



Home Office

Home Office Accounting Officer System Statement

July 2017



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Scope of my Accounting Officer System Statement

Accounting Officer Responsibilities

I am the Principal Accounting Officer for the Home Office. This System Statement sets out all of the accountability relationships and processes within my Department, making clear who is accountable for what at all levels of the system.

My Department has policy responsibility for Homeland Security, Public Safety and Borders, Immigration and Citizenship.

The Home Secretary and other Departmental ministers have a duty to Parliament to account, and be held to account, for the policies, decisions and actions of this Department and its agencies. They look to me as the Department's Accounting Officer to delegate within the Department to deliver their decisions and to support them in making policy decisions and handling public funds.

As Accounting Officer, I am personally responsible for safeguarding the public funds for which I have been given charge under the Home Office Estimate. Where I have appointed additional Accounting Officers, their responsibilities are also set out in this system statement.

This statement covers my core Department, its arm's length bodies and other arm's length relationships. It describes accountability for all expenditure of public money through my Department's Estimate, all public money raised as income, and publicly owned assets for which I am responsible.

This system statement helps me ensure that I am fulfilling my responsibilities as an Accounting Officer, in accordance with the Treasury's guidance set out in [Managing Public Money](#).

This system statement describes the accountability system which is in place at the date of this statement, and which will continue to apply until a revised statement is published.

Philip Rutnam

Role of Ministers

The [Ministerial Code](#) sets out the general principle that ministers have a duty to Parliament to account, and be held to account, for the policies, decisions and actions of the departments and agencies. Ministers also look to the department's Accounting Officer to delegate within the department to deliver the minister's decisions and to support the minister in making policy decisions and handling public funds.

Further information regarding the roles of ministers can be found on the [Home Office website](#).

Home Office Responsibilities

The [Home Office](#) is the lead government Department for immigration and passports, drugs policy, crime, fire, counter-terrorism and policing.

