



Disclosure &  
Barring Service

# Disclosure and Barring Service Annual Report and Accounts

For the period 1 April 2020  
to 31 March 2021



**Disclosure and Barring Service  
Annual Report and Accounts  
For the period 1 April 2020 to  
31 March 2021**

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

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# Contents

<b>Performance report</b>	<b>8</b>	<b>Staff report</b>	<b>82</b>
About DBS	9	Staff costs comprise (audited)	83
Our activities	9	Average number of persons employed (audited)	83
Our organisation	12	Staff composition and gender	84
		Public Sector Equality Duty	85
<b>Performance summary</b>	<b>14</b>	Health and safety	86
DBS: A year in numbers	14	Reporting of Civil Service and other compensation schemes: exit packages	86
DBS priorities and strategic objectives	15	Report under Equality Act	88
Business plan activities and progress	16	Spend on consultancy services and temporary staff	89
		Trade union facility time	91
<b>Chief Executive's report on performance</b>	<b>23</b>		
		<b>Parliamentary accountability and audit report</b>	<b>92</b>
<b>Analysis of performance</b>	<b>25</b>	Regularity of expenditure (audited)	93
Disclosure	25		
Barring and safeguarding	29	The Certificate and Report of the Comptroller and Auditor General to the House of Commons	97
Customers and stakeholders	33		
Financial performance	36		
Other non-financial performance	39		
Sustainability report	39		
		<b>The financial statements</b>	<b>103</b>
<b>Accountability report</b>	<b>44</b>	Statement of Comprehensive Net Expenditure	103
Corporate governance report	45	Statement of Financial Position	104
		Statement of Cash Flows	105
<b>Remuneration and staff report</b>	<b>68</b>	Statement of Changes in Taxpayers' Equity	106
Overview and strategy	69	Notes to the Accounts	107
<b>Remuneration report (audited)</b>	<b>72</b>		
Overview	73		
Remuneration policy	73		
Single total figure of remuneration for each director	73		
Senior salaries	75		
Pension benefits	78		

# 2020-21 Foreword by the Chairman and Chief Executive Officer

We are pleased to introduce our 2020-21 annual report and accounts, which sets out the performance of the Disclosure and Barring Service (DBS) over the past year.

**D**BS is responsible for providing disclosure and barring functions for 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.

2020-21 was year one of our DBS 2020-25 strategy, and the first step on our strategic journey. It was also a year dominated by COVID-19. We are immensely proud of DBS' approach to delivery during COVID-19 and our achievements against our business plan, while maintaining strong operational delivery in a challenging external environment. It was critical for DBS to maintain our statutory services, to support safe and lawful employment decisions. We demonstrated flexibility to support the health and care sectors with both free checks and fast track checks, while managing an increase in checks for volunteers and new demand from the private sector driven by COVID-19. Our staff responded well to enable services to be maintained and to

manage changing demands and ways of working.

We delivered good operational performance and worked effectively to improve our services and start to transform our organisation to support delivery of the strategy. We implemented a new senior leadership structure and successfully transitioned to new service suppliers. We launched OneDBS as a new way of working, introduced our new Strategy Hub for internal communications, and implemented legislative changes to filtering for disclosure products. The board is now well established and is working well with our Strategic Leadership Team to deliver our strategic priorities.

In 2020-21, we met 4 of our 8 published service standards, and issued 5,673,756 DBS certificates, a reduction of 0.1% on the previous year. Volunteers continued to receive free-of-charge Standard and Enhanced DBS certificates and 26.6% of those issued were for this sector, an increase of 6% on the previous year. We continued to focus on quality, timeliness, and value for money within operational

delivery, while also introducing fast track checks to support organisations in managing COVID-19, in collaboration with other government departments. We issued 486,802 fast track COVID-19 Enhanced with Barred List(s) checks, enabling frontline organisations to respond safely and effectively to the pandemic by recruiting new staff quickly. We also issued 28,487 free Standard COVID-19 checks and 6,996 free Enhanced COVID-19 checks. This response won a Gold award in the Collaboration category of the Civil Service’s Operational Delivery Profession Awards.

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. Our focus will be on service modernisation, performance improvements, and becoming an exemplar organisation and employer of choice, drawing on learning from 2020-21. Through our disclosure and barring products and services, we will continue to play an effective and vital role in protecting vulnerable groups including children.



**Dr Gillian Fairfield**  
Chairman



**Eric Robinson**  
Chief Executive Officer





Performance  
report



# Performance report

## About DBS

DBS provides disclosure and barring functions on behalf of government. This includes DBS checks for England, Wales, Jersey, Guernsey, and the Isle of Man and barring functions for England, Wales, and Northern Ireland. We carry out this work from bases in Darlington and Liverpool.

DBS was created in 2012 under the provisions of the Protection of Freedoms Act 2012. We are a non-departmental public body (NDPB) accountable to Parliament through the Secretary of State for the Home Department.

We provide an important service helping to safeguard and protect people in our society while ensuring proportionality and protecting the rights of individuals. We provide criminal records information and, where necessary, make barring decisions to help employers from all sectors – public, private, and voluntary – make better informed and safer recruitment decisions. We provide information that enables employers 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 in conjunction with other recruitment tools. We also determine whether an individual can work in regulated activity by making decisions as to whether or not they should be included on one or both of the DBS Barred Lists.

## Our activities

### Disclosure

DBS issues four levels of certificates of criminal records, known as DBS certificates, by processing DBS checks, and we operate a system of updating certificates through our Update Service. We also bar individuals from working or volunteering in certain circumstances. Our work is funded by the fees from our disclosure customers.

Figure 1: Types of DBS check



## Barring

DBS maintains the Adults' and Children's Barred Lists for England, Wales, and Northern Ireland.

### 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 healthcare. 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 on 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 on one or 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 with Barred List(s) 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 that provide a proportionate response to the behaviour that

has occurred, and consider the future risk of harm 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.

