



Disclosure &
Barring Service

Disclosure and Barring Service Annual Report and Accounts

For the period 1 April 2019
to 31 March 2020



**Disclosure and Barring Service
Annual Report and Accounts
For the period 1 April 2019 to 31
March 2020**

Presented to Parliament pursuant to paragraph 12 (5)
of Schedule 8 of the Protection of Freedoms Act 2012

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Foreword by the Chairman and Chief Executive Officer

We are pleased to introduce our 2019-20 Annual Report and Accounts which set out the performance of the Disclosure and Barring Service (DBS) over the past year.

DBS is responsible for delivering Disclosure and Barring functions in the workplace and voluntary sector. It therefore plays a significant role in ensuring that employers are helped to make appropriate decisions when recruiting people who work with vulnerable groups including children.

This was the final year of our DBS strategy for 2017-20. Safeguarding has been at the heart of our work, with everything we do designed to improve the quality of our services and the decisions we make. We have maintained a strong focus on the quality and timeliness of our services and dealt proactively with several complex commercial, legislative and operational issues. We have also successfully transferred our IT services to new suppliers while transforming our services.

In 2019-20 we met seven of our nine service standards, and issued 5.96 million DBS certificates, an increase of 1.2% on the previous year. Volunteers continued to receive free-of-charge Standard and Enhanced DBS checks and 20.6% of those issued were for this sector. We are particularly pleased to have reduced the number of barring

cases older than 12 months from 520 to 50. We continue to focus on timeliness, quality and value for money within operational delivery.

This year we have also co-created our new strategy, DBS 2025, with our staff and key partners. We have listened to the views of the whole organisation, and together, we have created a strategy which we are extremely proud of and look forward to implementing.

The board has also been strengthened during the year both in terms of membership and governance. Following a review of our governance we have made significant improvements and several new board members have joined us, each bringing with them specific skills and expertise. We have also increased diversity of the board and are involved in several initiatives, including hosting boardroom apprentices through the 'Strictly Boardroom' and 'Black on Board' initiatives. Our Strategic Leadership Team (SLT) has been transformed with a new structure, roles and accountabilities.

More recently, the organisation's reaction in assisting the government in its response to

the COVID-19 emergency is something that we are immensely proud of. We had two main objectives in our approach; the health and wellbeing of our staff, and ensuring we continue to fulfil our vital role in supporting both health and care professionals, and the voluntary sector, as they re-recruited staff to respond to the national emergency. It has been critical for DBS to maintain its statutory services, to support safe and lawful employment decisions. We have done this as well as responding flexibly to support the health

and care sectors, as well as the huge increase in checks for volunteers.

We hope you find this report of interest. In the coming year we look forward to continuing to work with our dedicated and committed staff, Home Office colleagues, our partners and the public to deliver our statutory duties. We will continue to modernise our services and, through our Disclosure and Barring services play an effective and vital role in protecting vulnerable groups including children.



Dr Gillian Fairfield
Chairman




Eric Robinson
Chief Executive



Performance Report



About DBS

About DBS

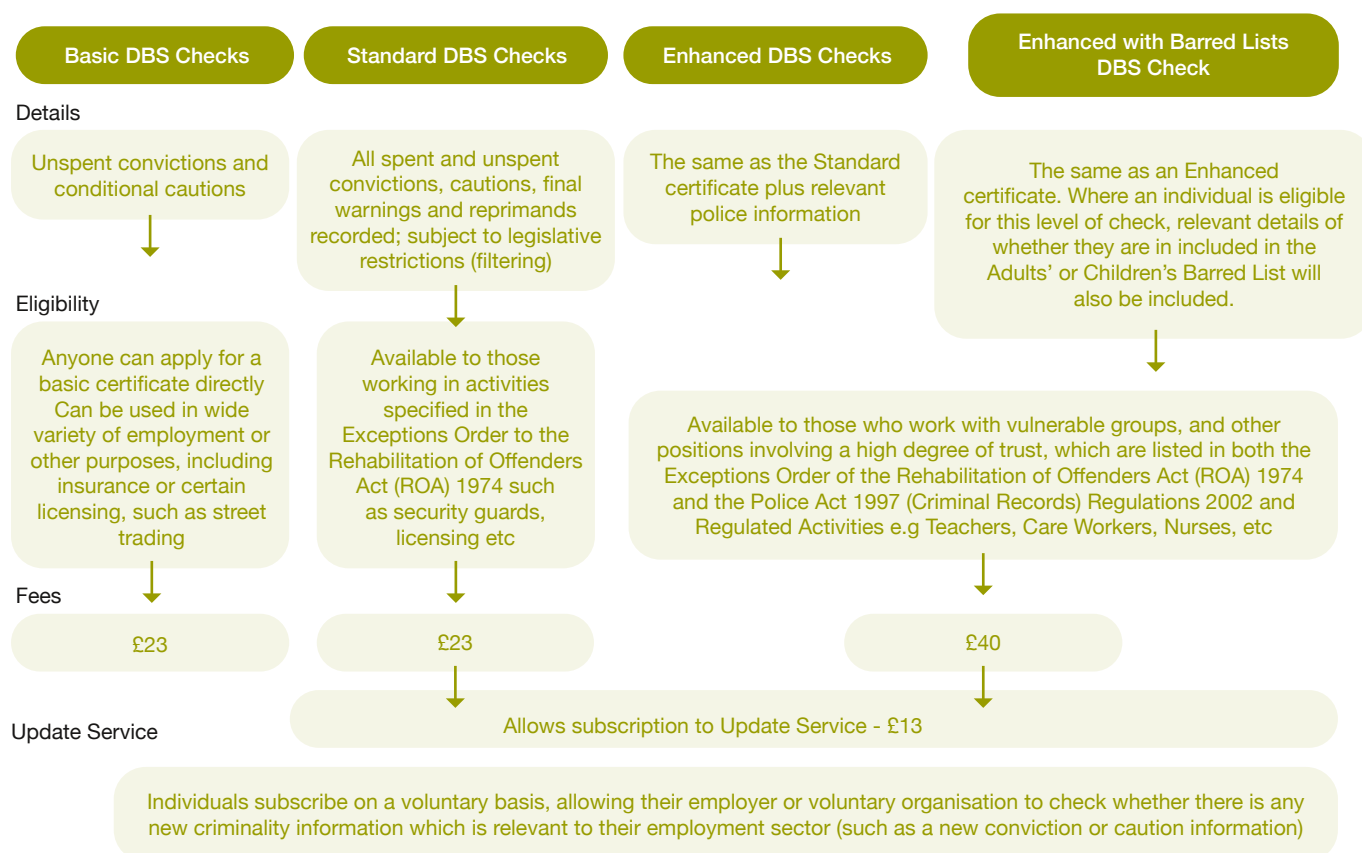
DBS was established under the Protection of Freedoms Act 2012 on 1 December 2012. We are a non-departmental public body¹ based in Liverpool and Darlington, and operate as an arm's length body of the Home Office (HO). We are responsible for delivering Disclosure and Barring functions on behalf of the government. We operate Disclosure functions for England, Wales, Jersey, Guernsey, and the Isle of Man, and we deliver

Barring functions for England, Wales and Northern Ireland.

Our activities:

Disclosure:

We are responsible for processing DBS checks, and issuing DBS certificates. There are four levels of DBS check, and we offer the Update Service (as described below). We also keep and maintain a register of organisations approved by DBS, that can submit DBS check applications.



(Fee changes were implemented on 1 October 2019, as detailed in the 2019-20 Financial Performance)

¹ A non-departmental public body is a body which has a role in the processes of national government but is not a government department or part of one

Barring:

DBS maintains the Adults' and Children's Barred Lists for England, Wales and Northern Ireland. We also make considered decisions about whether an individual should be included on, or removed from these lists.

Automatic barring (autobar) offences

Automatic barring offences are considered to be so serious in nature, as defined by Statutory Instruments, that a person will be automatically barred from engaging in regulated activity with vulnerable groups including children.

Regulated activity

The full legal definition of regulated activity is set out in Schedule 4 of the Safeguarding Vulnerable Groups Act 2006, as amended by the Protection of Freedoms Act 2012, and includes for example, teaching, personal care and health care. DBS has powers to bar people from engaging in regulated activity under certain circumstances, where a person has been deemed unsuitable for working or having contact with the vulnerable.

Barring decisions

In Barring, we manage, maintain and own the Children's and Adults' Barred Lists, which are used to prevent unsuitable individuals from engaging in regulated activity with children and vulnerable groups. We reach considered decisions about whether an individual should be included in these lists, and barred from engaging in regulated activity. Referrals are received from various

sources including employers. Where necessary, Barring staff seek additional information to assist in the decision as to whether a referred person should be barred from engaging in regulated activity and included in one of both of the Barred Lists.

We bar any individual who has accepted a caution for, or been, convicted of an automatic barring offence. We also consider, for barring, any individual who has accepted a caution for, or been convicted of an automatic inclusion offence (an offence that does allow representations), or has been referred to DBS from, for example, an employer or regulatory body, subject to any representations submitted by the individual – provided DBS also has reason to believe that the person is, has been, or might in the future be, engaged in regulated activity with vulnerable groups including children.

We also consider individuals who have applied for an Enhanced DBS check, where that check contains relevant criminality information or intelligence.

We also make decisions as to whether it is appropriate to remove an individual from a Barred List, either on application following the expiration of the minimum barred period, if the current statutory test would not be met if considering a person afresh, or otherwise under our powers to review a person's inclusion at any time.

We are committed to ensuring that DBS makes fair, consistent

and thorough barring decisions which provide a proportionate response to the behaviour that has occurred, and considers the future risk of harm which is posed. We are aware of the impact a barring decision can have on the person referred. We

are also aware of the impact that any barring decision may have on those the referred person may have come into contact with or would potentially come into contact with in the future. It is often necessary to make finely balanced decisions.

Position as at 31 March 2020

Number of Individuals on:	Adults' Barred list: 56,136	Child's Barred list: 70,673	One or both Barred Lists: 77,921
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Our Strategic Plan 2017 - 20 | Set out our Vision and Mission:

Our **Vision** is to make our services simpler, faster and more accessible and our **Mission** is putting safeguarding at the heart of everything we do. We do this through delivery of our five strategic objectives:

- SO1.** Improve safeguarding through delivery of excellent services and sharing of knowledge
- SO2.** Drives good value for money
- SO3.** Meets customer needs and exceeds expectations
- SO4.** Develops a talented workforce to inspire continuous improvement
- SO5.** Is a highly valued public organisation

This Annual Report sets out how we performed during the final year of our Strategic Plan 2017-20 and the progress made in achieving these strategic objectives.

DBS services are delivered with support from external suppliers and partner organisations, including CGI and Hinduja Global Solutions (HGS) (transitioned from Tata Consultancy Services (TCS) in March 2020), police forces across the UK, and Shared Services Connected Limited.

We provide criminal records information to enable organisations from all sectors - public, private and voluntary - to make better informed and

safer recruitment decisions. We provide information that enables them to determine whether the individual is unsuitable or unable to undertake certain roles and carry out work, for example, roles and work involving regular contact with vulnerable groups including children. The information we provide should not be the sole tool used to determine the individual's suitability to work in a certain role, and should be used with other recruitment tools as

well. We also determine whether an individual can work in regulated activity² by making decisions as

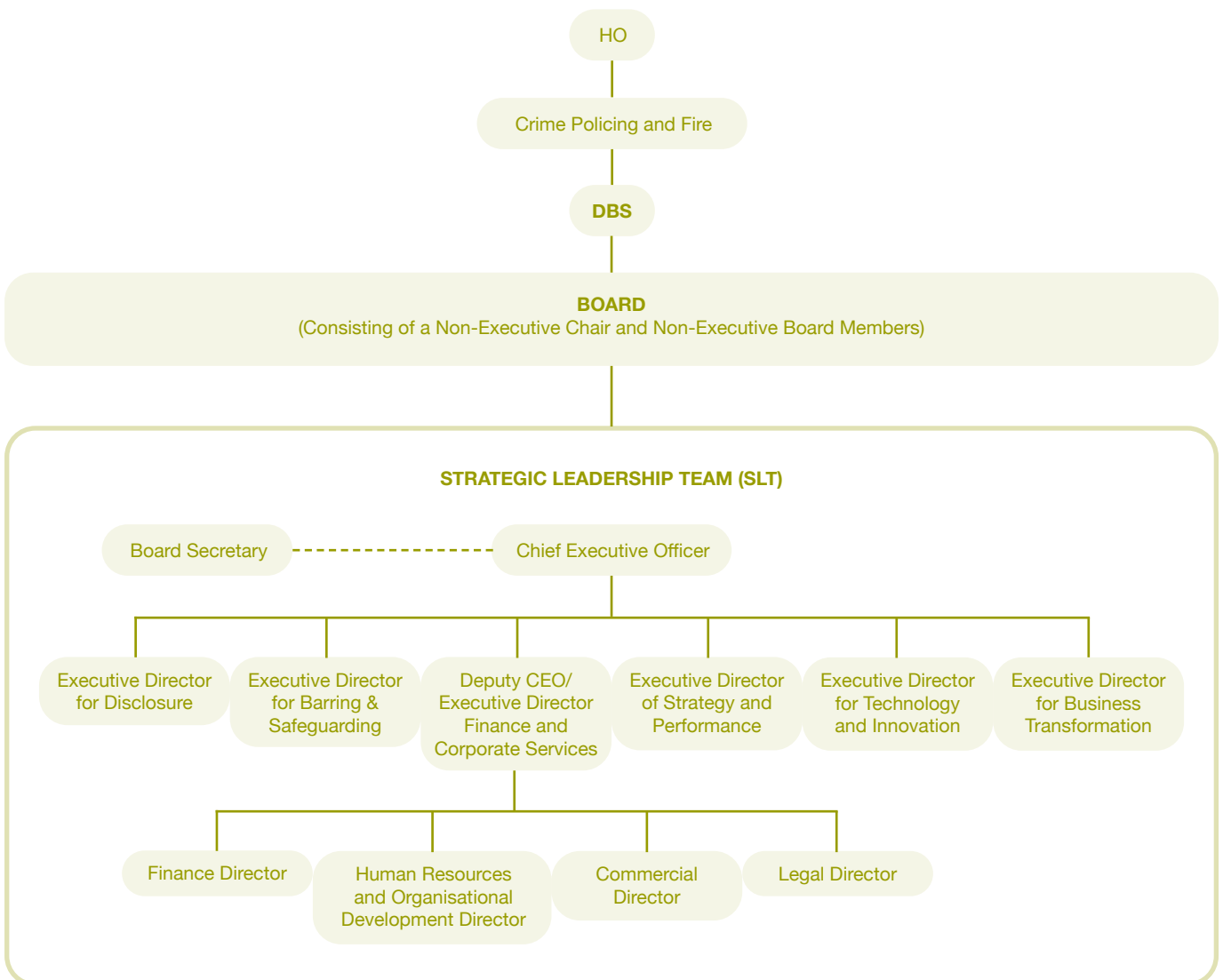
to whether or not they should be included in any of our Barred Lists.

Our organisation

Our success in delivering our strategy is dependent on our working relationship with our partners and working in a collaborative way. Our relationship with the HO is key to this, and a closer relationship has developed which will help

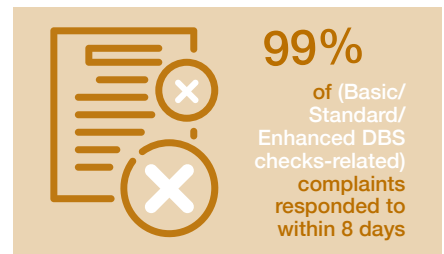
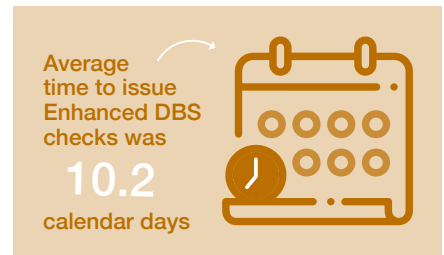
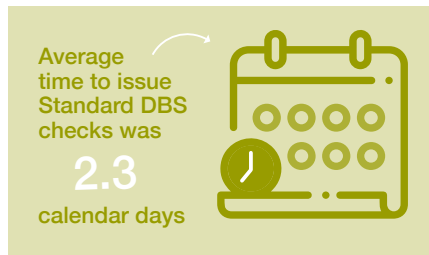
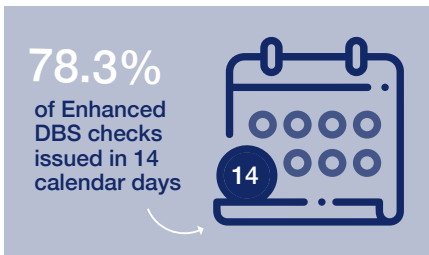
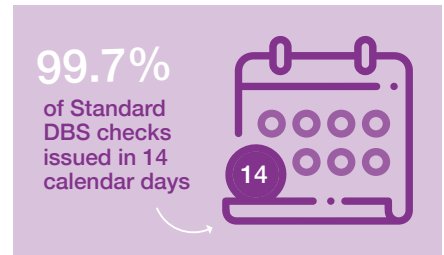
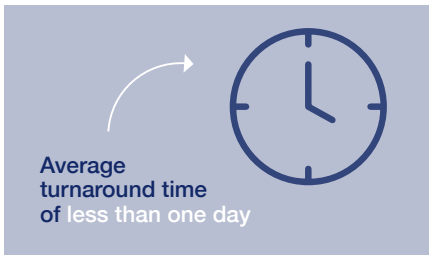
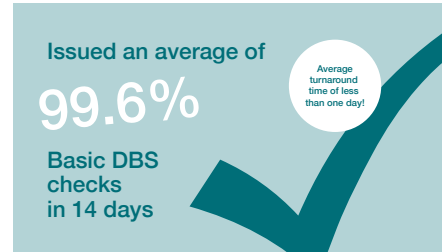
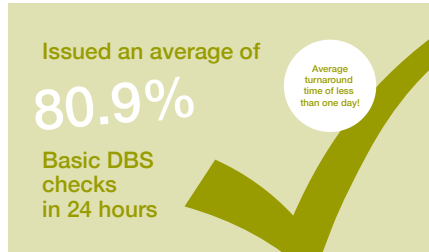
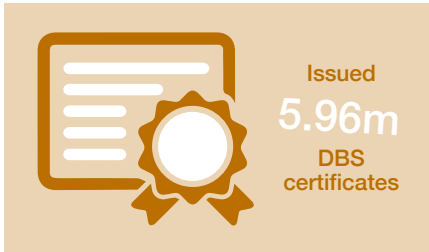
shape the future of how we deliver our services and the HO's and minister's priorities. The diagram below outlines our governance organisational structure, showing how we link to the HO via the Crime, Policing and Fire Sponsorship Unit.

