect of off balance sheet PFI transactions and the service element of on balance sheet PFI transactions was £181,729,000 (2008-09: £188,923,000); and the payments to which the department and its agencies are committed is as follows:

	31 March 2010 £000		31 March 2009 £000		1 April 2008 £000	
	Core Department	Consolidated	Core Department	Consolidated	Core Department	Consolidated
Not later than one year	68,450	132,358	100,822	152,925	108,725	171,416
Later than one year and not later than five years	90,791	150,937	145,966	301,349	233,924	448,442
Later than five years	214,411	214,751	228,185	228,525	241,541	241,541
<b>Total</b>	<b>373,652</b>	<b>498,046</b>	<b>474,973</b>	<b>682,799</b>	<b>584,190</b>	<b>861,399</b>

## 28. Other financial commitments

The department and its agencies have entered into non-cancellable contracts (which are not leases or PFI contracts).

The Identity & Passport Service has entered into non-cancellable contracts (which are not leases or PFI contracts), for the provision of contracted out services for passport production, cashiering and application scanning, administration of IT systems, secure delivery and the provision of a telephone contact centre. The estimated value for these commitments is £748.76m (2008-09: £142.3m).

The UK Border Agency has also entered into a number of similar contracts in relation to dispersed accommodation, an application registration card for asylum seekers, the e-Borders programme and biometric identity documents. The estimated value for these commitments is £638.3m (2008-09: £306.8m).

As outlined in Note 17, Investments, the Home Office agreed in March 2009 to a schedule of cash injection by Home Office into FSS, over the Comprehensive Spending Review period, as a necessary element to the achievement of the FSS's strategic business plan. The future payment schedule is £10m in 2010-11.

The payments to which the department and its agencies are committed, analysed by the period during which the commitment expires are as follows:

		31 March 2010 £000		31 March 2009 £000		1 April 2008 £000	
	Core Department	Consolidated	Core Department	Consolidated	Core Department	Consolidated	
Not later than one year	15,851	247,664	30,139	190,594	390	163,660	
Later than one year and not later than five years	21,147	798,866	26,032	232,649	24,560	315,840	
Later than five years	39,489	417,037	-	82,050	-	59,811	
Total	<u>76,487</u>	<u>1,463,567</u>	<u>56,171</u>	<u>505,293</u>	<u>24,950</u>	<u>539,311</u>	

### 28.1 Financial guarantees, indemnities and letters of comfort

The department has entered into the following quantifiable guarantees, indemnities or provided letters of comfort. None of these is a contingent liability within the meaning of IAS 37 since the likelihood of a transfer of economic benefit in settlement is too remote. They therefore fail to be measured following the requirements of IAS 39.

*Managing Public Money* requires that the full potential costs of such contracts be reported to parliament. These costs are reproduced in the table below:

	1 April 2009 Restated £000	Increase in year £000	Liabilities crystallised in year £000	Obligation expired in year £000	31 March 2010 £000
<i>Guarantees</i>					
Guarantee to the Forensic Science Service (FSS) to meet obligations under its tenancy agreement. Minute dated 26 November 2007.	2,600	-	-	2,600	-
Guarantee to the Forensic Science Service (FSS) to meet obligations under its tenancy agreement. Minute dated 20 July 2009.	-	26,000	-	-	26,000
<i>Indemnities</i>					
Indemnity provided to BAA in respect of damage or injury caused to third parties from the UK Border Agency (UKBA) in their use of vehicles operating airside while transporting immigration officers between airside locations.	52,000	-	-	-	52,000
Indemnity provided to BAA in respect of damage or injury caused to third parties from negligence of Home Office staff in their use of vehicles operating airside. Minute dated 11 November 2009.	50,000	-	-	-	50,000
Potential costs incurred if the Airwave contract was to fail.	500,000	-	-	500,000	-
Indemnity in respect of rolling out the Airwave contract in the London Underground (amount capped per incident). Minute dated 15 October 2009	100,000	-	-	-	100,000
Indemnities provided to various site authorities of and terminal operators at seaports and London City Airport in respect of any loss, liability cost, expense or damage arising out of, or in connection with, the installation and commissioning of port authorities and terminal operators.	46,000	-	-	46,000	-
Claims arising from the Simplifying Passenger Travel Interest Group (SPT) not exceeding £5m.	5,000	-	-	-	5,000
	755,600	26,000	-	548,600	233,000

In addition to the above mentioned indemnities, there is a €10 million indemnity £8,809,000 converted at the rate at 31 March 2010 from the European Central Bank website relating to the Cyclamen programme as at 31 March 2010. Minute dated 17 July 2009.

## 29. Contingent liabilities disclosed under IAS 37

The department has the following contingent liabilities:

- A contingent liability of £12.51 million has been reported for costs relating to a legal claim against the department. The contingent liability reflects estimates of all known claims where legal advice indicates that the criteria for recognising a provision has not been met.

This balance largely relates to UKBA legal costs, which can be split into the following three elements:

1. Unlawful detention (£11.5 million)
  2. Refusal to grant permission to work (£0.95 million)
  3. Fees to destitute relatives (Unquantifiable)
- Asylum accommodation – This relates to the Immigration contract with Accommodation Providers, where they agree to pay flat rates per person, per night accommodated. The accommodation providers have submitted claims, but there is currently a dispute over the number of eligible individuals and the number of nights of accommodation provided.
  - Fees – The UK Border Agency has been challenged in Court over the fees charged in 2008-09 in relation to Certificates of approval and the Highly Skilled Migrant Programme charges, and in 2009-10 in relation to renunciation of Nationality fees.
  - Destitute relatives – UKBA have been challenged twice, once overseas and once in the UK, on why it has not used its discretion in charging fees for people coming to settle with relatives when both parties are considered destitute but have an article 8 right to live as a family. The Agency won the Judicial Review in the UK, but lost the overseas challenge. This may give rise to further claims against the fees regulations.

In addition to the above legal claims, UKBA is currently in negotiations with various suppliers for which the outcome is uncertain, but where UKBA may incur some costs. In particular, UKBA are in dispute with six accommodation providers who have claimed £12m and the Agency have counter claims of £27m.

The department has also 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.

### Guarantees

#### 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% to any resulting costs e.g., redundancy payment or property cost.

### Indemnities

#### Home Office Central London Accommodation Strategy (HOCLAS) (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.

#### UKBA New Detection Technology (NDT) in Belgium and Eire (Minute dated 10 September 2003)

All NDT equipment is loaned by the United Kingdom Immigration Service to recipients:

- i) Zeebrugge: Fuher Heartbeat building and One Passive Millimetric Wave Imager Truck.

#### UKBA New Detection Technology (NDT) in Belgium, the Netherlands and Germany (Minute dated 18 December 2003)

All NDT equipment is loaned by the United Kingdom Immigration Service to recipients:

- i) Zeebrugge: Fuher heartbeat building.
- ii) Ostend and Zeebrugge: Heartbeat-shelters.
- iii) Vlissingen: Heartbeat equipment and shelters.



**UKBA New Detection Technology (NDT) in France** (Minute dated 18 December 2003)

All NDT equipment is loaned by the United Kingdom Immigration Service to recipients:

*Action with UK and French Memorandum of Understanding:*

- i) Calais: heartbeat equipment and building, Passive Millimetric Wave Imager trucks.
- ii) Coquelles: heartbeat detection unit at the Euro tunnel operated in the juxtaposed control zone by the UKIS.

*Action since English/French convention signed 24 November 2003:*

- i) Calais: Heartbeat equipment and two buildings in juxtaposed control zone commenced in Spring 2004;
- ii) Dunkerque: Heartbeat building commenced in Summer 2005. Heartbeat equipment and building operated by the UKIS in the juxtaposed control zone and commenced operation in Spring 2004.
- iv) St Malo: CO2 probes to be operated by French operators.

**UKBA New Detection Technology France and Austria** (Minute dated 16 March 2004)

All NDT equipment is loaned by the United Kingdom Immigration service to recipients:

- i) Coquelles: Shelter for and heartbeat detection equipment which is under control of, and operated by, the United Kingdom Immigration Service in the juxtaposed control zone.

**UKBA New Detection Technology in Europe** (Minute dated 24 May 2004)

Indemnity was given in respect of the deployment, and/or the demonstration of new Defence technology by the United Kingdom Immigration Service 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 (OCSE); those North African and Middle Eastern countries with which the OCSE 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 laid 4 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 the Harmondsworth and Campsfield Immigration Removal Centres.

**Serious Organised Crime Agency** (Minute laid 1 July 2008)

Indemnities issued to third parties for the use of their facilities for firearms training, with the maximum exposure limited to £50m.

**CIFAS – Fraud Protection Service** (Minute laid 2 July 2008)

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 were given to various port and airport authorities. The maximum exposure at any given time limited to £115m, and with no individual indemnity being above £10m.

**Neighbourhood Watch** (Minute laid 2 February 2010)

To indemnify Neighbourhood Watch schemes against claims lodged against them. Cover provided in excess of £5m that is provided by public liability insurance paid by the Home Office and in excess of £5m that is provided by product liability insurance paid by the Home Office.

**The UK Border Agency use of Foreign & Commonwealth Office premises**

Commitment to conditional support provided to the FCO against all third party claims arising out of, or in connection with, the agency's occupation of the premises.

**SOCA Operational Indemnities**

The Home Office have delegated authority to SOCA to enter into indemnities valued up to £1m for operational need. During 2009-10 SOCA have entered into four new operational indemnities of a value up to £1m each; four indemnities remain current from 2008-09. In addition, four indemnities with clearing banks remain in place, with a maximum aggregated value of £750k. In total, the maximum exposure to the Home Office is £3m.

**30. Losses, special payments and gifts****30(a) Losses Statement**

**Losses** - are transactions of a type which Parliament could not have known 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.

	Number of cases	2009-10 £000	Number of cases	Restated 2008-09 £000
Losses under £250,000	1,898	8,000	1,251	647
Cases over £250,000	4	7,600	4	11,271
<b>Total</b>	<b>1,902</b>	<b>15,600</b>	<b>1,255</b>	<b>11,918</b>
Cases over £250,000 comprise:				
Overpayments	1	3,507	1	9,600
Fruitless Payments	2	2,392	2	1,371
Administrative write-off	-	-	1	300
Constructive losses	1	1,701	-	-
<b>Total</b>	<b>4</b>	<b>7,600</b>	<b>4</b>	<b>11,271</b>

**Overpayments**

In 2009-10 UKBA made overpayments to Asylum Seekers of approximately £3.5 million. This is considerably lower than the £9.6 million reported in 2008-09 when the issue first came to light and reflects the steps made by UKBA in tackling the system for payments to Asylum Seekers. The £3.5 million is broken down as follows: £1.6m relates to families and singles awaiting an asylum decision and £1.9m relates to failed asylum seekers awaiting safe return. This issue is described in more detail in UKBA's accounts.

**Fruitless payments**

These are payments for which liability ought not to have been incurred, or where the demand for the goods or services in question could have been cancelled in time to avoid liability. Examples include forfeitures under contracts as a result of some error or negligence by the department, for example, payments for travel tickets or hotel accommodation wrongly booked, or for goods wrongly ordered or accepted.

Included within the fruitless payments are payments by UKBA for five empty properties. Unavoidable payments are made to landlords and others on properties after occupation has ended. These payments are integrated within an estates management and rationalisation plan designed to increase the overall long term benefit of the estate to the business.

In addition, there was the payment of a European Union fine of £1,229,000 relating to ineligible payments and technical corrections from 2002-03.

### Constructive Loss

IPS procured a leasing arrangement on 68 offices nationwide as part of the Interview Office Network (ION) to provide facilities to deter fraudulent passport applications from first time adult passport applicants. After a change in priorities, a decision was made to rationalise the ION estate and 10 ION offices were subsequently closed on 3 April 2010. The outstanding 6 months lease commitment of £481k and the associated assets, primarily refurbishments, have been impaired to nil value at a cost of £1,220k. The total cost of £1.7m has been recognised as a constructive loss.

### 30(b) 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.

		2009-10		Restated 2008-09
	Number of cases	£000	Number of cases	£000
<b>Special Payments</b>				
Special Payments Under £250,000	1,908	9,988	744	3,242
Special Payments Over £250,000	5	3,503	-	-
<b>Total</b>	<b>1,913</b>	<b>13,491</b>	<b>744</b>	<b>3,242</b>

UKBA made the four compensation payments which were individually over £250,000, including one payment to minors who were detained as adults.

A payment of more than £250,000 was made by the core department to settle a court case.

### 31. Related party transactions

The Home Office is the parent department of the UK Border Agency (UKBA), Identity & Passport Service (IPS) and the Criminal Records Bureau (CRB) and holds an investment in the Forensic Science Service Ltd. These bodies are regarded as related parties, with which the Home Office has had various material transactions during the year.

Twice yearly the Home Office requests that each of its senior managers complete a declaration of interest, stating where they, their spouse and close family members have been in a position of influence or control in organisations with which the Home Office has transactions. Some board members and key managerial staff are related to persons employed by bodies with which the department has had financial dealings. These related party relationships did not in themselves involve any personal financial gain by the individuals concerned. Where these cases are identified, action is taken to avoid the board or person being involved in any commercial or other financial decision making process in respect of these organisations.

No board member, key managerial staff or other related parties have undertaken any material transactions with the department during the reporting period other than those reported.

Minister's interests are declared and maintained through the Register of Member's Interests at the House of Commons and the Register of Lord's Interest at the House of Lords. The Home Office takes reliance on these declarations of its ministers, rather than requiring them to complete additional, departmental declarations.

**31. Related party transactions (continued)**

The following ministers were responsible for the department during 2009-10:

Rt Hon Alan Johnson MP	Secretary of State for the Home Department (from 5 June 2009)
Rt Hon Jacqui Smith MP	Secretary of State for the Home Department (until 5 June 2009)
Phil Woolas MP	Minister of State for Borders and Immigration
David Hanson MP	Minister of State for Security, Counter terrorism, Crime and Policing (from 8 June 2009)
Vernon Coaker MP	Minister of State for Security, Counter terrorism, Crime and Policing (until 8 June 2009)
Meg Hillier MP	Parliamentary Under Secretary of State for Identity
Alan Campbell MP	Parliamentary Under Secretary of State for Crime Reduction
Lord West of Spithead	Parliamentary Under Secretary of State for Security and Counter terrorism

Officials serving on the board during 2009-10 were:

Sir David Normington	Permanent Secretary
Yasmin Diamond	Director, Communications
Charles Farr	Director General, Office for Security and Counter Terrorism
James Hall	Chief Executive, Identity & Passport Service
Lin Homer	Chief Executive, UK Border Agency
Helen Kilpatrick	Director General, Financial and Commercial
Peter Makeham	Director General, Strategy and Reform
Stephen Rimmer	Director General, Crime Reduction and Community Safety Group
Kevin White	Director General, Human Resources

Non Executive Directors were:

John Heywood  
Philip Augar

Notes 20 and 22 provide details of intra-government balances, sponsored NDPBs, and the Forensic Science Service. Information on key management compensation is provided in the Remuneration Report on page 21.

Details of related party transactions of the UKBA, IPS and the CRB are disclosed in their audited accounts.

### 32. Disclosure of seized assets

During the financial year, the department recognised £151m of income in relation to amounts recovered under the Proceeds of Crime Act 2002 and earlier legislation. Expenditure of £76m was incurred in the form of grants to law enforcement agencies.