Figure 1 – Home Office policy and operational delivery

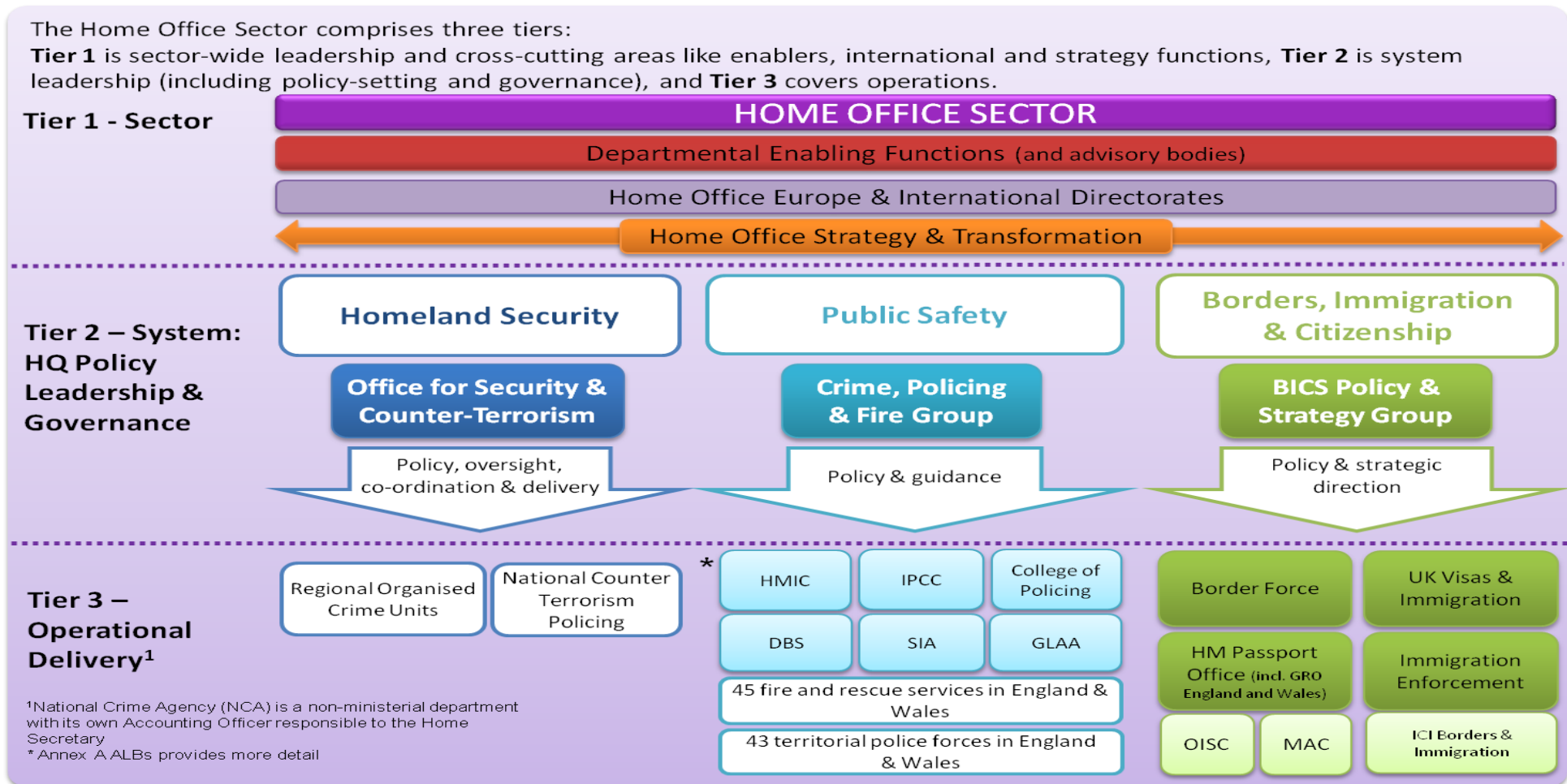
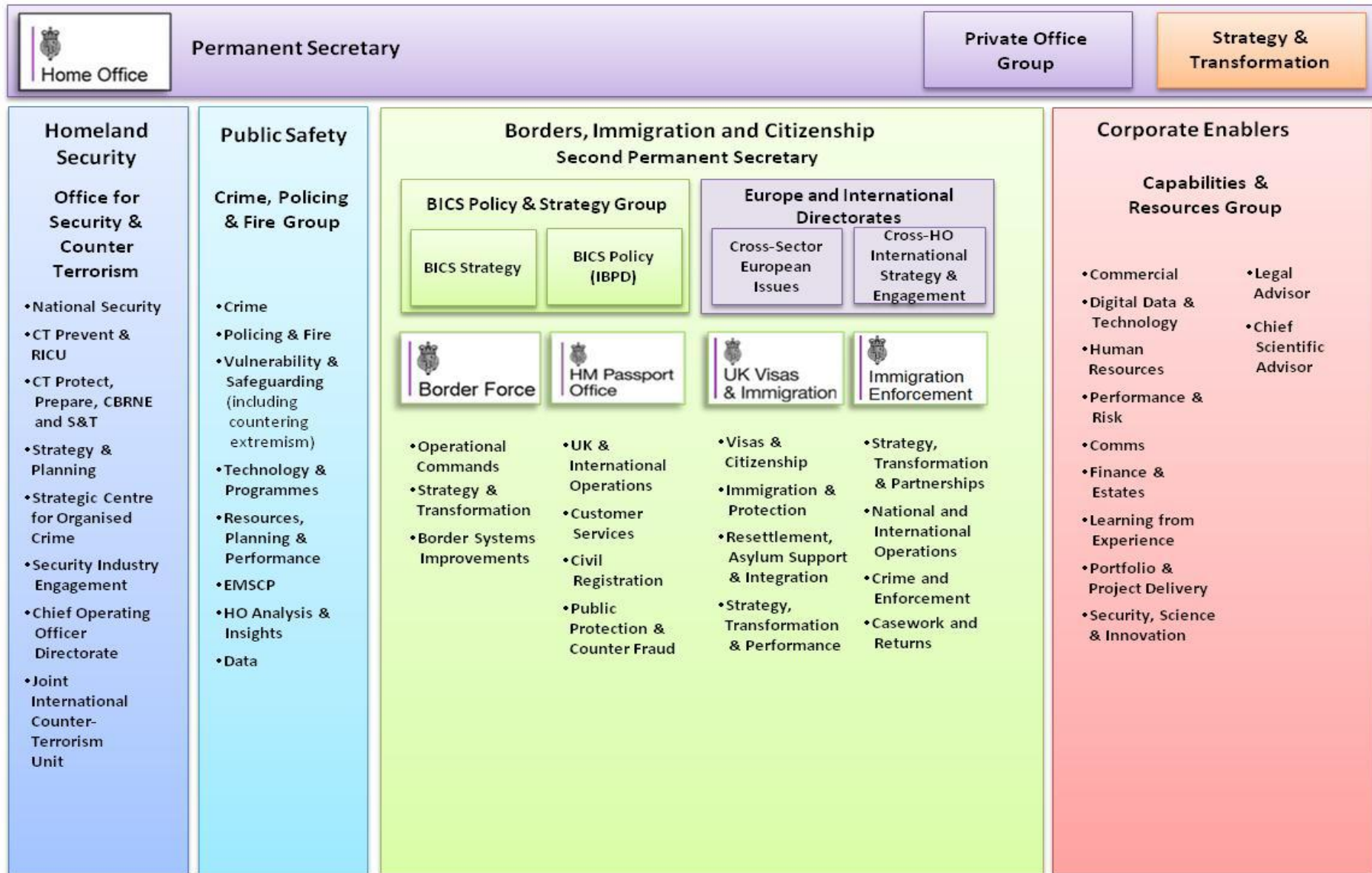


Figure 2 – How the core Department is organised



Governance

1. The Department and the Home Office sector as a whole is complex. Current top level governance arrangements aim to reflect that, placing explicit emphasis on subsidiarity, and addressing the unusual blend of substantial delivery at arm’s length, and policy sponsorship, alongside major in-house operations and high political salience throughout.
2. At its most senior level, corporate governance within the Department rests with the Departmental Board, chaired by the Home Secretary, and the Executive Committee (ExCo, which manages the Whitehall Department and its directly-managed operations).
3. On 8 June, the Permanent Secretary announced the commissioning of a review to ensure that the Department has the most appropriate governance structures in place to help the Department meet its objectives. The aim of this will be to make sure that the Department’s governance is as focussed and effective as possible, and that, more generally, an environment is created that encourages clear accountability and delegation, and behaviours that encourage feedback and collaboration.

Figure 3 - Home Office governance structures



*There are other regular boards that support departmental governance and provide further sources of assurance to the accounting officer

System Governance

4. This comprises the three systems within the Home Office: Homeland Security, Public Safety, and Borders, Immigration and Citizenship systems. Applied at system level, the principle of subsidiarity means issues which impact upon the entire system, rather than one operational command or the entire sector, are addressed at system level.

Homeland Security

- The Office for Security and Counter-Terrorism (OSCT) implements and delivers the counter-terrorism strategy (CONTEST) and the Serious Organised Crime (SOC) strategy. Funding is allocated centrally and is governed by the OSCT Board.
- Police and Crime Commissioners receive funding to support counter-terrorism policing. £633m Resource funding and £42m Capital funding was allocated to support counter-terrorism policing in 2017-18, and a further £32m has been provided for armed policing.