2 Section 7 of the Safeguarding Vulnerable Groups Act and Article 11 of the Safeguarding Vulnerable Groups (Northern Ireland) Order 2007 – Barred Person not to engage in regulated activity and the definition of regulated activity as defined in Schedule 4 of the Safeguarding Vulnerable Groups Act 2006 and Schedule 2 of the 2007 Order.



Performance Summary

DBS: A Year in Numbers



Business Plan Activities and Objective Performance

The focus of our 2019-20 business plan was to continue to transform our service provision and demonstrate improvements for the customer. We planned to achieve this through the delivery of our priorities that were outlined within the plan, demonstrating how we would deliver our strategic objectives to achieve our vision to have simpler, faster and more accessible services, while keeping our mission of safeguarding at the heart of everything we do.

For each strategic objective we

identified 'Indicators of Success'. These are shown below with details of what we achieved. For each strategic objective we also identified business risks at a corporate and strategic level, linked to DBS not achieving the milestones for each.

During the year, the board completed a refresh of its strategic risks. Further details of the key risks identified during this exercise can be found in the Accountability Report under the heading of 'Profile of major risks and issues'.

Strategic Objective 1: Improve safeguarding through delivery of excellent services and sharing of knowledge

In 2019-20 we continued, within existing legislative powers, to develop our role in safeguarding the most vulnerable groups in our society, ensuring that this mission continued to be at the heart of our organisation. We continue to develop the quality of our services through ongoing data scrutiny, external review and support, and through our function as a progressive, learning organisation.

What we said we would do	What we achieved
Implement year three of Quality Assurance Framework	<ul style="list-style-type: none"> Independent Safeguarding Assessment service procured, with Sagaciti appointed. A quality focus for their activities was agreed, with year one work programme commenced Quality Walkaround programme implemented within directorates
Develop plan to extend International Organization of Standardization (ISO) across Disclosure	<ul style="list-style-type: none"> Widened the scope of the current certification to successfully include all areas of Operations (Disclosure) including quality management and customer services
Launch pilot for regionally-based outreach workers	<ul style="list-style-type: none"> Plans for a pilot of a regionally focused barring team. Pilot for East Midlands team developed, and two suitable candidates commenced in January 2020
Deliver Barring Transformation Phase 2	<ul style="list-style-type: none"> Implemented programmes to enhance people, processes and systems in Barring to improve performance with particular focus on quality

Strategic Objective 2: Drives good value for money

This objective reflects the activities we undertake to continue to improve the efficiency and effectiveness of our products and services over the course of our strategy, with the goal of reducing their cost.

What we said we would do	What we achieved
Implement change of fee following the completion of a fee review	<ul style="list-style-type: none"> • Fee changes were implemented on 1 October 2019, saving our customers £8 million in 2019-20 and £16 million in 2020-21
Implement a Data Warehouse to deliver further efficiencies	<ul style="list-style-type: none"> • Phase 1 focused on collating the key performance measures delivered in 2019-20
Technology Services and Contact Centre providers identified and approved by governance	<ul style="list-style-type: none"> • Transition to two new suppliers - CGI and Hinduja Global Solutions (HGS) - was completed by 31 March 2020
Complete service transition to new technology service and contact centre providers	
Complete Intelligent Client Design - function to lead and manage strategic change in a multi-supplier environment	<ul style="list-style-type: none"> • The Intelligent Client function was successfully implemented in 2019-20
Deliver year three of our efficiency framework	<ul style="list-style-type: none"> • Efficiency framework continues to mature and has identified 4.6% savings made during the year which is just below the 5% target

Strategic Objective 3: Meets customers needs and exceeds expectations

This objective reflects the activities we undertake to meet and address value for our customers, to enhance our products, moving more towards digital interactivity and services to improve levels of satisfaction.

What we said we would do	What we achieved
Develop a product strategy for Basics, including increasing volumes by >100,000 per annum	<ul style="list-style-type: none"> Increased Basic volumes with 40,000 increase within first six months and 114,000 at year-end
Develop Product Delivery Strategy to increase speed/ quality, reduce costs of servicing products	<ul style="list-style-type: none"> Improvements delivered with Basics, with system access improvements and offering different payment options for customers, for example, Apple pay. Initial further discovery work started which has informed the DBS 2025 Strategy Product managers in place developing roadmap for both Basic and Update Service products, with insight from commissioners of our work streams feeding into the activity underway
Initiate proof of concept to assess benefits resulting from implementing process automation technology	<ul style="list-style-type: none"> Digital discovery complete. Initial discovery work including an improved algorithm for matching applicants with the Police national computer has informed the next steps to be taken forward in 2020-21 Business Plan and roadmap
Develop continuous Improvement activities to realise annualised benefits across Barring and Disclosure operations which delivers business efficiencies	<ul style="list-style-type: none"> Planned efficiencies delivered an additional £230k worth of savings
Develop Dynamic Operating Model that supports Product Strategy and organisational development	<ul style="list-style-type: none"> Senior organisational structures put in place that support delivery of all products. Further work included in 2020-2021 Business Plan and roadmap (Target Operating Model)

Strategic Objective 4: Develop a talented workforce to inspire continuous improvement

Our people strategy is designed to develop the right blend of resource, skills, talent and expertise to ensure DBS meets its strategic aims. Our objectives are set in distinct areas of attracting, retaining and developing our staff, underpinned by modern ways of working.

What we said we would do	What we achieved
Implement effective resourcing practices that deliver capacity to enable DBS to delivery its strategies	<ul style="list-style-type: none"> Training and awareness materials have been developed and delivered as a step towards meeting Public Sector Equality Duty compliance Delivered significant reductions in absenteeism Apprenticeships have been delivered between Level 2 and Level 5 qualification standards. The subject matter is across a wide spectrum of development, including customer services and leadership, and they support key skills and capability gaps Organisational Capability Review workshops have been undertaken with directorates. The second phase to identify roles for the future linked to workforce planning is underway Learning and Development (L&D) - key activities delivered internally have included: <ul style="list-style-type: none"> the redesign of 'Opportunities to Learn and Grow' catalogue offer bespoke 'Leading through Change and Engaging in Change' away day workshops Development of the roles of Engagement and Wellbeing Champions to support delivery of wellbeing plan Delivered pension awareness sessions and supported MyCSP pension portal usage (one of the highest performers across government)
Develop aligned people strategies	
Enhance skills, capability and learning development enhanced	
Modernise our Human Resources (HR) and facility practices to enable DBS to achieve its strategy	

Strategic Objective 5: Is a highly valued public organisation

We have continued to work with stakeholders to understand their needs and how we can improve our service to them. By being connected to multi-agency safeguarding decision-making organisations, we are able to enhance the protection of vulnerable groups including children.

What we said we would do	What we achieved
Deliver DBS National Conference	<ul style="list-style-type: none"> • DBS successfully held its first national conference in Liverpool on 12 March 2020; over 290 delegates attended
Deliver year three of the stakeholder engagement implementation plan	<ul style="list-style-type: none"> • Successful public engagement events to gather information on the public views of DBS; work with Universities has taken place; and a DBS video of the journey of a certificate produced has been produced
Retain ISO accreditations	<ul style="list-style-type: none"> • These were retained across both sites for quality management and in Liverpool for customer services
Develop new strategy for 2020 and beyond	<ul style="list-style-type: none"> • DBS 2025 setting out vision, values and priorities to 2025 was co-produced with DBS staff over the last six months of the year and approved by Board in March 2020
Explore governance process to facilitate the publication of DBS research findings	<ul style="list-style-type: none"> • This has been agreed with the HO
Produce a series of customer insight/research outputs to answer the question 'Is DBS an effective safeguarding organisation?'	<ul style="list-style-type: none"> • Progress has been made towards the launch of our new customer survey method. Evaluation of the East Midlands referral work has informed this

Chief Executive's report on performance

2019-20 was the final year of our DBS strategy for 2017-20. Quality and safeguarding have been at the heart of our work over the last year, with everything we do designed to improve the quality of our services and the decisions we make.

We have maintained a strong focus on the quality and timeliness of our services and dealt proactively with a number of complex commercial, legislative and operational issues. At the same time, we have developed our new strategy, and we are now in a stronger position to move forward.

Our business plan for 2019-20 set out a challenging agenda, and we have achieved seven out of nine published service standards alongside maintaining high levels of customer satisfaction. We understand that during 2020-21 we must continue to work with our key partners, in order to further improve our performance across all of our service standards.

Following my appointment as Chief Executive Officer in June 2019 we started to develop our new strategy, DBS 2025, which is designed to drive the organisation forward over the next five years.

Putting quality at the heart of everything we do, we have co-created the strategy with our staff and this sets out significant contributions to improving the quality of service, the technology we use, our profile and our work with our partners and our staff.

To measure our performance, we have developed a number of key performance indicators. These are all linked to our strategic objectives and are monitored by the Strategic Leadership Team and the DBS board through an integrated performance reporting process. In 2019-20 we increased the number of service standards from eight to nine, achieving seven at the end of the financial year.

One significant highlight was that we increased our performance on issuing Basic DBS checks during the year, issuing an average of 80.9% in 24 hours compared to 63.7% in 2019, and an average of 99.6% in 14 days, compared to 97.7% in 2019.

Our overall performance is summarised in the graph and table overleaf.

Published service standards

We measure our performance using a set of published service standards. These measures are set out in our business plan, and focus on the quality and timeliness of our key services, as these are the issues which matter most to our customers.

For 2019-20 we achieved seven out of nine of these.

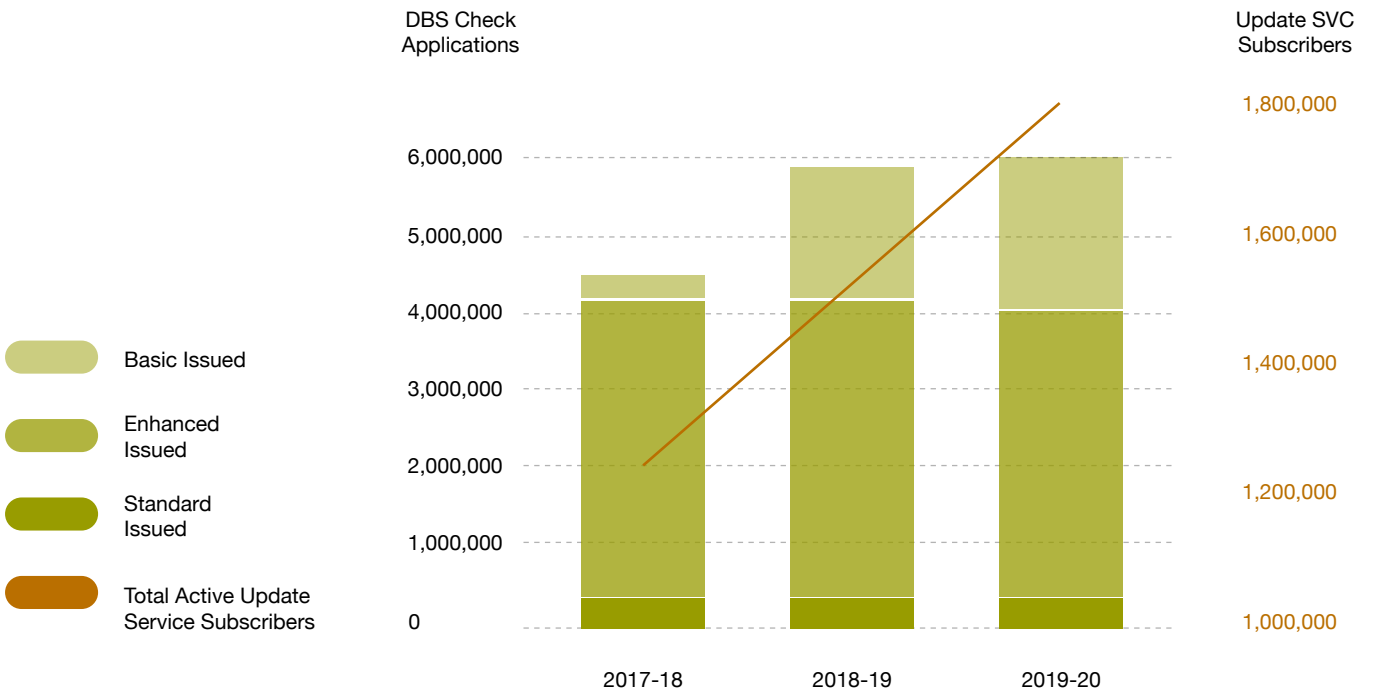
Service Standards		2019-20 Target	2019-20 Actual	2018-19 Actual
Basic DBS checks	Basic sample accuracy rate (rolling 12 month)	≥99.98%	100.00%	100.00%
	Percentage of Basic checks issued in 14 calendar days	≥96.00%	99.60%	98.00%
Standard and Enhanced DBS checks	Sample accuracy rate (Standard and Enhanced) (Rolling 12 month)	≥99.98%	99.98%	100.00%
	Percentage of checks issued in 14 calendar days (Standard DBS checks)	≥96.00%	99.70%	new measure 2019-20
	Percentage of checks issued in 14 calendar days (Enhanced DBS checks)	≥77.00%	78.30%	new measure 2019-20
	Percentage of checks issued in 42 calendar days (Enhanced DBS checks)	≥96.00%	94.20%	96.00%
Barring cases	Quality rate of closures	≥99.50%	95.24%	96.37%
	Percentage of Autobar cases closed within 1 month	≥95.00%	98.00%	94.00%
	Percentage of all Barring cases closed within 3 months	≥72.00%	74.50%	92.00%

Analysis of Performance

Disclosure

During 2019-20, we issued a total of 5.96 million Basic, Enhanced and Standard DBS checks. The table and graph below show the growth in DBS applications and Update Service subscriptions.

	Basic Issued	Enhanced Issued	Standard Issued	Total Active Update Service Subscribers
2017-18	320,123	3,822,745	321,942	1,254,843
2018-19	1,650,128	3,889,371	348,626	1,507,273
2019-20	1,764,404	3,886,971	326,225	1,774,834



Basic DBS checks

During 2019-20 we issued 1.76 million Basic DBS checks for customers in England and Wales through our online portal. Since the launch of Basic DBS checks in 2017-18, we have issued a total of 3.73 million Basic checks accumulatively.

We exceeded the key published service standard for Basic checks issuing 99.6% in 14 calendar days against the target of 96%. This was an improvement from 98% in 2018-19 and 92% in 2017-18. We issued 80.9% in one day exceeding the target of 65%, a significant improvement from 63.7% in 2018-19. The average turnaround time of less than one day was a significant improvement from three days in 2018-19.

We met our sample quality accuracy target of 100%.

Standard and Enhanced DBS checks

Our performance in issuing Standard checks in 14 days was 99.7% which exceeded the target of 96%. This is a new measure for the reporting year as we split out Standard from Enhanced products to focus on specific activity to drive performance.

Performance against the 14 calendar day target for Enhanced checks was also exceeded with 78.3% of DBS checks issued, compared to the target of 77%.

The target to issue 96% of Enhanced checks within 42 days has been challenging. We missed the target this year at

94.2%. This continues to be a significant challenge, primarily due to the closure of older cases at police forces, IT upgrades and subsequent operational issues at two police forces (Greater Manchester and Thames Valley), and more recently, the impact of COVID-19 in March 2020.

The work-in-progress target for police forces has been consistently met throughout the year and the average at the end of March 2020 was 10.6 days against a Service Level Agreement of 12 days. Police cases 'aged greater than 60 days' was not met, with actual performance of 3.4% against the target of 2% of overall police work in progress (WIP). Actual performance was significantly impacted during the year by two forces, Greater Manchester Police and Thames Valley Police. Recovery had begun but was impacted significantly by COVID-19 and is now delayed.

Sample quality checks performance met the target at 99.98% this reporting year.

During 2019-20, 20.6% of Standard and Enhanced DBS checks were issued free-of-charge to volunteers, compared to 20.9% in 2018-19. The average time to issue DBS checks was 2.3 calendar days for Standard DBS checks and 10.2 days for Enhanced DBS checks. We started to report on these products individually for this financial year, so do not have a comparison.

Update Service

At the end of March 2020, the

total number of Update Service subscribers was almost 1.78 million. This is an 18% growth from March 2019. The Update Service was introduced to encourage portability of checks and particularly suits people who require multiple checks – such as volunteers and individuals in roles that require moving from organisation to organisation – where the cost of multiple checks could be prohibitive.

Barring

During the year we continued to deliver our key statutory function to manage the lists of people barred from working or volunteering in regulated activity with children and/or adults (the Children’s and Adults’ Barred Lists). There are three main ways in which individuals are referred to DBS for barring consideration: referral, disclosure and auto-bar. The numbers for each of these are highlighted in the table below:

	2016-17	2017-18	2018-19	2019-20
Referral cases (matters referred to DBS by employers, keepers of registers, members of the public, etc.)	7,132	7,498	7,994	7,500
Disclosure information cases (this occurs where a request for a check contains relevant criminality information or intelligence)	4,302	8,638	12,601	12,688
Auto-bar cases (these are offences that are considered to be so serious in nature that a person will be considered to be barred from working in regulated activity)	4,165	14,829	28,887	27,334
Total all barring cases	15,599	30,965	49,482	47,522

We met our two timeliness published service standards for barring. We exceeded the target to close 72% of barring cases within three months with an outturn of 74.5%. This indicator measures the percentage of cases closed within the reporting month, which are three months old or less at

the point of closure, minus the length of time a case is classed as being ‘inactive’ (time spent awaiting information from a third party, or customer representations).