**Table 1: Barred Lists position as at 31 March 2021**

Number of individuals on:	Adults' Barred List	Children's Barred List	One or both Barred Lists
<b>2020-21</b>	58,342	73,675	81,941
<b>2019-20</b>	56,136	70,673	77,921

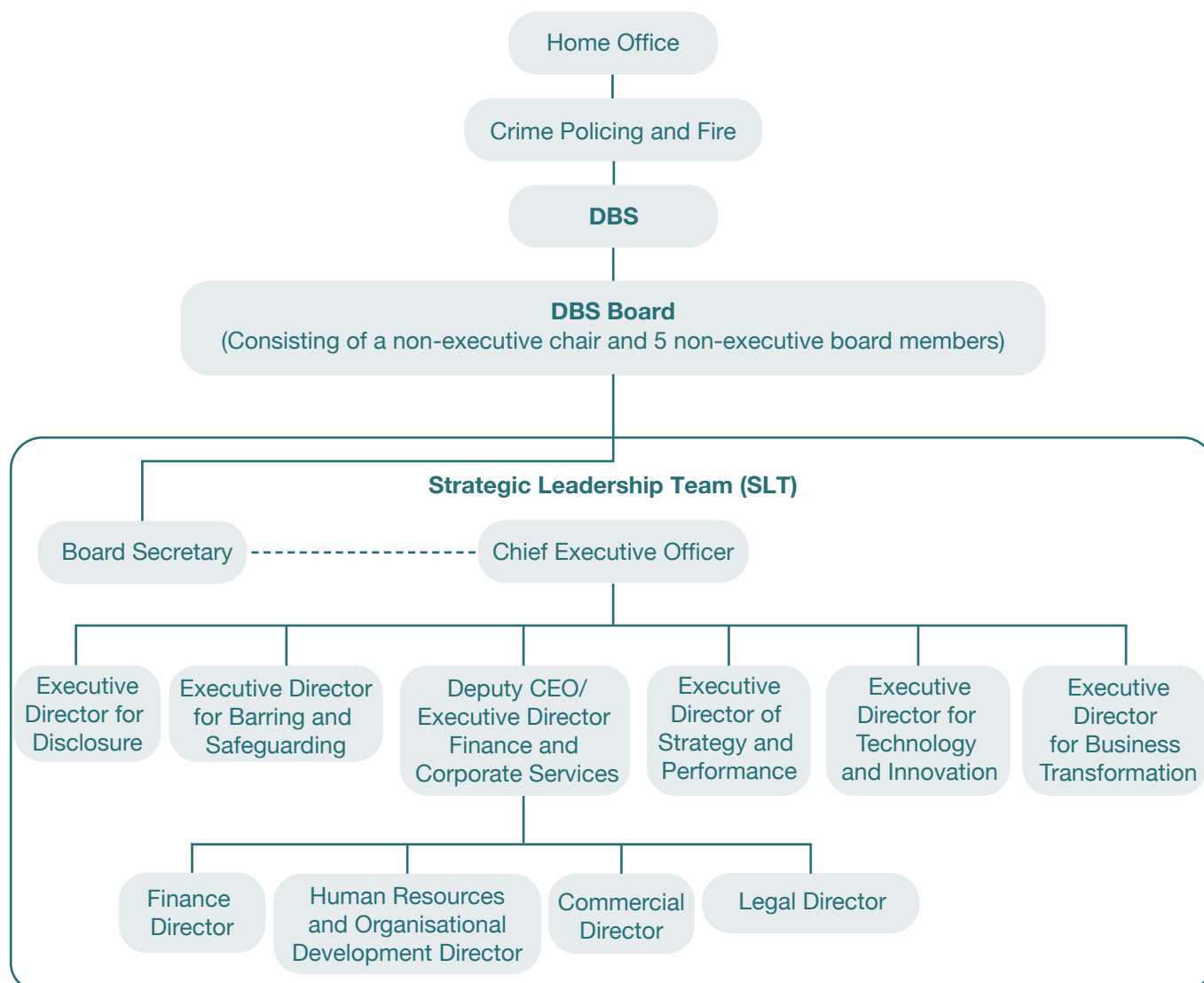
**Our organisation**

The successful delivery of our strategy is dependent on collaborative working and our relationships with partners. Our relationship with the Home Office, as our sponsoring government department, is key to this. A close relationship exists, which is helping to shape the future of how we deliver our services. DBS services are delivered with support

from external suppliers and partner organisations, including CGI, Hinduja Global Solutions (HGS), police forces across the UK, and Shared Services Connected Limited.

We have, and will continue to, work with our customers, stakeholders, partners, and supply chain to effectively navigate the ongoing impact of COVID-19 and economic uncertainty.

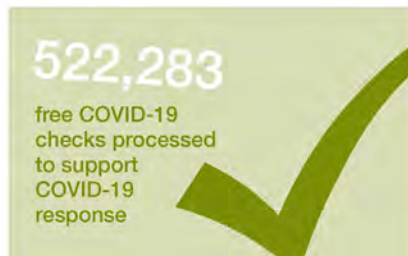
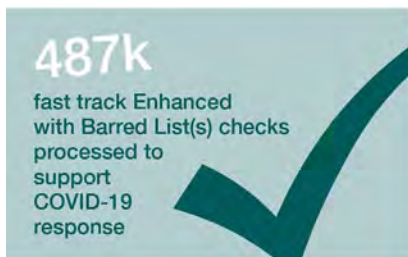
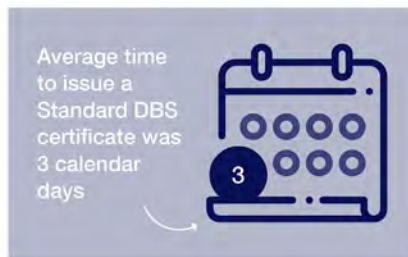
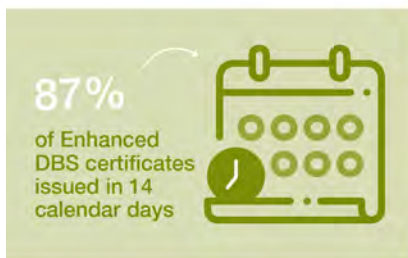
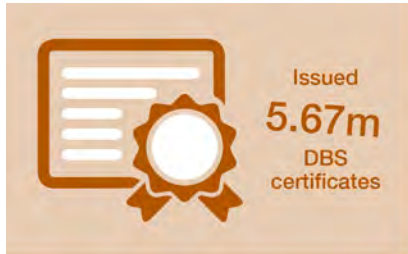
**Figure 2: Governance structure of DBS**