Public Safety System

Policing

- Directly elected and locally accountable Police and Crime Commissioners (PCCs) receive approximately £11bn per annum for policing (£7.7bn through Central Government grant and around £3.3bn from Council Tax Precept). Governance responsibility for how this funding is spent is managed through PCCs who must comply with statutory guidance such as the [Financial Management Code of Practice](#). However, the Department also provides an additional £0.8bn in police funding to support national programmes (e.g. major technology programmes such as Airwave and the Emergency Services Network) which have their own governance structures and the allocation of transformation funding, the latter is administered through the Police Reform and Transformation Board.

Fire & Rescue

- Fire and Rescue services receive approximately £2.2bn per annum (£920m through the Local Government Finance settlement and around £1.3bn from Council Tax Precept). Governance responsibilities for how this funding is spent is managed through Fire and Rescue Authorities. The Home Office is responsible for fire policy and is delivering a reform programme to support services become more effective, efficient and professional including through the creation of an independent inspectorate and professional standards body, as well as enabling police and crime commissioners to take on local fire governance where a local case is made.

Crime, Policing and Fire Group

- CPFPG is a directorate within the Department. Its funding is allocated centrally and governed through the CPFPG board.

Borders, Immigration and Citizenship System

- Funding is allocated centrally from the Department's overall budget to each of the four operational commands which make up the Borders, Immigration and Citizenship System (BICS). Governance is carried out through the Borders, Immigration and Citizenship (BICS) Board.

- Patsy Wilkinson is the Additional Accounting Officer for the Borders, Immigration and Citizenship System. Her appointment as Second Permanent Secretary carries with it the responsibility of Additional Accounting Officer for borders, immigration and citizenship policy and operations within the Home Office.
- As Additional Accounting Officer she must be able to assure Parliament and the public of high standards of probity in the management of public funds. This includes decision-making and financial management assurance when considering, promoting and safeguarding regularity, propriety, affordability, sustainability, risk and value for money across the public sector; and accounting accurately, and transparently, for the Borders, Immigration and Citizenship system's financial position and transactions.

Operations

- This comprises the individual operational commands, e.g Border Force, Immigration Enforcement, which forms part of the Border, Immigration and Citizenship system.

Financial Governance

5. All government departments are subject to a number of legal and financial obligations. These include:

Adherence to Government Spending Controls

6. Spending controls help government departments to reduce wasteful expenditure and thereby support reducing the fiscal deficit. Details of these controls can be found at: [Cabinet Office Spending Controls](#)

Financial Management

7. The standards below apply to civil servants working in the Government Finance function and provide a base level that they must comply with. Some of these standards, such as Managing Public Money and the Green Book, Magenta Book, Aqua Book and Better Business Case guidance apply to all civil servants, staff in ALBs and anyone employed to work in or with central government including contractors.

[Managing Public Money](#)

[The Green Book](#)

[The Magenta Book](#)

[The Aqua Book](#)

[Consolidated Budgeting Guidance 2017-2018](#)

[Government Financial Reporting Manual 2017-2018](#)

[Supply Estimate Guidance Manual](#)

[Public Sector Annual Reports: Sustainability Reporting Guidance](#)

Financial Resources

8. The Home Office developed a strategic plan at the Spending Review based on investment in large-scale transformation in order to deliver efficient services in a digital age. Financial allocations align with the Home Office Settlement, agreed through the Spending Review 2015 and subsequent amendments via the Main and Supplementary Estimates.

9. The allocation for the Public Safety system includes grant funding provided to Police Forces. Homeland Security includes funding provided to the Police in relation to the UK's Counter-Terrorism strategy. The allocations for the Borders, Immigration and Citizenship system are shown net of income received for services (notably immigration and passports).

10. The Department has plans to increase non-tax income for Government over the Spending Review period, through a combination of fee increases for immigration products and the introduction of premium services with the intent to move towards a system which is fully-funded by users.

11. The decision to leave the EU has significant implications across all of the Home Office systems, particularly Borders, Immigration and Citizenship. The Department is working through potential impacts to finance and workforce plans

Figure 4 - Financial resources forward look

Resource (net of income) £m	2017-18	2018-19	2019-20
Homeland Security	815	781	770
Public Safety	8,555	8,701	8,834
BICs Net	304	396	269
Enablers	551	462	430
Total Budget	10,225	10,340	10,303

Note: Figures match budget delegations that include changes at the Main Estimate following the Spending Review .

Income £m	2017-18	2018-19	2019-20
Homeland Security	- 199.6	- 199.3	- 199.3
Public Safety	- 271.6	- 268.8	- 260.9
BICs Net	- 2,055	- 1,924	- 1,995
Enablers	- 160	- 186	- 146
Total Net Expenditure	- 2,686	- 2,578	- 2,601

Note: Figures match budget delegations that include changes at the Main Estimate following the Spending Review . 17-18 BICs includes IHS income, which is transferred to the HO annually.

Capital £m	2017-18	2018-19	2019-20
Homeland Security	122.0	136.1	113.8
Public Safety	162.1	151.1	132.4
BICs Net	181.2	156.1	79.5
Enablers	50.6	2.9	106.7
Total Budget	516	446	432

Note: Figures match budget delegations that include changes at the Main Estimate following the Spending Review .

*The Department's overall Spending Review Settlement, and the allocation that falls within the Home Secretary's remit, includes funding for the National Crime Agency (NCA). Funding for the NCA is not included within these numbers and amounts to £380m Resource and £50m Capital in 2017-18.

Portfolio Governance and Assurance

Transformation

12. Accountability for delivery of transformation plans lies with the Director-General of each business area, or the Chief Executive of Arm's Length Bodies. Strategic direction is provided for transformation by the Strategic Capabilities Board, which is responsible for identifying the strategic capabilities which the Sector needs, with executive oversight

through the Departmental Board and Executive Committee. At a working level, governance is provided by the Transformation Portfolio Board which operates at director-level.