In 2019-20 the target to close 95% of auto-bar cases within one month was achieved at 98%.

Case closures

In 2019-20 the total number of case closures averaged 1,158 per month. This was a 323 decrease in closures compared to 2018-19 when the average was 1,481. This is more likely to reflect normal servicing of demand, as the higher number of closures in 2018-19 was mainly attributable to the efforts to reduce WIP to normal operating levels, following the major disruption caused by the move to our new technology platform.

Aged cases

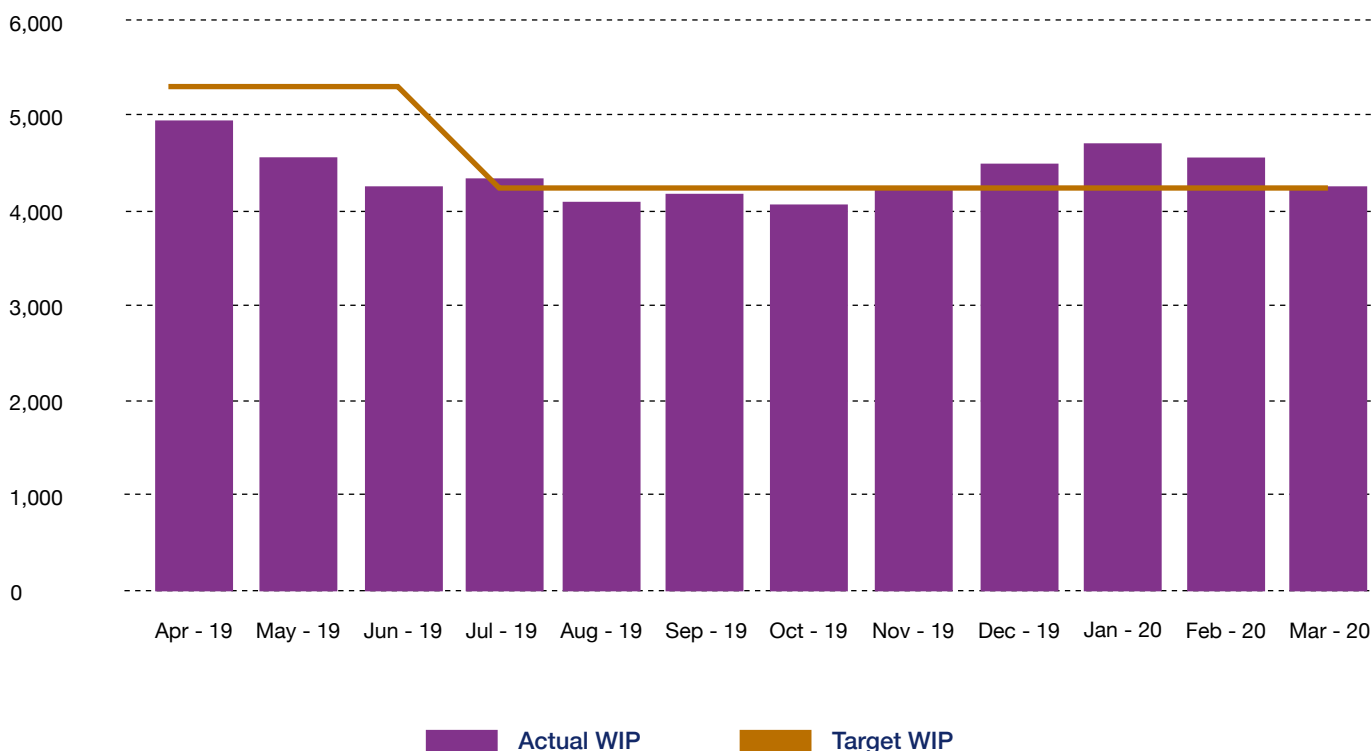
There has been a focus on

improvement in total aged cases (those older than 12 months) during 2019-20, with a target to reach fewer than 100 cases by the end of March 2020. At the beginning of the year there were 520 aged cases and by the end of the year this figure stood at 50. This has reduced from its peak of 937 in March 2018.

Barring WIP

There has been a significant improvement in barring WIP during 2019-20. It had reduced from 5,533 at the end of March 2019, to 4,379 at March 2020 which was only slightly above the target of 4,200.

Barring Work in Progress (WIP)



Productivity

During 2019-20, Barring achieved a year-end result of 9.6 cases closed per month per full time equivalent staff member, against an increased target of 11 cases. This is a decrease of 1.3 case closures compared to the 2018-19 year-end result.

This is attributed to a drive to improve the management of risk within the overall barring caseload which had a predicted impact on productivity. The expectation is that productivity will increase when the changes have become embedded.

Barring quality

Barring caseworkers make risk-based judgments that are often finely balanced, and a rigorous quality assurance process is in place to monitor this. Where the quality assurance process identifies cases requiring further work before the decision is communicated to the referred Individual, these are progressed as a priority with any learning shared to improve the quality of barring decisions.

The quality rate of closures target remains at 99.50%. The actual quality rate of closure for 2019-20 was 95.24%. This compares to 96.37% being achieved in 2018-19. The target is challenging and only allows for a

small number of potential errors throughout the reporting year – one per 200 cases.

The quality of our service provision will always remain a key priority in the operation of all our functions. Our service quality is subject to regular internal audit review. The barring decision-making process is a fundamental part of our quality management system which is certified to the ISO9001 Quality Standard.

Appeals

A barred person (other than those automatically barred without representations) has a right to appeal a barring decision but can only do so with the permission of the relevant tribunal (based on an error of fact, or law). They cannot seek to appeal the barring decision itself solely because they disagree with the decision. Appeals are heard by the Upper Tribunal in England and Wales and the Care Tribunal in Northern Ireland.

During 2019-20, the number of appealed barring cases increased to 2.4% compared to 0.91 in 2018-19.

The table below shows all closures in year 2019-20 (note, closures include residual appeals lodged in previous years).

Status/Outcome	Q1	Q2	Q3	Q4	Full Year
Appeals lodged 2019-20	25	36	29	24	114
Closed – DBS withdrew (excluded appeals - Appellant removed from Barred List/s) *	6	3	7	8	24
Closed – DBS withdrew (appellant removed from Barred List/s) **	2	2	4	8	16
Closed – DBS decision maintained ***	2	5	3	13	23
Closed – removed following Substantive Hearing	0	0	1	0	1
Live Appeals at end of quarter (includes residual appeals lodged in previous years)	73	99	113	108	

* Excluded denotes appeals whereby a Para 18A review has been undertaken due to 'new information' so not necessarily because the original barring decision was wrong but something during the appeal has led to the conclusion that retention on the barred list is no longer appropriate

** The original DBS decision could not be defended

*** These are DBS decisions that have remained in place but may not have reached a substantive hearing

Customer complaints and stakeholders

We achieved our targets for dealing with customer service complaints for the year. We maintained a high score of 88% for satisfaction with the service received and 90% of customers agreeing with the statement that DBS makes a difference to public safety by helping make effective employment decisions.

DBS has a legislative reliance on Registered Bodies to carry out this role. Applicants can not apply directly to DBS for Standard or Enhanced DBS checks.

We have 1,432 Registered Bodies who have submitted

4.2 million applications in 2019-20. The main responsibilities of Registered Bodies are:

- checking an applicant's identity
- checking eligibility for a DBS check, and the type of check
- ensuring the DBS application form is completed correctly (paper or e-application)
- collecting the fee and paying DBS
- countersigning the application and submitting it to DBS

During 2019-20 we received

2,586 complaints, which represents a decrease of 25% when compared to an intake of 3,450 in 2018-19. This is a significant decrease especially when viewed in the context that this was despite an increase in Disclosure applications of over 1.18% against the prior year. Complaints received related to Standard and Enhanced DBS checks (61.2%), Basic DBS checks (25.0%) and the Update Service (13.8%). Of the 2,586 complaints completed through 2019-20, 0.8% (21) were escalated by the complainant, to the next tier of the DBS complaints process. Of those escalated cases, six were referred to the Independent Case Reviewer.

Of all the complaints responded to through 2019-20, 99.2% were completed and resolved at our initial stage of the complaint process. Our target was to respond to 98% of complaints within eight working days. We responded to 99% of complaints relating to Standard DBS checks, Enhanced

DBS checks and Basic DBS checks within eight working days, and 100% of complaints relating to Update Service within eight working days.

2019-20 Financial Performance

‘Managing Public Money’ requires DBS to set its fees at a level that breaks even each financial year. Effective cost controls and volume forecasting are important elements of our business planning as we can only set budgets on an in-year basis. Following the annual fee review, DBS implemented reductions from October 2019 across all disclosure products, resulting in average reductions of 10% as per the table below, and resulting in a significant saving to customers of £8 million. The future annual impact of which would result in an anticipated doubling of these savings in the course of a full year.

Product Pricing	Enhanced	Standard	Basic	Update Service
To 30 September 2019	£44.00	£26.00	£25.00	£13.00
From 1 October 2019	£40.00	£23.00	£23.00	£13.00

In this financial year we have again made a surplus, however this is significantly reduced against 2018-19 in part due to the fee reduction implemented in October 2019, and with the remaining reduction due to a combination of factors as set out in the table and narrative

below. This surplus (less the cost of capital) has been recognised as a Consolidated Fund Extra Receipt creditor at year-end and is due to be transferred to the HO following approval of our Annual Report and Accounts for 2019-20.

Financial Summary

Statement of Comprehensive Net Expenditure classification £000's	2019-20	2018-19	2017-18
Total operating income	194,876	195,119	160,651
Staff costs	37,050	36,687	32,798
Purchase of good and services	131,542	101,178	95,341
Depreciation and impairment charges	5,389	7,681	17,248
Other operating and finance costs	1,151	(182)	3,915
Total operating expenditure	175,132	145,364	149,302
Net Surplus	19,744	49,755	11,349

While core demand for both Enhanced and Standard DBS checks has remained reasonably static for several years now, we are continuing to experience growth in demand for both the Update Service and Basic products broadly in line with our expectations. As at the end of March 2020, we had 1.77 million live subscribers to the Update Service and almost 1.76 million Basic certificates were issued during the year. In the last few weeks of the year however, we did experience reductions in demand across all DBS checks as a result of the COVID-19 pandemic which negatively affected volumes and the associated income.

Goods and service costs have risen, largely driven by a change in our cost base, including the extension of the initial five-year contract with TCS which came to an end in March 2020, and the costs to transition these

services to our new providers, CGI and HGS.

The transition also included the insourcing of the finance functional aspects previously provided by TCS. This decision, whilst increasing costs during the year, is expected to deliver efficiencies as we move forward into 2020-21 and beyond. Additional costs were also incurred for police disclosure unit funding as a result of additional volumes requiring increased resourcing.

There remains commercial litigation in train with TCS and this was anticipated to be heard in June/July of 2020. Given the COVID-19 situation, this remains on hold until normal court services in respect of commercial matters are resumed.

In relation to performance, although a breakeven budget was originally set for 2019-20, our year-end position of £19.74 million surplus is higher than anticipated due to circumstances

unforeseen at the time the budget was set with the key factors including:

- the Basic product applications experienced additional growth of around 46,000 over those budgeted, resulting in an additional £1 million of income; additionally, reduced levels of WIP for Enhanced DBS checks released additional income of £1.5 million
- underspends on staff costs of £1 million were experienced due to difficulties in recruiting to required skills, particularly in specialist areas; additionally, we have received HM Treasury funding for £1 million as contribution to mitigate the impact of the increase in public sector employer pension contributions brought about as the result in the reduction of the future valuation discount rate - this contribution was not envisaged at the time the budget was set
- supplier costs, although they increased significantly due to the change in pricing mechanism with TCS, were not as high as originally anticipated when the budget was set; this is due to supplier costs including the provision of IT services, police disclosure units and costs with other key supply partners, that were £14 million lower than budget, driven by the timing of the service transition to new suppliers and the associated costs, vacancies within police forces, and reduced expenditure on project related costs and other commercial matters
- depreciation charges have

reduced by £1 million due to the revised timeframes for the R0 technical upgrade completion

- building dilapidation provisions were also required during the year for property-related leases taken out during the year resulting in additional costs of £1 million
- the net impact of a range of other more minor variances to budget totalling £1 million, with the balance being the cost of capital as aligned to the budget

Other non-financial performance

DBS has a number of policies which cover anticorruption, antibribery, fraud and cyber security. These are monitored and any issues or events arising are raised and monitored at executive and board level. Fraud and error are reported via the HO to Cabinet Office on a quarterly basis. During 2019-20 no material incidents were reported.

Sustainability Report

The sustainability data is compiled for DBS by the Ministry of Justice (MoJ) Sustainability team as MoJ Estates Directorate manage the HO buildings including those which DBS occupy. As an arm's length body of the HO, DBS is committed to the UK Government Sustainability Programme.

Data quality

The data is gathered and validated by an external organisation and quality assured by the MoJ

Sustainability team and Building Research Establishment on behalf of Defra. 2018-19 non-financial indicators have been restated to include actual environmental performance for the 2018-19 financial year. All data is UK only unless otherwise stated.

The data relates to our two sites managed by the HO and not where the estates services are provided by a landlord and re-charged through a service charge. The greenhouse gas conversion factors used can be found in the government environmental impact reporting requirements for business.

Greening Government Commitments

DBS is considered to be part of the HO for Greening Government Commitments (GGC) purposes. The data below shows DBS performance for the financial year ending 2019-20 against a 2014-15 baseline, unless otherwise stated.

Performance summary:

- We have achieved a 61%

reduction of overall carbon emissions from estate and business travel, meeting the 2020 GGC target

- The reported amount of waste generated from the two sites has increased due to data quality improvements; DBS in 2019-20 generated 45 additional tonnes from the 2014-15 baseline but the amount of waste going to landfill has fallen due to increased recycling

- Recycling rates are 64% and we are working with our facilities management companies to improve these





- In 2019-20 water consumption reduced by 16% compared to 2018-19; when compared to the 2014-15 baseline however, the water consumption has increased by 4% therefore missing our 2020 GGC target

- We have seen a 50% decrease in the amount of paper purchased since 2014-15 meeting the 2020 GGC target

³ In accordance with annual reporting conventions across other UK Government departments and agencies, The DBS' non-financial indicators are compiled using data from the final quarter of the previous reporting year plus the first three quarters of the current reporting year.

⁴ <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2019>

Overall GGC Performance 2019-20

Requirement	2019-20 Performance	Achievement against target	Explanation where target not achieved
Reduce greenhouse gas (GHG) emissions by 42%	-61%		
Reduce domestic business flights by 30%	-6%		The number of flights taken in 2019-20 by DBS staff was higher than those taken in previous years, due to board member locations which necessitated air travel
Continue to reduce total waste against baseline	68% increase		The number of tonnes of waste being reported has increased due to data quality improvements
Landfill waste to be less than 10%	2%		
Increasing the proportion of waste recycled against baseline	64%		
Reduce paper use by 50%	-50%		
Continue to reduce total estate water consumption against baseline	4% increase		DBS is working closely with our facilities management suppliers to reduce water consumption where possible and has reduced consumption significantly compared to last year (2018-19)

Overall GGC Performance 2019-20

Area	Metrics	2019-20	2018-19 ⁵	2017-18	2016-17	2015-16	2014-15
Greenhouse gas emissions	Tonnes CO2e	906	1,161	1,547	1,122	1,940	2,305
Energy	kWh	3,699,981	4,276,927	4,946,718	2,918,169	4,721,437	6,003,280
Utilities	Expenditure	333,410	338,062	383,468	283,010	478,131	543,446
Domestic flights	Number	94 ⁶	55	70	70	65	100
Office waste	Amount (tonnes)	111	96	92	34	47	66
	% recycled by weight	64%	49%	51%	53%	43%	45%
	Expenditure	8,756 ⁷	7,573	7,109	Not available	Not available	Not available
Water	Consumption	7,653	9,136	7,800	5,554	13,975	7,388
	Expenditure	44,842	53,531	45,808	35,802	43,929	25,307
Paper	Amount (A4 reams equivalent)	2,440	3,510	4,885	4,368	5,570	4,900
	Expenditure	6,064	14,300	19,902	17,710	13,155	10,743

⁵ The environmental data for 2018-19 has been restated to show the full year up to March 2019

⁶ Increase in flight due to board being held in Belfast and new NEDs joining board whose locations required air travel to get to our office locations

⁷ Financial figures pro-rated from 2018-19 figures as 2019-20 spend on waste disposal was not available as all utilities are combined and paid through service charges for DBS properties

Accountability Report



Corporate Governance Report

This section of the report sets out the composition and organisation of the governance structures of DBS and to demonstrate how they support its objectives.

DBS operates as an executive non-departmental public body and as an arm's length body of the HO. The relationship between DBS and the HO is guided by a framework document. Although this has no statutory basis, under the provisions of HM Treasury's guidance 'Managing Public Money', the government requires departments to have arrangements in place to monitor and understand the strategy, performance and delivery of the non-departmental public body, usually built around a jointly agreed and signed framework document. This is supported by appropriate letters of delegation from the HO to the DBS Chief Executive Officer, or acting Chief Executive Officer, setting out the terms of financial delegation to spend money received by DBS from statutory fees.

The minister responsible for DBS is Victoria Atkins MP, Parliamentary Under Secretary of State for Safeguarding and she accounts for DBS business in Parliament.

The DBS Chairman and Chief Executive Officer meet with the responsible minister regularly, or when relevant issues arise.

Directors' report

There were a number of changes to the composition of the board during the financial year ending 31 March 2020.