### 33. Third Party Assets

#### Citizenship Ceremony Fee

The UK Border Agency receives applications from foreign nationals to obtain British Nationality. The application money includes a ceremony fee of £80 (2008-09: £80), and the local authorities who carry out the ceremonies are entitled to the whole of the fee after the ceremony has been completed. The Agency, therefore, holds the funds on behalf of the Local Authority until the ceremony has taken place. The money is collected in Commercial Banks and then incorporated into the Home Office Paymaster General Account (PGO) so that control over the assets can be maintained.

These are not Agency assets and are not included in these accounts. The assets are held at the balance sheet date to which it was practical to ascribe monetary values comprised monetary assets such as bank balances and monies on deposit. They are set out in the table below.

Note that of the balance below, £nil is held in UKBA Commercial Banks (2008-09: £nil), and the balance is held by the department.

	31 March 2010	31 March 2009
	£000	£000
Monetary assets	4,502	5,997
Total	4,502	5,997

### 34. Entities within the Departmental Boundary

The entities within the boundary during 2009-10 were as follows:

#### Entities consolidated

The Home Office departmental accounting boundary encompassed the central government department and three Executive Agencies. The Executive Agencies during 2009-10 were the UK Border Agency, the Identity & Passport Service and the Criminal Records Bureau. The accounts of these entities form part of the Home Office's consolidated financial statements.

#### Entities not consolidated

The Forensic Science Service is not consolidated, but is treated as an investment on the Home Office Statement of Financial Position.

#### Non-Departmental Public Bodies (NDPBs)

**Executive NDPBs:** typically established in statute and carrying out executive, administrative, regulatory and/or commercial functions.

- Independent Police Complaints Commission
- Independent Safeguarding Authority
- National Policing Improvement Agency
- Office of the Immigration Services Commissioner
- Security Industry Authority
- Serious and Organised Crime Agency

**34. Entities within the Departmental Boundary (continued)**

**Advisory NDPBs:** provide independent, expert advice to ministers on a wide range of issues.

Advisory Council on the Misuse of Drugs  
 Animal Procedures Committee  
 Migration Advisory Committee  
 National DNA Database Ethics Group  
 Police Advisory Board for England and Wales  
 Police Negotiating Board  
 Technical Advisory Board

**Tribunal NDPBs:** have jurisdiction in a specialised field of law.

Investigatory Powers Tribunal  
 Office of Surveillance Commissioners  
 Police Discipline Appeals Tribunal  
 Police Arbitration Tribunal

**Independent Monitoring Boards:** of Immigration Removal Centres and Immigration Holding Rooms. These are independent "watchdogs" of the detention system. Their duty is to satisfy themselves as to the state of certain immigration premises, their administration and the treatment of detainees.

The accounts of these bodies can be found at <http://www.official-documents.gov.uk>.

**35. Analysis of Net Operating Cost by Spending Body**

		2009-10		Restated
	Estimate	Total	Estimate	2008-09
	£000	£000	£000	Total
				£000
Spending Body:				
Central Department	671,182	721,314	552,235	466,497
Identity & Passport Service	114,391	36,630	98,130	41,900
Criminal Records Bureau	299	(4,418)	-	(6,065)
UK Border Agency	1,578,942	1,519,625	1,031,397	1,562,037
Other Central Government	7,945	9,069	7,606	8,896
Local Authorities	7,571,698	7,227,560	7,271,227	7,181,209
Independent Police Complaints Commission	38,474	35,850	32,747	32,000
Serious Organised Crime Agency	458,272	474,826	465,003	464,903
Office of the Immigration Services Commissioner	5,404	4,356	4,161	4,270
National Policing Improvement Agency	631,737	477,000	547,105	535,000
Independent Safeguarding Authority	13,400	13,523	7,855	8,299
Security Industry Authority	-	135	-	-
<b>Net Operating Cost</b>	<b>11,091,744</b>	<b>10,515,470</b>	<b>10,017,466</b>	<b>10,298,946</b>

### 36. Machinery of Government changes

On 1 April 2009, UKBA became a formal Executive Agency of the Home Office. The 2008-09 comparatives of these accounts have, therefore, been restated to take UKBA out of the Core Department balances and place them into the Consolidated Department balances.

On 1 April 2009, the Detection Directorate of HMRC formally merged into the UK Border Agency. The 2008-09 comparatives of these accounts have, therefore, been restated to include the Detection Directorate within UKBA.

	2008-09 £000 UKBA previously included in Core	2008-09 £000 HMRC Detection Directorate	2008-09 £000 Consolidated UK Border Agency
Administration staff costs	58,025	217,616	275,641
Other administration costs	61,986	59,451	121,437
Programme staff costs	632,351	-	632,351
Programme income	(636,796)	(1,694)	(638,490)
Non Retainable Income	(32,334)	-	(32,334)
Programme costs	1,377,037	31,763	1,408,800
<b>Total</b>	<b>1,460,269</b>	<b>307,136</b>	<b>1,767,405</b>
Property, plant and equipment	620,320	46,393	666,713
Intangible assets	23,731	-	23,731
Inventories	1,615	-	1,615
Trade and other receivables	39,345	993	40,338
Cash and cash equivalents	7,619	-	7,619
Trade and other payables	(374,276)	(15,445)	(389,721)
Provisions	(83,575)	(680)	(84,255)
Long term trade and other payables	(65,931)	-	(65,931)
<b>Total Assets Less Liabilities</b>	<b>168,848</b>	<b>31,261</b>	<b>200,109</b>
General fund	49,329	27,281	76,610
Reserves	119,519	3,980	123,499
<b>Total Taxpayers Equity</b>	<b>168,848</b>	<b>31,261</b>	<b>200,109</b>



## 37. Changes in Accounting Policy

As at 1 April 2008

	Previous GAAP	Effects of Transitions to IFRS	Effect of CRB Accounting Policy Changes	Revised 1 April 2008
	£000	£000	£000	£000
<b>Non current assets:</b>				
Property, plant and equipment	3,309	(402)	(2)	2,905
Intangible assets	-	26,618	1,581	28,199
<b>Total non current assets</b>	<b>3,309</b>	<b>26,216</b>	<b>1,579</b>	<b>31,104</b>
<b>Current assets:</b>				
Trade receivables	33,794	(3,685)	-	30,109
Other current assets	-	-	-	-
Cash and cash equivalents	2,224	-	-	2,224
<b>Total current assets</b>	<b>36,018</b>	<b>(3,685)</b>	<b>-</b>	<b>32,333</b>
<b>Total assets:</b>	<b>39,327</b>	<b>22,531</b>	<b>1,579</b>	<b>63,437</b>
<b>Current liabilities:</b>				
Trade and other payables	-	(2,073)	-	(2,073)
Other payables	(12,805)	(7,553)	-	(20,358)
<b>Total current liabilities:</b>	<b>(12,805)</b>	<b>(9,626)</b>	<b>-</b>	<b>(22,431)</b>
<b>Non current assets plus net current assets</b>				
<b>Non current liabilities</b>				
Provisions	(55)	-	-	(55)
Other payables	(11)	(12,673)	-	(12,684)
<b>Total non current liabilities:</b>	<b>(66)</b>	<b>(12,673)</b>	<b>-</b>	<b>(12,739)</b>
<b>Assets less liabilities</b>	<b>26,456</b>	<b>232</b>	<b>1,579</b>	<b>28,267</b>
<b>Taxpayers' equity:</b>				
General fund	26,456	232	(8)	26,680
Government grant reserve	-	-	1,581	1,581
Revaluation Reserve	-	-	6	6
<b>Total taxpayers' equity</b>	<b>26,456</b>	<b>232</b>	<b>1,579</b>	<b>28,267</b>

As at April 2009

<b>Non current assets;</b>				
Property, plant and equipment	4,901	(2,631)	(153)	2,117
Intangible assets	-	27,567	12,333	39,900
<b>Total non-current assets</b>	<b>4,901</b>	<b>24,936</b>	<b>12,180</b>	<b>42,017</b>
<b>Current assets:</b>				
Trade receivables	41,410	(7,778)	-	33,632
Other current assets	-	-	-	-
Cash and cash equivalents	6,860	-	-	6,860
<b>Total current assets</b>	<b>48,270</b>	<b>(7,778)</b>	<b>-</b>	<b>40,492</b>
<b>Total assets</b>	<b>53,171</b>	<b>17,158</b>	<b>12,180</b>	<b>82,509</b>
<b>Current liabilities:</b>				
Trade and other payables	-	(2,306)	(6,221)	(8,527)
Other payables	(15,539)	(7,713)	-	(23,252)
<b>Total current liabilities</b>	<b>(15,539)</b>	<b>(10,019)</b>	<b>(6,221)</b>	<b>(31,779)</b>
<b>Non current assets plus net current assets</b>	<b>37,632</b>	<b>7,139</b>	<b>5,959</b>	<b>50,730</b>
<b>Non current liabilities</b>				
Provisions	(62)	-	-	(62)
Other payables	(6)	(7,235)	-	(7,241)
<b>Total non current liabilities</b>	<b>(68)</b>	<b>(7,235)</b>	<b>-</b>	<b>(7,303)</b>
<b>Assets less liabilities</b>	<b>37,564</b>	<b>(96)</b>	<b>5,959</b>	<b>43,427</b>
<b>Taxpayer's equity:</b>				
General fund	37,564	(96)	(282)	37,186
CFERs repayable to Consolidated Fund	-	-	(6,221)	(6,221)
Government Grant Reserve	-	-	12,439	12,439
Revaluation reserve	-	-	23	23
<b>Total Taxpayers' equity</b>	<b>37,564</b>	<b>(96)</b>	<b>5,959</b>	<b>43,427</b>

### 38. Subsequent events

i) The Rt. Hon Theresa May MP was appointed Secretary of State for the Home Department; and Minister for Women and Equalities on 12 May 2010. The following appointments have also been made:

Nick Herbert, Minister of State responsible for Policing, Crime and Security  
 Damian Green, Minister of State responsible for Borders and Immigration  
 Baroness Pauline Neville-Jones, Minister for State responsible for Security  
 James Brokenshire, Parliamentary Under Secretary for Crime Prevention  
 Lynne Featherstone, Parliamentary Under Secretary for Equalities and Criminal Information

ii) The Home Secretary's announcement on 27 May 2010 confirmed the commitment, published in the coalition agreement on 20 May, to scrap Identity Cards and the National Identity Register and halt the next generation of biometric passports. All cards will be cancelled one month after the Identity Documents Bill receives Royal Assent. On cancellation, operational identity card assets will be impaired to nil value at an estimated cost of £15m based on valuations at 31 March 2010. There will also be additional one-off costs which include early contract termination, staff restructuring and closure of the Identity Commissioners Office, estimated at £7.5m. The net estimated exchequer savings from cancelling Identity Cards and the National Identity Register are estimated at £86m over a four year period. The cost implications of terminating or amending other contracts impacted by the announcement are currently a matter of commercial negotiation with suppliers, to protect the taxpayer's interests. It is therefore not possible to provide a breakdown of these costs at this time.

iii) On 2 June the Chief Executive, James Hall, announced his retirement, effective from 15 July 2010.

iv) On 15 June the Home Secretary announced a review of the scheme for registering people who have frequent contact with children or vulnerable adults. Voluntary registration with the Vetting and Barring Scheme (VBS) for new employees and job-movers was due to start on 26 July. This registration has now been stopped.

v) It was announced in the Budget on 22 June 2010 that the government intends to adopt the Consumer Price Index (CPI) for the indexation of public service pensions from April 2011. This will have an impact upon the future operation of the pension schemes that the Home Office provides to employees.

vi) On 22 July 2010 it was announced that a decision had been made to terminate the contract with the prime supplier for the e-Borders programme. Raytheon Systems Limited had been awarded a 10 year contract on 14 November 2007 to lead the development of the e-Borders system, however the UK Border Agency has decided not to proceed to the end of the contract. Included within the consolidated accounts are the following as at 31 March 2010:

£107m of assets under construction (Note 15)  
 £4m IT assets (Note 15)  
 £3m buildings held under finance leases (Note 15)  
 £117m intangible assets (Note 16)  
 £394m of capital commitments (Note 25)  
 £7m of finance lease obligations (Note 26.2)  
 £340m of other financial commitments (Note 28)

The values of these items at 31 March 2010 are not affected by this decision, therefore they have not been adjusted in these accounts. The value of these items will be reviewed as the contract termination is progressed but it is provisionally estimated that there will be a reduction in the value of assets currently reported as under construction of around £100m: £50m of which the supplier has been paid for; and, £50m for which payment has not been made.

The cost implications of terminating or amending contracts impacted by this announcement are a matter of commercial negotiation with suppliers to protect the taxpayer's interest. It is therefore not possible to provide an estimate of these implications at this time. The UK Border Agency is proceeding with the e-Borders programme, and is working to ensure efficient commercial arrangement to support its delivery. The impact on capital, financial commitments and finance lease obligations will become clearer as negotiations proceed.

vii) These financial statements were authorised for issue on the same date that the Comptroller and Auditor General signed his Certificate.

# ANNEX A

## DATA TABLES

These tables are not subject to audit by the National Audit Office

## Annex A

## Data Tables

## Contents

		Page
<b>Core Data Tables</b>		
Table 1 – Public Spending	Provides a summary of all general government public spending in the areas of Home Office responsibility. It shows the resource and capital budget spending in line with the headings used in the Estimates approved by Parliament. It additionally shows the local authority spending on functions relevant to the Home Office in England and Wales, and expenditure by the Home Office and police authorities on policing activities.	3
Table 2 – Resource Budget and Table 3 – Capital Budget	Provide a fuller breakdown of the resource and capital spending plans in Table 1. They set out activities the department spends money on in order to provide a functional breakdown of spending.	6 10
Table 4 – Capital Employed	Sets out the capital employed across the Home Office Departmental Group. It includes that employed by agencies and NDPBs but excludes that of bodies such as police authorities, whose spend is not consolidated within those of the department.	12
Table 5 – Administration Costs	Shows the administration costs for the Home Office. Administration costs exclude front-line activities such as the police and immigration work at ports and associated casework in order to provide a clearer picture of headquarters and back-office activities.	13
Table 6 - Staff Numbers	Provides an analysis of Home Office total staffing	14
Table 7 – Total Spending by Country and Region and Table 8 – Total Spending per head by Country and Region and Table 9 – Spending by function or programme, by Country and Region	Show analyses of the department's spending by country and region, and by function. The data in tables 7, 8 and 9 were taken from the HM Treasury public spending database in December 2009. Therefore the tables may not show the latest position and are not consistent with other tables in this annex.	15 16 17
<b>Performance Data Tables</b>		
PSA/DSO indicator table		18
CSR07 efficiency programme table		24
Table on Public Accounts Committee recommendations		25
Table on complaints to the Parliamentary Ombudsman		42

Table 1 Total Departmental Spending

	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Outturn	2008-09 Outturn	2009-10 Provisional Outturn <sup>1</sup>	£000 2010-11 Plans
<b>Resource budget</b>							
<b>Resource DEL</b>							
Cut crime, especially violent, drug and alcohol related crime	427,110	346,982	381,845	392,115	382,802	356,394	322,818
Lead visible, responsive and accountable policing	5,509,292	5,934,282	6,046,647	5,889,500	6,035,828	6,262,705	6,238,887
Protect the public from terrorism	162,660	249,284	188,376	562,448	705,871	818,345	867,900
Secure our borders and control migration for the benefit of the country	1,889,103	1,799,563	1,743,377	1,717,779	1,714,173	1,702,582	1,622,126
Safeguard people's identity and the privileges of citizenship	-9,082	-20,868	25,617	50,575	93,105	88,848	56,771
Central Services	229,743	212,057	211,141	234,570	266,260	255,765	338,405
<b>Total resource budget DEL</b>	<b>8,208,826</b>	<b>8,521,300</b>	<b>8,597,003</b>	<b>8,846,987</b>	<b>9,198,039</b>	<b>9,484,639</b>	<b>9,446,907</b>
<b>Resource AME</b>							
Cut crime, especially violent, drug and alcohol related crime	-	-	-1,328	-355	-112	-555	-
Lead visible, responsive and accountable policing	2,669	24,261	279,042	354,488	672,044	731,646	739,254
Protect the public from terrorism	-	-	-	264	905	804	-
Secure our borders and control migration for the benefit of the country	-	1,494	5,179	12,014	49,334	18,169	8,600
Safeguard people's identity and the privileges of citizenship	410	-	1,928	3,813	834	392	490
Central Services	15,000	-	19,850	-12,069	-13,096	1,445	-5,800
<b>Total resource budget AME</b>	<b>18,079</b>	<b>25,755</b>	<b>304,671</b>	<b>358,155</b>	<b>709,909</b>	<b>751,901</b>	<b>742,544</b>