\*Note, the Home Office reporting line changed from the Crime and Policing Group (CPG) on 1 April 2021

# Performance summary

## DBS: A year in numbers



## DBS priorities and strategic objectives

The DBS 2020-25 strategy details our aspirations for the next five years and sets the direction for DBS. It identifies our Purpose, Vision, and strategic objectives to improve the effectiveness of the organisation and our contribution to Making Recruitment Safer. Each year, a detailed business plan is produced, which focuses on the activities needed to achieve our strategic objectives. The DBS 2020-21 business plan focused on the actions we needed to take in the first twelve months of our five-year strategy.

### Our Purpose

Protecting the public by helping employers make safer recruitment decisions and by barring individuals who pose a risk to vulnerable groups from working and volunteering in certain roles.

### Our Vision

Making Recruitment Safer. By being a visible, trusted, and influential organisation, providing an outstanding quality of service to all our customers and partners, where our people understand the important safeguarding contributions they make and feel proud to work here.

### Our strategic objectives

We have identified three strategic priorities that really matter to everyone - Quality, Profile and People – and within these three priorities, we have developed

six strategic objectives, to help us deliver our vision of Making Recruitment Safer.

#### Quality – Objective 1

We will provide high quality, reliable, consistent, timely, and accessible services for our customers.

#### Quality – Objectives 2

We will embrace technology to drive improvements to the quality of our work.

#### Profile – Objective 3

We will raise awareness of DBS and the services we offer, keeping people informed through our communications, to increase public understanding and confidence in our organisation.

#### Profile – Objective 4

We will be a respected and trusted organisation, working with our partners to play an influential role in the environment in which we operate.

#### People – Objective 5

We will develop a talented and diverse workforce that understands how their contributions help to achieve our objectives.

#### People – Objective 6

We will build a flexible, vibrant, and contemporary workplace where our staff will be able to do their jobs using modern ways of working that are smart and promote OneDBS.



### Business plan activities and progress

Quality is at the heart of our work and everything we do is designed to improve the quality of our services and the decisions we make. In the 2020-21 business plan, we started to modernise the services we provide, the way we work and the way we interact with our partners, with the goal of making significant progress with

regards to the quality of service, the technology we use, our profile, and the work we do with our partners and our staff.

### Overview

In 2020-21, we achieved 87.5% of our deliverables (milestones) (28 out of 32), with four deferred to our 2021-22 business plan. This is broken down by each strategic objective as follows.

**Table 2: % of deliverables achieved in 2020-21**

Objective	Achieved	Deferred
<b>Quality</b>		
We will provide high quality, reliable, consistent, timely and accessible services for our customers	8	0
We will embrace technology to drive improvements to the quality of our work	3	1
<b>Profile</b>		
We will raise awareness of DBS and the services we offer, keeping people informed through our communications, to increase public understanding and confidence in our organisation	4	1
We will be a respected and trusted organisation, working with our partners to play an influential role in the environment in which we operate	5	1
<b>People</b>		
We will develop a talented and diverse workforce that understands how their contributions help to achieve our objectives	5	1
We will build a flexible, vibrant, and contemporary workplace where our staff will be able to do their jobs using modern ways of working that are smart and promote OneDBS	3	0

### Strategic Objective One: We will provide high quality, reliable, consistent, timely, and accessible services for our customers

In 2020-21, we started to develop a new vision for the customer journey and considered how our products and services might develop for the future. We implemented changes to ensure we were compliant with filtering legislation enacted in November 2020 and progressed our barring portal to a prototype. We developed a new organisational design to put insight and intelligence at the heart of decision making, and developed our equality, diversity, and inclusion (EDI) strategic plan, to ensure our services meet the needs of our customers.

In 2021-22, we will continue our customer journey work, while also maintaining a focus on quality in our operational service delivery. When changes are being made, we will engage with customers and partners to ensure their voices are heard, and that barriers to accessing services are reduced or removed.

What we said we would do	What we achieved
<b>SO1.1</b> Develop and agree defined roadmap for service delivery improvements and commence executions of quick wins	<ul style="list-style-type: none"> <li>Service delivery quick wins identified and implemented</li> <li>Digital identity discovery work commenced with Government Digital Service (GDS)</li> </ul>
<b>SO1.2</b> Print Standard and Enhanced DBS certificates with correct disclosure information in accordance with revised legislation	<ul style="list-style-type: none"> <li>Manual filtering solution implemented within disclosure operations</li> </ul>
<b>SO1.3</b> Improve customer experience and quality through an optimised number of, and more compliant, Registered Bodies (RBs)	<ul style="list-style-type: none"> <li>RB strategic plan agreed</li> <li>Code of practice and basic processing standards reviewed to improve quality and increase accountability</li> <li>300 low volume RBs removed in-year to improve quality</li> <li>Quarterly checks for high volume RBs introduced</li> </ul>
<b>SO1.4</b> Create a new a barring portal	<ul style="list-style-type: none"> <li>Prototype barring portal delivered</li> </ul>
<b>SO1.5</b> Put barring learning and education programme in place	<ul style="list-style-type: none"> <li>Learning and education programme embedded in Barring and Safeguarding directorate</li> </ul>
<b>SO1.6</b> Build an insight and intelligence function	<ul style="list-style-type: none"> <li>Organisational design and consultation completed on insight and intelligence function within new Strategy and Performance directorate</li> </ul>
<b>SO1.7</b> Develop a DBS marketing plan	<ul style="list-style-type: none"> <li>DBS marketing and business development plan agreed</li> </ul>
<b>SO1.8</b> Develop our external focus on EDI	<ul style="list-style-type: none"> <li>EDI strategic plan agreed, including customer objectives</li> <li>Accessibility statement published</li> </ul>

**Strategic Objective Two: We will embrace technology to drive improvements to the quality of our work**

In 2020-21, we completed the service transition to new suppliers for technology and our customer contact centre. We refreshed our disclosure IT platform to ensure reliable and efficient services to customers were maintained and developed our technology roadmap to improve digital services through modernisation, technology transformation, managing supplier services, and maintaining the IT estate.