Dr Gillian Fairfield was appointed chairman of DBS on 1 December 2018 and served throughout the financial year to 31 March 2020. Adele Downey was the Chief Executive Officer and Accounting Officer of DBS until her retirement in May 2019. Paul Whiting was appointed to these posts on an interim basis from 1 May 2019 and carried out these roles until the commencement of Eric Robinson's taking up post as the new DBS Chief Executive and Accounting Officer on 16 July 2019. Paul Whiting then resumed his role as Deputy Chief Executive and Chief Financial Officer.

Following a governance review and in line with legislation the DBS board consists of appointed members only. Executive directors ceased to be board members in February 2020. DBS is now led by a board, comprising a Chairman and non-executive appointed members.

Details of board members can be found in the governance statement. A register of interests for board members is maintained and updated regularly and can be found at www.gov.uk/government/publications/dbs-register-of-interests.

Information on reported personal data-related incidents is included within the section headed Data Protection.

Statement of Accounting Officer's responsibility

Under Schedule 8 of the Protection of Freedoms Act, the Secretary of State has directed DBS to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of DBS, and of its income and expenditure, statement of financial position and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis

- make judgements and estimates on a reasonable basis
- ensure applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis

The responsibilities of an Accounting Officer are set out in 'Managing Public Money', published by the HM Treasury. These include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, keeping proper records and for safeguarding DBS' assets.

The DBS Accounting Officers who served during the financial year to 31 March 2020 were as follows:

DBS Accounting Officer	Period of Appointment
Adele Downey	1 April 2019 to 30 April 2019
Paul Whiting (interim appointment)	1 May 2019 to 15 July 2019
Eric Robinson	16 July 2019 to 31 March 2020

Prior to the retirement of Adele Downey as Accounting Officer and Chief Executive of DBS, a handover process took place between the outgoing and incoming Accounting Officer to ensure that the new

interim Accounting Officer was fully conversant with the risks and internal controls operating within DBS. On this basis and the fact that in his substantive role, Paul Whiting, the interim

Accounting Officer acted as Deputy Chief Executive and Chief Finance Officer of DBS for a number of years prior to this interim appointment, his knowledge and experience of DBS supported the transition to this role.

Subsequently, on the commencement of Eric Robinson as Chief Executive and Accounting Officer, the knowledge transfer from Paul Whiting was detailed and thorough to ensure that the new Accounting Officer was sufficiently aware of the risks and control environment in which DBS operates.

As far as the Accounting

Officer is aware there is no relevant audit information of which the entity's auditors are unaware. The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The Accounting Officer confirms that the Annual Report and Accounts as a whole is fair, balanced and understandable and he takes personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is 'fair, balanced and understandable.'



Eric Robinson
Accounting Officer

Date: 9 July 2020

Corporate governance statement – 2019-20 year-end

The purpose of the corporate governance report is to explain the composition and organisation of an entity's governance structures and how they support the achievement of the entity's objectives.

As the Accounting Officer (AO) for DBS, I am responsible for maintaining a sound system of internal control that supports the achievement of DBS' strategic and corporate plans, aims and objectives, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in the HM Treasury guidance 'Managing Public Money'. The system of governance, internal control and risk management is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore provide only high and not absolute assurance of effectiveness.

I confirm that I have reviewed the system of internal control in operation within my area of responsibility and, along with statements of assurance from directors, have made the following assessment to cover the period of 1 April 2019 to 31 March 2020.

Governance, internal controls and risk management framework

As a non-departmental public body (NDPB), the DBS has drawn on HM Treasury's corporate governance code, which is guidance for central government departments, to establish its governance. I

consider we have complied with the principles set out in that code. We continuously review the effectiveness of DBS' control and risk management framework through our corporate governance structures and key controls.

Main elements of the governance structure

Governance framework

The board had been operating under a constitution since 2012 which set out the governance arrangements for board and its supporting committees. As reported last year, the chairman, Dr Gillian Fairfield, who was appointed on 1 December 2018 for a period of three years, commissioned an external review of the governance at DBS.

The governance review was completed during the reporting period and the results were reported to and discussed with HO colleagues and board. An action plan was drawn up and following agreement from our minister in February 2020, the plan has now been implemented. The key aspects of the action plan relate to: board composition, the constitution and framework document, the review of the committee structure and associated terms of reference, and a revised scheme of delegation and decision-making frameworks.

In accordance with one of the key recommendations in the governance review, the board composition changed in February 2020 and at the end of

the reporting period (31 March 2020), its membership is made up of appointed members, a non-executive chair and four non-executive directors.

The Role of the Board

The DBS board is the ultimate source of authority for the actions of DBS and responsible for setting its strategy, risk appetite, functions, and monitoring risk and performance. The board is ultimately responsible for ensuring that the statutory functions of DBS are undertaken and undertaken appropriately. It does this on behalf of government and reports to the responsible minister through its chairman. The board is also responsible for reputation, strategy, financial performance and system of corporate governance of DBS.

Regular reports are presented to board, its committees and the HO Sponsorship Unit (HOSU) including through the minister's report. The DBS board was satisfied with the quality of the papers, data and risk considerations used to inform recommendations. Attendance at those meetings is outlined immediately below the next section which outlines the board's committees.

The chairman invited the HO Director of Public Protection to every DBS board meeting and her office receives copies of board papers. The board met on 11 occasions between 1 April 2019 and 31 March 2020, supplemented by teleconferences and out of

committee papers.

Board Committees

During the majority of the reporting period, the board was supported by four committees operating under their terms of reference. In accordance with one of the recommendations from the governance review, a new committee structure was implemented, meaning that there are now five committees instead of the previous four. Terms of reference were agreed by board in January 2020 with some further revisions in February 2020.

The new board committees are:

- Audit & Risk Committee
- Barring Appeal Panel
- Change Management Committee
- Quality, Finance & Performance Committee
- Remuneration Committee

The committees oversee the responsibilities of the board for specific areas of DBS, providing advice and assistance where appropriate. Committee chairs report to the board on their committee's work, raising any relevant concerns or risks. They complete an annual report of the activities undertaken and consider their effectiveness.

Non-executive committee chairs and membership are detailed in the table below the summary of committee activities.

Summary of committee activities

As outlined above, following a governance review the board agreed changes to its committees, this section summarises the work of the committees and indicates the period which they were in operation.

Audit and Risk Committee (ARC):

In place for the reporting period, this committee provided advice and assurance to the board and AO on a range of issues including risk management, the internal control framework, General Data Protection Regulations, and cyber security. It oversaw the work of both internal and external audit. It reviewed the risk management framework and scrutinised specific risks at each meeting. The committee met six times and in summary the committee:

- noted the progress made following the implementation of the Ajilon recommendations for business continuity and disaster recovery planning (referenced in the update to risk 6; Business continuity and disaster recovery in the Profile of major risks and issues section)
- noted the Treasury minute updates provided to the Public Accounts Committee
- recommended to board the approval of the governance statement and the Annual Report and Accounts for 2018-19 and the nine-month governance statement in January 2020
- conducted a self-assessment of the five principles of good practice as set out in the HM Treasury

Audit and Risk Handbook and undertook a further effectiveness review at its November 2019 meeting

- noted the progress made on the counter fraud action plan in order for DBS to be compliant with the government standard
- reviewed the risk management framework and risk appetite statement and recommended further enhancements to the former but approval to board of the latter
- conducted 'deep dives' into supplier management, and change, capability and capacity, and whilst noting the progress that had been made, suggested further areas for improvement

Barring Appeal Panel (BAP):

In place from February 2020 onwards, this panel is an ad-hoc committee of the board, with delegated authority to decide whether to appeal or defend an appeal against an Upper Tribunal decision. As an ad-hoc committee and in line with its terms of reference, its membership is appointed when a meeting is required. No decisions were required in the reporting period and therefore the panel did not meet.

Change Management Committee (CMC):

In place from January 2020 onwards, the purpose of this committee is to assist the board in its oversight responsibilities. It provides assurance to the board

and Chief Executive in relation to the robustness and effectiveness of the DBS Change Programme and Project Management arrangements, oversight of the DBS Change Programme, the robustness and effectiveness of the DBS Commercial Management arrangements, and when necessary the review or sign off of specific business cases and expenditure. The committee met three times.

Finance and Performance Committee (F&P):

In place to January 2020, this committee ensured the overall integrity of the financial strategy, planning, monitoring and reporting framework. The committee scrutinised and validated financial reports in relation to the business plan, measures and targets including the efficiency programme. It scrutinised operational performance within its remit on behalf of the board. The committee met four times.

Quality and Standards Committee (QSC):

In place to January 2020, this committee provided advice and assurance to the board as to the quality and standards of operations, and provided advice on complex barring casework, receiving regular reports. It scrutinised operational performance on behalf of the board. The committee met four times.

Quality, Finance & Performance Committee (QF&P):

In place from January 2020 onwards, this committee provided assurance to the board and AO in relation to three principal activities:

- framework and processes for quality, performance and financial management of DBS
- to provide assurance as to the preparation and implementation of both revenue and capital plans
- to provide assurance to the board that safeguarding is considered properly in the delivery of DBS' functions

The committee met three times.

Remuneration and Nominations Committee (R&N):

In place to January 2020, this committee assisted the board in the discharge of its responsibilities in relation to remuneration, pay and reward. The committee met six times.

Remuneration Committee (RemCo)

In place from January 2020 onwards, this committee supported the board in respect to the remuneration of the Chief Executive Officer and all SCS-graded posts or other posts reporting to the Chief Executive Officer. The committee met once.

Board members' and CEO attendance (1 April 2019 - 31 March 2020)

Name	Role	Board	ARC	F&P	QSC	R&N	QF&P	CMC	REMCO
Dr Gillian Fairfield	Chairman	11	-	-	-	-	-	-	-
Glenn Houston	Non-executive director, Deputy Chairman, QSC Chair, QF&P Chair	11	-	-	4	5	3	-	1
Andy Nelson ¹	Non-executive director, F&P Chair, Service Transition Board non-exec rep	8	5	4	3	-	1	1	-
Caroline Anderson	Non-executive director, ARC Chair, Left April 2019	1	1	-	-	-	-	-	-
Samantha Durrant	Non-executive director, CMC Chair, Started April 2019	10	5	3	-	-	3	3	-
David Banks	Non-executive director, ARC Chair, Started April 2019	10	6	4	-	4	-	3	-
Mary Cunneen	Non-executive director, R&N Chair, RemCo Chair, Started April 2019	10	-	-	4	5	2	-	1
Adele Downey	Chief Executive, Left May 2019	1	-	-	-	-	-	-	-
Eric Robinson	Chief Executive, Started July 2019	8	-	-	-	-	-	-	-
Ian Johnston	Director for Operations (Disclosure)	10	-	-	-	-	-	-	-
Paul Whiting ²	Deputy Chief Executive & Chief Financial Officer	10	-	4	-	-	-	-	-

NB: Attendance of Board/committee members and the CEO is shown; attendance of non-members is not included. P Whiting and I Johnson ceased to be Board members from 28 February 2020. During the 12-month reporting period: 11 Board meetings took place, 6 ARC, 4 F&P, 4 QSC and 5 R&N. New Committees: 3 QF&P, 3 CMC and 1 RemCo. These meetings were complemented by several teleconferences and, where appropriate, 'out of committee' correspondence.

¹A Nelson was non-executive representative on the Service Transition Programme Board, which meets monthly.
²P Whiting was Acting CEO between May and July 2019

Main elements of internal controls and risk management

As part of our internal control system we have key internal controls including financial and procurement elements related to segregation of duties, authorisation and approval of expenditure. We have an assurance framework which provides a critical examination of the effectiveness of each directorate's key controls and maps their main sources of assurance. It outlines each of the assurance activities that are undertaken to ensure we are confident about the effectiveness of our policies and operations, the achievement of our objectives and DBS' compliance to any statutory obligations. A report is presented to each ARC meeting detailing the assurances around our control environment. This includes the following areas: whistle blowing, health and safety, fraud, computer system security, information management compliance, and conformance with Freedom of Information and Parliamentary Questions procedures.

The internal control system of DBS has worked effectively; it is designed to manage risk to the set tolerance levels, and maintain regularity and propriety, rather than eliminate all risks of failure. The system is based on an ongoing process designed to:

- identify and prioritise the risks affecting our business aims and objectives
- evaluate the likelihood of those risks happening and their likely impact

- manage those risks efficiently and effectively

The board

The board leads oversight of strategic risks. It owns the risk management framework and defines the overall risk appetite for the organisation while monitoring the overall risk profile. The board undertook a review of the strategic risks in April and approved the risk appetite statement at its November meeting. It also held strategy planning sessions during each meeting and had several commercial discussions and updates throughout the year. Board receives the strategic and corporate risk registers every meeting. The SLT leads on corporate risks.

Audit and Risk Committee

The Audit and Risk Committee provides assurance that adequate processes are in place and are being used effectively to manage risk and controls in the organisation. It receives a report from the risk manager at each meeting and scrutinises selected risks in detail. Management information is used to verify that risks are being appropriately escalated and to assess the overall risk and control effectiveness of the environment of the organisation and its performance. At its meeting in November 2019, it considered the risk appetite statement and made a recommendation to board to approve it.

Strategic Leadership Team

SLT is the primary operational decision-making body of DBS,

supporting the board to carry out the legislative, policy, operational and administrative functions and requirements of DBS. Directors provide senior leadership and oversight of operational and administrative functions noted in the section headed 'Our Organisation'. SLT meets ahead of board meetings and spends significant time discussing the management and mitigation of risks at each meeting. Risk management is embedded, evidenced by the ownership of risks at director level and the challenge received at Corporate Management Team (CMT) meetings. These arrangements are supported by monthly calls and quarterly meetings (or sooner if required), between the DBS corporate risk manager and the HO Sponsorship Unit to ensure that adequate management arrangements are in place for those strategic risks managed jointly with the HO.

Risk management reporting to SLT has been strengthened with much closer scrutiny and challenge concerning the alignment of risks with key areas of organisational performance measures and business plan milestone achievement.

Each director provided the AO with both a nine-month assurance statement and a year-end statement outlining the risks, key controls and information management responsibilities under their control during the reporting period.

Corporate Management Team (CMT)

CMT consists of senior managers

from all areas and is responsible for the strategic management of corporate operational challenges. As part of its role it monitors progress against the business plan objectives and provides assurance to SLT on data management. CMT works with the corporate risk manager to provide assurance to SLT that corporate and strategic risks are being appropriately managed and escalating by exception those that need SLT input. CMT usually meets monthly.

Internal audit

Under the terms of the DBS framework document, the Government Internal Audit Agency (GIAA), provides an independent and objective audit service operating to standards, and an agreed audit methodology documented in the guidance 'Public Sector Internal Audit Standards'. The Head of Internal Audit attends ARC and periodically attends SLT.

GIAA delivered an agreed internal audit programme for the year covering both 'business as usual' and programme-related activity. This programme of work was overseen by ARC. The programme received progress reviews at both SLT and ARC meetings. In addition, these forums also monitored the organisation's progress in implementing management actions arising from GIAA reports. As shown in the table below, during the reporting period, five reports were given a moderate opinion and one report was given a limited

opinion. GIAA also conducted two advisory reviews and, given the specific scopes, issued a report and a management letter

without opinions. The final output covered attendance at, and input to, the Service Transition Project board.

Audit title	Opinion
Assurance Framework	Moderate
Business Continuity and Disaster Recovery	Moderate
Performance Management	Moderate
Facilities Management	Limited
HR Key Controls	Moderate
Counter Fraud Compliance – Consultancy Review	N/A
Service Transition Programme (1) – Critical path	N/A
Service Transition Programme (2) – Embedded Assurance	N/A
Finance Key Controls	Moderate

The table outlines the definitions that relate to the opinions noted above:

Opinion	Definition
Substantial	The framework of governance, risk management and control is adequate and effective
Moderate	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective
Unsatisfactory	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail

At the end of the financial year, the head of internal audit gave their opinion as being moderate. This reflects that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

This opinion and accompanying report help to ensure that I, as AO, and ARC meet the internal audit related requirements of 'Managing Public Money' and the 'Audit Committee Handbook'.

Financial management

Processes, controls, risk management and fraud prevention strategies delivered good financial management and appropriate levels of propriety, regularity and value for money.

Fees and budgets were agreed in advance for the financial year, taking into account forecast volumes and business planning objectives. The budgets were scrutinised at senior level across DBS in advance of formal approval by the board.

Fees are kept under regular review through prompt monthly reporting of expenditure against agreed budgets and subsequent re-forecasts, to ensure that DBS adheres to the principles of HM Treasury's guidance, 'Managing

Public Money'. This includes monitoring of changes in forecast income and expenditure and uncertainties such as demand fluctuations and the current risk profile. Following a number of years of surpluses, the planned fee reductions took effect from 1 October 2019.

Actual financial performance against budget and forecast is reported to the SLT and the board each month as part of a wider integrated performance report. This includes commentary on key variances, with risks and other relevant financial information being highlighted. As part of the review of this information, directors are challenged on their financial and operational performance.