<sup>1</sup> 2009-10 data is based on provisional outturn information as available at time of publication. This data is in line with information included on the Treasury COINS database, and provided as part of the 2010-11 SBI (Supplementary Budgetary Information) published on 23 June 2010 (Cm 7880: [http://www.hm-treasury.gov.uk/d/sbi\\_2010\\_11\\_full.pdf](http://www.hm-treasury.gov.uk/d/sbi_2010_11_full.pdf))

Table 1 Total Departmental Spending (continued)

	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Outturn	2008-09 Outturn	2009-10 Provisional Outturn	£000 2010-11 Plans
<b>Total resource budget</b>	8,226,905	8,547,055	8,901,674	9,205,142	9,907,948	10,236,540	10,189,451
<i>of which</i> depreciation	67,380	88,779	110,727	140,929	189,607	174,087	208,495
<b>Capital budget</b>							
<b>Capital DEL</b>							
Cut crime, especially violent, drug and alcohol related crime	30,971	25,036	33,879	24,421	25,349	33,314	10,400
Lead visible, responsive and accountable policing	410,931	444,438	423,008	443,656	485,679	465,685	325,707
Protect the public from terrorism	35,215	90,540	30,994	134,769	107,644	202,515	134,667
Secure our borders and control migration for the benefit of the country	82,439	27,139	51,568	110,645	187,846	190,345	203,381
Safeguard people's identity and the privileges of citizenship	31,951	50,770	57,153	28,108	24,835	122,000	89,667
Central Services	2,390	-	3,650	2,688	4,873	3,223	400
<b>Total capital budget DEL</b>	<b>593,897</b>	<b>637,923</b>	<b>600,252</b>	<b>744,287</b>	<b>836,226</b>	<b>1,017,082</b>	<b>764,222</b>
<b>Capital AME</b>							
<b>Total capital budget AME</b>	-	-	-	-	-	-	-
<b>Total capital budget</b>	<b>593,897</b>	<b>637,923</b>	<b>600,252</b>	<b>744,287</b>	<b>836,226</b>	<b>1,017,082</b>	<b>798,715</b>
<b>Total departmental spending</b>							
Cut crime, especially violent, drug and alcohol related crime	454,783	368,719	413,355	413,906	404,689	383,904	330,575
Lead visible, responsive and accountable policing	5,899,397	6,378,685	6,735,932	6,635,202	7,134,690	7,395,209	7,241,338
Protect the public from terrorism	186,444	325,125	218,427	696,569	812,706	1,017,828	986,767
Secure our borders and control migration for the benefit of the country	1,949,574	1,796,222	1,741,591	1,796,991	1,904,309	1,853,607	1,749,656

Table 1 Total Departmental Spending (continued)

	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Outturn	2008-09 Outturn	2009-10 Provisional Outturn	£000 2010-11 Plans
Safeguard people's identity and the privileges of citizenship	21,029	19,902	67,116	47,226	83,400	173,448	93,987
Central Services	242,195	207,546	214,778	218,606	214,773	255,539	342,855
<b>Total departmental spending †</b>	<b>8,753,422</b>	<b>9,096,199</b>	<b>9,391,199</b>	<b>9,808,500</b>	<b>10,554,567</b>	<b>11,079,535</b>	<b>10,745,178</b>
<i>of which:</i>							
Total DEL	8,735,343	9,070,444	9,086,528	9,450,345	9,849,559	10,329,192	10,002,634
Total AME	18,079	25,755	304,671	358,155	705,008	750,343	742,544

† Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

#### Spending by local authorities on functions relevant to the department

	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Outturn	2008-09 Outturn	2009-10 Provisional Outturn
<b>Current spending</b>	<b>10,598,715</b>	<b>11,423,300</b>	<b>12,053,588</b>	<b>12,332,955</b>	<b>12,932,036</b>	<b>13,263,525</b>
<i>of which:</i>						
financed by grants from budgets above	5,612,543	5,994,150	6,114,364	6,411,456	6,780,008	7,089,203
<b>Capital spending</b>	<b>556,583</b>	<b>542,818</b>	<b>443,198</b>	<b>455,179</b>	<b>764,609</b>	<b>782,094</b>
<i>of which:</i>						
financed by grants from budgets above ††	358,954	400,496	178,339	345,279	329,129	343,775

†† This includes loans written off by mutual consent that score within non-cash Resource Budgets and are not included in the capital support to local authorities in Table 3

Table 2 Resource budget DEL and AME

	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Outturn	2008-09 Outturn	2009-10 Provisional Outturn <sup>1</sup>	£000 2010-11 Plans
<b>Resource DEL</b>							
<b>Cut crime, especially violent, drug and alcohol related crime</b>	<b>427,110</b>	<b>346,982</b>	<b>381,845</b>	<b>392,115</b>	<b>382,802</b>	<b>356,394</b>	<b>322,818</b>
<i>of which:</i>							
Crime Reduction and Drugs	417,108	361,444	404,531	390,886	378,651	356,223	322,818
Criminal Records Bureau	-1,849	-18,722	-25,885	405	-973	-13,113	-
Firearms Compensation	6	-	-	-	-	-	-
Security Industry Authority	11,845	4,260	3,199	584	-3,175	-483	-
Independent Safeguarding Authority	-	-	-	240	8,299	13,767	-
<b>Lead visible, responsive and accountable policing</b>	<b>5,509,292</b>	<b>5,934,282</b>	<b>6,046,647</b>	<b>5,889,500</b>	<b>6,035,828</b>	<b>6,262,705</b>	<b>6,238,887</b>
<i>of which:</i>							
Police (inc grants)	4,986,586	5,392,809	5,341,272	5,060,187	5,180,400	5,407,075	5,404,091
Independent Police Complaints Commission	23,886	26,089	30,566	32,012	34,274	35,845	35,365
Central Police Training and Development Agency	79,702	98,315	73,428	-	-	-	-
Police Information Technology Organisation	166,934	193,533	195,989	-	-	-	-
National Criminal Intelligence Service	83,156	77,269	-	-	-	-	-
National Crime Squad	161,767	139,729	-	-	-	-	-
National Policing Improvement Agency	-	-	-	384,353	386,889	387,787	368,177
Serious Organised Crime Agency	7,261	6,538	405,392	412,948	434,265	431,998	431,254
<b>Protect the public from terrorism</b>	<b>162,660</b>	<b>249,284</b>	<b>188,376</b>	<b>562,448</b>	<b>705,871</b>	<b>818,345</b>	<b>867,900</b>



Table 2 Resource budget DEL and AME (continued)

	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Outturn	2008-09 Outturn	2009-10 Provisional Outturn	£000 2010-11 Plans
<i>of which:</i>							
Office for Security and Counter Terrorism	162,660	249,284	188,376	562,448	705,871	818,345	867,900
<b>Secure our borders and control migration for the benefit of the country</b>	<b>1,889,103</b>	<b>1,799,563</b>	<b>1,743,377</b>	<b>1,717,779</b>	<b>1,714,173</b>	<b>1,702,582</b>	<b>1,622,126</b>
<i>of which:</i>							
Office of the Immigration Service Commissioner	3,814	-1,371	4,366	4,347	4,121	2,979	4,200
UK Border Agency	1,885,289	1,800,934	1,739,011	1,713,432	1,710,052	1,699,603	1,617,926
<b>Safeguard people's identity and the privileges of citizenship</b>	<b>-9,082</b>	<b>-20,868</b>	<b>25,617</b>	<b>50,575</b>	<b>93,105</b>	<b>88,848</b>	<b>56,771</b>
<i>of which:</i>							
Identity and Passport Service	-9,082	-20,868	25,617	50,575	93,105	88,848	56,771
<b>Central Services</b>	<b>229,743</b>	<b>212,057</b>	<b>211,141</b>	<b>234,570</b>	<b>266,260</b>	<b>255,765</b>	<b>338,405</b>
<i>of which:</i>							
Central Services	182,928	189,808	197,218	209,343	243,131	225,607	264,751
Research and Statistics Directorate	46,815	22,249	13,923	25,227	23,129	30,158	-
Departmental Unallocated Provision	-	-	-	-	-	-	73,654
<b>Total resource budget DEL</b>	<b>8,208,826</b>	<b>8,521,300</b>	<b>8,597,003</b>	<b>8,846,987</b>	<b>9,198,039</b>	<b>9,484,639</b>	<b>9,446,907</b>
<i>of which: †</i>							
Pay	1,195,371	1,234,405	1,307,726	1,482,712	1,533,946	1,529,972	1,631,528
Procurement	1,572,790	1,362,034	1,630,965	1,552,621	1,627,350	1,722,354	1,342,569
Current grants and subsidies to the private sector and abroad	249,825	266,909	71,349	59,747	61,623	100,417	54,594
Current grants to local authorities	5,612,543	5,994,150	5,823,613	6,059,112	6,241,557	6,357,849	6,487,516
Depreciation	67,380	88,779	110,727	140,929	184,706	172,529	208,495

Table 2 Resource budget DEL and AME (continued)

	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Outturn	2008-09 Outturn	2009-10 Provisional Outturn	£000 2010-11 Plans
<b>Resource AME</b>							
<b>Cut crime, especially violent, drug and alcohol related crime</b>	-	-	-1,328	-355	-112	-555	-
<i>of which:</i>							
Crime Reduction and Drugs	-	-	-	-	-5	-	-
Criminal Records Bureau	-	-	-	-355	-107	-555	-
Security Industry Authority	-	-	-1,328	-	-	-	-
<b>Lead visible, responsive and accountable policing</b>	<b>2,669</b>	<b>24,261</b>	<b>279,042</b>	<b>354,488</b>	<b>672,044</b>	<b>731,646</b>	<b>739,254</b>
<i>of which:</i>							
Police (inc grants)	674	4,140	290,755	353,750	671,042	728,996	739,254
Independent Police Complaints Commission	-	-	577	209	-	39	-
Central Police Training and Development Agency	1,995	2,480	-4,951	-	-	-	-
National Crime Squad	-	17,641	-	-	-	-	-
National Policing Improvement Agency	-	-	-	529	1,002	2,111	-
Serious Organised Crime Agency	-	-	-7,339	-	-	500	-
<b>Protect the public from terrorism</b>	-	-	-	<b>264</b>	<b>905</b>	<b>804</b>	-
<i>of which:</i>							
Office for Security and Counter Terrorism	-	-	-	264	905	804	-
<b>Secure our borders and control migration for the benefit of the country</b>	-	<b>1,494</b>	<b>5,179</b>	<b>12,014</b>	<b>49,334</b>	<b>18,169</b>	<b>8,600</b>
<i>of which:</i>							
Office of the Immigration Service Commissioner	-	1,494	-	-	-	-	-

Table 2 Resource budget DEL and AME (continued)

	£000						
	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Outturn	2008-09 Outturn	2009-10 Provisional Outturn	2010-11 Plans
UK Border Agency	-	-	5,179	12,014	49,334	18,169	8,600
<b>Safeguard people's identity and the privileges of citizenship</b>	<b>410</b>	<b>-</b>	<b>1,928</b>	<b>3,813</b>	<b>834</b>	<b>392</b>	<b>490</b>
<i>of which:</i>							
Identity and Passport Service	410	-	1,928	3,813	834	392	490
<b>Central Services</b>	<b>15,000</b>	<b>-</b>	<b>19,850</b>	<b>-12,069</b>	<b>-13,096</b>	<b>1,445</b>	<b>-5,800</b>
<i>of which:</i>							
Central Services	15,000	-	19,850	-12,069	-13,096	1,445	-5,800
<b>Total resource budget AME</b>	<b>18,079</b>	<b>25,755</b>	<b>304,671</b>	<b>358,155</b>	<b>709,909</b>	<b>751,901</b>	<b>742,544</b>
<i>of which: †</i>							
Pay	-	-	-	-	-	-	-
Procurement	-	-	-	-	-	-	-
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-
Current grants to local authorities	-	-	290,751	352,344	538,451	731,354	741,000
Depreciation	-	-	-	-	4,901	1,558	-
<b>Total resource budget</b>	<b>8,226,905</b>	<b>8,547,055</b>	<b>8,901,674</b>	<b>9,205,142</b>	<b>9,907,948</b>	<b>10,236,540</b>	<b>10,189,451</b>

† The economic category breakdown of resource budgets only shows the main categories, so may not sum to the total. The breakdown may even exceed the total where further income scores in resource budgets

Table 3 Capital Budget DEL and AME

	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Outturn	2008-09 Outturn	2009-10 Provisional Outturn <sup>1</sup>	£000 2010-11 Plans
<b>Capital DEL</b>							
<b>Cut crime, especially violent, drug and alcohol related crime</b>	<b>30,971</b>	<b>25,036</b>	<b>33,879</b>	<b>24,421</b>	<b>25,349</b>	<b>33,314</b>	<b>10,400</b>
<i>of which:</i>							
Crime Reduction and Drugs	26,959	24,605	31,979	24,421	21,584	32,581	10,000
Criminal Records Bureau	-	-	-	-	2,917	233	175
Security Industry Authority	4,012	431	1,900	-	848	500	225
<b>Lead visible, responsive and accountable policing</b>	<b>410,931</b>	<b>444,438</b>	<b>423,008</b>	<b>443,656</b>	<b>485,679</b>	<b>465,685</b>	<b>325,707</b>
<i>of which:</i>							
Police (inc grants)	307,602	342,128	173,249	256,299	248,204	259,017	229,000
Independent Police Complaints Commission	3,744	540	5	1,521	716	1,165	600
Central Police Training and Development Agency	15,777	6,747	132,573	-	-	-	-
Police Information Technology Organisation	62,808	83,422	2,175	-	-	-	-
National Criminal Intelligence Service	4,905	2,439	73,320	-	-	-	-
National Crime Squad	8,977	6,845	-	-	-	-	-
National Policing Improvement Agency	-	-	-	140,650	183,573	153,817	68,107
Serious Organised Crime Agency	7,118	2,317	41,686	45,186	53,186	51,686	28,000
<b>Protect the public from terrorism</b>	<b>35,215</b>	<b>90,540</b>	<b>30,994</b>	<b>134,769</b>	<b>107,644</b>	<b>202,515</b>	<b>134,667</b>
<i>of which:</i>							
Office for Security and Counter Terrorism	35,215	90,540	30,994	134,769	107,644	202,515	134,667

Table 3 Capital Budget DEL and AME (continued)