Capital Programmes

13. The Portfolio & Investment Committee (PIC) is the Department’s investment oversight board. PIC's role is to:

- consider investment approval requests for projects in the Home Office portfolio
- review the structure and health of the Home Office portfolio and agree change funding

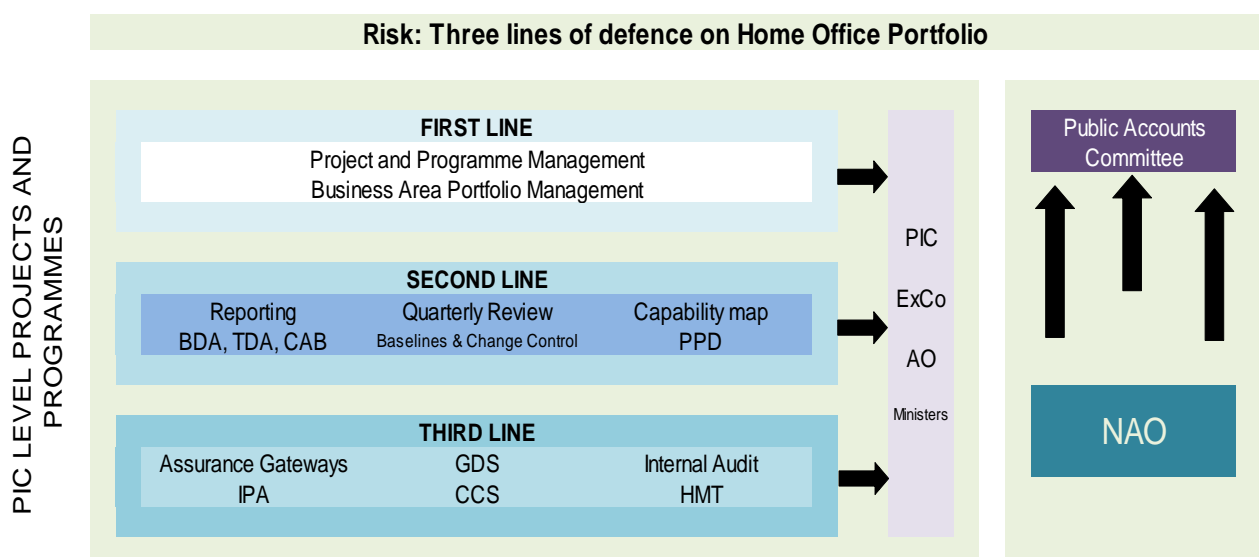
14. PIC investment approval is required for projects that have a whole life cost of £5million or more and/or projects that require Cabinet Office, or HM Treasury approval.

15. Accountability for delivery of major and mission critical capital programmes is provided through formally appointed [Senior Responsible Owners](#). Portfolio boards, such as the Border Systems Portfolio Board, provide strategic oversight, with formal governance through programme and project boards. Investment approval for all programmes and projects with a whole-life cost of over £5m is provided through PIC. Supporting governance is provided at a working level through the Business and Technical Design Authorities and Commercial Approvals Board.

Project and Programme Assurance

16. The Department has an integrated approach to risk and assurance, based on the ‘three lines of defence’ model, as set out below. An integrated programme of assurance is in place, including, project assurance reviews, and a wide-ranging audit programme.

Figure 5 - Departmental Programme Assurance

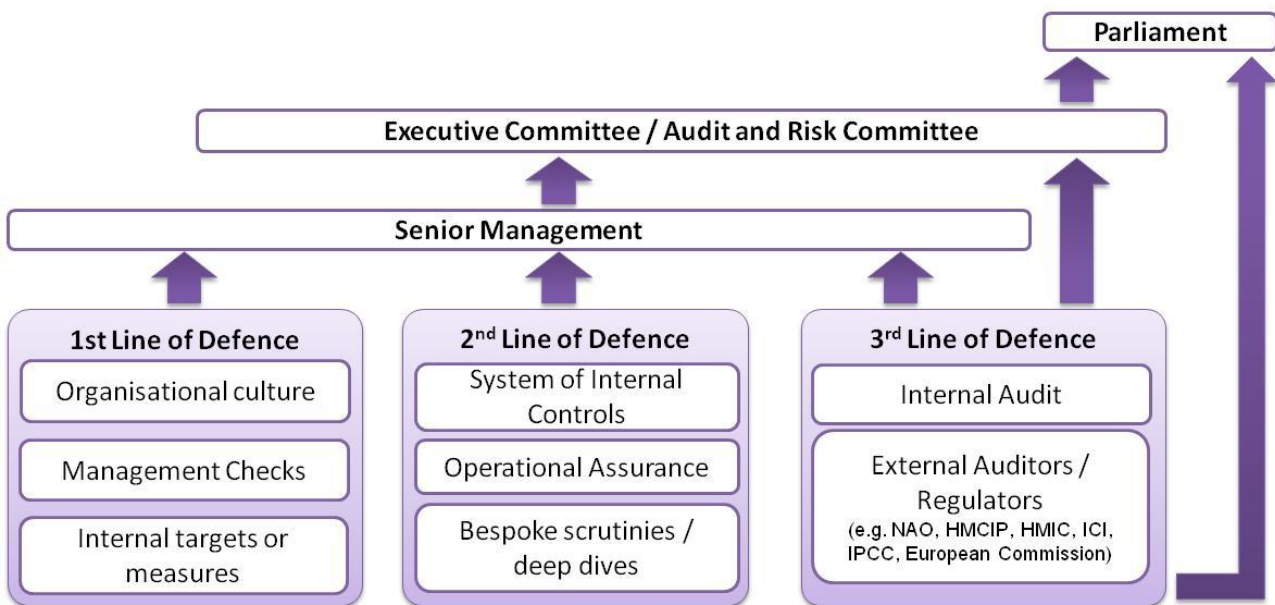


Audit and Assurance

17. Corporate governance in the Home Office goes hand in hand with assurance; the structures provided on previous pages provide regular touch points for discussions on business performance and progress against plans, as well as a mechanism for escalation of issues where required.