Profile of major risks and issues

DBS operated in a particularly challenging environment with the most significant risks largely dependent upon the performance of its external suppliers. This was amplified during this year with the transition to our new key suppliers, CGI and HGS, and with the impact of COVID-19. The current significant issues and risks are detailed opposite:

Risk title and description	What are we doing about them?
<p>1. Safeguarding risk</p> <p>DBS manages the risk that a child or adult could be subject to significant harm caused by DBS action or inaction, because decision making within Operations may be delayed and or inaccurate</p>	<ul style="list-style-type: none"> • Quality checks concerning accuracy take place prior to the issue of certificates or the barring of an individual • Learning that flows from issues identified is shared across teams together with any corrective action(s) • Quality support activities have been introduced such as quality advisory service, peer review; themed case conferences, and quality summits • Operations' focus continues to be on achieving timely delivery across the end to end process, in line with agreed targets
<p>2. Compliance with 'Managing Public Money'</p> <p>Recent years have seen annual surpluses being returned partly because of the risk profile DBS has faced during a complex IT transformation implementation</p>	<ul style="list-style-type: none"> • Board approved proposals for a fee reduction that took effect from 1 October 2019 • A further fee reduction has been paused owing to the demand reduction linked to the COVID-19 outbreak
<p>3. New and existing IT system resilience</p> <p>DBS is reliant upon systems, including some legacy systems, to deliver its services, and there is a risk of service outages leading to reduced service performance</p>	<ul style="list-style-type: none"> • A programme of work is currently being undertaken to update the legacy systems, with the initial focus being on the replacement of legacy infrastructure and hardware • A further rolling programme of upgrades and improvements across the entire IT estate will be commenced during 2020-21
<p>4. Maintain positive commercial relations</p> <p>DBS is experiencing ongoing commercial challenges with its former supplier, with the risk that this adversely affects business as usual activity including service delivery</p>	<ul style="list-style-type: none"> • Supplier managers are now in post and are operating under a new supplier management framework • Regular updates are provided with regards to the ongoing legal matters linked to the dispute
<p>5. Transition to new suppliers</p> <p>DBS is transitioning to two new service partners and the incumbent supplier may not be cooperative, and there is therefore a risk of reduced service performance, leading to potential impacts on safeguarding and DBS' reputation</p>	<ul style="list-style-type: none"> • The Service Transition programme completed the transfer of services from TCS to the two new suppliers and to DBS to plan at the end of March 2020 • Hyper care period activities are in place and performance remains closely monitored
<p>6. Business continuity and disaster recovery</p> <p>DBS could potentially be subject to a continuity or catastrophic event and there is a risk that its response to this is not sufficiently managed, creating reputational impact from disruption to its safeguarding functions and the achievement of its targets</p>	<ul style="list-style-type: none"> • An action plan is in progress and is actively monitored; the leads from each directorate provide regular updates on progress • Discussions with the new suppliers have commenced and initial supplier Business Continuity Disaster Recovery plans have been reviewed • Additional work has been completed on a COVID-19 plan and actions are being put in place to ensure DBS are mitigating the risk of reduced service delivery and also the welfare of their staff
<p>7. Cyber security</p> <p>DBS services are becoming more digital-based and internet-facing and there is a risk that a cyber attack could occur, leading to data breaches, outage of its key processing systems and reduced public confidence</p>	<ul style="list-style-type: none"> • A gap analysis against the National Cyber Security Centre's minimum cyber security standards has been completed with any gaps being added to the Cyber Strategy delivery plan • A three year Cyber Strategy has been delivered, with key deliverables for the first year already underway or completed

Risk title and description	What are we doing about them?
<p>8. Compliance with GDPR/Data Protection legislation</p> <p>DBS is managing the risk that it may breach its legislative obligations, leading to a reduction in public confidence if citizen personal data is not being collected, processed or shared appropriately</p>	<ul style="list-style-type: none"> • An external review has been undertaken which concluded some modest improvement activities are needed to strengthen our compliance. Further system changes are in the planning stage and will form part of rolling programme of IT upgrades and improvements
<p>9. Insufficient capital to deliver our strategy</p> <p>DBS is reliant upon a capital allocation from the HO, which is constrained under present limits, with the risk that insufficient capital will be available to DBS, leading to an inability to complete its desired strategic initiatives</p>	<ul style="list-style-type: none"> • In the event that the allocation is insufficient, alternative arrangements including a conversion of resource spend will be explored with the HO • Sufficient surplus will need to be generated in the event that a revenue to capital swap is required
<p>10. Adverse media coverage and stakeholder complaints about DBS and its performance</p> <p>DBS supplies a vital public service and has a broad stakeholder base, and there is a risk that adverse media or stakeholder commentary could lead to reduced public confidence in DBS</p>	<ul style="list-style-type: none"> • Media and press coverage is monitored internally within the communications team • Political horizon scanning is performed by the Policy team and accompanies DBS' Stakeholder Engagement plan in ensuring that relationships with groups that may provide negative coverage are carefully managed • A new media strategy forms part of a suite of plans for 2020-21 financial year
<p>11. Failure in Supply Chain Performance</p> <p>DBS is reliant upon a range of third-party suppliers and there is a risk that their performance does not meet its desired levels, leading to reduced service delivery and public confidence</p>	<ul style="list-style-type: none"> • There is an established performance management regime in place for local police forces, Registered Bodies and Responsible Organisations - these focus on quality, performance, compliance and early intervention on service delivery issues • New supplier manager roles are in place for the new contract providers • Reports on compliance are provided regularly to SLT
<p>12. Attract, retain and develop our talent</p> <p>DBS may not be able to attract, retain and develop the right skills and there is a risk that it does not have the people to deliver its services, leading to reduced service provision and an inability to achieve its strategic objectives</p>	<ul style="list-style-type: none"> • Plans have been developed and implemented to ensure organisational capability reviews are completed, so that DBS can fully assess the current capacity and capability levels within the organisation and develop a plan for enhancement within all areas • Plans and mitigating actions which form part of the People Strategy are regularly reviewed by Strategic Lead Team with updates provided to the Board • Recruitment activity is underway to strengthen SLT
<p>13. Impact of COVID-19</p> <p>Due to a public health emergency being declared by the government for the COVID-19 virus, DBS has an issue that the virus spreads extensively impacting DBS staff, partners and our supply chain, which will impact on our ability to deliver our services in a period where demand might increase</p>	<ul style="list-style-type: none"> • Gold Command commissioned a COVID-19 plan • Silver Command have tested various parts of the plan which has been shared with the Board • Preventative measures have been developed and approved as national guidance is itself updated • Intensive resource planning and demand modelling is in place • Employee relations / trade Union engagement have seen an increased focus • Closer links are being maintained with Registered Bodies, police and key suppliers • Home working is in place for the majority of staff • Regular updates are provided to the Board, the HO and our stakeholders

Performance Review

Please refer to the 'Published service standards' section of the Performance Report for an overview of operational performance in 2019-20.

Data Protection

The changes to data protection legislation continue to be embedded within our products and services. The system changes to deliver the remaining planned activities have been passed to CGI, the new technology services supplier, with manual workarounds remaining in place to ensure compliance. We continue to work with them to implement the changes required.

As part of DBS' ongoing commitment to ensure staff are aware and understand their data protection responsibilities the Data Protection team have launched a Data Protection Webinar for all staff to view

ahead of completing the annual mandatory data protection e-learning. The e-learning launched this year has been specifically designed for our staff, with a completion date of 31 December 2019.

Compliance actions were undertaken by Heads of Service between January 2020 and 31 March 2020 to ensure all staff in their areas had successfully undertaken the training. The final completion rate figure for the entire organisation was 89%. The training was supported by a 12-month communication plan highlighting the key data protection obligations for our staff.

In line with the General Data Protection Regulation, during 2019-20 the following personal data-related incidents were formally reported to the Information Commissioner's Office:

Date of incident	Nature of incident	Nature of data involved	No. of people potentially affected
April 2019	Unauthorised disclosure	Another individuals post included in a 'minded to bar' leading to conviction data being disclosed	1
May 2019	Unauthorised disclosure	Police National Computer matching error to twin sister leading to conviction data being disclosed	1
August 2019	Unauthorised disclosure	Match on a Basic certificate incorrect (twin brother/sister) leading to conviction data being disclosed	1
October 2019	Unauthorised disclosure	Police National Computer matching error to incorrect individual resulting in case consideration, 'minded to bar' being issued and incorrect conviction data	1

Compliance

DBS is established and defined under Schedule 8 of the Protection of Freedoms Act 2012. It can operate only within the legal parameters defined within the legislative framework and holds no common law powers. DBS has a whistle-blowing policy and procedure which provides a clear mechanism for complaints to be raised and continues to help protect the integrity of DBS.

Assurance that DBS policy and process is relevant and effective was provided to board in January 2020 following a review of the policy. Staff are made aware of the policy on joining DBS and the policy is hosted centrally via the HO intranet page. There have been no incidents raised under the Whistle-blowing Policy during the reporting period.

DBS publishes board members' expenses on the GOV.UK website under the DBS publication scheme. Any DBS spend over £25,000 is dealt with in line with the government's transparency programme and is also published on GOV.UK as part of a HO dataset. A register of gifts and hospitality offers, and acceptances is maintained which is available, subject to any Freedom of Information exemptions, upon request.

Security, information management and assurance

DBS Security provides a fully embedded Security Accreditation and Subject Matter Expert service to key DBS projects and services. The Security team has managed the delivery of a supplier assurance framework which is broken down into three key areas: operational

assurance, third-party site visits, and security view assurance.

The team conducts monthly internal reviews against the security Assurance Framework which checks how DBS internal controls are operating. This was implemented in October 2017 and has been maintained over the last 12 months.

Supplier assurance framework checks commenced from April 2019 and were completed monthly to ensure all control statements had been tested and the supporting evidence reviewed. The final assurance level for TCS over the 12-month period was assessed at moderate. Staff-facing security policies and procedures have been reviewed and updated during this reporting period to reflect the data protection legislative changes. These have been communicated to staff and posted on the intranet, with ongoing drop-in sessions held to provide staff with the opportunity to discuss the content and raise any questions to aid understanding of their responsibilities.

CMT, chaired by an associate director, has been established and provides oversight and scrutiny for DBS' data management and protection arrangements.

The Accreditation function's focus has been on service transition during the reporting period, having drafted the security requirements for the two new contracts, taking part in the evaluation process, and then working with the new

suppliers to carry out a smooth transition of security services from the incumbent supplier. The Accreditation function has also supported in-house developed projects such as Basics enhancements, Data warehouse and Adult First, as well as working with the projects within the Portfolio Office space. The Operational Security function has continued to manage and maintain assurance and compliance activities during the reporting period, carrying out third -party site visits in line with the documented plan and producing assurance reports.

The team continued to evaluate TCS, the incumbent supplier, during the reporting period against the supplier assurance framework. During the reporting period, we tested all controls and TCS achieved an overall score of moderate assurance. The team also carry out internal assurance activity and deliver monthly assurance reports.

Information asset owner and records advisor communities are established across both sites, along with one central asset register. Data breaches that were recorded centrally within DBS are shown in the table below.

Category	Nature of incident	
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises	0
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured government premises	0
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
IV	Unauthorised disclosure	22
Total		22

Freedom of Information

The publication scheme includes five comprehensive sets of data which can be viewed on the DBS website. Updates to the existing data follow the Freedom of Information approval process. The scheme was updated quarterly. For the Freedom of Information requests handled during this period (119), 100%

were responded to within the statutory time limits.

People Management

DBS is accredited to recruit by the Civil Service Commission until July 2021 and abides by the Civil Service Recruitment Framework. DBS has implemented a revised recruitment process which now

aligns with the HO programme of Success Profiles (a recruitment methodology) and whilst the implementation of Metis Phase 2 (an employee database) has been delayed until September 2020, work is ongoing to support its implementation.

DBS is currently developing a new Pay strategy which, if supported by the HO and HM Treasury, will allow DBS to deviate from the HO pay structures for a period of time to rectify legacy issues, assist with our strategic risk (capacity and capability) and support a high performing organisation. This has now been agreed by board and will be submitted to the HO in due course.

DBS has a People Organisational Group chaired by Chief People Officer with director-level membership. The forum meets monthly and reports to SLT. It is responsible for strategic, evidence-based advice and information on DBS' organisational development. It monitors and evaluates the effectiveness of workforce plans, staff impact on development priorities, employee engagement, equality, diversity, inclusion and reward.

The People strategy is now in its third and final year with five main pillars: attract, develop, retain, excellence in leadership and management, and a modern DBS workplace. The board holds the business to account on its delivery through half-yearly reporting on progress, however, a revised People plan is being developed in conjunction with the DBS 2025 strategy, and this will focus on a talented and diverse workforce and

wellbeing.

DBS discharges its obligations in relation to employees via a comprehensive suite of policies that are aligned to employment legislation and HO policy. These have a regular review cycle and are signed off through DBS governance arrangements which include our recognised trade union, PCS.

Portfolio and Programme Management

Programme and project management disciplines are being developed through both recruitment and training initiatives, resulting in a number of significant projects in delivery. The Government Project Delivery Capability Framework has been embedded and has been used to improve the recruitment process overall.

The existing Portfolio Office continues through its maturity development, and to ensure alignment with the change portfolio, strategic direction, and DBS change governance.

The focus now is to mature the Portfolio function at pace and ensure strong alignment exists between the DBS strategy and the change portfolio.

COVID-19

On 5 March 2020, plans were escalated for dealing with COVID-19. At the end of the reporting period, this remained an ongoing national emergency.

There are two main objectives in our approach to dealing with COVID-19:

1. The health and wellbeing of our staff
2. Ensuring we continue to fulfil our vital role in supporting health and care professionals, and the voluntary sector, as they recruit staff to respond to the national emergency

We have provided critical support to services that have been heavily impacted both directly by COVID-19, and by providing support to the government's national response. Services such as the NHS, and many others, have been affected by significantly increased demands, while simultaneously experiencing reduced staff capacity due to illness, self-isolation or to care for loved ones. The anticipated need to quickly recruit additional staff in these professions has meant that it is critical for DBS to maintain its statutory services, to support safe and lawful employment decisions. DBS also has a duty to protect and support its own staff through this uncertain period and ensure their wellbeing is maintained.

Our response (as the end of the reporting period – 31 March):

- A Gold Command was established and chaired by the Chief Executive Officer who provided continued assurance to the board, the priorities being ensuring the welfare of our colleagues and the continuation of our services

- All DBS colleagues were recognised as 'key workers' by the Cabinet Office, however in line with government advice, staff who could work from home were instructed to do so

- DBS established a temporary automated system whereby checks can be made of both the Adults' and Children's Barred Lists, free-of-charge, prior to the enhanced application being processed; this applied to healthcare and social care workers being recruited in connection with the provision of care and treatment of COVID-19, in England and Wales

- DBS published a factsheet designed specifically to support the increasing number of community volunteer groups

- DBS made some temporary changes to the ID checking guidelines for Standard and Enhanced DBS checks, and for Basic checks if submitted through a Responsible Organisation; these changes have been made to limit face-to-face contact

Overall assessment

My appointment as Chief Executive and AO commenced on 16 July 2019. Prior to this, the DBS Deputy Chief Executive and Chief Financial Officer was the Acting Chief Executive Officer which included membership of the DBS board and SLT throughout the period. In signing this statement, I place the utmost reliance on

the assurances given to me by my predecessor who was AO up to 15 July 2019. He has provided me with a statement of assurance confirming that he is not aware of anything that was within his area of delegated responsibility that has a material impact on regularity or propriety.

My assessment takes into account our financial stability in terms of our ability to manage current financial risk, and the quality of operational delivery of Enhanced, Standard and Basic DBS certificates. The improvement with Barring work-in-progress and aged case reduction has also been sustained. The transition programme to the new suppliers was completed on time at the end of March 2020 despite the

COVID-19 challenges. The assurance framework has also been subject to a review during this reporting period with the associated recommendations due to be implemented by 31 May 2020, but was delayed slightly by COVID-19 and completed in June 2020.

Taking into account this level of continuity, the systems of internal control, risk management and governance outlined in this statement, my assessment is that I am content to provide a moderate level of assurance. This reflects that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.



Eric Robinson
Accounting Officer

Date: 9 July 2020

Remuneration and Staff Report



Overview and Strategy

The DBS People Strategy has three aims:

Attract

To achieve our ambitions we need to attract talent and capable staff

Develop

Develop staff to their full potential, creating opportunities and pathways for development

Retain

Shape our organisation through contribution and retain talented, engaged staff

Our People strategy is designed to develop the right blend of resource, skills, talent and expertise to ensure DBS meets its strategic aims. Our objectives are set in distinctive areas of attracting, retaining and developing our staff, underpinned by modern ways of working.

The DBS People strategy is aligned with the DBS Transformation Programme and supports the 'people impact' of transformation. Attracting, retaining and developing our staff underpins transformation activity and is supported by an Organisational Capability Review process.

DBS has robust plans in place to successfully utilise the apprenticeship levy. This levy has resulted in further leadership and professional development of our staff. DBS successfully launched two Level Five 'Safeguarding Through Leadership' apprenticeship programmes in 2018, which are scheduled to conclude in May 2020 and June 2020 respectively.

In 2019, DBS successfully launched a Level Three 'Management' apprenticeship programme which will conclude in August 2020. The evaluation of application of learning for all

leadership and management development programmes has been overwhelmingly positive. 2019 also saw the launch of the Level 2 'Customer Service' apprenticeship programme which is due to complete in May 2020. DBS currently has apprentices on non-cohort programmes. These are individual programmes aligned to specific professions across the organisation.

Extensive work has been undertaken in the past year to deliver and embed the equality, diversity and inclusion agenda within DBS. The team has developed a comprehensive plan for DBS to be Public Sector Equality Duty compliant. DBS is successfully working towards compliance with its Public Sector Equality Duty, including, training, awareness and embedding the Equality, Diversity and Inclusion agenda.

Staff engagement has continued to be a focus for DBS. The Wellbeing and Equality, Diversity and Inclusion team have worked closely with staff groups and managers, including the establishment of a team of engagement champions with representatives from across the organisations. The engagement champions have developed and delivered engagement initiatives responsive to staff needs.

Remuneration Report (Audited)



Overview

The remuneration report sets out the DBS Remuneration Policy for directors, how the policy is implemented, the amounts awarded to directors, and where relevant, the link between remuneration and performance.

The DBS Remuneration Policy is set within HM Treasury guidelines.

Remuneration Policy

The DBS chairman and DBS members are appointed by the Secretary of State in accordance with the code of practice for public appointments issued by the Commissioner for Public Appointments. Remuneration and allowances for the chair and each of the members is determined by the Secretary of State. They together form the DBS board.

The Chief Executive Officer is appointed by DBS following consultation with the Secretary of State. Their remuneration terms are set following consultation with the HO and consideration by the Remuneration Committee. The remuneration terms are linked to performance objectives and give due weight to the proper management and use of public resources.

The determination of the remuneration packages of other senior officials is also considered by the Remuneration Committee and takes into account the work and recommendations of the Senior Salaries Review Body, and the government response to this. A new performance management framework to assess performance of senior

Civil Service members and awards of remuneration packages was implemented with effect from April 2020.