	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Outturn	2008-09 Outturn	2009-10 Provisional Outturn	£000 2010-11 Plans
<b>Secure our borders and control migration for the benefit of the country</b>	<b>82,439</b>	<b>27,139</b>	<b>51,568</b>	<b>110,645</b>	<b>187,846</b>	<b>190,345</b>	<b>203,381</b>
<i>of which:</i>							
Office of the Immigration Service Commissioner	56	-	35	-	-	138	-
UK Border Agency	82,383	27,139	51,533	110,645	187,846	190,207	203,381
<b>Safeguard people's identity and the privileges of citizenship</b>	<b>31,951</b>	<b>50,770</b>	<b>57,153</b>	<b>28,108</b>	<b>24,835</b>	<b>122,000</b>	<b>89,667</b>
<i>of which:</i>							
Identity and Passport Service	31,951	50,770	57,153	28,108	24,835	122,000	89,667
<b>Central Services</b>	<b>2,390</b>	<b>-</b>	<b>3,650</b>	<b>2,688</b>	<b>4,873</b>	<b>3,223</b>	<b>400</b>
<i>of which:</i>							
Central Services	24	-	2,392	426	1,913	1,465	-1,129
Research and Statistics Directorate	2,366	-	1,258	2,262	2,960	1,758	-
Departmental Unallocated	-	-	-	-	-	-	1,529
<b>Total capital budget DEL</b>	<b>593,897</b>	<b>637,923</b>	<b>600,252</b>	<b>744,287</b>	<b>836,226</b>	<b>1,017,082</b>	<b>764,222</b>
<i>of which:</i>							
Capital expenditure on fixed assets net of sales †	172,131	156,945	397,431	378,216	483,586	582,139	409,335
Capital grants to the private sector and abroad	4	-	24,347	20,792	24,826	56,958	26,804
Net lending to private sector	-	-	-	-	-	-	-
Capital support to public corporations	-	-	-	-	10,000	-	8,800
Capital support to local authorities ††	358,954	400,496	178,339	345,279	329,129	343,775	306,665
<b>Total capital budget AME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital budget</b>	<b>593,897</b>	<b>637,923</b>	<b>600,252</b>	<b>744,287</b>	<b>836,226</b>	<b>1,017,082</b>	<b>764,222</b>
<i>Of which:</i>							
Capital expenditure on fixed assets net of sales †	172,131	156,945	397,431	378,216	483,586	582,139	409,335
Less depreciation †††	67,380	88,779	110,727	140,929	189,607	174,087	208,495
Net capital expenditure on tangible fixed assets	104,751	68,166	286,704	237,287	293,979	408,052	200,840

† Expenditure by the department and NDPBs on land, buildings and equipment, net of sales. Excludes spending on financial assets and grants, and public corporations' capital expenditure.

†† This does not include loans written off by mutual consent that score within non-cash Resource Budgets.

††† Included in Resource Budget.

Table 4 Capital Employed

	2004-05 outturn (UK GAAP)	2005-06 outturn (UK GAAP)	2006-07 outturn (UK GAAP)	2007-08 outturn	2008-09 outturn	2009-10 Provisional outturn	£000 2010-11 Plans
<b>Assets and liabilities in the Statement of Financial Position at year end:</b>							
<b>Assets</b>							
<b>Non-current assets</b>							
Intangible	6,118	4,163	2,652	103,116	96,470	207,280	217,534
Tangible	6,572,292	6,910,404	7,478,043	1,138,676	1,181,947	1,257,886	1,183,560
<i>1,183,560 of which:</i>							
Land and buildings	6,018,779	6,275,234	6,639,950	744,569	645,520	564,379	507,941
Plant and equipment	104,108	135,131	112,204	81,904	71,737	60,384	54,346
Vehicles	6,267	5,845	42,373	22,613	21,342	15,180	13,662
Information Technology	99,800	84,670	116,762	86,469	65,923	88,942	281,030
Furniture and Fittings	19,698	18,193	17,262	28,721	28,655	23,979	21,581
Payments on Account and Assets under Construction	323,640	391,331	549,492	174,400	348,769	505,022	305,000
Debtor > 1 year	5,790	4,908	4,248	-	-	-	-
Financial Assets	35,282	60,339	68,757	67,260	18,068	18,068	18,068
Current assets*	481,959	844,729	998,852	788,450	651,529	819,515	413,338
<b>Liabilities</b>							
Current Liabilities	-1,125,109	-1,770,582	-1,796,580	-1,590,735	-1,445,034	-1,484,006	-1,484,006
Non-current liabilities	-853,728	-822,110	-1,079,037	-361,070	-547,448	-395,246	-395,246
<b>Capital employed within main department</b>	<b>5,122,604</b>	<b>5,231,851</b>	<b>5,676,935</b>	<b>145,697</b>	<b>-44,469</b>	<b>423,497</b>	<b>-46,752</b>
NDPB total assets less liabilities	-1,106,219	-1,442,411	985,690	-176,952	-18,087	112,491	133,118
<b>Total capital employed in departmental group</b>	<b>4,016,385</b>	<b>3,789,440</b>	<b>6,662,625</b>	<b>-31,255</b>	<b>-62,556</b>	<b>535,988</b>	<b>86,366</b>

\* Under IFRS Current Assets includes non-current assets classified as held for sale (IFRS 5). Unless UK GAAP based figures have been restated, the equivalent non-current assets which do not meet the criteria of discontinued operations under FRS 3 will be included within non-current assets.

Outturn numbers for 2004-05 to 2008-09 reconcile to the figures included in the audited resource accounts or the audited shadow accounts restated on an IFRS-basis.

IFRS based reporting was introduced in 2009-10. Data from 2004-05 to 2006-07 has been presented on a UK GAAP basis and 2007-08 to 2010-11 is presented on an IFRS basis.

Table 5 Administration Costs

	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Outturn	2008-09 Outturn	2009-10 Provisional Outturn	£000 2010-11 Plans
<b>Administration Expenditure</b>							
Paybill	538,121	548,455	469,861	426,324	389,743	195,000	
Other	454,188	575,474	565,334	329,683	377,821	336,175	
<b>Total administration expenditure</b>	<b>992,309</b>	<b>1,123,929</b>	<b>1,035,195</b>	<b>756,007</b>	<b>767,564</b>	<b>531,175</b>	<b>526, 096</b>
Administration income	-311,123	-441,497	-376,747	-117,467	-141,396	-143,561	-144,973
<b>Total administration budget</b>	<b>681,186</b>	<b>682,432</b>	<b>658,448</b>	<b>638,540</b>	<b>626,168</b>	<b>387,614</b>	<b>381, 123</b>
<b>Analysis by activity</b>							
Cut crime, especially violent, drug and alcohol related crime	17,029	5,820	10,168	32,149	29,069	19,922	25,151
Lead visible, responsive and accountable policing	27,385	35,017	37,246	28,001	22,287	27,664	23,764
Protect the public from terrorism	100,901	95,167	20,414	11,131	25,798	24,052	19,320
Secure our borders and control migration for the benefit of the country	365,284	390,803	385,080	365,979	377,075	109,883	105,265
Safeguard people's identity and the privileges of citizenship	-22,748	-35,996	4,717	-	-	-	2,213
Central Services	193,335	191,621	200,823	201,280	171,939	206,093	205, 410
<b>Total administration budget</b>	<b>681,186</b>	<b>682,432</b>	<b>658,448</b>	<b>638,540</b>	<b>626,168</b>	<b>387,614</b>	<b>381, 123*</b>

\* Total excludes Departmental Unallocated Provision held in line with HM Treasury budgeting guidance.

**Table 6 Home Office staff numbers headcount full time equivalent (FTE) 2009–10**

Area	Civil Servants Paid	Civil Servants Unpaid	Other	Total
Crime and Policing Group	657	38	168	864
Finance and Commercial Group	595	20	170	785
Human Resources	459	10	21	491
Science and Research Group	415	10	59	483
Strategy and Reform Directorate	113	4	10	127
International Directorate	43	2	5	50
Communication Directorate	170	8	5	183
Legal Advisers Branch	59	4	0	63
Private Office	69	2	17	88
Office for Security and Counter Terrorism	391	43	133	567
Neighbourhood Crime and Justice Group	17	0	1	18
<b>Total Headquarters</b>	<b>2,989</b>	<b>141</b>	<b>589</b>	<b>3,718</b>
United Kingdom Border Agency	17,297	528	978	18,803
Identity and Passport Service	3,922	95	0	4,018
Criminal Records Bureau	625	13	0	638
Unknown	7	4	53	63
<b>Total Home Office</b>	<b>24,840</b>	<b>781</b>	<b>1,620</b>	<b>27,241</b>

**Notes for Staff Numbers Table:**

- (1) Crime and Policing Group includes Her Majesty's Inspectorate of Constabulary.
- (2) 2009-10 figures are based on the Office for National Statistics specification which includes all paid staff.
- (3) Figures are accurate as at 31 March 2010.
- (4) Figures are subject to rounding +/-1.
- (5) 2010 Identity and Passport Service figures include staff from the General Register Office.
- (6) Civil Servants Paid includes permanent, temporary, fixed-term appointees (FTA), incoming loans paid (OGD), Partial Retirement and Paid Loan (between departments).
- (7) Civil Servants Unpaid includes permanent unpaid, temporary unpaid, and FTA unpaid.
- (8) Other includes agency, contractors, incoming secondments, contractors and non-paid.
- (9) Unknown: these civil servants were moving between businesses within the department at 31 March 2010.
- (10) International Group are included in UKBA.
- (11) Ex-HMRC and Ex-Foreign & Commonwealth Office staff were not on Departmental record systems at end of March 2010. These records will be migrated to UKBA during April 2010. The figure at the end of March 2010 is 6,503 which is not included in the Departmental total above.



**Table 7 Total identifiable expenditure on services by country and region, 2004-05 to 2010-11**

	£ million						
Home Office	National Statistics						
	2004-05 outturn	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 plans	2010-11 plans
North East	55	57	63	63	74	75	68
North West	143	147	174	173	204	209	187
Yorkshire and the Humber	99	102	124	124	146	151	136
East Midlands	75	77	99	98	115	120	109
West Midlands	103	106	133	132	156	160	143
East	93	96	126	125	147	153	138
London	256	265	266	271	322	320	283
South East	139	143	187	186	217	225	203
South West	86	89	114	114	133	139	125
<b>Total England</b>	<b>1,049</b>	<b>1,083</b>	<b>1,285</b>	<b>1,286</b>	<b>1,512</b>	<b>1,552</b>	<b>1,393</b>
Scotland	27	28	63	58	64	75	71
Wales	55	57	71	71	83	85	77
Northern Ireland	9	10	21	20	22	26	25
<b>UK identifiable expenditure</b>	<b>1,141</b>	<b>1,178</b>	<b>1,441</b>	<b>1,435</b>	<b>1,681</b>	<b>1,738</b>	<b>1,565</b>
Outside UK	-	-	-	-	-	-	-
<b>Total identifiable expenditure</b>	<b>1,141</b>	<b>1,178</b>	<b>1,441</b>	<b>1,435</b>	<b>1,681</b>	<b>1,738</b>	<b>1,565</b>
Non-identifiable expenditure	2,122	1,928	2,001	2,065	2,070	2,213	2,070
<b>Total expenditure on services</b>	<b>3,263</b>	<b>3,106</b>	<b>3,442</b>	<b>3,500</b>	<b>3,751</b>	<b>3,951</b>	<b>3,635</b>

(1) The classification of crime reduction spending has been reviewed and this spending is now consistently included in identifiable expenditure to reflect the fact that it predominantly benefits England and Wales. Consequently, identifiable expenditure figures for 2007-08 onwards are substantially higher compared to previous publications. The change implies that the Home Office is able to account regionally for a greater part of their expenditure not that the overall expenditure has changed.

**Table 8 Total identifiable expenditure on services by country and region, per head  
2004-05 to 2010-11**

Home Office	National Statistics							£ per head
	2004-05 outturn	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 plans	2010-11 plans	
North East	22	22	25	25	29	29	26	
North West	21	21	25	25	30	30	27	
Yorkshire and the Humber	20	20	24	24	28	29	26	
East Midlands	17	18	23	22	26	27	24	
West Midlands	19	20	25	25	29	29	26	
East	17	17	22	22	26	27	24	
London	35	36	35	36	42	42	37	
South East	17	17	23	22	26	27	24	
South West	17	18	22	22	25	26	24	
<b>England</b>	<b>21</b>	<b>21</b>	<b>25</b>	<b>25</b>	<b>29</b>	<b>30</b>	<b>27</b>	
Scotland	5	6	12	11	12	14	14	
Wales	19	19	24	24	28	28	25	
Northern Ireland	5	6	12	11	12	14	14	
<b>UK identifiable expenditure</b>	<b>19</b>	<b>20</b>	<b>24</b>	<b>24</b>	<b>27</b>	<b>28</b>	<b>25</b>	

Table 9 Total identifiable expenditure on services by function, country and region, for 2008-09

Data in this table are National Statistics

Home Office	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East	South West	England	Scotland	Wales	Northern Ireland	UK identifiable expenditure	OUTSIDE UK	Total identifiable expenditure	Not identifiable	Totals
Public order and safety	62.5	172.5	123.8	97.5	131.8	124.7	271.3	184.1	112.6	1,280.8	55.9	70.2	19.2	1,426.1	0.0	1,426.1	2,069.7	3,495.8
Police services of which:																		
immigration and citizenship	0.8	2.2	1.6	1.4	1.7	1.8	2.4	2.6	1.6	16.2	1.6	0.9	0.6	19.3	0.0	19.3	2,069.7	2,089.0
of which: other police services	61.7	170.4	122.2	96.1	130.1	122.9	268.9	181.5	110.9	1,264.6	54.2	69.3	18.6	1,406.8	0.0	1,406.8	0.0	1,406.8
R&D public order and safety	1.1	3.0	2.1	1.7	2.3	2.2	4.7	3.2	1.9	22.2	0.9	1.2	0.3	24.7	0.0	24.7	0.0	24.7
Public order and safety n.e.c.	10.2	28.2	20.1	15.6	21.5	19.9	46.3	29.5	18.0	209.3	7.4	11.4	2.5	230.6	0.0	230.6	0.0	230.6
<b>Total public order and safety</b>	<b>73.7</b>	<b>203.8</b>	<b>146.1</b>	<b>114.8</b>	<b>155.5</b>	<b>146.8</b>	<b>322.3</b>	<b>216.8</b>	<b>132.5</b>	<b>1,512.4</b>	<b>64.2</b>	<b>82.8</b>	<b>22.0</b>	<b>1,681.4</b>	<b>0.0</b>	<b>1,681.4</b>	<b>2,069.7</b>	<b>3,751.1</b>
<b>TOTAL HOME OFFICE</b>	<b>73.7</b>	<b>203.8</b>	<b>146.1</b>	<b>114.8</b>	<b>155.5</b>	<b>146.8</b>	<b>322.3</b>	<b>216.8</b>	<b>132.5</b>	<b>1,512.4</b>	<b>64.2</b>	<b>82.8</b>	<b>22.0</b>	<b>1,681.4</b>	<b>0.0</b>	<b>1,681.4</b>	<b>2,069.7</b>	<b>3,751.1</b>

## Performance Tables 2010

Interim data available:

Departmental Annual Report 2009 -

<http://webarchive.nationalarchives.gov.uk/20100418065544/http://www.homeoffice.gov.uk/documents/ho-annual-report-09/>

Autumn Performance Report 2009 -

<http://webarchive.nationalarchives.gov.uk/20100418065544/http://www.homeoffice.gov.uk/documents/autumn-performance-report-09.html>

Indicator belongs to:	Indicator	Statement on data	OGDs (where indicator lead different to PSA reporting lead)
PSA3: Ensure controlled, fair migration that protects the public and contributes to economic growth.  DSO5: Secure our borders and control migration for the benefit of our country.	Indicator 1: Deliver robust identity management systems at the UK Border.  Indicator 1a: All non-EEA nationals have unique secure IDs on entry to the UK.  Indicator 1b: Track 95 per cent of all passenger journeys by end of 2010.	<b>Target:</b> all non-EEA nationals have unique secure IDs on entry to the UK by end 2011. <b>Latest Outturn:</b> Verification of biometric visas on entry to the UK began at the end of November 2009.  <b>Target:</b> 95 per cent of all journeys into and out of the UK to be tracked by end of 2010. <b>Latest Outturn:</b> (2009-10) between 45-50 per cent.	
	Indicator 2: Reduce the time to conclusion for asylum applications.	<b>Target:</b> 75 per cent concluded within six months by December 2009. 90 per cent concluded within six months by December 2011. <b>Latest Outturn:</b> The provisional performance achieved by December 2009 was 61 per cent of cases concluded within six months.	
	Indicator 3: Increase the number of enforced removals and voluntary departures year on year.	<b>Baseline</b> (2007-08): 33,540. <b>Baseline</b> (2008-09): 34,945. <b>Latest Outturn</b> (2009-10): 37,745.	
	Indicator 4: Increase the proportion of 'higher-harm' enforced removals and voluntary departures.	<b>Baseline</b> (2007-08): 22 per cent. <b>Latest Outturn</b> (2009-10): 29 per cent.	
	Indicator 5: By the effective management of migration, reduce the number of vacancies in shortage occupations.	<b>Baseline:</b> (2007 Survey) 14,295. <b>Latest Outturn:</b> (2009 Survey) 12,811.	