18. In parallel to the Department's governance structures, there are the "three lines of defence" that are used to describe the various types of audit and assurance activity that take place throughout the organisation. At the most local level there are checks made by managers, quality control mechanisms, performance management conversations etc. At the next level there are operational assurance activities that may look across whole business areas, as well as thematic "deep-dive" type activities that may be commissioned by the Executive Committee or a sub-board to look at a particular subject in detail. Lastly there are the formal audits and reviews, which may involve public scrutiny via Parliament.

Figure 6 - 3 lines of defence



Information Management

19. The Department is required by law to comply with the [Freedom of Information Act](#), [Data Protection Act](#) and [Public Records Act](#). These place obligations on the Home Office to provide timely responses to information requests received and to requests from data subjects for the data the Department holds on them. Home Office records also need to be appraised and either kept under a legal instrument, destroyed or transferred to [The National Archives](#) in line with the 30 Year Rule, which is currently reducing to a 20 Year Rule by 2023.

Parliamentary Obligations

20. The Department's Parliamentary team works to ensure the Home Office's Parliamentary obligations are discharged effectively in a timely manner.

21. Parliamentary business which requires response includes:

- Written Parliamentary Questions (PQs);
- Urgent Questions;
- Private Notice Questions (in the Lords);
- Written Ministerial Statements;
- Oral Questions;
- Oral Statements; and
- Committee Reports.

22. The Parliamentary team also arranges the parliamentary passage of Affirmative Statutory Instruments.

Performance Management Information

Measuring Performance

23. Performance is managed across each of the three Home Office systems and is primarily overseen by the Departmental Board chaired by the Home Secretary and the Executive Committee chaired by the Permanent Secretary. There are different governance arrangements in place to manage each system and depending on whether the performance concerns policy delivery, operational delivery or efficient enabling functions.

24. Key performance data is published regularly on the GOV.UK website at: <https://www.gov.uk/government/organisations/home-office/about/statistics>

25. Information about what the Department measures and what the Department achieves is also published annually in the Annual Report and Accounts. The report for 2016-2017 is available at [Home Office Annual Report](#). The annual report also includes the Accounting Officer's Governance Statement.

26. In addition, a variety of other data sets and annual reports are published by arm's length bodies, by local authorities and by the Office for National Statistics.

Relationships with Arm's Length Bodies

27. The Department is applying the principles and standards set out in the Cabinet Office code of good practice on [Partnerships between departments and arm's-length bodies](#) to its relationships with ALBs. The Department has assessed itself against the Code, taking into account views from its ALBs. This analysis identified no gaps as such, but did bring a focus to a number of areas where the Department can strengthen its sponsorship operations. These have been incorporated into an Action Plan for improvement or, where appropriate, will be followed-up in direct discussions with the particular bodies concerned. The Department has established the Home Office Sponsorship Unit to be a Centre of Excellence to ensure its approach is as strong and consistent as possible. The accountability arrangements for the Department's ALBs, according to their classification, are:

Non-Departmental Public Bodies (NDPBs)

28. NDPBs may receive a grant-in-aid and may be delegated control totals from the Department. They may charge for their services.

29. Executive NDPBs usually have an independent Board and an Accounting Officer, normally the Chief Executive or Director General, and a sponsor team in the core Department. Executive NDPBs are usually subject to audit by the Government's internal auditors and to external audit by the National Audit Office. The Executive NDPBs publish their Annual Reports and Accounts.

- Revenue delegation to the [Disclosure and Barring Service](#) (DBS) and to the [Security Industry Authority](#) (SIA) is of a control total as they fund their entire non-capital budget from the fees they charge. These bodies report on their fees in their annual reports.
- The [Gangmasters and Labour Abuse Authority](#) (GLAA) charges fees only for its licensing activity. It also receives a contribution from the Northern Ireland Office. GLAA reports on both fees and the Northern Ireland contribution in its annual report.
- The [Independent Police Complaints Commission](#) is an independent NDPB and a body corporate that does not hold Crown status. The Commission is headed by the Chair and the Chief Executive is the designated Accounting Officer. The IPCC publishes its own accounts. The IPCC is undergoing reform at the moment and will become the Independent Office for Police Conduct by the end of 2017 headed by a Director General.

- The [Office of the Immigration Services Commissioner](#) (OISC) is led by the Deputy Commissioner while the Commissioner post is vacant. In the absence of a Commissioner, the Deputy Commissioner has been designated as its Accounting Officer. The OISC is a corporation sole, which means it does not have a Chair or Chief Executive. Oversight of the OISC is provided by the sponsor team and an audit and risk committee. The OISC is fully funded by grant-in-aid from the Home Office with registration fees charged by the OISC remitted to the Home Office.

30. Advisory NDPBs, Commissioners, Regulators, Panels and appointments may comprise individual appointments to a particular role, or a number of members appointed to carry out a role, one of whom may be appointed Chair. They may be supported by a secretariat provided by the Department. Expenditure on behalf of these bodies is managed as part of core Departmental expenditure.