Single total figure of remuneration for each director

The table below sets out the salary and allowances, bonuses, non-cash benefits and accrued pension benefits for DBS board members. Note, that as at 31 March 2020 the board consists of non-executive members only.

'Salary' includes gross salary, overtime and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by DBS and thus recorded in these accounts.

DBS board members' expenses

DBS board members travel and subsistence expenses for the year ending 31 March 2020 totalled £36,884. Expenses were paid in accordance with DBS policy.

The monetary value of benefits in kind covered any benefits provided by DBS and are treated by HM Revenue and Customs as a taxable payment. Benefits reported are calculated as the taxable value. Any benefits in kind attributed to the DBS board members are in relation to travel, accommodation and meal costs for board meetings, case committees and other meetings pertinent to DBS operations, including at Stephenson House in Darlington and Shannon Court in Liverpool.

Bonuses

The terms of appointment for the chairman and non-executive board members do not include the payment of bonuses. The Chief Executive Officer is entitled to a contractual bonus award of up to £17.5k per annum based on quarterly performance.

Payments to past directors

During 2019-20 the following payments were made to non-executive directors who were no longer directors at the time the payment was made, but who had been a director of DBS previously.

		2019-20 £	2018-19 £
Caroline Anderson	Reimbursement of expenses	57	-

Payments to Third Parties

During the period no payments were made to third parties for the services of board members.

Senior Salaries

Non-executive directors	Salary		Benefits in kind*		Total	
	(£'000)		(to the nearest £100)		(£'000)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Gillian Fairfield, Chair (started 1 Dec 2018)	40-45	10-15 (40-45)	3,100	1,300	45-50	15-20
Caroline Anderson (left on 25 April 2019)	0-5 (10-15)	10-15	-	1,500	0-5	10-15
Glenn Houston	10-15	10-15	3,100	1,800	15-20	10-15
Andy Nelson (left 15 January 2020)	10-15 (10-15)	10-15	1,400	600	10-15	10-15
Samantha Durrant (started 1 April 2019)	10-15	-	3,300	-	15-20	-
David Banks (started 8 April 2019)	10-15	-	1,900	-	10-15	-
Mary Cunneen (started 1 April 2019)	10-15	-	3,300	-	15-20	-

*Benefits in kind relate wholly to taxable travel and expenses paid on behalf of DBS Chairman and non-executive directors.

Figures in brackets reflect the full year equivalent of the salary for individuals appointed in roles during the reporting year, or who left during the reporting year.

Executive directors	Salary		Bonus Payments		Pension Benefits***			
	(£'000)		(£'000)		(£'000)		(£'000)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Adele Downey Chief Executive Officer (left 15 May 2019)	10-15 (120-125)	120-125	-	-	34	46	45-50	165-170
Ian Johnston Director for Operations Disclosure (ceased to be board member on 28 February 2020)	85-90	85-90	-	-	32	34	120-125	120-125
Paul Whiting Deputy Chief Executive and Chief Financial Officer (Acting Chief Executive Officer from 1 May to 15 July 2019) Ceased to be a board member on 28 Febru- ary 2020	105-110	100-105	-	0-5**	38	41	145-150	145-150
Gareth Gregory Acting Chief Financial Officer 1 May to 15 July 2019	20-25 (95-100)	-	-	-	24	-	40-45	-
Eric Robinson Chief Executive Officer (started 16 July 2019)	110-115 (155-160)	-	9*	-	47	-	165-170	-

* E Robinson is entitled to a contractual bonus award of up to £17.5k per annum based on quarterly performance

** As at 31 March 2019, part of the 2018-19 performance related bonus for Paul Whiting had not yet been processed via payroll

*** Pension includes full year impact for those only working for part of the year

No benefits in kind were paid to Executive Directors during 2019-20 Figures in brackets reflect the full year equivalent of the salary for individuals appointed in roles during the reporting year, or who left during the reporting year.

Pension Benefits

	Accrued pension at pension age at 31/03/20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV* at 31/03/20	CETV at 31/03/19	Real increase in CETV
Executive directors	£'000	£'000	£'000	£'000	£'000
Adele Downey Chief Executive Officer (left 15 May 2019)	70-75	0-2.5	1,267	1,234	30
Ian Johnston Director for Operations (Disclosure)	10-15	0-2.5	172	139	20
Paul Whiting (Acting Chief Executive Officer from 1 May to 15 July 2020) Chief Financial Officer	10-15	0-2.5	183	147	22
Gareth Gregory Chief Finance Officer from 1 May to 15 July 2020	10-15	0-2.5	97	84	8
Eric Robinson Chief Executive Officer (started 16 July 2019)	0-5	2.5-5	43	-	33

*CETV stands for cash equivalent transfer value

Civil Service Pensions

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as ‘Alpha’ – are unfunded multi-employer defined benefit schemes, but DBS is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at the website www.civilservicepensionscheme.org.uk. For 2019-20, employers’ contributions of £6.0 million were

payable to the PCSPS (2018-19 £5.3 million) at one of four rates in the range 26.6% to 30.3% (2018-19: 20.0% to 24.5%) of pensionable earnings, based on salary bands.

The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open

a partnership pension account, which is a stakeholder pension with an employer contribution. Employers' contributions were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings (in addition to the employer's basic contribution). In addition, employer contributions of 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill-health retirement of employees.

Cash Equivalent Transfer Values

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

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

Real increase in CETV

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

Fair pay disclosures

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid Director in their organisation and the median remuneration of the organisation's workforce. The median represents the remuneration of that staff member that lies in the middle of the linear distribution of the total staff, excluding the highest paid director.

Pay Multiples	Year ending 31 March 2020 Salary	Year ending 31 March 2019 Salary
Highest paid director's total remuneration £	155,000 - 160,000	120,000 - 125,000
Median paid employees total remuneration £	24,503	24,052
Ratio	6.43	5.09

Staff Report



This section provides an overview of staffing information and costs for DBS.

Staff costs comprise (audited):

	Permanently employed and fixed term appointment staff £'000	Others £'000	2019-20 Total £'000	2018-19 Total £'000
Wages and salaries	27,206	1,394	28,600	28,907
Social security costs	2,540	-	2,540	2,594
Other pension costs	5,956	-	5,956	5,310
Sub total	35,702	1,394	37,096	36,811
Less recoveries in respect of outward secondments	(46)	-	(46)	(124)
Total net costs	35,656	1,394	37,050	36,687

Average number of persons employed (audited)

The average number of full-time equivalent persons (excluding non-executive directors) employed during the year was 997.

	Total headcount throughout the year		
	2019-20	2018-19	2017-18
Directly employed	1,100	1,117	997
Fixed term appointments	25	65	187
Agency	24	24	6
Contingent labour in year	22	10	6
Total	1,171	1,216	1,196

Staff composition and gender – based on headcount at 31 March 2020

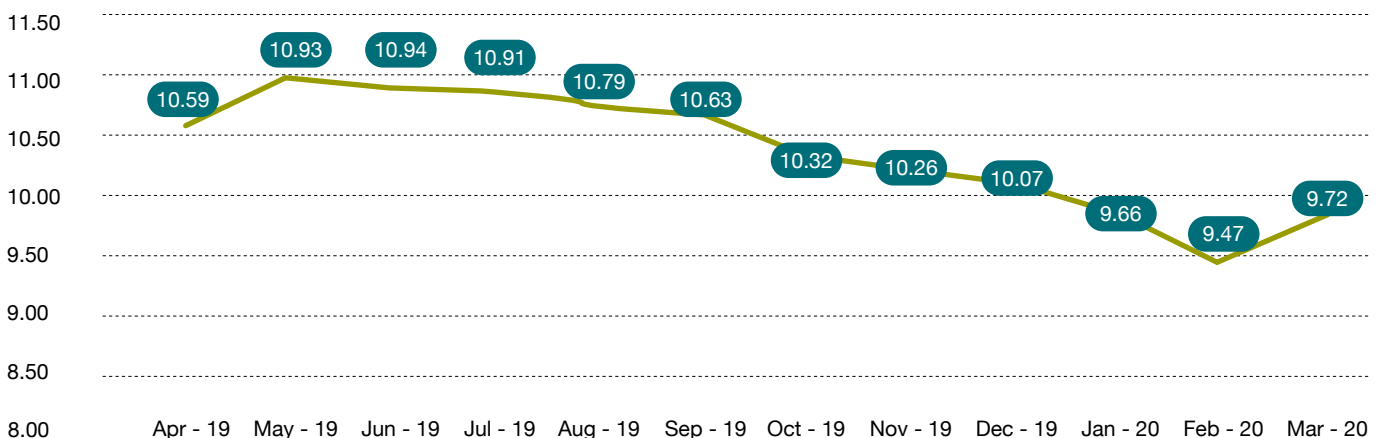
	Male	Female	Total
Non-executive directors	2	3	5
Executive directors (senior civil servants) - board members	0	0	0
Other senior civil servants (non-board members)	4	2	6
All other employees	411	636	1,047
Total	417	641	1,058

Staff Sickness

There has been an increased focus on managing and reducing Average Working Days Lost (AWDL) for past financial year. CMT initiated a 'deep dive' into investigating the underlying reasons and levels of sickness absence. The focus was on how managers, with the support of HR Business Partners, can manage and reduce AWDL.

The approach has been successful, with full engagement of

managers and collaboration with HR Business Partners. The collaborative approach has resulted in a consistent reduction of sickness absence over a sustained period of currently eight months. Rolling year average working days lost due to staff sickness was 9.72 as at 1 April 2020 compared to 10.13 as at 1 April 2019. This is a 12-month rolling figure representing the period 1 April 2019 to 31 March 2020.



Disability policies

DBS is committed to fulfilling its responsibilities under the Equality Act 2010 and the subsequent Public Sector Equality Duty 2011.

Under the Equality Act 2010, it is unlawful for us to treat any person(s) less favourably on the grounds of a 'protected characteristic'. In addition to the Equality Act, The Public Sector Equality Duty 2011 also places obligations on DBS to consider how our decisions, systems and policies affect people with different protected characteristics.

Further regulations in 2018 Public Sector Bodies Accessibility Regulations, requires all websites and web-based platforms to be accessible. This regulation requires the public sector to achieve specific accessibility standards for all existing websites and web-based platforms that were published before 23 September 2018, in order to be compliant by 23 September 2020.

A governance structure is now in place with the Engagement and Inclusion Group meeting monthly and reporting to board bi-annually, or as required. There has been considerable investment in training 25 equality impact assessors and Public Sector Equality Duty awareness training for board, SLT, the Engagement and Inclusion Group and senior leaders. We have also introduced an in-house Equality, Diversity and Inclusion team developing the key roles and responsibilities as per the critical friend review. We are still

in the process of implementing and embedding equality impact assessments as a business as usual activity, and progress is being monitored by the Engagement and Inclusion Group.

Our four main objectives are:

1. To be compliant with Public Sector Equality Duty – requires all organisational policies, processes etc. to undergo an Equality Impact Assessment audit
2. To be compliant with Public Sector Body Accessibility Regulations – requires an equality and accessibility audit of all systems
3. To ensure we capture customer data for all protected characteristics
4. To ensure that equality, diversity and inclusion forms part of our business as usual processes and activities

Health and Safety

The Health and Safety at Work Act recommends an effective management structure and arrangements in place to deliver the policy, ensuring all staff are motivated and empowered at work, safely and to protect their long-term health.

A number of initiatives have been introduced to support this:

- a) Workplace health and safety annual inspections were carried out at both Stephenson House and Shannon Court during this

period, in close co-operation with the trade union

b) The online Workspace Assessment tool was launched recently and is instrumental in assisting with all current and new employees in ensuring that they are comfortable in their workspace

c) Shannon Court – heating, ventilation, air-conditioning and chiller repairs to bring the equipment up to standard for delivering more ambient temperatures throughout Shannon Court – this has been partially completed with two ground floor rooms still to be addressed through Peel Holdings, our Shannon Court landlord

d) A fire evacuation exercise was undertaken on the 8 October 2019 and the lessons learned are being incorporated into an action plan for future implementation

Satisfactory progress has been made against the 2019-20 objectives with further work required for ‘ongoing’ actions to ensure and maintain delivery of the remaining initiatives.

A review of the health and safety forum has been undertaken and the enactment of recommendations following the review has proven to be a better use of time and resources.

Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	4 (3)	4 (3)
£10,000 - £25,000	-	1 (0)	1 (0)
£25,000 - £50,000	-	1 (0)	1 (0)
£50,000 - £100,000	-	0 (1)	0 (1)
£100,000 - £150,000	-	0 (0)	0 (0)
Total number of exit packages	-	6 (4)	6 (4)
Total resource cost	-	£65,000 (£67,000)	£65,000 (£67,000)

Exit costs are accounted for in full in the year of departure. Where DBS has agreed early retirements, the additional costs are met by DBS and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Redundancy and other departure costs where paid, are calculated in accordance with the Civil Service compensation scheme, a statutory scheme made under the Superannuation Act 1972.

Staff policies applied during the financial year

DBS introduced and updated the following HR policies in 2019-20:

- Organisational Change Framework
- Remote Working Policy
- Recruitment Policy

Other employee matters – Equality, Diversity and Inclusion

DBS is committed to fulfilling its responsibilities under the Equality Act 2010 and the subsequent Public Sector Equality Duty 2011.

A full action plan incorporating the recommendations from the critical friend review, HO objectives and the benchmarking review from the Employers

Network for Equality and Inclusion is in place and progress is 90% complete against the year one plans. The critical friend review, HO objectives and the benchmarking review from the Employers Network for Equality and Inclusion is in place and progress is 90% complete against the year one plans.

Gender Pay Gap

DBS has made steady progress over the past two years in narrowing the gender pay gap. As of 31 March 2019, the mean gender pay gap (the difference between men's and women's average hourly pay) is that men are paid on average 2% more than women, and the median gender pay gap is 3.5% more favourable to men than women. However, in comparison to 2018 figures there has been a reduction of 1.5% (mean average) in the gap and an increase of 1.2% (median average).

The trend over the past two years identifies that DBS is seeing more male representation in junior roles and more female representation in senior roles. This is having an impact on the mean average gender pay gap and is attributable to a shift in balance across grades for male and female employees. This will continue to be reviewed particularly as we recruit new SCS roles during 2020.

Report under Equality Act

Diversity Data – based on headcount at 31 March 2020 (excluding non-executive directors)

Staff split by age

16-19	20-29	30-39	40-49	50-59	60+	Total
4	143	253	297	279	71	1,047

Staff split by ethnicity

Black, Asian, minority ethnicity	White	Prefer not to say	Unknown	Total
27	974	35	11	1,047

Staff split by disability

Disabled	No Disability	Prefer not to say	Unknown	Total
80	921	35	11	1,047

Spend on consultancy services and temporary staff

Full year spend on consultancy services and temporary staff was £1.2million.

Off-payroll engagements

During the year there were 22 off-payroll engagements (contingent labour) with a total cost of £1.27 million, with all contractors being paid more than £245 per day. Following the Review of Tax

Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, arm's length bodies must publish information on their high paid and/or senior off-payroll engagements. The table below provides the total number of off-payroll engagements as of 31 March 2020 who are earning in excess of £245 per day, and that last longer than six months.

	Number of appointments
Number of existing engagements as of 31 March 2020	13
<i>Of which:</i> Number that have existed for less than one year at time of reporting	10
Number that have existed for between one and two years at time of reporting	3
Number that have existed for between two and three years at time of reporting	-
Number that have existed for between three and four years at time of reporting	-

The second table shows all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months.

	Number of appointments
Number of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	7
<i>Of which:</i> Number assessed as caught by IR35	6
Number assessed as not caught by IR35	1
Number engaged directly (via PSC contracted to DBS) and are on DBS payroll	-
Number of engagements reassessed for consistency / assurance purposes during the year	1
Number of engagements that saw a change to IR35 status following the consistency review	-

The third table is for any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020.

	Number of appointments
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	-
Total number of individuals on payroll and off-payroll that have been deemed 'board members, and/or, senior officials with significant financial responsibility', during the financial year	-

Trade union facility time

The trade union (Facility Time Publication Requirements) Regulations 2017 require certain public sector employers to publish information on facility time used by trade union representatives. This document sets out the relevant trade union facility time data for DBS covering the period 1 April

2019 to 31 March 2020.

The information below is based on several assumptions for PCS facility time. Although it is known that 1.5 full time equivalent of DBS staff is dedicated to PCS duties, estimates have been used for the remaining confirmed representatives of PCS.

1. Number of trade union representatives – DBS

This data gives the total number of employees who were trade union representatives during the period 1 April 2019 to 31 March 2020

Number of employees who were trade union representatives (DBS)	Number of employees who were trade union representatives expressed as a Full Time Equivalent number (DBS)
21	6.2

2. Percentage of time spent on facility time

This data shows how many of the employees who were trade union representatives employed during the period 1 April 2019 to 31 March 2020 spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time.

Percentage of time spent on facility time (DBS)	Number of employees (DBS)
0%	-
1-50%	20
51%-99%	-
100%	1

3. Percentage of pay bill spent on facility time – DBS

This data shows the percentage of the total pay bill spent on trade union facility time during the period 1 April 2019 to 31 March 2020.

Total cost of facility time	£0.35m
Total pay bill	£35m
Percentage of the total pay bill spent on facility time	0.01%

4. Paid trade union activities – DBS

This data shows, as a percentage of total paid facility time hours, the number of hours spent by employees who were trade union representatives during the period 1 April 2010 to 31 March 2020, on paid trade union activities.

Time spent on paid trade union activities as a percentage of total paid facility time hours	<p>Trade union representatives for the period included one full time employed representative and one representative employed as 50% duties, their activities included duty and activity.</p> <p>There are an additional 20 trade union representatives who undertake duty and activity.</p>
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Parliamentary Accountability
and Audit Report
Regularity of Expenditure



Overview

DBS continues to operate as a self-funding arm's length body of the HO, on a full-cost recovery basis. Our annual income is dependent upon the volumes of applications received for both paid DBS checks and Update Service subscriptions, with different levels of fees being charged for our products, as noted in the section headed 'Our activities'.