Indicator belongs to:	Indicator	Statement on data	OGDs (where indicator lead different to PSA reporting lead)
PSA23: Make communities safer.  DSO2: Cut crime, especially violent, drug and alcohol-related crime.  DSO3: Lead visible, responsive and accountable policing.	Indicator 1: The level of all recorded violence with injury.	<b>Baseline:</b> 452,364 recorded offences (2007-08). <b>Latest Outturn:</b> The outturn for the 12 months to December 2009 shows that there were 412,000 recorded offences.*	
	Indicator 2: The level of serious acquisitive crimes – in local areas when compared to peers.	<b>Baseline:</b> At the beginning of the reporting period (2007-08): (i) 17 per cent of areas were worse than the benchmark (ii) 83 per cent of areas were equal to or better than the benchmark. <b>Latest outturn:</b> (12 months to December 2009 compared with 2007-08) (i) 68 per cent of areas that started out worse than the benchmark are now equal to or better than the benchmark. (ii) 99 per cent of the areas that started out better than or equal to the benchmark are still in this position.*	
	Indicator 3: Public confidence in local agencies involved in tackling crime and anti-social behaviour.	<b>Baseline:</b> 45 per cent as measured by the British Crime Survey (BCS) (interviews for six months from October 2007 to March 2008) published July 2008. <b>Latest outturn:</b> 51 per cent as measured by the BCS (interviews for year to end December 2009).*	
	Indicator 4: The percentage of people perceiving anti-social behaviour as a problem.	<b>Baseline:</b> 16.4 per cent as measured by the BCS (2007-08 interviews) published in July 2008. <b>Latest outturn:</b> 14.7 per cent as measured by the BCS (interviews for year to end December 2009).*	
	Indicator 5: The level of proven re-offending by young and adult offenders.	<b>Baseline (adults):</b> 165.7 re-offences per 100 offenders (2005). <b>Latest outturn (adults):</b> 155.5 re-offences per 100 offenders (2008). <b>Baseline (youths):</b> 125.0 re-offences per 100 offenders (2005). <b>Latest outturn (youths):</b> 113.9 re-offences per 100 offenders (2008).	Ministry of Justice/ Youth Justice Board
	Indicator 6: The level of serious re-offending.	<b>Baseline (adults):</b> 0.85 serious offences per 100 offenders (2005). <b>Latest outturn (adults):</b> 0.87 serious offences per 100 offenders (2008). <b>Baseline (youths):</b> 0.90 serious offences per 100 offenders (2005). <b>Latest outturn (youths):</b> 0.84 serious offences per 100 offenders (2008).	Ministry of Justice/ Youth Justice Board

\*The performance data for this indicator was the latest available at the time of preparation of these accounts (Home Office Statistical Bulletin 07/10 - *Crime in England and Wales: Quarterly Update to December 2009*, published 22<sup>nd</sup> April 2010). For more information on the next set of crime statistics, published at 9.30am on 15 July 2010 please see <http://rds.homeoffice.gov.uk/rds/crimeew0910.html>

Indicator belongs to:	Indicator	Statement on data	OGDs (where indicator lead different to PSA reporting lead)
PSA25: Reduce the harm caused by alcohol and drugs.	Indicator 1: Percentage change in the number of drug users recorded as being in effective treatment.	<b>Baseline:</b> 156,387 persons recorded as in effective treatment (2007-08). <b>Latest outturn:</b> End of year performance for the period April 2008 – March 2009 was 165,873.	National Treatment Agency
DSO2: Cut crime, especially violent, drug and alcohol-related crime.	Indicator 2: Rate of hospital admissions per 100,000 for alcohol-related harm.	<b>Baseline:</b> The rate for 2006-07 is 1,384. admissions per 100,000. <b>Latest outturn:</b> The final rate for 2008-09 is 1,583 admissions per 100,000.	Department of Health
	Indicator 3: Rate of drug-related offending.	<b>Baseline:</b> 260.1 proven offences per 100 offenders (2008 cohort). <b>Latest outturn:</b> Not yet assessed.	
	Indicator 4: Percentage of the public who perceive drug use or dealing to be a problem in their area.	<b>Baseline:</b> 26.1 per cent as measured by the BCS (2007-08 interviews) published in July 2008. <b>Latest outturn:</b> 25.8 per cent as measured by the BCS (interviews for year to end December 2009).*	
	Indicator 5: Percentage of the public who perceive drunk or rowdy behaviour to be a problem in their area.	<b>Baseline:</b> 25.2 per cent as measured by the BCS (2007-08 interviews) published in July 2008. <b>Latest outturn:</b> 24.3 per cent as measured by the BCS (interviews for year to end December 2009).*	
PSA26: Reduce the risk to the UK and its interests overseas from international terrorism.  DSO4: Protect the public from terrorism.	<b>Pursue</b> outcomes focus on our ability to detect and disrupt terrorist networks: <b>Outcome 1-Detection:</b> A reduction in the risk that attack planning against the UK or UK interests overseas will go undetected by means of improved intelligence coverage of the target community. <b>Outcome 2 - Disruption:</b> A reduction in the risk of a successful attack against the UK by means of an increase in the impact of disruption on those who threaten the UK or UK interests.	Selected performance indicators underpin these outcomes. Both they and the biannual assessments of performance are classified.	

\*The performance data for this indicator was the latest available at the time of preparation of these accounts (Home Office Statistical Bulletin 07/10 - *Crime in England and Wales: Quarterly Update to December 2009*, published 22<sup>nd</sup> April 2010). For more information on the next set of crime statistics, published at 9.30am on 15 July 2010 please see <http://rds.homeoffice.gov.uk/rds/crimeew0910.html>

Indicator belongs to:	Indicator	Statement on data	OGDs (where indicator lead different to PSA reporting lead)
	<p><b>Prevent</b> outcomes focus on improving resilience to violent extremism, including in key sectors and overseas:</p> <p><b>Outcome 1-Communities:</b> An increase in the extent to which domestic Muslim communities reject and condemn violent extremism.</p> <p><b>Outcome 2-Sectors and Services:</b> A reduction in the risk of individuals who come into contact with key sectors/services becoming or remaining violent extremists.</p> <p><b>Outcome 3-Overseas:</b> A positive UK contribution to the resilience of priority countries to violent extremism.</p> <p><b>Protect</b> outcomes focus on reducing the vulnerability of key sites, such as crowded places, transport systems and the Critical National Infrastructure:</p> <p><b>Outcome 1-Citizens:</b> Reduced vulnerability of UK citizens to terrorism in the UK through increased protective security.</p> <p><b>Outcome 2-CNI:</b> Reduced vulnerability of the UK's Critical National Infrastructure to terrorism.</p> <p><b>Outcome 3-Borders:</b> Reduced vulnerability of the UK to terrorism through strengthened border security.</p>		<p>Communities and Local Government</p> <p>Ministry of Justice</p> <p>Foreign &amp; Commonwealth Office</p> <p>Department of Transport</p> <p>Cabinet Office</p>

Indicator belongs to:	Indicator	Statement on data	OGDs (where indicator lead different to PSA reporting lead)
	<p><b>Prepare</b> outcomes focus on our capability to deal with the consequences of a terrorist attack:</p> <p><b>Outcome - Capabilities:</b> Increased capabilities to deal with the potential consequences, as set out in the National Resilience Planning Assumptions (NRPA), of our national risks as set out in the National Risk Assessment.</p>		Cabinet Office
<p>PSA24: Deliver a more effective, transparent and responsive Criminal Justice System for victims and the public.</p> <p>DSO7: Support the efficient and effective delivery of justice.</p>	Indicator 5: Recovery of criminal assets.	<p><b>Baseline:</b> £125 million recovered in 2006-07.</p> <p><b>Latest Outturn:</b> The value of assets recovered is £152 million at year ending December 2009.</p>	



Indicator belongs to:	Indicator	Statement on data	OGDs (where indicator lead different to PSA reporting lead)
DSO6: Safeguard people's identity and the privileges of citizenship.	Indicator 1: By the end of 2008, launch identity cards for foreign nationals, in the form of biometric immigration documents to students extending or varying their leave.	Identity Cards for foreign nationals <sup>2</sup> were launched in November 2008.	
	Indicator 2: By the end of 2008, continue to issue biometric visas to foreign nationals outside the EEA travelling to the UK.	The roll-out of mandatory enrolment and checking of biometrics for all visa applicants was completed in December 2007.	
	Indicator 3: By end of 2009 issue first identity cards to British citizens who want them, starting with residents of Greater Manchester.	First enrolments took place in Greater Manchester on 30 November 2009.	
	Indicator 4: By end of 2009 issue first identity cards on a purely voluntary basis to critical workers at Manchester and London City airports.	First enrolments took place at Manchester and London City airports during November 2009.	
	Indicator 5: By end of 2009 appoint Identity Commissioner.	The Identity Commissioner was appointed and took up the role on 1 October 2009.	
	Indicator 6: By end of 2009, support UK Border Agency's Employment Checking Service through integrated use of the Passport Validation Service.	The Identity and Passport Service continues to work with the UK Border Agency to develop how the Passport Validation Service can support a range of UK Border Agency activities, including employment checking and e-Borders. Options are being explored and will continue to be developed into the first part of 2010.	
	Indicator 7: By end of 2010 publish Identity Rights Charter.	No further updates due to a change in policy. The new Identity Documents Bill is designed to ensure the identity card scheme can be cancelled and decommissioned by the summer of 2010.	
	Indicator 8: By end of 2010 publish primary legislation to enable people to choose between a second-biometric passport and an identity card when enrolling on the National identity Scheme from 2012.	No further updates due to a change in policy. The new Identity Documents Bill is designed to ensure the identity card scheme can be cancelled and decommissioned by the summer of 2010.	
	Indicator 9: By end of 2010 issue identity cards to British citizens beyond Greater Manchester.	No further updates due to a change in policy. The new Identity Documents Bill is designed to ensure the identity card scheme can be cancelled and decommissioned by the summer of 2010.	

<sup>2</sup> Now known as Biometric Residence Permits

<b>CSR Efficiency Programme Target</b>	
<b>Sub-section: Value for money</b>	
The CSR07 efficiency programme was a CSR07 commitment to an overall target across Government of £35bn efficiency savings for that spending review period. The Home Office CSR07 Value for Money target is to achieve cash-releasing sustainable gains worth £1,694 million per annum in 2010-11 net of costs. <sup>3</sup>	
<b>Latest outturn</b>	<b>£m</b>
The latest departmental estimated outturn, per annum, for the CSR07 programme <sup>4</sup> by March 2010 is worth:  All gains reported release capacity to the business, are sustained and are reported net of costs. Gains reported have been validated by Audit and Assurance Unit.	1,142
Carry forward as a result of over-delivery by the VFM programme during the 2004 Spending Review period:	141

<sup>3</sup> The Home Office increased its value for money target in April 2009 by £280 million, to £1,694 million per annum by the end of 2010-11, to reflect scope for additional savings identified in existing VFM work and the Operational Efficiency Programme.

<sup>4</sup> Full year figures remain estimates subject to finalising full year impact.

**Public Accounts Committee Recommendations**

The majority of the recommendations made by the Public Accounts Committee since 2000 have been implemented. This annex provides further information on progress with implementing any outstanding recommendations.

**2003-04**

<b>Criminal Records Bureau: delivering safer recruitment?</b>																		
<b>Recommendation</b>		<b>Update</b>																
<p>PAC conclusion (viii): The Bureau has achieved significant improvement in the turnaround times for handling Disclosures, with the majority now dealt with within target times. The turnaround target times were, however, less onerous in 2003-04 than for 2002-03, and the Bureau should look to improve the speed of service delivery now that its activities have stabilised.</p>		<p>The Criminal Records Bureau's (CRB) original service standards were set before the launch of a new service and at the time it was difficult to predict the optimum service levels that could be delivered. The first 12 months operation indicated that the standards were overly ambitious and new service standards were introduced in April 2003.</p> <p>The CRB element of the processing has improved year on year since 2003-04 both in terms of the quality and timeliness of processing. However in terms of overall 'speed of service' the CRB is reliant on the performance of individual police forces, the management of which remain outside the direct control of the CRB. The current average processing time of the CRB aspect of the process is 2.5 days whilst the average time taken at police forces is 19 days. Police performance only affects Enhanced checks. In the year to date, over 97% of all Standard CRB checks have been issued within 10 days (against a Police Service Standard of 90% within 10 days) and just under 86% of Enhanced checks issued within 28 days (against a PSS of 90% in 28 days).</p> <p>The data sets checked by the CRB as part of the CRB process have also expanded since 2003-04 with the introduction of the Police Local Cross-Referencing system (PLX) and the incorporation of new data-sources such as SOCA, British Transport Police and the Military police forces.</p> <p>The average turnaround times for CRB over the last 3 years are detailed below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Disclosure Type</th> <th colspan="3">Average Turnaround time – End to End</th> </tr> <tr> <th>April 09 - March 10</th> <th>April 08 - March 09</th> <th>April 07 - March 08</th> </tr> </thead> <tbody> <tr> <td>Enhanced</td> <td>25</td> <td>26</td> <td>21</td> </tr> <tr> <td>Standard</td> <td>6</td> <td>7</td> <td>6</td> </tr> </tbody> </table>		Disclosure Type	Average Turnaround time – End to End			April 09 - March 10	April 08 - March 09	April 07 - March 08	Enhanced	25	26	21	Standard	6	7	6
Disclosure Type	Average Turnaround time – End to End																	
	April 09 - March 10	April 08 - March 09	April 07 - March 08															
Enhanced	25	26	21															
Standard	6	7	6															
		<p>This shows the speed of service delivery for standard disclosure has been sustained. However, the speed of service for enhanced disclosure has fallen back for the reasons outlined above. Mainly the reliance on performance of individual police forces.</p> <p>Since April 2008, CRB has had an unprecedented increase in demand for its service, which is running at 14 per cent higher than originally forecast for 2008-09. This increase has affected CRB's overall performance for processing Enhanced CRB checks. For Standard CRB checks, which are processed entirely within CRB, CRB has continued to exceed its service targets. CRB continually look at ways to</p>																

	improve performance and are currently exceeding on two of their key performance targets.
<p>PAC conclusion (xi): The range of vulnerable groups includes both old and young and it is important that the Bureau sets its priorities to ensure that proper protection is extended to all.</p>	<p>The CRB Five Year Strategy issued in 2006 set out for the CRB <i>“Our mission is to help protect children and vulnerable adults by providing a first-class service to support Organisations recruiting people into positions of trust.”</i></p> <p>This mission has run through all objectives set by the CRB since this date and is expanded in the current CRB mission statement:</p> <p><i>“To help protect children, vulnerable adults and society in general by providing a first-class service of criminal records information for employment and other vetting purposes.”</i></p> <p>The CRB continue to work closely with both Department for Education and Department for Health in the provision of the service as well as key regulatory stakeholders such as the Care Quality Commission, OFSTED, and the Security Industry Authority.</p> <p>In 2004, the CRB incorporated checks of the Protection of Vulnerable Adults (POVA) list held by the Department of Health within the CRB check process. This also included the provision of an additional service to allow a ‘quick-check’ to be made of POVA list so as to assist those employing individuals in certain care positions where due to the nature of the work and employment market a provisional check was required. This service has been heavily utilised by the care sector since introduction.</p> <p>In the Coalition Agreement, the government announced that they would review the ‘criminal records regime’. The terms of reference for the review are still under consideration and further announcements will be made in due course.</p> <p>CRB will play a key role in the vetting and barring scheme, which requires people working regularly with children and vulnerable adults to register with the Independent Safeguarding Authority (ISA). CRB will process applications for ISA registration and provide the ISA with relevant safeguarding information held by the Police. Voluntary registration was due to begin in July 2010, with existing workers being phased in over a five year period. In the coalition agreement, the government announced that they would review the scheme. In a statement on 15 June 2010, the government confirmed that they would halt July registration and ‘remodel’ the scheme. The details of the remodelling are not yet confirmed and further announcements will be made in due course.</p>