- [HM Chief Inspector of Constabulary](#) and HM Inspectors of Constabulary are Crown appointments. HM Chief Inspector is delegated a budget and control total which forms part of the core Departmental expenditure. HM Chief Inspector presents his annual Inspection Programme to Parliament and reports annually to the Secretary of State on the work undertaken.
- The [Independent Chief Inspector of Borders and Immigration](#) is appointed by the Home Secretary. The Chief Inspector is delegated a budget which forms part of the core Department expenditure. The annual inspection programme is published and an annual report on the work undertaken is laid before Parliament.

31. The College of Policing and the Forensic Archive Limited are government owned companies. Each has a sponsor team in the core Department

- The [College of Policing](#) has an independent Board with a non-executive Chair. The Chief Executive is the Accounting Officer. The College charges fees for training and professional development activity. The Company has appointed the NAO as its external auditor and publishes its accounts.
- The [Forensic Archive Ltd](#) has a board of two senior Departmental Officials and the Executive Director. The Executive Director is the Accounting Officer. The company operates under a Service Level Agreement with the Home Office. The company appoints its own independent auditors and publishes its accounts.

National Crime Agency (NCA)

32. The NCA is a Non-Ministerial Department headed by a Director General (DG) who is appointed by the Home Secretary. The NCA is accountable to the Home Secretary and through the Home Secretary to Parliament but the agency is operationally independent. The NCA's DG has the power and responsibility to direct the NCA; including deciding which operations the NCA should run against which organised crime groups and how those operations should be conducted. There are a number of arrangements in place to

support the relationship between the NCA and the Home Secretary which include a jointly agreed Framework Document. The Home Secretary also sets the NCA's strategic priorities which are included in the agency's annual plan.

33. In general, the NCA has the ability to determine its own approach on corporate and financial matters without recourse to the Home Office or other Departments. The NCA has its own estimate, but in order to support the financial resilience of the agency, this is funded by a reduction in the overall Home Office Departmental Expenditure Limit (DEL). The Home Office negotiate the NCA's budget with HM Treasury, in consultation with the NCA's DG, as part of the annual Main and Supplementary Estimates processes and at Spending Reviews. In discussion with the Home Office, the NCA's DG is responsible for ensuring that NCA capital investments represent value for money and are affordable. The NCA's DG must seek approval from the Home Secretary for Capital investment above an agreed threshold

34. A full list of all Home Office Arm's Length Bodies, with links, is at Annex A

Local Funding Arrangements

Police

The allocation and distribution of resources to Local Policing Bodies

35. The Department pays funds to directly elected and locally accountable PCCs, defined in the Police Reform and Social Responsibility Act 2011 as Local Policing Bodies. Also included in this definition of Local Policing Bodies are the Mayor's Office for Policing and Crime for the Metropolitan Police Service area, and from May 2017 the Mayor of Greater Manchester who, as single, locally elected representatives responsible for ensuring local services are accountable to the people they serve, are consistent with the PCC police governance model.

36. The Department pays these funds via the Police Grant Report ([PGR](#)) under section 46 Police Act 1996 and are the aggregate amount of grants for police purposes comprised of the Home Office Police Core Settlement, Department for Communities and Local Government (DCLG) Formula Funding, Legacy Council Tax Grants, National and International Capital City Grants and Welsh Top-Up. The Home Office Police Core Settlement is allocated using the Police Allocation Formula (PAF), which distributes resources between police force areas by estimating relative police workloads. The provisional PGR is subject to an open consultation on this distribution before it is approved by the House of Commons each year. The PGR includes details of the formula and the data it uses and is also published on the Home Office website¹.

37. Whilst funding is allocated to PCCs there are national policing needs which must also be considered. The Secretary of State is under a statutory duty to issue a Strategic Policing Requirement (SPR) which sets out what, in her opinion, are the national threats and what the police need to be able to do to counter those threats.² The national threats are **terrorism, serious and organised crime, a national cyber security incident, public disorder, civil emergencies and child sexual abuse**. These cross-boundary threats require a collaborative national response. PCCs are under a statutory duty³ to have regard to the SPR when issuing or varying their police and crime plans. Chief Constables are under a statutory duty to have regard to both the police and crime plan⁴ and the SPR⁵ when exercising their functions.

¹ [Police Finance Grant Report](#) Note the DCLG Formula Funding was formerly paid by DCLG but is now part of the Home Office budget.

² In accordance with s37A (1) Police Act (1996) as amended by s77 Police Reform and Social Responsibility Act (2011). Section 96A provides additional powers to intervene in respect of the satisfactory performance by forces of their 'national and international' functions.

³ s5(5) Police Reform and Social Responsibility Act (2011)

⁴ s8(2) Police Reform and Social Responsibility Act (2011)

⁵ s37A(2) Police Act (1996) as amended by s77 Police Reform and Social Responsibility Act (2011)

38. In addition to the grant funding to PCCs set out in the PGR there is additional funding used for the benefit of policing, known as “reallocations”. These are funded from within the police funding envelope agreed with Treasury and typically support national priorities including police technology programmes and the Police Transformation Fund. Parliament is informed of the proposed reallocations by Written Ministerial Statement at the same time as the provisional PGR is published, but the House of Commons does not have to directly approve this funding as these are not section 46 Police Act 1996 grants.

39. In addition to the funding set out above, PCCs receive additional funding from local sources including through the police precept component of council tax and charging for services such as policing in football stadiums. The most significant of these additional funding streams is the police precept component of council tax which was in excess of £3.3bn in 2017/18⁶. This funding is locally raised and not administered by the Department. However, the level of increase in precept bills that is permitted without a referendum is set by DCLG.

40. Regularity is secured through effective internal financial controls, exercised by PCCs’ Chief Finance Officers. The Chief Financial Officer has a statutory responsibility for ensuring that the financial affairs of the PCC are properly administered and comply with all audit requirements. The PCC holds the Chief Constable to account for their running of the force, under the Police and Social Responsibility Act 2011 they must ensure an efficient and effective police force for their area. The Department provides a [Financial Management Code of Practice](#) which gives guidance on the financial governance arrangements which PCCs and Chief Constables must have regard to.