The fees derived by DBS are also used to fund volunteer applications and subscriptions, which are provided to customers free-of-charge. DBS is expected to make neither a surplus or deficit. In advance of each financial year a budget is set which includes estimated costs to deliver our services and priorities this year, reflecting estimates of service demand, efficiency, service transition timeframes and risk.

We are seeking to reduce our fees where possible and pass savings back to customers. On 1 October 2019 there was an approximate 10% decrease in our fees across Basic, Standard and Enhanced DBS checks.

Consideration was given by both DBS and the HO during 2018-19 as to how our historical, current and potential future year surpluses are to be remitted to the HO (and ultimately to Treasury's Consolidated Fund as a 'Consolidated Fund Extra Receipt'), in line with 'Managing Public Money' requirements. A payment of £49.0 million was made during the reporting period for 2018-19 and it is envisaged a further transfer of £19.12 million will be made for 2019-20 follow-

ing approval of the Annual Report and Accounts. The payment will be made taking account of DBS working capital requirement and any impact that COVID-19 may have on cashflow over the coming months.

Parliamentary accountability disclosures

Losses and special payments (audited)

During 2019-20 there were 30 cases of fruitless payments totalling £3,062 for payments without corresponding receipt of service (2018-19: 22 cases totalling £2,287).

There were 72 cases of ex-gratia and 3 other special payments totalling £21,917 in 2019-20 (108 cases 2018-19 totalling £42,777). These payments relate to legal cases and claims from DBS customers for loss of earnings as a result of delays in processing DBS checks and claims for maladministration. These payments are restricted to delays related solely to DBS processing.

These financial statements have been prepared in accordance with the Protection of Freedoms Act 2012 and are subject to audit by the Comptroller and Auditor General. The audit fee for this reporting period for DBS was £98,000. No remuneration was paid to National Audit Office for non-audit work.

Gifts

No gifts were made or received during the reporting period that meet the reporting requirements

in 'Managing Public Money'.

Remote contingent liabilities

There were no remote contingent

liabilities at 31 March 2020. Note 16 of the accounts provides further disclosures relating to contingent liabilities.

Fees and charges (audited)

DBS has a financial objective to achieve full-cost recovery.

Activity	2019-20					2018-19
	Income	Costs	Surplus/ (Deficit)	Actual recovery %	Planned % recovery	Surplus/ (Deficit)
	£'000	£'000	£'000			£'000
Enhanced DBS checks	127,958	(111,676)	16,282	115%	100%	36,465
Standard DBS checks	7,530	(6,198)	1,332	121%	100%	3,939
DBS Adult First	864	(1,105)	(241)	78%	100%	470
Update Service	16,017	(16,788)	(771)	95%	100%	(588)
Basic	42,325	(39,183)	3,142	108%	100%	9,469
Other*	182	(182)	-	100%	100%	-
Total	194,876	(175,132)	19,744	111%	100%	49,755

*Other relates primarily to income (and associated costs) for applications by Registered Bodies and Counter Signatories, USA Embassy checks and rental income.

A description of the key DBS products can be found in the performance report within the annual report. Total costs are apportioned to each product, based on the share of those applicable. Where appropriate, Barring costs are now allocated directly to the source of costs, and otherwise across all products based on full time equiv-

alent headcount. The cost of delivering services for volunteers are allocated to the original source product. This information is provided for the Fees and Charges requirements of HM Treasury only and not for International Financial Reporting Standards 8 purposes. International Financial Reporting

Standards 8 disclosures relating to operating costs by operating segment are included in note 2 of the accounts.

Notional Cost per paid applications received in 2019-20

	Costs £'000	Applications (000)	Notional Cost £
Enhanced DBS checks	111,676	3,026	36.90
Standard DBS checks	6,198	306	20.25
Update Service Subscriptions	16,788	1,244	13.49
Basic	39,183	1,771	22.12

* Depreciation charges apply to all products whilst the cost of capital is excluded

Notional Cost per paid and volunteer applications received in 2019-20

	Costs £'000	Applications (000)	Notional Cost £
Enhanced DBS checks **	111,676	3,871	28.85
Standard DBS checks **	6,198	327	18.95
Update Service Subscriptions	16,788	1,799	9.33
Basic	39,184	1,771	22.13

** Cost of processing a paid DBS check application is based on 18.5% (Update Service 31.3%, Basic 0%) of the figures shown above being free-of-charge. Used for full-cost recovery purposes.

The volumes above differ marginally to those disclosed within the 'Analysis of Performance section' due to timing issue arising from how volumes are recorded in our operations process compared to the financial system.



Eric Robinson
Accounting Officer

Date: 9 July 2020

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Disclosure and Barring Service (DBS) for the year ended 31 March 2020 under the Protection of Freedoms Act 2012. The financial statements comprise: DBS' Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Performance and Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of DBS' affairs as at 31 March 2020 and of the DBS's net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Protection of Freedoms Act 2012 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes

intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the DBS in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Disclosure and Barring Service's use of the going concern

basis of accounting in the preparation of the financial statements is not appropriate; or

- The Disclosure and Barring Service have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Disclosure and Barring Service's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Protection of Freedoms Act 2012.

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. Reasonable assur-

ance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DBS's internal control.
- evaluate the appropriateness

of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on DBS's ability to continue as a going concern.

If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am also required to obtain evidence sufficient to give reason-

able assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Protection of Freedoms Act 2012 and Secretary of State directions made;

- in the light of the knowledge and understanding of DBS and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and

- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns

adequate for my audit have not been received from branches not visited by my staff; or

- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or

- I have not received all of the information and explanations I require for my audit; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

Date: 10 July 2020

National Audit Office 157-197
Buckingham Palace Road
Victoria London SW1W 9S

Statement of Comprehensive Net Expenditure

for the Year Ended 31 March 2020

		2019-20 £'000	2018-19 £'000
	Note		
Income from sale of goods and services	5	(194,694)	(194,886)
Other operating income		(182)	(233)
Total operating income		(194,876)	(195,119)
Staff costs	3	37,050	36,687
Purchase of goods and services	4	131,542	101,178
Depreciation and impairment charges		5,389	7,681
Provision expense	11	603	(672)
Other operating expenditure	4	548	490
Total operating expenditure		175,132	145,364
Net expenditure for the year		(19,744)	(49,755)
		2019-20 £'000	2018-19 £'000
Other comprehensive net expenditure			
Items which will not be reclassified to net operating costs:			
Less net (gain)/loss on revaluation of property plant & equipment		(0)	(1)
Less net (gain)/loss on revaluation of intangible assets	6	(68)	(71)
Comprehensive net expenditure for the year		(19,812)	(49,827)

The notes on pages 86 to 105 form part of these accounts.

Statement of Financial Position as at 31 March 2020

		2019-20 £'000	2018-19 £'000
	Note		
Non-current assets:			
Property, plant and equipment		1,653	827
Intangible assets	6	18,981	19,731
Total non-current assets		20,634	20,558
Current assets:			
Trade and other receivables	8	18,283	16,284
Cash and cash equivalents	9	60,586	86,582
Total current assets		78,869	102,866
Total assets		99,503	123,424
Current liabilities:			
Trade and other payables	10	(66,230)	(91,441)
Provisions	11	(295)	(322)
Total current liabilities		(66,525)	(91,763)
Total assets less current liabilities		32,978	31,661
Non-current liabilities:			
Provisions	11	(630)	-
Total non-current liabilities		(630)	-
Total assets less total liabilities		32,348	31,661
Taxpayers' equity and other reserves:			
General fund		32,114	31,417
Revaluation reserve		234	244
Total equity		32,348	31,661

The financial statements on pages 82 to 85 were approved by DBS Board on 9 July 2020

Approved by Eric Robinson as Accounting Officer for Disclosure and Barring Service

Signed: 

Date: 9 July 2020

The notes on pages 86 to 105 form part of these accounts.

Statement of Cash Flows for the Year Ended 31 March 2020

		2019-20 £'000	2018-19 £'000
	Note		
Cash flows from operating activities			
Retained income for the year		19,744	49,755
Adjustments for non-cash transactions		5,981	7,059
(Increase)/decrease in trade and other receivables	8	(1,999)	7,110
Less movements in receivables not passing through the statement of comprehensive net expenditure		8	(49)
Increase/(decrease) in trade payables and other payables*	10	(25,211)	42,420
Less movements in payables relating to items not passing through the statement of comprehensive net expenditure		25,027	(50,153)
Use of provisions		-	(87)
Net cash inflow from operating activities		23,550	56,055
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(7)
Purchase of intangible assets		(519)	(357)
Net cash outflow from investing activities		(519)	(364)
Cash flows from financing activities			
Consolidated fund extra receipts payable (funding returned to Home Office)		(49,027)	(50,745)
Net financing		(49,027)	(50,745)
Net (decrease)/increase in cash and cash equivalents in the period		(25,996)	4,946
Cash and cash equivalents at the beginning of the period	9	86,582	81,636
Cash and cash equivalents at the end of the period	9	60,586	86,582

The notes on pages 86 to 105 form part of these accounts.

*Movement for 2018-19 includes an adjustment for IFRS 15 Contract liabilities for the Update Service for £5.6m.

Statement of Changes in Taxpayers' equity for the Year Ended 31 March 2020

	General Fund £'000	Revaluation Reserve £'000	Taxpayers' equity £'000
Balance at 1 April 2018	87,650	316	87,966
Adjustment for impact of IFRS 15 on reserves - Update Service	(5,632)		(5,632)
Comprehensive net expenditure for the year	49,755	-	49,755
Amounts payable to the consolidated fund	(100,500)	-	(100,500)
Non-Cash Adjustments:			
Net gain/(loss) on revaluation	-	72	72
Movement in reserves:			
Transfers between reserves	144	(144)	-
Balance at 31 March 2019	31,417	244	31,661
Balance at 1 April 2019	31,417	244	31,661
Adjustment for impact of IFRS 15 on reserves - Update Service	-	-	-
Comprehensive net expenditure for the year	19,744	-	19,744
Amounts payable to the consolidated fund	(19,125)	-	(19,125)
Non-Cash Adjustments:			
Net gain/(loss) on revaluation	-	68	68
Movement in reserves:			
Transfers between reserves	78	(78)	-
Balance at 31 March 2020	32,114	234	32,348

The notes on pages 86 to 105 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2019-20 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards 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 DBS for the purpose of giving a true and fair view has been selected. The particular policies adopted by the DBS for the financial year ended 31 March 2020 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

DBS operates in accordance with the Protection of Freedoms Act. The accounts have been prepared in accordance with the direction given by Home Office on 2 May 2013 in accordance with the Protection of Freedoms Act.

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, equipment and intangible assets.

1.2 Going concern

The financial statements have been prepared on a going concern basis.

COVID-19 considerations

Management have considered the impact of the COVID-19 virus on the business and broader economic impacts including the impact on its supply chain, future customer demand and their ability to pay.

Management have also considered the impact of COVID-19 in reviewing all areas of the accounts that are subject to judgement and estimation uncertainty; specifically when estimating future cash flows and the recoverability of debtor balances in testing for impairment.

Based on all information available, management have not identified any material uncertainties at the balance sheet date that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities in these accounts or in the next financial year.

1.3 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements and assumptions that affect the amounts reported for assets and liabilities at the year ending 31 March 2020, and for amounts reported for income and expenses during the year.

In the process of applying DBS's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Re-lifing of assets

DBS reviewed and revised the estimated remaining life of its non-current assets, also reflecting the extended use of existing assets. The impact of these changes was immaterial in year ending 31 March 2020.

Impairment of assets

DBS 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.

Service concession arrangements

DBS was party to a PFI arrangement that ceased on 31 March 2020.

Tata Consultancy Service is in dispute with DBS regarding the application of the pricing mechanism in the contract for services, and this dispute remains ongoing at the balance sheet date (see Contingent liability Note 16). DBS believes its application of its contractual obligations are accurately reflected within the accounts (see Note 12).

Development costs

Initial capitalisation of costs is

based on management's judgement that technological and economical feasibility is confirmed. There were no key sources of estimation uncertainty.

1.4 Intangible Assets

In line with the capitalisation policy, assets both tangible and intangible are individual items normally costing or valued at or above a threshold of £5,000, and with an expected life of more than one year.

An annual revaluation exercise has been conducted in accordance with appropriate Office for National Statistics indices and where a material revaluation is deemed necessary this has been taken to the revaluation reserve and/or Statement of Comprehensive Net Expenditure (SoC-NE) as appropriate.

Development expenditure has been recognised as an intangible asset in accordance with IAS 38 – Intangible Assets. All non-current assets being developed and not in operation at the year end were capitalised as an asset under construction. Until the asset is ready for use, no depreciation is recognised; however, once the asset is available for use, depreciation is charged with the asset being transferred to the relevant 'Non Current Asset' register immediately. DBS did not revalue assets under construction.

In line with International Accounting Standard 36, DBS undertake an impairment review of all intangible assets at least on an annual basis. This involves the use of a discounted cashflow model to consider future cashflows arisi-

ng from the ongoing use of the asset against current net book value. Where it is found that the value in use is lower than the net book value at the balance sheet date an impairment would be required.

A review of assets under construction was undertaken in March 2020 to ensure that the purpose for which the assets was being constructed, and its associated valuation, was appropriate.

1.5 Amortisation

Assets under construction are not amortised until the asset is available for use and are amortised on a straight-line basis over their estimated useful lives. The useful economic lives of non-current assets are reviewed annually. The current asset lives to be applied are:

- Information Technology – from date of recognition to end of useful economic life (3 to 15 years)
- Software Licenses – from date of recognition to end of useful economic life (3 to 15 years)

1.6 Service concessions (PFI)

DBS accounts for PFI transactions on a control approach based on the Government Financial Reporting Manual (FRM), which uses International Financial Reporting Interpretations Committee (IFRIC) 12 Service Concession Arrangements to inform its treatment. DBS is considered to control the infrastructure in a public-to-private service concession arrangement if:

- DBS controls or regulates the services that the operator must

provide using the infrastructure, to whom it must provide them, and at what price

- DBS 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, DBS 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.

Where it is determined that arrangements are in scope of IFRIC 12, DBS 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 International Accounting Standard (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, DBS 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.

DBS 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 SoCNE.

On initial recognition of existing Public Private Partnership arrangements or PFI contracts under IFRS, DBS 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 end, 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.

When the arrangement was set up it was intended the PFI liability would be fully repaid by 31 March 2017, with the asset construction being complete in advance of this date. Where payments exceed the value of the asset developed, a prepayment is recognised at the lower of anticipated cost of the asset under development or future economic benefit that it will provide.

Assets are revalued in accordance with the revaluation

policy for property, plant and equipment, and intangible assets 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.

PFI note 12 provides details of how DBS accounts for such arrangements and the financial commitments outstanding.

1.7 Income & Income Recognition

Income represents fees charged to:

- applicants for applications for Enhanced and Standard checks of prescribed criminal record information
- applicants for applications for Basic checks of prescribed criminal record information (from September 2017)
- register corporate bodies and signatories to access the criminal record process
- registered bodies for DBS adult first
- applicants for Update Service subscriptions
- rental income and recharges

Recognition of income:

IFRS 15, effective from 2018-19, provides a comprehensive standard for revenue recognition. This standard establishes the

principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer.

DBS recognises revenue primarily from the provision of disclosure checks and Update Service subscriptions.

In accordance with IFRS 15, revenue is recognised as control is passed, either over time or at a point in time; with control being defined as the ability to direct the use of and obtain substantially all of

the remaining benefits from the asset.

Performance obligations

The table below sets out, for each material income stream, when performance obligations are typically satisfied, the significant payment terms, and the nature of the goods or services which DBS supplies. All income streams usually have a contract of a duration of one year or less, with only one single performance obligation.

Income Stream	Description of Income Stream	Performance Obligation	Payment Terms
Enhanced and Standard DBS check - submitted via a registered body	Supply of criminal records checks to individuals	Issue of certificate to customer	Invoiced to registered bodies in arrears
Basic DBS check - submitted via a responsible organisation	Supply of criminal records checks to individuals	Issue of certificate to customer	Invoiced to responsible organisation in arrears
Basic DBS check - direct online application to DBS	Supply of criminal records checks to individuals	Issue of certificate to customer	Payment made on application
Update Service	Subscription to online update service	Performance obligation over the 12 month period of subscription	Payment made on application

1.8 Pensions

Principal Civil Service Pension Scheme (PCSPS):

DBS recognises the expected costs on a systematic and rational basis over the period during which it benefits from employees' services by payments to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS.

Partnership and Stakeholder

Schemes:

The employer made a basic contribution of between 8% and 14.75% of pensionable earning from 1 October 2015 (3% and 12.5% of pensionable earnings up to 30 September 2015) depending on the age of the member. This contribution is paid into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to con-

tribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable pay from 1 October 2015 (0.8% of pensionable pay to 30 September 2015) to cover the cost of centrally-provided risk benefit cover (death in service and ill-health retirement).

Details of the annual pension contribution are provided in note 3 with additional information relating to pensions being included within the Remuneration Report.

1.9 Value Added Tax (VAT) and Corporation Tax

DBS registered for VAT during 2017-18 as invoices raised for recharges of salary costs to other government departments exceeded the VAT threshold. This will mean that VAT will be charged on certain of DBS invoices. However, the vast majority of figures in the accounts continue to be stated inclusive of VAT as DBS has little scope to reclaim VAT on costs.

DBS is subject to corporation tax on rental income however, no surplus is reported on this income.

1.10 Financial Instruments

IFRS 9, which is effective from 2018-19, includes requirements for classification, recognition and measurement, impairment, derecognition and general hedge accounting. DBS does not operate hedge accounting, so the specific requirements of IFRS

9 for hedge instruments do not apply. The significant majority of the DBS financial instruments are trade receivables and payables. Receivables are shown net of expected credit loss. These accounts do not include transition disclosures in respect of IFRS 9, due to the effect of IFRS 9 not being significant for DBS. This is because DBS receivables with customers are held for collecting cash in the normal course of business.