## 2004-05

<b>Improving the Speed and Quality of Asylum Decisions</b>	
<b>Recommendation</b>	<b>Update</b>
PAC conclusion (iv): The Department should look to expand its fast-track procedures, drawing on its experiences at Harmondsworth and Oakington and on those of other countries such as the Netherlands.	The UK Border Agency (UKBA) are proposing to carry out a detailed review of the asylum process in order to find ways of speeding up the system, in line with the aim set out in the Coalition Agreement. This review will draw on the experience of other countries, such as Sweden, Germany and the Netherlands which have strengths which we seek to replicate.
PAC conclusion (vii): Over the last five years, the proportion of appeals allowed has consistently exceeded the Directorate's target of 15 per cent, and has frequently exceeded 20 per cent. The appeals allowed rate has also varied significantly for applicants from different countries. The Directorate should examine why appeals are upheld, particularly amongst nationalities where appeal allowed rates are highest, and disseminate the lessons for improved decision-making to its caseworkers.	<p>Factors outside the control of the UK Border Agency can affect the overall percentage of allowed appeals; for instance, changing country situations have always been a problem for the agency and can result in case law adverse to the agency being promulgated. For example, following the Zimbabwe country guidance appeal of <i>RN</i> in November 2008, the rate of allowed appeals for that nationality increased significantly from November 2008 to March 2009.</p> <p>There are measures which the agency has taken to attempt to specifically address its performance at the appeal stage. These include:</p> <ul style="list-style-type: none"> <li>• putting in place an appeals process improvement group;</li> <li>• more formalised mechanisms for providing feedback from our staff who present the appeals;</li> <li>• the creation of country-specific working groups which seek to provide expert advice to staff who appear in court; and</li> <li>• development and delivery of bespoke training covering specific technical and legal issues, focussed on improving performance.</li> </ul> <p>The review of the asylum system which we propose to carry out will include a review of the appeals process in order to improve performance in terms of speed of process and upholding initial decisions. The review will draw on the experience of countries such as Sweden and Ireland, which have lower rates of successful appeals than the UK. The review will also build on the success of the Midlands and East region which has improved its allowed appeal rate due to a piloted process to address training needs and decision making quality based on local analysis of local judicial determinations.</p>
PAC conclusion (x): The Directorate has put in place procedures to detect possible multiple applications, but has not always acted promptly to investigate concerns raised by third parties about potentially fraudulent claims. There should be a clear contact point within the Directorate for whistleblowers and for following up information received, and robust procedures for acting upon likely cases of fraud.	We have made it easier for individuals or organisations to raise concerns with us either in person, by telephone or email. We also have arrangements in place for other government departments to validate cases for them, particularly Department for Work and Pensions. We have an agreement in place with Crimestoppers concerning the reporting of illegal working by members of the public. We continue to review internally how we manage information received from third parties and make the best use of it.

<b>Reducing crime: the Home Office working with Crime and Disorder Reduction Partnerships (CDRPs)</b>	
<b>Recommendation</b>	<b>Update</b>
<p>PAC conclusion (xi): The Home Office should explore the scope for sharing successful initiatives from elsewhere. One option would be to adopt the zero tolerance of low level crime and disorder used in New York, which helped to underline that crime is unacceptable and contributed to the reductions in crime in the city.</p>	<p>The Home Office Crime Reduction website provides links to the 'Center for Problem-Oriented Policing', a US site which produces thematic guides to tackling specific crime types according to problem-solving principles and facilitates the international Goldstein Awards (Home Office funds and manages the UK version, the Tilley Awards). In addition, a link is provided to the European Crime Prevention Awards to share learning from the annual winning entries. In 2010, the Effective Practice Database (EPD) will provide links to the latter and other external stakeholder databases to share wider practice.</p> <p>The NPIA, and to a lesser extent Her Majesty's Inspectorate of Constabulary (HMIC), have as part of their remit a role in engaging with international crime fighting bodies with a view to assimilating best practice and looking at how this can be applied to operational policing in England and Wales.</p>

## 2005-06

<b>Visa Entry to the United Kingdom: The entry clearance operation</b>	
<b>Recommendation</b>	<b>Update</b>
<p>PAC conclusion (iv): 50% of appeals by applicants intending to visit family members in the United Kingdom have led to the original decision being overturned in the appellant's favour. Indicators which UKvisas could use to provide more information for monitoring purposes on the quality of decisions include analyses of refusal rates, appeal outcomes and the number of decisions which are overturned following management review. Such analyses could highlight differences between posts and categories of application, and trends across years, in the consistency and quality of decision-making.</p>	<p>International Group (IG) completed a survey of 546 appeal cases across three visa sections at the beginning of 2010. A key finding was that 92% of the refusal decisions were reasonable but that we need to more rigorously review refusal decisions in the light of the grounds of appeal. The file sample indicated that in approx. 25% of the appealed decisions the grounds of appeal had addressed the reasons for refusal. Acting on this finding we have made Entry Clearance Manager (ECM) reviews mandatory for all appealed cases. As part of the review, the ECM is to provide a statement addressing the grounds of appeals and explaining why the decision is to be maintained (if that is the review outcome). This measure should result in fewer but more robust decisions going forward to appeal. The study has highlighted that the Immigration Judge will often accept the sponsor's evidence at an oral appeal. Other factors which influence the outcome of the appeal include Presenting Officer representation and we are working with UKBA colleagues on representation rates. We also produce a quarterly digest providing analysis of appeal outcomes on a post by post, region by region basis. For 2009-10 the Global dismissal rate was 62% against a target of 75%. Regional performance varied between 58% and 71%. We also collect Presenting Officer feedback commenting on quality of decisions and appeals bundles. Feedback demonstrates 81% of refusal notices stand up to challenge. Currently 90% of bundles are reaching the Tribunal prior to hearing. Findings are disseminated to Post with those areas requiring improvement or action specifically highlighted. This information is also used by our Training Section in their Entry Clearance Officer/Entry Clearance Manager training sessions. Guidance for posts on appeals is subject to ongoing review in the light of findings of these reports and general appeals trends.</p>



<p>PAC conclusion (v): There is currently no systematic check on whether visa holders comply with the conditions of their visa once they are in the United Kingdom. So UKvisas is not able to evaluate whether it is achieving its objectives in entry clearance. The Home Office's 'e-Borders' programme is intended to provide the facility to electronically track everyone entering and leaving the country. The Home Office and UK visas should use this information to provide systematic feedback to entry clearance staff on when visa holders leave the United Kingdom.</p>	<p>The e-Borders system went live in May 2009. It is now building histories of passenger movements and International Group is able to interrogate the e-Borders database to check compliance of visa nationals.</p>
--	---

<b>Returning failed asylum applicants</b>	
<b>Recommendation</b>	<b>Update</b>
<p>PAC conclusion (v): The Directorate needs to undertake a fundamental review of its approach to removals, building on progress it has already made and on the following specific proposals.</p> <ul style="list-style-type: none"> <li>• A removals strategy with integrated functions, targets and IT.</li> <li>• Tailor approach to different segments of the population, making appropriate use of detention, monitoring and tagging and good practice from the US.</li> <li>• Improve effectiveness and awareness of voluntary removals.</li> <li>• Speed up enforcement through better use of arrests and learning lessons.</li> <li>• Reduce overhead costs.</li> </ul>	<p>The removals strategy has to balance what is required across a range of activity. The UK Border Agency has been tasked with increasing the number of Foreign National Prisoners (FNPs) removed year on year and driving up the number of total removals from the UK (FNPs, Failed Asylum Seekers (FAS), and Immigration offenders). These use the same detention, documentation, flight and escorting resources. As part of this strategy, there is an integrated approach to the removal of FAS in place which has specifically aligned detention with the strategy, invested in increasing awareness of support available to increase voluntary returns focussed around tailored packages for target groups aligning marketing of voluntary returns with enforcement activity to shift the relative attractiveness of voluntary returns to FAS. In parallel, the agency has improved processes to obtain documents as well as reduce the number of failed removals by integrating flight and escort bookings better and strengthening the contract management arrangements of the external suppliers providing these services. These along with refinements to the policy on judicial reviews are reducing overhead by increasing the proportion of successful asylum removals.</p>

<b>Home Office Resource Accounts 2004-05 and Follow up on Returning Failed Asylum Applicants</b>	
<b>Recommendation</b>	<b>Update</b>
<p>PAC conclusion (v) (a): The Home Office needs to direct staff in HM Prison Service and the Immigration and Nationality Directorate to review all cases of foreign national offenders at the beginning of their custodial sentence to prepare for immediate deportation on release from custody, resolving obstacles, such as travel documentation issues, at the earliest opportunity.</p>	<p>UKBA continues to address the challenges around FNPs by working closely with the National Offender Management Service (NOMS). An effective system to ensure that all foreign national prisoner cases (who meet deportation criteria) are identified and referred to UKBA at the earliest opportunity has been implemented. NOMS and UKBA are also working towards a reduction in the number of prisons holding small numbers of FNPs with the view to developing a critical mass and UKBA staff are already embedded in 9 prisons to increase efficiency, ensure quicker removals and more compliant prisoners. (At these designated prisons FNPs are interviewed within 5 days of being sentenced). In addition, where sentence length allows, consideration of an individual's case will be commenced 18 months prior to the earliest removal scheme date.</p>

**2006-07**

<b>Tackling Anti-Social Behaviour</b>	
<b>Recommendation</b>	<b>Update</b>
<p>PAC conclusion (i): There are currently at least 10 different interventions available to antisocial behaviour coordinators which have been introduced piecemeal over the last ten years all with different procedures to put them in place. The Home Office is planning to increase their number further. In the light of the low take up of some, such as the Individual Support Order, and the tendency of Anti Social Behaviour Coordinators to use only a few measures, the Home Office should take stock of measures already on the statute book, consider whether all are necessary, and how to make them easier to understand and use at local level.</p>	<p>A research study by Aberystwyth University was commissioned in January 2009 and will provide a quantitative analysis of all anti-social behaviour (ASB) tools. The report is expected later this year when the findings and their implications will be assessed. This will inform our approach in encouraging local areas to make best use of existing measures.</p> <p>The Home Office continued to support practitioner run workshops. For example, the outcomes from a series of workshops in 2007-08 fed into the publication of comprehensive guidance in March 2008. A further series of workshops on tackling breaches of Anti-Social Behaviour Orders (ASBO) were held at the end of 2009.</p> <p>The Coalition Government is currently considering a review of all ASB tools and powers.</p>

<b>Asset Recovery Agency (ARA)</b>	
<b>Recommendation</b>	<b>Update</b>
<p>PAC conclusion (iii): Management information systems do not include a comprehensive database of cases referred to and being handled by the agency, nor a time recording system for staff. The cost of pursuing individual cases and the productivity of staff cannot therefore be easily assessed by management, hindering effective decision making on, for example, the prioritisation of cases and the most effective deployment of staff resources. The agency and Serious Organised Crime Agency should implement management information systems to provide reliable and easily accessible information on total caseload activity, prioritisation of work, cost of handling cases, productivity of staff and monitoring of case progression.</p>	<p>In May 2008, the SOCA Board agreed to implement a basic interim time recording system for CRT staff. The Civil Recovery and Tax Branch (CRT) investigators populate a monthly SOCA 'resource usage chart' to show activity broken down by officer and operation. This is recorded in hours of activity for formally tasked operations and project work; and for assessments by name of individual, which are undertaken prior to adoption. CRT are able therefore to (a) account for each officers time in relation to each operation or project and (b) total how many staff hours have been spent on each operation or project.</p> <p>SOCA Legal does not currently contribute to a monthly resource chart, but do calculate their time separately for certain operations, when it is thought appropriate to seek costs at Court if SOCA wins. There are no provisions to include investigators costs in civil litigation, as all Court work must be done by a lawyer; but if required they too could calculate staff hours on specific case work. SOCA Legal has approval to purchase specialist software to record their time on all cases and is engaged in the process to procure this.</p> <p>Although time basic time recording is in place, SOCA have gone further and the 2010 IT Project has articulated several requirements around an integrated time recording system which could be applicable to all of SOCA (including Legal), both aligned to Case Management and Workflow; and is expected to be in place within the next two years.</p>



## 2007-08

<b>Reducing the Risk of Violent Crime</b>	
<b>Recommendation</b>	<b>Update</b>
<p>PAC conclusion (vi): Gang activity and gang violence is a factor in violent crime but the Home Office has a limited understanding of the nature of gang membership and activity, and how such activity has changed over time. The Home Office should conduct further research into the reasons why youths join gangs and use this understanding to provide guidance to local communities in their efforts to develop targeted diversions away from gang membership.</p>	<p>As part of the second phase of the Tackling Knives and Serious Youth Violence Action Programme, the Home Office requested local police forces and their partners to develop problem profiles to gain a better understanding of their local serious youth violence problem. In some of the profiles, gangs were identified as an issue alongside other concerns, such as night-time economy and domestic violence. Using the profiles, local areas developed bespoke responses, including gang issues where appropriate. The Home Office has also published guidance for local partnerships on tackling gangs, which focuses on enabling local areas to develop detailed understanding and bespoke responses. Feedback from local areas is that this has been a useful tool.</p> <p>The Home Office completed research on serious youth violence using information gathered from a range of sources, including Criminal Justice System (CJS) figures and NHS data on relevant admissions. Analysis results identified areas where knife crime is a particular issue, and indicated that younger age groups were increasingly involved in knife crime. The Home Office continues to work to develop its understanding of gang activity and membership using operational data and reviewing existing research evidence.</p>
<p>PAC conclusion (viii): As of summer 2007, less than one third of Partnerships had a written strategy, and fewer than half had a specific violent crime group to tackle violent crime. The Home Office should promote good practice in violent crime groups and strategies by establishing the different types and quality of those already in existence in different areas, and publicising what works well.</p>	<p>The Home Office is keen that areas develop strategies and form groups according to local needs and priorities. Some areas have discrete violent crime strategies while others integrate tackling violence into overall crime or community safety plans or strategies. For example, Chief Constable Brian Moore, the ACPO lead on Violence and Public Protection, is working across all forces to ensure they have a tackling violence strategy in place that reflects local priorities and issues.</p> <p>The Home Office has produced various pieces of guidance which promote good practice and publicises what works well – for example:</p> <ul style="list-style-type: none"> <li>• a practical guide for dealing with alcohol-related problems</li> <li>• tactical options for dealing with alcohol-related problems</li> <li>• effective practice on knives</li> <li>• effective practice on gangs</li> <li>• a leaflet giving guidance to parents on gangs.</li> </ul>