In 2021-22, we will prioritise delivery of the technology roadmap. We will improve our capacity and capability to provide digital services and consider the best approaches to support technology delivery in future. This will include the balance of building our own services vs. buying services from others.

What we said we would do	What we achieved
<p><b>SO2.1</b> Transfer to two new suppliers, one to take over our technology contract, and the other to manage our contact centre services</p>	<ul style="list-style-type: none"> <li>• Service transition programme completed</li> </ul>
<p><b>SO2.2</b> Update our platform for Standard and Enhanced checks</p>	<ul style="list-style-type: none"> <li>• Infrastructure procured</li> <li>• Ancillary network replacement activity completed</li> <li>• <i>Final phase deferred to 2021-22</i></li> </ul>
<p><b>SO2.3</b> Develop a set of integrated technical roadmaps to ensure DBS maximises the use of technology</p>	<ul style="list-style-type: none"> <li>• Technology roadmap in place</li> </ul>
<p><b>SO2.4</b> Develop a target operating model</p>	<ul style="list-style-type: none"> <li>• Future operating model work completed for technical design authority, technology run function, and Service Integration and Management (SIAM) capability</li> </ul>

### Strategic Objective Three: We will raise awareness of DBS and the services we offer, keeping people informed through our communications, to increase public understanding and confidence in our organisation

In 2020-21, we focused strongly on internal engagement, developing 'Big Conversations' with staff, and introducing the Strategy Hub to support delivery of our strategy and staff wellbeing. We also strengthened our brand identity with a series of external campaigns to raise awareness of products and services, and increased our use of social media.

In 2021-22, our focus will be on growing the profile of DBS as a professional and trusted organisation, business development activity, and marketing activity for our core products to support safeguarding objectives. We will also begin transformation activity to develop a new website ('DBS Front Door') for customers to use to access our services and to provide guidance and other information in accessible formats. We will build on the good work in year one to improve staff engagement.

What we said we would do	What we achieved
<b>SO3.1</b> Develop an improved website	<ul style="list-style-type: none"> <li>Strategic review of future needs completed</li> <li><i>Plan in place for 2021-22 delivery of full discovery phase and alpha phase</i></li> </ul>
<b>SO3.2</b> Develop and implement a staff engagement and internal communications plan	<ul style="list-style-type: none"> <li>Staff engagement and communications plan developed and implemented</li> </ul>
<b>SO3.3</b> Plan the development and launch of refreshed DBS brand	<ul style="list-style-type: none"> <li>DBS brand refreshed</li> <li>Brand established through campaign to raise awareness of DBS</li> </ul>
<b>SO3.4</b> Introduce a new intranet	<ul style="list-style-type: none"> <li>New Strategy Hub developed, launched, and embedded as business as usual</li> </ul>
<b>SO3.5</b> Deliver a set of external campaigns	<ul style="list-style-type: none"> <li>Campaign to raise awareness of DBS delivered</li> <li>Duty to refer campaign delivered</li> <li>Regional outreach campaign delivered</li> </ul>

**Strategic Objective Four: We will be a respected and trusted organisation, working with our partners to play an influential role in the environment in which we operate**

In 2020-21, we focused partnership activity on critical relationships with colleagues across government, policing, Registered Bodies (RBs), and Responsible Organisations (ROs). We developed the partnerships strategic plan, which explains how we will work with partners to deliver our strategy, introduced regional outreach officers following a successful pilot, and held our second annual conference in March 2021.

In 2021-22, we will focus on restructuring to deliver the partnerships strategic plan. We will continue to work closely with the police and RBs to deliver service improvements and develop a programme of events to support partnership building.

What we said we would do	What we achieved
<b>SO4.1</b> Implement year one RB/RO work programme	<ul style="list-style-type: none"> <li>• Criminal Records Trade Body (CRTB) workplan in place and delivered</li> <li>• RB strategic plan agreed</li> </ul>
<b>SO4.2</b> Implement police work programme (algorithm)	<ul style="list-style-type: none"> <li>• Police strategic plan progressed</li> <li>• Discovery on improvements to police algorithm completed</li> <li>• <i>Implementation of algorithm improvements deferred to quarter 1 of 2021-22</i></li> </ul>
<b>SO4.3</b> Plan and deliver annual conference	<ul style="list-style-type: none"> <li>• Annual conference delivered in March 2021</li> </ul>
<b>SO4.4</b> Implement regional outreach worker function	<ul style="list-style-type: none"> <li>• Successful pilot completed, rollout in six regions completed</li> </ul>
<b>SO4.5</b> Implement intelligent client function	<ul style="list-style-type: none"> <li>• Supplier Management team and framework implemented</li> <li>• Information Technology Infrastructure Library (ITIL) processes incorporated across DBS</li> </ul>
<b>SO4.6</b> Develop partnership management plan	<ul style="list-style-type: none"> <li>• New partnerships strategic plan approved</li> </ul>

### Strategic Objective Five: We will develop a talented and diverse workforce that understands how their contributions help to achieve our objectives

In 2020-21, we implemented the first phase of a new human resources (HR) and finance system (Metis) and embedded a new senior management structure and directorates for Strategy and Performance, and Technology and Innovation. We introduced OneDBS as a way of working to help deliver our strategy.

In 2021-22, our focus will be on continuing to develop our people to help them to do their jobs to the best of their ability and enabling them to be consistently and fairly rewarded. We will proceed with ambitious organisational redesign to support delivery of our strategy, implement phase one of the DBS Academy, and ensure best use can be made of Metis to drive business decisions. We will prioritise improvements to increase diversity in our workforce so we are more representative of the communities we serve.