Fire

The allocation and distribution of resources to fire and rescue authorities

41. Each fire and rescue authority obtains their funding from several sources such as grants from central government; a share of business rates from relevant billing authorities in their area, a small precept on council tax, and locally generated income (e.g. fees from certain activities, such as training). Government grant and business rates for fire are distributed via the Local Government Finance settlement which is administered by the Department for Communities and Local Government.

42. In April 2013, the Government reformed the way in which local government is funded through the introduction of the business rates retention scheme. The local government sector (local authorities and fire and rescue authorities) are now able to benefit directly from supporting local business growth by keeping half of any increases in business rates revenue to invest in local services. Since April 2013, the Government has allowed the local authority sector to retain 50 per cent of business rates revenue and the growth on their share to incentivise them to promote economic growth. The 50 per cent of

⁶ Part 1 Local Government Finance Act 1992 and Part 3 Greater London Authority Act 1999

business rates revenue that is surrendered to central government is redistributed to local government in full.

43. The methodology was designed to provide a fair and stable starting point at the beginning of the [Business Rates Retention Scheme](#). The emphasis has now shifted towards incentivising growth in business rates, allowing authorities to benefit from this. However, authorities facing the highest demand for services still receive substantially more funding per dwelling.

44. In order to provide two-tier counties (i.e. those with lower tier councils) and fire authorities with significant protection from business rates volatility, the Government has set the major precepting shares so that all two-tier county councils and all single purpose fire and rescue authorities are top-up authorities. No authority receiving a top-up payment will be required to make a levy payment.

45. The safety net threshold will ensure that no local authority's income within the business rates retention scheme will drop below 92.5 per cent of its baseline funding level.

46. As part of the business rates retention scheme, local authorities may be designated as pools and therefore treated as a single authority for the purpose of certain calculations under the new scheme. This will give them scope to potentially generate additional growth through collaborative effort and to smooth the impact of volatility in rates income across a wider economic area. In 2014-15, there are 18 business rate pools which include some fire and rescue authorities.

47. In October 2015 the government announced that by 2020, the grant local authorities receive from central government will be phased out in return for letting authorities keep all of the funding collected in business rates.

48. Regularity is secured through effective internal financial controls, exercised by each service's Chief Finance Officer. The Chief Financial Officer has a statutory responsibility for ensuring that the financial affairs of the FRA are properly administered and comply with all audit requirements, and responsibilities set out under the Local Government Act 1972. Under the [Fire and Rescue National Framework for England](#) the FRA must hold the Chief Fire Officer to account for their delivery of the fire service,

Third Party Delivery Partnerships

49. The Home Office has developed partnerships with 3rd parties to deliver its policy objectives, however none are so significant that the Department is dependent on them to deliver core parts of the Department's business and are generally managed by a commercial arrangement.

Grants to Private and Voluntary Sector Bodies

50. Grants (excluding Grant in Aid) are 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.

Main Police Grants

51. Police grants paid by the Department to Police and Crime Commissioners are based on funding levels agreed in the [Police Grant Report \(England and Wales\) 2017-18](#).

Police Pensions top-up grant

52. The amount reported as the Police Pensions top-up grant is equal to the difference between outgoing pension expenditure and incoming pension contributions in a single year. An accrual is recognised in the Department's financial statement for the estimated amount of grant relating to the year, which has not been paid by year-end.

53. The Home Office provides assurance for its Accounting Officer by mandating appropriate systems (i.e. processes and controls) which ensure that all grant awards to third parties are made in accordance with the Minimum Standards, and used for the purpose(s) intended.

Figure 7 – Home Office Grants

2016-17 Resource and Capital grants	
	£m
Resource Grants	9,022.42
<i>o/w Police formula grant</i>	<i>6,924.14</i>
Capital Grants	179.89
<i>o/w Police formula grant</i>	<i>54.10</i>

54. The Department has robust checks and balances in place to ensure that competition is the principal consideration when awarding grants, and where direct awards are proposed that justification is documented and approval sought from staff with appropriate delegated commercial authority; due diligence and fraud/risk assessments are undertaken of recipients before grants are awarded; and, outcomes achieved are

monitored against agreed critical success factors and signed off before payments are made.

55. Details of grant awards are loaded on the Cabinet Office's [Government Grant Information System \(GGIS\)](#), except in a few cases where grants are deemed sensitive, for example by reason of National Security.

56. The standard Home Office grant award processes were self-assessed for compliance with the minimum grant standards ([Cabinet Office Standards](#)). Cabinet Office has advised that the Home Office is adhering to their policies and processes and is fully compliant with the [ten grant standards](#).

57. This approach provides assurance that regularity, propriety and value for money underpin all grant awards. Furthermore the Department continues to keep abreast of future developments from the Cabinet Office grants function, for example by attending the Best Practice Network.