## 2008-09

Independent Police Complaints Commission (IPCC)	
Recommendation	Update
<p>PAC conclusion (vii): The IPCC's Advisory Board was established as a 'critical friend' to the IPCC, providing key stakeholders with a forum to provide feedback to IPCC Commissioners and senior managers on how the IPCC and the wider complaints system are performing. Of the 15 member organisations, however, all but two represent government, police or staff interests. More needs to be done to establish better contacts with complainant groups. The IPCC should re-examine the composition of its Advisory Board with a view to making it more representative of all relevant interest groups.</p>	<p>The Commission considered the future of the Advisory Board and decided that given the effective bilateral liaison arrangements which were now in place with the majority of members and as the organisation matures, it was no longer required and was abolished in March 2009.</p> <p>The IPCC already engage with community stakeholders and complainant groups as part of particular projects and thematic areas of work; these include Gender Violence, London Community Advisory Group, and the revision of the Statutory Guidance. To further strengthen our contacts with complainant groups we agreed a Community Engagement Plan in May 2010; one of the strands of this Plan will be to look at establishing a National Forum.</p>
<p>PAC conclusion (ix): The IPCC has a number of performance measures to identify how well it is handling its workload but does not have any measures which monitor the wider impacts that its work is having on the police. The IPCC should introduce performance measures that would help to establish its overall impact in improving the performance of the police.</p>	<p>The IPCC have worked with stakeholders to develop a comprehensive performance framework for the police complaints system. The framework includes a set of performance indicators that will inform the IPCC as to whether defined outcomes, such as greater access and improved confidence in the police complaints system and evidence of lessons learned being fed back in to operational policing, are being achieved. This framework will form the basis of performance management across the system, providing a consistent evidence base to support forces in performance monitoring and improvements.</p> <p>The implementation of the framework has been temporarily delayed by IT issues but should be fully operational across the IPCC and all Forces by Autumn 2010.</p>

## 2009-10

Management of Asylum Applications	
Recommendation	Update
<p>PAC Conclusion (i): The Department has made significant progress in the management of asylum applications through the New Asylum Model. Since our predecessors' report <i>Returning failed asylum seekers</i> published in 2006, the Department has made substantial improvements in the management of asylum claims, but still faces major challenges to sustain this improvement.</p>	<p>The agency is committed to exploring new ways to improve the current asylum system to speed up the processing of applications. The review of the asylum system will include a comparison of international systems to consider whether particular countries operate individual elements of the process more efficiently than the UK.</p>
<p>PAC Conclusion (ii): The Department still has some way to go to meet its aims of reaching initial decisions in 80% of cases within two months of an application and of concluding all cases within six months. The average time taken to reach an initial decision in Asylum cases had fallen from 22 months in 1997 to seven months in 2007. Whilst the Department's focus is on concluding cases, the Department should continue to reduce the time taken to reach a decision and consequently reduce the cost of managing asylum applications. For example, the Department needs to reach a decision on entitlement to accommodation and</p>	<p>The agency anticipated the need to increase resources in line with our targets and recruited sufficient Case Owners in each of the agency's Regions to continue to improve the time taken to reach an initial decision. The agency's Regions are now fully responsible for the development of the required flexible workforce. They will be investing in Case Owner development and managing regionally based recruitment campaigns as necessary so that staff can carry out a variety of functions and respond to fluctuations in intake.</p> <p>The agency agrees there is potential for further savings to be made on initial accommodation and has been reducing spend steadily for some time. There has been a reduction in</p>

support more quickly to reduce the cost of initial accommodation.	cost from £31.1m in 2006-07 to £14.9m for 2009-10.
<p>PAC Conclusion (iii): Following an increase in Asylum applications in 2007, the number of applications awaiting a decision by a Case Owner doubled from the second quarter of 2007 to a total of 8,700 in the second quarter of 2008. The Accounting Officer assured the Committee that the Department was still working on these cases and was not creating a new backlog. The Department needs to be more flexible and responsive to surges in the number of applications, reallocating resources to deal with fluctuations in demand as they arise, addressing variations in performance in different regions, reducing the number of cases awaiting a decision and minimising the cost of processing cases.</p>	<p>Increased flexibility for regions on how they deploy staff and the creation of a Supervisory Framework within which regions must prioritise work are designed to address this conclusion. The Supervisory Framework works on the premise that each Region will still need actively to manage all asylum claims that are over six months old. It sets out some parameters according to which Regional Directors must prioritise work on these cases and stipulates a regular reporting mechanism for Regional Directors to account for the management of the entirety of their unresolved caseload. Within these parameters and the reporting mechanism Regional Directors are afforded a significant degree of autonomy as to the prioritisation of this caseload. The Supervisory Framework has allowed regional asylum leads to ensure active management of caseloads that have exceeded six months. Recruitment has also allowed the establishment of Out of Service Standard Teams who are a dedicated resource for this caseload.</p>
<p>PAC Conclusion (v): Detention is important in ensuring that failed asylum applicants can be removed from the UK expeditiously once their case is decided. The Department has fewer detention spaces than it needs to meet its operational and business needs. This shortfall is due both to a lack of physical capacity and also to the large number of spaces occupied by foreign national prisoners awaiting deportation. Despite the previous recommendations of this Committee, it will be 2013 before the Department has the number of spaces it thinks it needs. To make best use of the available spaces, the Department should:</p> <ul style="list-style-type: none"> <li>a) Review how it uses its estate and whether this meets current and future needs and</li> <li>b) press on with implementing our predecessors' recommendation to review all foreign national prisoner cases at the beginning of their custodial sentence to prepare for immediate removal of offenders recommended for deportation on their release from custody.</li> </ul>	<p>The UK Border Agency is developing its detention estate to remove more of those with no legal basis to be in the UK, but it takes time to do so.</p> <p>We delivered a number of expansion projects in existing centres at Lindholme, Oakington and Dungavel House in 2008, opened Brook House, a new Centre near Gatwick in March 2009 and will be opening new wings at Harmondsworth next month, which will provide another 364 bed spaces.</p> <p>We have planning consent for new centres at Bullingdon and Bedford, and whilst the construction of these is currently unaffordable, we are considering a range of different options for developing the estate further once the future funding position for the agency becomes clearer after the spending review.</p> <p>UKBA continues to address the challenges around Foreign National Prisoners (FNPs) by working closely with the National Offender Management Service (NOMS). An effective system to ensure that all foreign national prisoner cases (who meet deportation criteria) are identified and referred to UKBA at the earliest opportunity has been implemented. NOMS and UKBA are also working towards a reduction in the number of prisons holding small numbers of FNPs and UKBA staff are already embedded in 9 prisons to increase efficiency, ensure quicker removals and greater compliance by prisoners.. (At these designated prisons FNPs are interviewed within 5 days of being sentenced). In addition where sentence length allows, consideration of an individual's case will be commenced 18 months prior to the earliest removal scheme date.</p>
<p>PAC Conclusion (vi): Removals of failed asylum seekers have fallen over the period 2006-08, and the majority of removals have been achieved primarily from legacy cases, and cases held in detention, with few successful removals being achieved by the New Asylum Model teams in the regions. The Department should monitor regional variations in removal</p>	<p>The UK Border Agency is committed to increasing removals.</p> <p>The agency has strengthened its performance governance arrangements and approach to planning and monitoring regional performance. This includes close monitoring of regional effectiveness and efficiency on a weekly and monthly basis and spreading of best practice. A number of key actions have also been taken to ensure we are getting</p>

<p>rates closely to identify best practice, as well as any local issues which may be holding back removals.</p>	<p>the operational fundamentals right, breaking down silo working and removing policy and country-specific barriers to removal. Increased volume of removals of unfounded cases from a particular country of origin tend to drive down intake from that country - e.g. China, Iraq and Afghanistan - meaning that FAS removals performance is always vulnerable to changes in the precise country of origin case mix. The agency and Foreign and Commonwealth Office focuses significant attention on ensuring we act quickly to respond to such changes but our leverage of some of our highest intake countries is limited by the political situation in those countries in many cases making rapid progress challenging to achieve.</p>
---	--

<p>PAC Conclusion (vii): Making a successful enforced removal of a failed asylum applicant is challenging as it requires the Department to coordinate documentation, transport and escorts against the backdrop of legal challenges and international relations. To improve the chances of a successful removal, the Department should:</p> <ul style="list-style-type: none"> <li>a) improve coordination of flights, escorts and detention;</li> <li>b) press on with its work with the Ministry of Justice, Scottish Executive and courts in the UK to speed up the Judicial Review process and to reduce the number of applications for Judicial Reviews applied for on the same grounds that are allowed, and</li> <li>c) work with the Foreign and Commonwealth Office to increase the number of countries from which it can obtain Emergency Travel Documents and use more of those documents to effect removals.</li> </ul>	<p>In order to improve the process for booking both flights and escorts the agency has developed a new electronic booking system which is part of the newly approved five year ticketing contract which went live on 1 May 2010. This approach moves the agency to the concept of a one stop shop, significantly streamlining the booking process for case owners and providing an opportunity to reduce escorting costs through a reduction in cancelled removals. The new process will also ensure that ticketing and escort providers are notified of cancellations at the earliest opportunity.</p> <p>The alignment of the ticketing contract and the escorting contract via an interface agreement whilst producing some significant immediate benefits will also allow the market to adapt its position to meet the agency’s requirement for a “one stop shop” service provider by the next re-tendering exercise in five years.</p> <p>The UK Border Agency has agreed a number of policy changes on judicial review challenges; including ceasing to automatically suspend a removal where there has been a previous Judicial Review on the same grounds within the three months preceding the current challenge and where a judicial review is requested on a case that has exhausted all appeal rights and had removals directions set within three months of becoming appeal rights exhausted and the judicial review does not raise any ground not covered in the appeal. Where new grounds are raised and if these cannot be dealt with in time then the removal is suspended but these are a minority of cases where the new policy applies.</p> <p>The UK Border Agency has been working with the Foreign and Commonwealth Office to procure more Emergency Travel Documents (ETDs). Some ETDs are time limited and expire before legal proceedings are concluded or before an applicant who has absconded is found again. The agency has focused attention on improving re-documentation processes. Specifically we have focused on improving the quality of applications for documents; working with other Governments to reduce the amount of time before documents are issued; utilising a larger proportion of documents received and reducing the time taken between receipt of a document and removal. Significant progress has been made on each of these aspects and further improvements are anticipated over the next year.</p> <p>The development of Country Plans detailing our priorities and objectives for key UK Border Agency countries is part of</p>
---	--



	<p>this work. The plans cover the remit of the whole agency and identify all the levers available to influence our key objectives, primarily returns.</p>
<p>PAC Conclusion (viii): Around 20-25% of appeals against a refusal decision are upheld. Reasons include changes in circumstance in the country of origin, insufficient evidence presented by the Department and poor decisions. The Department is reliant on appeals to overturn poor initial decisions where Asylum is refused. The Department's decision making process would be more effective if it:</p> <ul style="list-style-type: none"> <li>a) collected and analysed data nationally on why appeal cases are being upheld and fed the results back to Case Owners;</li> <li>b) used the findings of its Quality Assurance Team, and systematic checks by line managers to disseminate good practice to Case Owners and to identify and reverse incorrect decisions;</li> <li>c) set and published targets to increase the quality, as well as the speed, of initial decisions to help increase public confidence in its decision-making process, and</li> <li>d) collected and disseminated nationally information on the number of decisions reversed as a result of discussions between its quality auditors and local senior caseworkers.</li> </ul>	<p>The establishment of a Quality Audit Team (QAT), which has been assessing asylum decisions against an agreed framework with the United Nations High Commission for Refugees (UNHCR) ensured that improved decision-making continues to be promoted. The UNHCR has praised the advanced quality assurance system that the agency uses to assess the quality of asylum decision making. The agency has been asked to share its approach to quality with EU and international partners.</p> <p>The agency is committed to improving further the quality of decision making and building on the work it is already doing with UNHCR. A dedicated team conducts regular quality assessments and shares their findings with regional teams. This team has now taken on responsibility for auditing appeals work and the same quality auditing mechanisms will now be used to feed back to case owners on the quality of appeals casework.</p> <p>The agency reviews asylum decisions when appeals are lodged and does reconsider decisions before the appeal is heard. It has taken further measures to address performance at the appeal stage including creating country-specific working groups to provide expert advice to staff in court and training on specific technical and legal issues, focusing on improving performance.</p> <p>The agency is planning to establish a process in the Midlands and East Region during 2010 in which legal representation is made available at the asylum decision stage. At present, such representation is only publicly funded at appeal and this may help explain a proportion of appeals that are allowed. This process will be monitored to establish the extent to which less appeals result from higher quality decision making and to establish the impact on whole life cycle costs within the asylum system.</p> <p>We are committed to reviewing the asylum system to ensure that better and faster decisions are made.</p>
<p>PAC Conclusion (ix): The Department does not have a set formula for dispersing Asylum applicants around the UK. The primary criterion is the availability of accommodation, which can result in individuals becoming isolated. The Department should take a more logical approach to allocating asylum applicants to accommodation in its regions. This approach should not only take account of the availability of dispersal accommodation in an area but also strive to provide applicants with appropriate linguistic and social support networks to avoid isolation, without overburdening any one locality.</p>	<p>Asylum seekers are dispersed within each region. It is acknowledged that, at the point of dispersal, the primary criterion is availability of accommodation. However, prior decisions on where accommodation is located follow the direction of a network of Regional Strategic Fora which comprise key local corporate partners and local agency staff. These fora help decide where within each region is suitable for dispersed accommodation. Ethnicity will form a part of their reasoning, as will the existing linguistic and social support networks mentioned by the committee. However the agency is preparing to replace the current suite of asylum support contracts, including our accommodation contracts, that are due to expire in 2011. As part of our work to define the requirements for these contracts we will consider further whether we should revise our approach to allocating asylum applicants to accommodation in our regions.</p>