What we said we would do	What we achieved
<b>SO5.1</b> Create and establish DBS Academy	<ul style="list-style-type: none"> <li>Scoping completed</li> <li><i>Implementation deferred to 2021-22</i></li> </ul>
<b>SO5.2</b> Develop a revised reward and recognition offering for DBS employees	<ul style="list-style-type: none"> <li>Revised reward and recognition offer developed</li> <li>Pay flexibility business case prepared</li> <li>Revised approach to PDR implemented</li> </ul>
<b>SO5.3</b> Develop our HR function	<ul style="list-style-type: none"> <li>Organisational design and consultation with staff completed</li> <li>HR service catalogue, policy framework and governance framework in place</li> </ul>
<b>SO5.4</b> Implement a new HR system (Metis)	<ul style="list-style-type: none"> <li>First phase of functionality live for HR</li> <li><i>Implementation of future improvements expected 2021-22</i></li> </ul>
<b>SO5.5</b> Progress organisational restructure	<ul style="list-style-type: none"> <li>Organisational design and consultation with staff completed across required directorates</li> </ul>
<b>SO5.6</b> Develop our internal focus on EDI	<ul style="list-style-type: none"> <li>New EDI strategic plan agreed, including People objectives</li> </ul>

**Strategic Objective Six: We will build a flexible, vibrant, and contemporary workplaces where our staff will be able to do their jobs using modern ways of working that are smart, and which promote OneDBS**

In 2020-21, we focused on flexibility, developing the tools to allow our staff to work remotely and productively, and reviewed our estates plan. We consulted with staff on how we could improve their experience of working with DBS, focusing on their workplace, wellbeing, and sustainability. This resulted in the production of the wellbeing strategic plan and green strategic plan.

In 2021-22, our focus will be on making agreed improvements to the workplace and transitioning to a ‘new normal’ following COVID-19. We will embed OneDBS in our culture (including how we manage our knowledge) and deliver year one of the wellbeing and green strategic plans.

What we said we would do	What we achieved
<b>SO6.1</b> Complete full estates review	<ul style="list-style-type: none"> <li>• Estates review completed</li> <li>• Workplace programme business case agreed and implementation progressing to agreed timetable</li> </ul>
<b>SO6.2</b> Introduce smarter working policies and practices (incorporating wellbeing)	<ul style="list-style-type: none"> <li>• New wellbeing strategic plan agreed</li> <li>• Health and wellbeing policy updated and approved</li> <li>• Skype for Business rolled out</li> <li>• Secure remote access progressing to plan</li> <li>• SharePoint pilot completed</li> </ul>
<b>SO6.3</b> Develop a new green plan for DBS	<ul style="list-style-type: none"> <li>• New green strategic plan agreed</li> </ul>

# Chief Executive's report on performance

**2** 020-21 was the first year of our new strategy. Safeguarding and quality have been at the heart of our work over the last year.

To measure our performance, we have developed a number of key performance indicators (KPIs) and targets, which include the published service standards in our business plan. These are linked to our strategic objectives and are monitored by the Strategic Leadership Team and the board through a 'balanced scorecard' approach. They provide an indication of our progress towards our priorities. They have a strong focus on the quality and timeliness of our products and services, as these are the issues customers tell us are important to them.

In 2020-21, our performance was impacted by COVID-19 in some areas. We continued to deliver a high-quality service in priority areas and received praise for our overall operational response. We have refreshed our KPIs and targets for 2021-22 as we transition to a 'new normal' post-COVID-19. In some cases,

we have stretched targets where we feel able to improve further, while in other areas, we wish to consolidate, given changes in demand for some products, and learning from 2020-21.

As part of our performance management framework, progress is reviewed monthly by the Strategic Leadership Team, with assurance to board provided by the Quality, Finance and Performance Committee. Published indicators are supplemented by a range of other indicators at corporate, directorate, service, and team level.

## Published service standards

For 2020-21 we achieved 4 out of 8 reported published service standards for quality and timeliness. In 2020-21, our ability to achieve all of our performance targets was affected by COVID-19. By prioritising the most critical areas of our business to ensure effective safeguarding, we continued to provide a high quality of service and were praised for our overall operational response.

## Eric Robinson

Chief Executive Officer





Table 3: Performance against published service standards in 2020-21

KPI description	2018-19	2019-20	2020-21	2020-21 target	Status
<b>Quality – improving the effectiveness of our service to customers</b>					
Barring quality rate of closures (monthly)	96.37%	95.24%	97.55%	>99.50%	Not achieved
Percentage of all criminality and barring information that DBS should place on a certificate will be included (monthly)	N/A	N/A	100.0%	>99.98%	Achieved
Customer rating of experience of DBS within previous 3 months (index measure) (annually)	N/A	N/A	72.4%	>72%	Achieved
<b>Timeliness – improving the timeliness of our services to our customers</b>					
Percentage of Basic certificates despatched within 1 day (monthly)	N/A	N/A	74.0%	>80%	Not achieved
Percentage of Standard certificates despatched within 4 days (monthly)	N/A	N/A	70.9%	>80%	Not achieved
Percentage of Enhanced certificates despatched within 14 days (monthly)	77.0%	78.3%	87.0%	>78%	Achieved
Percentage of all barring cases to be closed within 3 months (monthly)	92.0%	74.5%	71.3%	>72%	Not achieved
Percentage of Autobar cases to be closed within 1 month (monthly)	95.0%	98.00%	98.7%	>95%	Achieved

# Analysis of performance

## Disclosure

This year has been challenging for the delivery of disclosure services. The COVID-19 pandemic has influenced the behaviour of our customers. Compared to previous years we have experienced a change to both the profile and total number of applications received for all DBS products. Equally, the availability of operational resource, balancing working from home and a need to

attend the office, and increased absences due to COVID-19 illness and self-isolation have tested our ability to achieve every published service standard.

During 2020-21, we issued a total of 5,673,756 Basic, Standard and Enhanced DBS certificates. The table below shows changes in DBS check application levels and Update Service subscriptions over the last three years.