Receivable items for DBS include only trade receivables, prepayments and accrued income, all of which are due within the next 12 months. On this basis, no impairments in accordance with the requirements of HM Treasury's Financial Reporting Manual and IFRS 9 are required.

DBS believe the fair value of its receivable items is noted in the accounts, with no requirement to adjust the carrying value for estimated future flow of repayment. This is based on historical collection rates.

1.11 New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2019 and not adopted early

IFRS 16 Leases

The International Accounting Standards Board (IASB) has issued the final version of IFRS 16 which replaces IAS 17 for annual periods beginning on or after 1 January 2019. The FReM has deferred implementation of IFRS 16 until 1 April 2021, and therefore this standard does not affect

the 2019-20 financial statements. The full impact of the introduction of this standard will require assets and liabilities to be increased by the same amount, as operating leases will be treated in the same way as finance leases. DBS is undertaking a programme of work to assess the impact of the introduction of IFRS 16 on the Statement of Financial Position. Preliminary analysis has indicated that there will be a material impact; the results of this piece of work should be published in the 2020-21 DBS annual report and accounts. IFRS 16 will be adopted by DBS the first time in 2021-22 with 2020-21 forming a comparative year.

IFRS 4 insurance contracts adapted for IFRS 9

The IASB has adapted IFRS 4 insurance contracts as an interim measure between the introduction of IFRS 9 (2018-19) and the new insurance contracts accounting standard IFRS 17 (2021-22 expected). The Financial Reporting Advisory Board agreed to endorse the IFRS 4 amendments without adaptation or interpretation. It is not expected to have a material impact on the financial statements.

2. Statement of Operating Costs by Operating Segment

In accordance with IFRS 8 Operating Segments, the table below reflects the DBS operating model that has been in effect for the majority of the 2019-20 financial year. The components identified are based on the internal management reports reviewed in the decision making process throughout the year.

A monthly consolidated report is prepared for each of the directorate management teams in order to facilitate collective decisions regarding the overall funding and resource requirements for DBS business areas. Note that the reportable segments in the 2020-21 financial statements will reflect the changes to the Strategic Leadership structure that were announced in March 2020 to enable the delivery of the DBS 2025 Strategy and to help reinforce the 'OneDBS' organisational culture.

On the basis DBS does not record net assets and liabilities against Directorates, no breakdown is included below in this regard.

		Gross Expenditure	Income	Net Expenditure/ (Income)
Operations Directorate	Operations Disclosure Directorate Operations (Disclosure) is responsible for ensuring that DBS delivers an effective end-to-end disclosure service for its stakeholders, which include the police, registered bodies and applicants.	93,311	(194,694)	(101,383)
	Operations Barring Directorate Operations (Barring) has a statutory function for England, Wales and Northern Ireland to manage the lists of people barred from working or volunteering in activities that involve regular and close contact with children and/ or vulnerable adults (regulated activity). The Barring function also makes decisions on whether to include a person in one or both Barring Lists along with decisions on removing a person from the lists.	10,819		10,819
	Chief Operating Officer Directorate Chief Operating Officer Directorate was formed in 2017-18, with overall responsibility for the DBS operational areas including Disclosure and Barring. Central operating costs, specifically depreciation and impairment costs are included within this directorate.	6,248		6,248
Information Directorate	Chief Information and Digital Officer The Information Directorate is responsible for Portfolio, Programme and Project Management, Digital Services and IT Service Management, Cyber-Security, Data Protection and Information Management. It plays a vital role in influencing, driving and delivering the DBS strategy. The changes and services delivered by the team enable the DBS vision to "make our services simpler, faster and secure" and mission of putting "public protection at the heart of everything we do". They work in partnership with DBS directorates, suppliers and a wide range of external and internal stakeholders.	47,549		47,549
People Directorate	Chief People Officer The People Directorate is responsible for the provision of HR Services to our organisation. These services include: Employee Relations, Learning & Development, Recruitment, Wellbeing & Engagement and Facilities. Security transferred from the People Directorate to the Information Directorate during 2018-19.	7,075	(182)	6,893
Finance & Corporate Support Directorate	Chief Finance Officer Finance & Corporate Support is responsible for providing financial, commercial, risk management and legal advice across DBS, including the preparation of the Annual Report and Accounts and DBS Business Plan.	3,998		3,998
Private Office	Private Office Private Office is responsible for providing Corporate Governance for the organisation and encompasses the Office of the Chair and Chief Executive. Their services include freedom of information, parliamentary questions, Publication Scheme and leading on the relationship between DBS and Home Office sponsor unit. The Communications team transferred to Safeguarding Strategy and Quality Directorate during 2018-19.	2,374		2,374
Safeguarding Strategy & Quality Directorate	Safeguarding, Strategy & Quality Safeguarding Strategy & Quality Directorate has accountability for Quality Management, External Relations, Stakeholder Engagement, Research, Communications, Media, Customer Experience, Strategy and Policy and Business Development. The directorate will have a key role in ensuring DBS maintains focus on our mission of putting safeguarding at the heart of everything we do.	3,758		3,758
Total		175,132	(194,876)	(19,744)

3. Staff Numbers and Related Costs	2019-20 £'000	2018-19 £'000
Staff costs comprise:		
Wages and salaries	28,554	28,783
Social security costs	2,540	2,594
Other pension costs	5,956	5,310
Sub Total	37,050	36,687

The staff report within the accountability section contains a full breakdown of staff costs.

The increase in other pension costs is due to a higher percentage of employer contributions to the scheme, in line with rates set across wider government. In recognition of the impact of these additional costs during 2019-20, DBS received funding from HM Treasury totalling £1m, which have been offset against the charges noted above.

4. Other Operating Costs	2019-20 £'000	2018-19 £'000
Purchase of goods and services		
PFI (and other service concession arrangement) service charges	41,060	26,972
Police and other data source costs	36,945	35,475
Facilities management and services	4,702	4,480
Travel, subsistence, staff costs	669	769
Professional fees	8,416	4,073
Audit fees - external	98	95
IT running and telephone costs	39,652	29,314
Total	131,542	101,178
Other operating expenditure		
Other	548	490

PFI service charges have increased in-year for 2019-20 as the original five year Tata Consultancy Services

contractual pricing mechanism was based on contractual volumes set at the start of the contract. The contract for 2019-20 reflects revised levels for DBS in-year volumes. Additional costs were also incurred in 2019-20 associated with the service transition in March 2020. Professional fees have increased in-year

as a result of service transition costs arising from the transfer of services from Tata Consultancy Services to Hinduja Global Solutions UK Limited and CGI UK on 28 March 2020.

IT running costs have increased in year due to additional costs arising from service transition planning.

5. Income	2019-20 £'000	2018-19 £'000
Enhanced DBS checks	127,958	133,268
Standard DBS checks	7,530	8,592
Update Service	16,017	10,972
Basics	42,325	41,164
Other	864	890
Total income from sales of goods and services	194,694	194,886

Further details regarding DBS fees and charges can be found within the accountability section of the Annual Report.

6. Intangible assets

	Information Technology	Software Licenses	Assets under Construction	2019-20 Total
	£'000	£'000	£'000	£'000
Cost or Valuation				
Balance at 1 April 2019	128,576	11,258	413	140,247
Additions	74	-	4,135	4,209
Disposals	-	-	-	-
Impairment	(2)	-	-	(2)
Transfer	-	-	-	-
Reclassifications	41	-	(41)	-
Revaluations	177	50	-	227
At 31 March 2020	128,866	11,308	4,507	144,681
Amortisation				
Balance at 1 April 2019	(111,600)	(8,916)	-	(120,516)
Charged in year	(4,380)	(645)	-	(5,025)
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer	-	-	-	-
Reclassifications	-	-	-	-
Revaluations	(117)	(42)	-	(159)
At 31 March 2020	(116,097)	(9,603)	-	(125,700)
Net Book Value at 31 March 2020	12,769	1,705	4,507	18,981
Net Book Value at 1 April 2019	16,976	2,342	413	19,731
Assets financing:				
Owned	12,796	1,705	4,507	18,981
Finance leased	-	-	-	-
On balance sheet PFI contracts	-	-	-	-
Net Book Value at 31 March 2020	12,769	1,705	4,507	18,981

Included within Information Technology is an individual asset with a net book value of £8.8m, which is considered to be material to DBS. This relates to the core R1 asset that delivers Barring and Basics for DBS.

6. Intangible assets continued

	Information Technology	Software Licenses	Assets under Construction	2018-19 Total
	£'000	£'000	£'000	£'000
Cost or Valuation				
Balance at 1 April 2018	128,293	11,217	-	139,510
Additions	-	1	555	556
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer	-	-	-	-
Reclassifications	142	-	(142)	-
Revaluations	141	40	-	181
At 31 March 2019	128,576	11,258	413	140,247
Amortisation				
Balance at 1 April 2018	(105,265)	(8,016)	-	(113,281)
Charged in year	(6,256)	(869)	-	(7,125)
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer	-	-	-	-
Reclassifications	-	-	-	-
Revaluations	(79)	(31)	-	(110)
At 31 March 2019	(111,600)	(8,916)	-	(120,516)
Net Book Value at 31 March 2019	16,976	2,342	413	19,731
Net Book Value at 1 April 2018	23,028	3,201	-	26,229
Assets financing:				
Owned	5,314	2,342	413	8,069
Finance leased	-	-	-	-
On balance sheet PFI contracts	11,662	-	-	11,662
Net Book Value at 31 March 2019	16,976	2,342	413	19,731

7. Financial Instruments

As the cash requirements of DBS are met through the estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial

items in line with DBS's expected purchase and usage requirements and DBS is therefore exposed to little credit, liquidity or market risk.

The impact arising from IFRS 9 changes on DBS Accounts is not material to trade receivables, financial and other assets.

8. Trade receivables and other assets

	2019-20	2018-19
	£'000	£'000

Amounts falling due within one year:

Trade receivables	17,644	16,147
Deposits and Advances	29	13
Prepayments and accrued income	610	124
Total	18,283	16,284

Trade receivables largely relates to balances due to DBS from registered bodies and responsible organisations for fees charged.

Our Accounts Receivable team have been working very closely with Registered Bodies and Responsible Organisations during the COVID-19 pandemic period to deal effectively with the challenges faced in the current environment and the potential impact on the timing of payments and increased potential for bad debt. Although a small number of organisations have asked for extended credit terms, there is no indication of significantly increased bad debt at the date these accounts were authorised for issue.

9. Cash and cash equivalents	2019-20	2018-19
	£'000	£'000
Balance at 1 April	86,582	81,636
Net change in cash and cash equivalent balances	(25,996)	4,946
Balance at 31 March	60,586	86,582
The following balances were held at:		
Government Banking Service	60,586	86,582
Balance at 31 March	60,586	86,582

The year end balance of £60.6m includes £3.1m owed to Home Office for payroll costs that they have paid on behalf of DBS in March 2020.

During 2019-20, DBS surrendered £49.0m to Home Office as Consolidated Fund Extra Receipts relating to in-year surpluses to 31 March 2019.

10. Trade payables and other current liabilities	2019-20	2018-19
	£'000	£'000
Amounts falling due within one year:		
Trade payables	3,566	6,538
Accruals	31,334	23,581
Contract liability	12,205	12,295
Payable to the Consolidated Fund	19,125	49,027
Total	66,230	91,441

Trade payables includes an amount of £3.1m owed to Home Office for costs that they paid on behalf of DBS in March 2020.

The increase in accruals as at 31 March 2020 was largely due to timing of the service transition from Tata Consultancy Services to replacement suppliers on 28 March 2020 and the contractual milestone

payment payable to CGI UK.

During 2018-19 DBS and Home Office agreed an approach to re-mitting any in year annual surpluses reported by DBS as a Consolidated Fund Extra Receipt. At 31 March 2020 DBS included a payable

amount of £19.1m relating to the surrender of in-year surplus after deducting cost of capital. This amount is due to be settled by DBS following publication of the Annual Report and Accounts for 2019-20.

11. Provisions for liabilities and charges

	Early departure costs	Dilapidations	Legal Costs	Other Provision	2019-20 Total	2018-19 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April	-	297	25	-	322	1,081
Balance transferred	-	-	-	-	-	-
Provided in the year	-	603	0	-	603	-
Provisions not required written back	-	-	-	-	-	(683)
Provisions utilised in the year	-	-	-	-	-	(87)
Borrowing costs (unwinding of discount)	-	-	-	-	-	11
Balance at 31 March 2020	-	900	25	-	925	322
Analysis of expected timing of discounted flows						
Not later than one year	-	270	25	-	295	322
Later than one year and not later than five years	-	630	-	-	630	-
Balance at 31 March 2020	-	900	25	-	925	322

For property provisions, DBS recognises a dilapidation provision for the leased premises occupied where it has an obligation to bring the property into a good state of repair at the end of lease.

Dilapidations provisions of £0.6m were recognised in-year relating to floors 2 and 3 of the new leased premises at 1 Tithebarn Street, Liverpool as part of the service transition in March 2020. Further details of the leases are included in Note 14.

12. Commitments under PFI contracts

On-balance sheet (SoFP): Tata Consultancy Services

A PFI contract was signed with Tata Consultancy Services on 4 October 2012, with live services commencing on 12 March 2014 (service commencement date). The contract was due to run for a period of five years from the service commencement date, with the option to extend for up to a further three years at DBS's absolute discretion.

DBS exercised its option to extend the contract a number of times; ultimately, to 31 March 2020. However, for practical reasons, the services transitioned to replacement suppliers from 28 March 2020 and the contract, effectively, expired.

The original contract was for the provision of application development and management services (referred to as R0 for the legacy system and R1 for the partially delivered modernised system) and business process outsourcing, which included a contact centre and mailroom

services, for the provision of disclosure and barring services, with a total original contract value of £170.1m.

Under the relevant accounting standard, assets that had been developed by Tata Consultancy Services under the contract, were treated as assets of DBS. The substance of the contract was that DBS had a finance lease and that payments compromised two elements – imputed finance lease charges and service charges.

At the end of March 2017, the finance lease creditor was fully settled. As a result, the lease arrangements no longer existed, and payments were no longer split between imputed finance lease charges and service charges as all costs after this point in time related to outsourced services. Payments made to Tata Consultancy Services continued to be charged in full to the Statement of Comprehensive Net Expenditure, as they have been since 1 April 2017.

DBS have retained the title of the technical infrastructure (R1) in line with contract terms.

13. Related-party transactions

Home Office is the sponsor department of DBS and is regarded as a related party. For the year ended 31 March 2020, DBS had a number of material transactions with Home Office and also with other entities for which Home Office is regarded as the parent department, these are listed in the table below.

In addition, DBS had a small number of material transactions with other government departments and other central government bodies.

No board members, key manager or other related parties have undertaken any material transaction with DBS during the year.

	2019-20 £'000	2018-19 £'000	Nature of Transactions
Security Industry Authority	(2,887)	(3,466)	Income receivable for DBS checks carried out during the year
Home Office	9,527	8,196	Recharge of IT services, rent and facilities management recharges, sponsorship costs and Home Office Technology Live Policing Services (for access to Police National Computer checks)
Various Police Authorities	35,286	34,591	Costs incurred for work undertaken by Police Authorities to complete the disclosure process

14. Commitments under leases

	2019-20	2018-19
	£'000	£'000

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

Obligations under operating leases for the following periods comprise:**Buildings**

Not later than one year	1,540	1,416
Later than one year and not later than five years	1,279	1,888
	2,818	3,304

Stephenson House is owned by the Home Office Property Group. DBS have a Memorandum of Terms of Occupation agreement with the Home Office Property Group effective from 1 April 2017 with an expiry date of 1 August 2021. The lease for Shannon Court is held with Peel Holdings with an expiry date of 1 August 2031 (lease is for 15 years, with a five year break out clause from August 2021). This lease was effective from 2 August 2016.

New lease commitments were taken on in March 2020 for floors 2 and 3 at 1 Tithebarn Street, Liverpool as part of the service transition from Tata Consultancy

Services to replacement suppliers from 28 March 2020.

The lease for floor 2 is held with Merakino Ltd with an expiry date of 26 September 2025 (lease is for 5.5 years, with a break clause in September 2023). This lease was effective from 27 March 2020.

The lease for floor 3 was assigned from Tata Consultancy Services and effective in March 2020. The lease expiry date is 23 November 2021 with a break clause in November 2020. From 1 April 2021, DBS will amend the accounting treatment of these lease commitments in line with the requirements of IFRS 16.

15. Other financial commitments	2019-20 £'000
Not later than one year	16,134
Later than one year and not later than five years	
Later than five years	
Total Commitments	<u>16,134</u>

At 31 March 2020 DBS had non-cancellable financial commitments with:

- DXC Technology totalling £1m for the provision of hosting and other bespoke services in relation to the R1 application;
- CGI UK IT totalling £8.7m for the provision of technology services;
- Hinduja Global Solutions UK Limited totalling £3.0m for contact centre services;
- IBM totalling £1.4m for the provision of digital services; and
- Vodafone totalling £2.0m for R0 technical services novated from Tata Consultancy Services in March 2020.

16. Contingent liability

The financial implications of the delay and non-delivery of the modernised system, R1, remains a matter of dispute between DBS and its supplier. At the balance sheet date, and at the date of signing these accounts, this dispute remains ongoing and DBS consider disclosure under IAS 37 of any contingent assets or liabilities could seriously prejudice these discussions. As a result, no further disclosures

under IAS 37 have been made.

Tata Consultancy Services is also in dispute with DBS regarding the application of the pricing mechanism in the contract for services, and this dispute remains ongoing at the balance sheet date.

The difference between the amounts invoiced by Tata Consultancy Services and the amounts paid and recognised by DBS over the periods 2016-17 to 2018-19 totals £13.63m.

17. Events after the reporting period

The Accounting Officer authorised these statements for issue on the date that the accounts were certified by the Comptroller and Auditor General.

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