<p>PAC Conclusion (xi): The Department acknowledged the legacy of underinvestment in IT and new technology. Case Owners use fax machines, paper files, hand-written interview notes and outdated computer systems and will not get a better IT system until 2013. This wastes Case Owner time and carries a risk that personal information could be lost. The Department should continue to develop and expand its use of new technology, for example, digital recording of interviews and electronic information exchange, and prioritise the introduction of those systems which reduce the risk of losing sensitive personal information and increase the productivity of Case Owners.</p>	<p>Modernising the agency's case work system is a priority. A new, user friendly and flexible case working and IT system called INTEGRITY is under development by the Immigration Case Work Programme (ICW). INTEGRITY will replace the agency's Case Information Database with an integrated system that will give case owners access to around 20 other systems via a single screen, and improve the accuracy and speed of decisions. A key function will be drawing together all case working interactions between the UK Border Agency and an individual, enabling the caseworker to gain a single accurate view of the customer. We will also establish a document management capability that will enable UKBA to transition to paperless casework.</p>
<p>PAC Conclusion (xii): Reviewing refugee status after five years starting in 2010 will be challenging for the Department. In implementing its plan, the Department should:</p> <ul style="list-style-type: none"> <li>a) identify and prioritise cases where it has not got the refugee's contact details;</li> <li>b) put in place a process to maintain contact with new refugees, and</li> <li>c) identify the resources needed to review their cases from 2010.</li> </ul>	<p>These Indefinite Leave to Remain applications will be considered in the North West region. The North West region will continue to review and manage their resources to process the applications received.</p> <p>UK Border Agency Officials are working with corporate partners to communicate the application process to those refugees and people with Humanitarian Protection who are affected, and we anticipate that most of them will apply before their leave expires. However, it is recognised that in a minority of cases, applications may be submitted late and that there may be exceptional reasons for this. All out-of-time applications will be assessed on a case-by-case basis and we are exploring ways in which we might guard against the potential loss of entitlements for those who have genuine mitigating circumstances.</p>
<p>PAC Conclusion (xiii): The Department's assurance that it will meet the target to conclude all legacy cases by 2011 is welcome, as some of these old cases may prove challenging. The Department should provide the Committee with a report in 2011, confirming that all legacy cases have been cleared and identifying the lessons learned.</p>	<p>The UK Border Agency is still on track to resolve the backlog by summer 2011. The agency will report to the Committee when it has concluded the asylum backlog.</p>
<p>PAC Conclusion (xiv): Backlogs have built up in other areas of the Department's core immigration work. The Department acknowledged that it had pockets of immigration cases awaiting resolution, for example, applications for leave to remain on the basis of marriage to a UK spouse, where decisions have been outstanding over a period of three or four years or more. We look to the Department to conclude these cases and eradicate the backlogs with the same degree of effort and in the same timescales as the legacy asylum cases.</p>	<p>The UK Border Agency has identified a group of older, non-asylum cases where we have dealt with the application, but where we have no formal record that the individual has left the country. Lin Homer, Chief Executive of the UK Border Agency, reported in her letter to the Home Affairs Select Committee in October 2009 that sampling suggests that the majority of these cases have already been concluded, the nature of these cases, where discrepancies exist between the paper records and our computer systems, mean that each case needs to be individually reviewed to establish its status and whether any further action is required. The Case Resolution Directorate will use the expertise they have developed in making such progress with the older asylum cohort, to effectively review and archive these cases. Other areas of the business are also reviewing their files to ensure any cases of this type are treated consistently. All of these files will be reviewed and archived by summer 2011.</p> <p>In addition there are about 4,300 cases remaining after the clearance of a 77,000 backlog of Euro cases. These</p>

	<p>delayed applications were due to ongoing enquiries and the need for policy in a number of "marriage" cases. The policy is now in place to deal with the marriage cases and these are now being cleared. We have begun an audit of the remaining cases and are contacting those conducting the enquiries to ascertain whether they can now be decided. Those that cannot be decided will be reviewed monthly.</p>
--	---

<b>Financial Management in the Home Office</b>	
<b>Recommendation</b>	<b>Update</b>
<p>PAC Conclusion (i): Having considerably improved its financial management in recent years, the Home Office needs to sustain momentum by incorporating strong financial management as standard across its business. The department has made substantial progress in response to our recommendations in July 2006 to improve its basic financial systems and processes. We note that the Home Office is held up by the Cabinet Office as a good example of financial management in the Civil Service, and we look to the Home Office to continue to target financial management improvement, maintaining and building on its improved position.</p>	<p>The department's strategy for finance improvement has been refreshed to provide a vision of financial management that is "embedded, supportive, efficient and professional". The strategy will continue to deliver a range of improvements projects, overseen by the Home Office Finance Directors' Working Group.</p> <p>The department will monitor the effectiveness of the Financial Improvement Strategy by a further self-assessment against the standards of the Chartered Institute of Public Finance and Accountancy (CIPFA) Model.</p>
<p>PAC Conclusion (ii): The department is confident that sound financial management is now routine but recognises the need for further improvement. The next step should be to refresh the department's strategy for finance improvement, focusing particularly on driving greater financial awareness to staff at all levels and in all aspects of the business, and to report its progress to them in its Departmental Annual Report.</p>	<p>During 2009-10, the department added courses on <i>Systems Thinking, Regularity and Propriety</i> and <i>Working Effectively with Commercial Suppliers</i> to its range of financial management workshops for the Senior Civil Service. At the same it has broadened the range of financial management training offered to middle managers. An analysis of the training needs for junior finance staff has been undertaken and new training has been developed for 2010-11, in response to the priorities identified.</p>
<p>PAC Conclusion (iii): The department faces increasing demands on limited resources and needs a greater understanding of the value gained from expenditure in every area of its business. Operating Reviews have the potential to be an effective mechanism to hold all areas of the business, including arm's length bodies, to account for their use of resources, management of risk and the outcomes achieved. The department should continue to refine and strengthen the Operational Review process, including by developing enhanced profiling and modelling tools.</p>	<p>The department will ensure that Operating Reviews continue to be a key tool. All areas of the business will be held to account on the delivery of objectives and the effective use of resources.</p> <p>The department has a robust VfM programme, with a strong track record of delivery, overseen by its VfM Board that includes the Permanent Secretary and other senior officials. With increasing pressure on resources, the department is strengthening its programme further, by embedding it into the core of policymaking, resource allocation and management processes within the departmental boundary and in the police service. This includes bringing focus to VfM in our delivery, helping ministers and officials to optimise the impact of expenditure choices in systems that span organisational boundaries. Our Financial Improvement Strategy includes projects aimed at developing advanced profiling and modelling tools.</p>



<p>PAC Conclusion (iv): The substantial improvements the department has made to its financial management since 2006 stand it in good stead to respond appropriately to changes in its responsibilities and priorities. The department assured us that it considered itself to be 'ready for anything'. To sustain and consolidate the improvements it has made to its financial management, the department should build in the flexibility, capability and capacity to respond to new challenges, while at the same time honouring the assurances already given to us in respect of the other parts of its business, such as immigration and asylum.</p>	<p>The department has put in place the refreshed finance improvement strategy to enable the department to sustain and consolidate the improvements it has already achieved in financial management. This is supported by the work of the Finance Careers Development Group and on the specific recommendations made by the committee on asylum and the immigration system; plans are in place and actions underway.</p> <p>The department continues with its improvement agenda. Operating Reviews address direction setting and prioritisation at senior management level, and the contribution that staff can make in developing options and informing decisions.</p> <p>The department has taken a pro-active approach in <i>Matching Resources to Priorities</i>. This has given a clear focus on the Department's current and future key priorities, and a basis for reacting quickly and flexibly to changes in those priorities to meet ministerial requirements and in response to economic or social change.</p> <p>The department is able to demonstrate sustained progress in embedding strong risk management capability across all of its business areas. A comprehensive process, endorsed by objective audit examination, has been established to ensure the full range of risks is identified, and a well-developed process is in place to manage, mitigate and escalate them.</p>
<p>PAC Conclusion (v): The department has found it challenging to set fees for services accurately enough to cover costs without creating a deficit or a surplus. Legislation requires the department to set fees at levels that cover the costs of the services it provides to UK citizens, although exceptionally the Treasury can approve a higher fee to offset an earlier deficit or to fund a capital investment programme. When setting fee rates for 2010 and beyond, the department should model costs, fees and demand against a revised range of assumptions and identify the best options at the fee setting stage for managing fees within these assumptions.</p>	<p>The department is carrying out further analysis of forecast demand and costs to strengthen existing complex models and share best practice. Significant uncertainties will nevertheless remain, in particular around demand levels, which are likely to be more variable in the current economic climate. Lessons have been learned from reviewing the results of previous modelling methodologies against actual outcomes and refinements made to modelling assumptions. The appropriate note to the accounts has been updated to improve transparency over where and why deficits and surpluses have arisen.</p>

<p>PAC Conclusion (vii): The Home Office has only limited mechanisms available to it to hold police forces and police authorities to account for the £5 billion funding it provides for policing, its largest single area of activity. We note the newly enhanced role being developed for HM Inspectorate of Constabulary (HMIC) and look to the Department to use the inspection regimes of HMIC and the Audit Commission to strengthen the accountability exercised by local police authorities, whilst identifying poor performing forces, and to encourage them to improve.</p>	<p>The Policing White Paper was published in December 2009 and set out a clear role for HMIC as an advocate of the public interest. It also made clear that HMIC would take on a performance management role for the service and take a view on behalf of the public on the quality of policing in their area. Police Report Cards were published for each force on the 11 March and the results can be viewed at <a href="http://mypolice.org.uk/">http://mypolice.org.uk/</a>. This included an assessment on:</p> <ul style="list-style-type: none"> <li>• Local Crime and Policing,</li> <li>• Confidence and Satisfaction</li> <li>• Protection from Serious Harm</li> </ul> <p>Each Police Authority will be inspected on four areas and one of these is value for money. HMIC, supported by the Police Performance Steering Group (PPSG), monitors police force performance on an ongoing basis. PA inspections are underway and as of March 2010, 10 PAs had been inspected and an interim findings report published by HMIC. The report has helped to highlight key opportunities for improvement and an Improvement Support Group, chaired by the Association of Police Authorities (APA) has been established to ensure that, with the support for the Home Office, NPJA and organisations such as IdEA, it is in a position to drive the necessary improvements.</p>
<p>PAC Conclusion (viii): A Single National Target for Police offers scope to incentivise local police forces to meet local priorities, and yet achievement of the target is influenced by many factors and not just police activities. Time will tell whether the Single National Target in its current form is an adequate measure of police performance. The department should use the information generated by the annual surveys that measure attainment of the target to identify regional variations in performance, and the results of HMIC's and Audit Commission's work to seek real improvements in performance, year on year.</p>	<p>The single national target for the police (60 per cent by 2012) was to raise public confidence in both the police, and the local councils dealing with crime and anti-social behaviour. This target used the British Crime Survey (BCS) to monitor the position and each police force (excluding City Of London) had its own individually set target, which can be monitored at police force level. Performance management arrangements had been agreed with HMIC's broader assessment to drive through improvement. Public confidence increased from 45 per cent in March 2008 to 50 per cent by July 2009, placing it ahead of planned trajectory.</p>
<p>PAC Conclusion (x): Newly established bodies did not have the appropriate financial resources, processes or procedures in place at start up to enable them to function effectively. This is a recurring theme and we look to the Treasury to remind departments to resource new organisations and business areas from start up to carry out their functions effectively.</p>	<p>A project has been undertaken as part of the finance improvement strategy to examine lessons learned from the department's experience of newly established bodies. The department has also looked at how it can ensure operational and policy business managers take sufficient account of the need for robust financial management when new business areas are established, and also as an integral part of the ongoing lifecycle management of the bodies. Recommendations have been agreed by finance directors for implementation during 2010.</p>

<p>PAC Conclusion (xi): The Department has a poor record of notifying Parliament in advance of accepting contingent liabilities and could not give an assurance that it would notify contingent liabilities in advance of accepting liabilities in future. Retrospective reporting is unacceptable and is tantamount to flouting Parliamentary procedure.</p> <p>The Home Office should conduct a review to identify any unreported liabilities and strengthen its procedures for:</p> <ul style="list-style-type: none"> <li>a) identifying when a liability will be created;</li> <li>b) for planning submissions so as to allow Parliament the full 14 sitting days to consider the liability and comment or raise questions or objections, and</li> <li>c) for drafting an accurate and complete departmental Minute to make the notification.</li> </ul>	<p>Procedures have now been strengthened across the Department, with guidance issued to all areas highlighting reporting requirements. New controls are in place to ensure the early identification of contingent liabilities, and the submission of high quality departmental minutes, allowing the full 14 sitting days for Parliamentary review.</p> <p>A review was commissioned to identify all contingent liabilities throughout the Department. The review is risk based, having identified those business areas most likely to engage in activities giving rise to reportable liabilities. Regular liaison has occurred with those business areas to assist in the review. Feedback will be considered, and a formal report written based on the findings. The report will be provided to the Permanent Secretary.</p>
---	--

## Complaints to the Parliamentary Ombudsman

In 2008–09, the Ombudsman received 818 complaints against the Home Office of which 25 were reported on as shown in the table below. These figures have been taken from the most recently published Ombudsman's Annual Report 2008–09. For more information on the Ombudsman complaints process and classification of complaints, refer to:

[http://www.ombudsman.org.uk/improving\\_services/annual\\_reports/index.html](http://www.ombudsman.org.uk/improving_services/annual_reports/index.html)

2008-09 Complaints	Complaints Investigated	Reported On	Fully upheld	Partly upheld	Not upheld
UK Border Agency	55	23	52%	43%	4%
Criminal Injuries Compensation Authority	7	2	100%	0%	0%
Security Industry Authority	3	0	N/A	N/A	N/A
Identity & Passport Services	1	0	N/A	N/A	N/A
<b>Total:</b>	<b>66</b>	<b>25</b>	<b>56%</b>	<b>40%</b>	<b>4%</b>

*For a complaint to be 'fully upheld', all issues within a complaint are accepted. 'Partly upheld' means some of the issues in the complaint are accepted. For a complaint to be 'not upheld', none of the issues of the complaint have been accepted by the Ombudsman*

Since the publication of the last Annual Report, the Ombudsman has published two further reports concerning the Home Office:

A report titled 'Fast & Fair' was published by the Ombudsman in February 2010 on complaints made against the UK Border Agency in the first 9 months of 2009-10, details of which are included below:

2009-10 UK Border Agency complaints (first 9 months)	Complaints Investigated	Reported On	Upheld in full or part	Not upheld
UK Border Agency	11	33	97%	0%

The complaints received relate to applications for asylum and residence cards, as well as core immigration and nationality work. The biggest area for complaints received concerns the backlog of old asylum applications. To help address this, the agency has put in place a five year plan to reduce the backlog and has also introduced a new system for assessing asylum applications which is 'faster & fairer'.

On 22 March 2010 a further report was published by the Ombudsman titled 'The Ombudsman's assessment of the loss of personal data by a Home Office contractor'. This reported on 449 individual complaints from prisoners and former prisoners about the loss by the Home Office of sensitive personal data about them on an unencrypted data stick.

Whilst there were indications of maladministration in the loss of the data, the Home Office took a number of measures to put matters right, including investigating the breach and considering the risks to those affected. The Ombudsman subsequently decided not to investigate any of the 449 complaints from prisoners and former prisoners

For further information on both of these reports please refer to:

[http://www.ombudsman.org.uk/improving\\_services/special\\_reports/pca/index.html](http://www.ombudsman.org.uk/improving_services/special_reports/pca/index.html)



information & publishing solutions

Published by TSO (The Stationery Office) and available from:

**Online**

[www.tsoshop.co.uk](http://www.tsoshop.co.uk)

**Mail, Telephone, Fax & E-mail**

TSO

PO Box 29, Norwich, NR3 1GN

Telephone orders/General enquiries: 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

E-mail: [customer.services@tso.co.uk](mailto:customer.services@tso.co.uk)

Textphone: 0870 240 3701

**The Parliamentary Bookshop**

12 Bridge Street, Parliament Square

London SW1A 2JX

Telephone orders/General enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: [bookshop@parliament.uk](mailto:bookshop@parliament.uk)

Internet: <http://www.bookshop.parliament.uk>

**TSO@Blackwell and other Accredited Agents**

**Customers can also order publications from:**

TSO Ireland

16 Arthur Street, Belfast BT1 4GD

Tel 028 9023 8451 Fax 028 9023 5401

ISBN 978-0-10-296644-2