**Table 4: Changes in DBS check application levels over the last three years**

	Basic issued	Standard issued	Enhanced issued	Total active Update Service subscribers
<b>2018-19</b>	1,650,128	348,626	3,889,371	1,507,273
<b>2019-20</b>	1,764,404	326,225	3,866,971	1,774,834
<b>2020-21</b>	2,186,123	343,413	3,144,220	1,862,670

## Enhanced DBS checks for healthcare professionals (fast track)

In support of the government's COVID-19 response, we have provided a temporary service for certain roles, such as nurses, midwives, and social workers. When an application for an Enhanced with Barred List(s) DBS check comes in and it has been identified as an application for particular roles for COVID-19, we will do a check of one or both Barred Lists within 24 hours. During the year we received

a total of 486,802 COVID-19 applications that required a check against one or both Barred Lists. Of these, 208 were listed as 'wait for Disclosure' due to a match on one or both of the lists. Of those, 34.6% were ineligible, meaning that that 72 people had applied for a position in regulated activity who knew that they were barred. The remainder underwent the full Enhanced with Barred List(s) DBS check process.

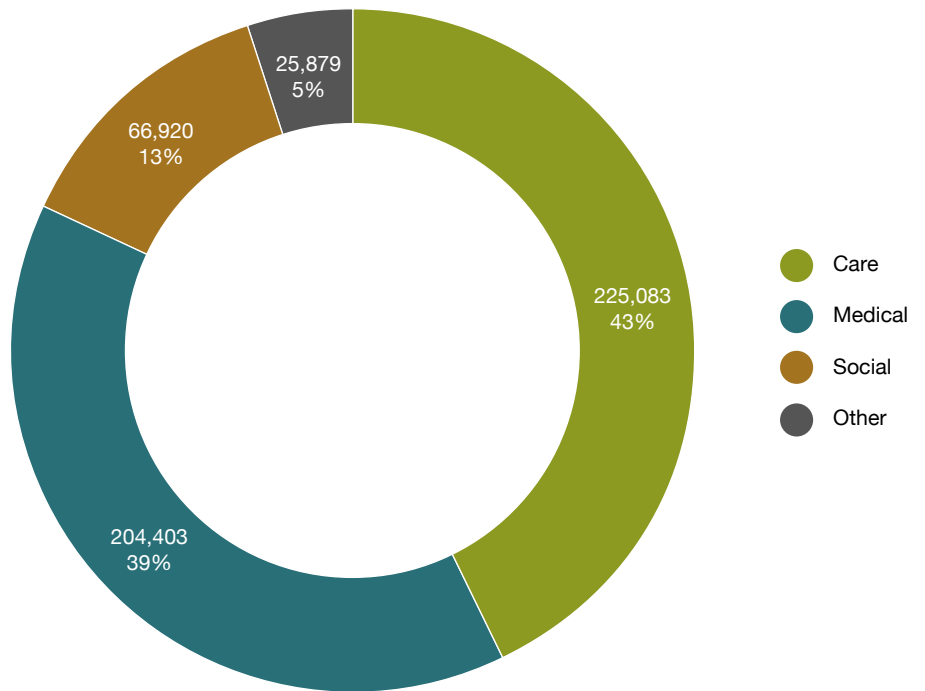
Of the 486,802 applications identified as COVID-19 roles, 66,720 (13.7%) were for vaccinators.

**Other COVID-19 free checks**

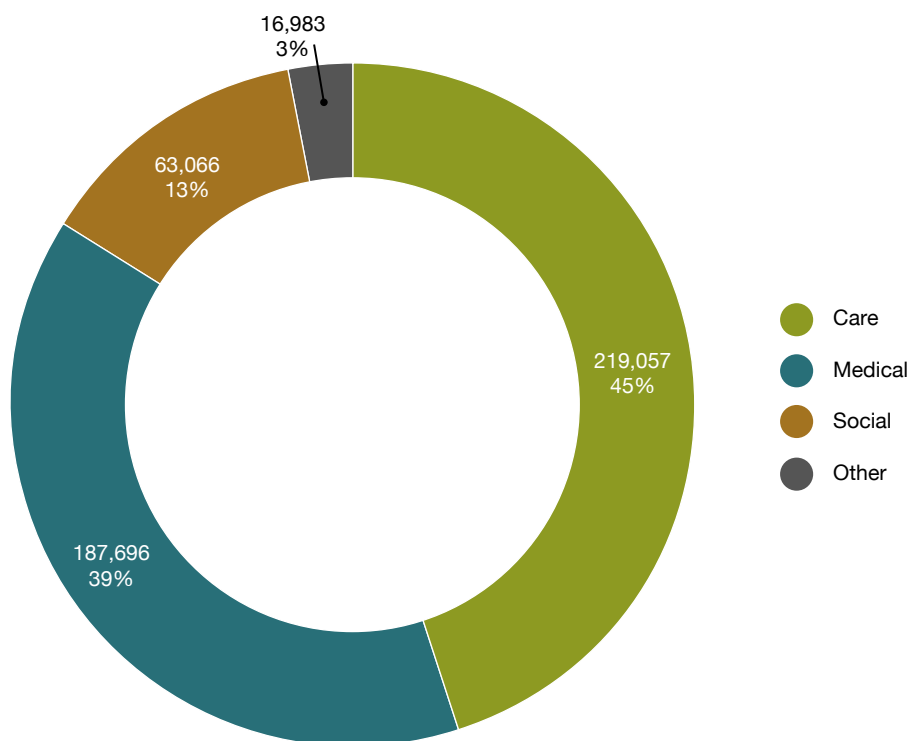
In support of the government’s COVID-19 response, we also provided some free-of-charge Standard and Enhanced DBS checks, for roles that did not

require a check of one or both Barred Lists, for roles that met certain criteria. We processed 28,487 Standard checks of this type and 6,996 Enhanced checks of this type.

**Figure 3: The sector breakdown of applications relating to COVID-19**



**Figure 4: The sector breakdown of all fast track Enhanced with Barred List(s) applications relating to COVID-19**



### Quality

We exceeded the target for our key quality measure, the percentage of all criminal and barring information that DBS should place on Basic, Standard and Enhanced certificates, achieving performance of 100% against a target of 99.98%.