Major Contracts and Outsourced services

58. The Home Office secures value for money through its contracts by applying a proportionate, risk based, approach to contract management, as follows:

- A Supplier Management Policy and Contract Management Manual, which complies with best practice across government, and is accessible by all staff.
- Clearly defined roles & responsibilities.
 - Business and commercial staff have clearly defined roles that are set out in a primary level service agreement that is held between Capabilities and Resources and the various Business Director General Commands.
 - All business areas have a Commercial Specialist Business Partner whose primary role is to ensure contract management is adequate and ownership rests at the right level.
 - An Associate Commercial Specialist is responsible for deciding proportionality of contract management within the policy.
 - Each contract has a Senior Business Contract Owner or Business Contract Owner responsible for operational contract monitoring and a commercial contract manager with delegated authority responsible for commercial contract management including contract changes.
- Visibility of contracts, management responsibilities and key information is provided for all contracts above £10,000 through the Commercial Dashboard. Information held to each includes: contract description, supplier, level, values, contract manager, business contract owner, values, Contract Change Notices, and a heat map which tracks performance, risk, relationships, payment, contract development, contract management plans, contingency plans, joint risk registers, and criticality.
- Supplier/contract segmentation enables the application of Home Office policy to a particular contract and its management. Strategic contracts are identified as Level 1, business critical as Level 2 and the rest as Level 3.
 - Level 1 is subject to the full rigours of contract management, including the application of the Supplier Management Policy with its Executive Oversight Board process.
 - Level 2 is a proportionate approach based on Level 1 including use of the heat map, and that joint risk registers and contingency plans must be held.

- Level 3 requires at least a contract management plan to set out: commercial support for advice and contract changes; and, aspects from Levels 1 or 2 at the discretion of the relevant Associate Commercial Specialist.
- Contractual outcomes are secured through three levels of assurance:
 - First, through the relevant business/operations line management who report to their Director General;
 - Second, through the Commercial Specialist Business Partner teams, reporting to the Chief Commercial Officer; and
 - Third, through risk-based internal audit, which provides an independent examination of contract management arrangements.
- Continuous improvement of Home Office contract management is achieved through
 - Commercial Improvement Plans (CIP), details of which are held and monitored centrally by the Commercial Policy & Strategy team with an escalation process.
 - the Commercial Policy & Strategy team, which collaborates within and outside the Commercial Directorate. Improvements come back to Commercial Specialist Business Partner teams for delivery. CIPs may arise as a consequence and include initiatives by Commercial Directorate staff, internal audit review, NAO recommendations or adherence with the [Government Commercial Operating Standards](#).

59. The Home Office currently has 42 contracts with a current whole life value of over £40m, managed via the Strategic Level 1 contract management process.

- Governed by quarterly Executive Oversight Board meetings, reviewing engagement across the HO Group and the status of the relationship from the perspective of both parties, investigating cost saving opportunities, new innovations and ensuring a shared understanding of key risks.
- Senior (SCS) Level Commercial attendees, together with the Senior Business Contract Owner and where relevant the Crown Commercial Representative.

60. The Top 10 contracts are detailed in the table below:

Figure 8 – Top 10 Home Office contracts

No	Business Area	Programme / Agreement Name	Contract / Service Description	Contractor	Whole Life Value (£m)	Annual Value (£m)
1	Emergency Services Network	Public Safety Radio Communications Service	Public Safety Radio Communications Service	Motorola	£4,442	£257
2	Immigration Enforcement	Immigration Removal Centres	Management of IRCs	MOJ / Mitie / GEO / G4S / Serco	£726	£89
3	UK Visas & Immigration	COMPASS	Asylum Support & Accommodation	G4S / Serco / Clearel	£611	£115
4	UK Visas &	VISA Application	National Government	VF Holdings /	£434	£84

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	Immigration	Centres	Outsourced Visa Centres	Teleperformance		
5	HMPO	Passport Design & Production (PDP)	Passport Production & Personalisation	De La Rue	£415	£41.5
6	UK Visas & Immigration	Support Payments to Eligible Service Users	Payments failed asylum seekers and those leaving the UK under voluntary returns programmes	Sodexo Motivation Solutions Ltd	£406	£75.6
7	HMPO	Application & Enrolment	IT Contract for Provision of Pass Application Services	CSC	£395	£39.5
8	Digital Data & Technology	IT2000	Managed service for desktop across the HO estate	Fujitsu	£350	£47
9	Immigration Enforcement	Escorting & Related Services	Secure Escorting for Immigration Offenders	Tascor	£310	£43
10	Digital Data & Technology	Immigration at the Border		IBM	£272	£15

61. Home Office is committed to the Treasury's Transparency agenda and as such, publishes contract details on the pan government [Contracts Finder portal](#).

Investments, Joint Ventures and Other Assets

62. The Home Office does not own any shares or other investment structures in third party businesses, either within the public sector or outside it. This includes:

- Public Corporations
- Minority shareholdings
- Joint Ventures
- Government Owned Companies
- Publicly owned assets
- Historic Buildings
- National Collections

Further information can be found in the [Home Office Annual Report](#).

Annex A - Home Office Arm's Length Bodies

Executive NDPB	Disclosure and Barring Service Gangmasters and Labour Abuse Authority Independent Police Complaints Commission Security Industry Authority Office of the Immigration Services Commissioner
NDPB	College of Policing
Advisory NDPB	Advisory Council on the Misuse of Drugs Animals in Science Committee National DNA Database Ethics Group Migration Advisory Committee Technical Advisory Board Police Remuneration Review Body Police Advisory Board for England and Wales
Tribunal NDPB	Investigatory Powers Tribunal Police Disciplinary Appeals Tribunal
Independent Monitoring Body	Independent Anti-Slavery Commissioner Independent Chief Inspector of Borders and Immigration
Non-Ministerial Department	National Crime Agency
Inspectorate	HM Inspectorate of Constabulary
Advisory Bodies and other entities	Biometrics Commissioner Forensic Science Regulator Independent Reviewer of Terrorism Legislation

	<p>Surveillance Camera Commissioner</p> <p>NCA Remuneration Review Body</p> <p>Independent Monitor for the Disclosure and Barring Service</p> <p>Independent Family Returns Panel</p> <p>Investigatory Powers Commissioner (<i>new body replacing Intelligence Services Commissioner; Interception of Communications Commissioner and Office of Surveillance Commissioner in October 2017)</i>)</p> <p>Forensic Archive Ltd</p>
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