### DBS checks – demand and timeliness

During 2020-21, we issued 2,186,123 Basic certificates for customers in England and Wales. This compares with 1,764,404 issued in 2019-20. Since the launch of Basic DBS checks in 2017-18, we

have issued a total of 5,929,607 Basic certificates.

Over the year, Basic check intake volumes exceeded our initial forecast by 20.3% (£369k). COVID-19 was the primary reason for this, with applications from the gig economy (including major delivery companies) submitting increased volumes as a result of consumer behaviour changes. This, alongside operational changes within DBS to allow staff to work from home in response to COVID-19 and the implementation of social distancing, impacted our ability to achieve the ‘one day’ target of 80%.

**Table 5: Time to issue checks by type**

	Target 2020-21	2019-20 position	Average time to issue in 2019-20	2020-21 position	Average time to issue in 2020-21
<b>Basic</b>	80% in 1 day	80.9% in 1 day	0.76 days	74% (target achieved on day 3)*	1.74 days
<b>Standard</b>	80% in 4 days	79.9% in 4 days	2.3 days	70.9% (target achieved on day 6)	3.0 days
<b>Enhanced</b>	78% in 14 days	78.3% in 14 days	10.2 days	87% in 14 days (target achieved on day 10)	7.9 days

\*Forecast revised due to COVID-19 in-year to a range of 70-75%, with year-end performance at the top of this range

Standard DBS check volumes represent only 10% of total annual volumes of checks. Currently, we are unable to separate Standard and Enhanced workflow on our IT systems, making it difficult to improve Standard performance without a technical fix. This forms part of our technology roadmap for the future.

During 2020-21, 26.6% of Standard and Enhanced DBS certificates were issued free-of-charge to volunteers, compared to 20.6% in 2019-20. This is not unexpected given the volume who were eligible for the fast track service for COVID-19-related roles.

The average four-week workload target for police forces for Enhanced DBS checks has been consistently met throughout the year, and the average at the end of March 2021 was 5.7 days against a service level agreement

of 12 days. This compares to 10.6 days in 2019-20.

The target for police cases ‘aged greater than 60 days’ was met, with actual performance of 0.9% against the target of 2% of overall police work in progress (WIP). This was an improvement on last year’s performance of 3.4%. The number of cases in this age bracket was 5,635 at the end of March 2020 compared to 580 at the end of March 2021, representing a decrease of 89.7%. This contributed positively to the timeliness of Enhanced DBS checks and a reduction in customer complaints attributed to ‘delay’.

### Update Service

At the end of March 2021, the total number of Update Service subscribers was almost 1.9m. This is a growth of 4.9% from March 2020. The Update Service was introduced to encourage

portability of checks between employers. It is particularly suitable for 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 and safeguarding

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 information and AutoBar.

**Table 6: Trends in referred cases for barring consideration**

	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Referral cases</b> (matters referred to DBS by employers, keepers of registers, members of the public etc.)	7,132	7,498	7,994	7,500	7,514
<b>Disclosure information cases</b> (this occurs where a request for an Enhanced DBS check contains relevant criminality information or intelligence)	4,302	8,638	12,601	12,688	12,280
<b>AutoBar cases</b> (these are offences that are considered to be so serious in nature that a person will be automatically barred from engaging in regulated activity)	4,165	14,829	28,887	27,334	20,675
<b>Total</b> (all barring cases)	<b>15,599</b>	<b>30,965</b>	<b>49,482</b>	<b>47,522</b>	<b>40,469</b>

### 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 that require 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 for 2020-21 was 99.50%. The actual quality rate of closure for 2020-21 was 97.55%. This compares favourably to 2019-20, when 95.24% was achieved. The target is very challenging and only allows for a small number of potential errors throughout the reporting year – one per 200 cases. Concerted efforts to improve casework quality yielded a 2.31% improvement this year.

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.

### Barring timeliness

We met one of our two timeliness published service standards for barring. The target for the published service standard to close 95% of Autobar cases within one month was achieved at 98.7%. We did not achieve

the target for the published service standard to close 72% of all barring cases within three months.<sup>1</sup> Performance at year-end was 71.3%, and was impacted by COVID-19.

### Case closures

In 2020-21 the total number of case closures averaged 915 per month. This was a 243 decrease in the number of closures compared to 2019-20 when the average was 1,158. A significant contributor to the decrease in case closures was the reduction in new Autobar cases received this year, with COVID-19 having a major impact on the operation of the criminal justice system over the last 12 months. This workstream is now recovering and action to clear backlogs in the court system is expected to generate an increase in Autobar cases that will contribute to an increase in overall case closures in 2021-22.

### Aged cases

There has been a focus on improvement in total aged cases (those older than 12 months) during 2020-21, with an optimum age case range of 30-60 aged cases in month. Aged cases have remained within this threshold, with 34 aged cases reported at year end, down from a peak of 937 in March 2018, 520 in March 2019 and 50 in March 2020.

### Barring work in progress (WIP)

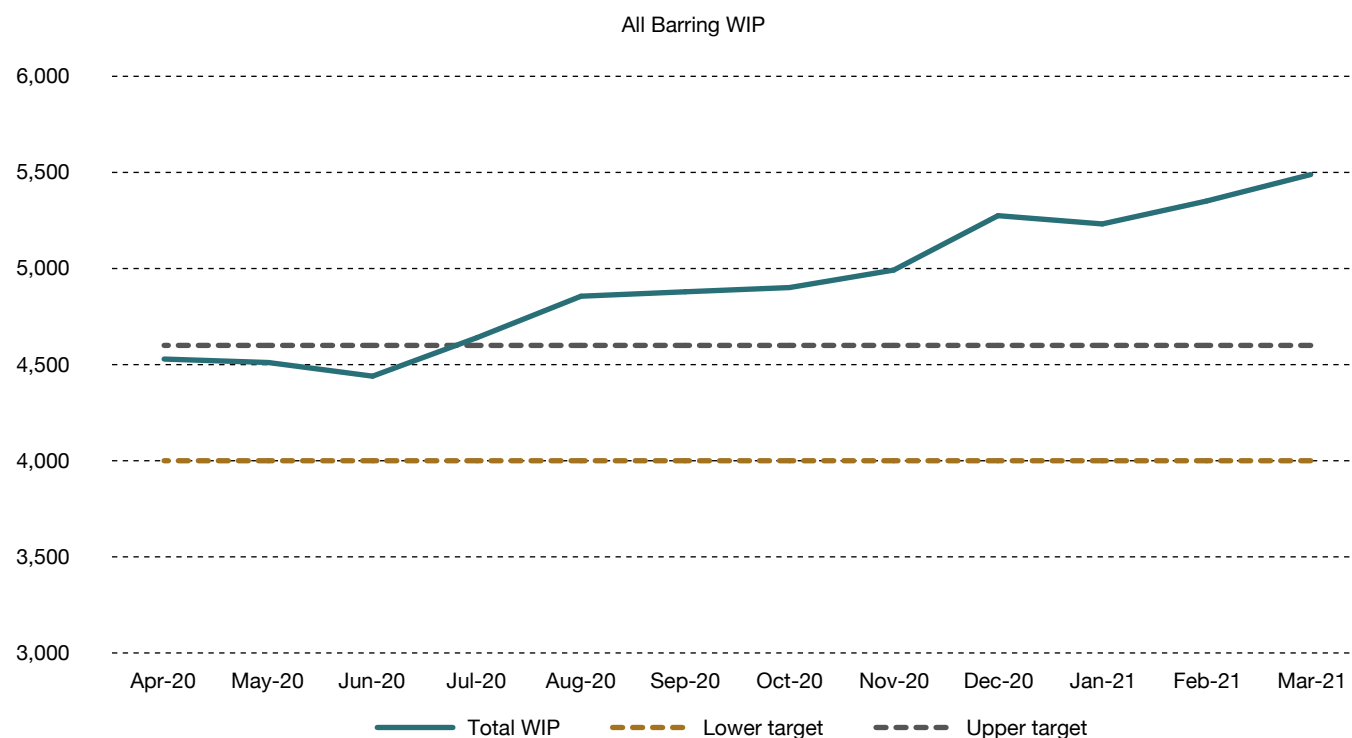
There has been a significant increase in overall barring WIP during 2020-21. Barring WIP

<sup>1</sup> This measures the percentage of all barring 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)

increased from 4,379 at the end of March 2020, to 5,489 at the end of March 2021, which was above the 4,000 – 4,600 target range. The increase in WIP was driven by a range of factors, with the challenge of implementing home-based services, staff having to juggle caring and

home-schooling responsibilities during lockdown, and delayed recruitment and onboarding of new caseworkers all having a significant impact. This was exacerbated by higher than forecast volumes of new referral cases being received in the final few months of the year.

**Figure 5: All barring work in progress (WIP) for 2020-21**





### 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 the 2020-21 reporting year 139 appeals were lodged. This equates to 0.34% of the workload received during the same period.

**Table 7: All appeal closures in 2020-21<sup>2</sup>**

Status / outcome	Q1	Q2	Q3	Q4	Full year
Appeals lodged 2020–21*	13	25	34	67	139
Closed - DBS withdrew (excluded appeals - appellant removed from Barred Lists) **	1	6	1	5	13
Closed - DBS withdrew (appellant removed from Barred Lists) ***	1	1	1	6	9
Closed - DBS decision maintained ****	0	6	1	9	16
Closed - removed following substantive hearing	0	0	0	1	1
Live appeals at end of quarter (includes residual appeals lodged in previous years)	119	131	162	208	

\*Please note that of the 139 appeals lodged in 2020-21, 17 decisions were concluded in the previous reporting year

\*\*Excluded denotes appeals whereby a Paragraph 18A review has been undertaken due to ‘new information’, so this is not necessarily because the original barring decision was wrong but something during the appeal has led to the conclusion that retention 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

<sup>2</sup> Note, closures include residual appeals lodged in previous years

## Customers and stakeholders

### Customer complaints

We achieved our targets for dealing with customer service complaints for the year. Our target was to respond to 98% of all complaints within eight working days. This target was met, with an attainment of 99.6%.

**Table 8: Customer complaints in 2020-21 compared to previous years**

	2018-19	2019-20	2020-21
Number of complaints received	3,450	2,586	2,887

**Table 9: Complaints processed in 2020-21**

	Total	Resolved at initial stage	Resolved at second stage	Escalated to Independent Case Reviewer
Number of complaints processed in 2020-21	2,816	2,808 (99.7%)	8 (0.3%)	0

We achieved our target for customer satisfaction with service received when dealing with complaints, achieving 72.4% (January 2021) against a target of 72%.<sup>3</sup> This was a reduction of 3.7% on January 2020. The public services sector average was 76.7%.

In the DBS Customer Satisfaction Survey,<sup>4</sup> 74% of 307 customers responding to the question 'How much do you agree or disagree that DBS is an effective safeguarding organisation?' strongly agreed, agreed or were neutral. 74% of 282 customers responding to the question 'How much do you agree or disagree that the

information provided by DBS supports employers to make effective recruitment decisions?' strongly agreed, agreed or were neutral.

### Registered Bodies

Applicants cannot apply directly to DBS for Standard, Enhanced or Enhanced with Barred List(s) DBS checks and DBS has a legislative reliance on Registered Bodies (RBs) to carry out this role. In March 2021, there were 1,185 RBs (a reduction from 1,412 in March 2020). These RBs submitted 3,469,048 applications in 2020-21 (in comparison to around 4.2m applications in 2019-20).

<sup>3</sup> Measured using the UK Customer Services Index

<sup>4</sup> An internal survey of customers with complaints with a sample size of 384; not all customers answered all questions

The main responsibilities of RBs are:

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

### Responsible Organisations

A Responsible Organisation (RO) is an organisation registered with DBS to submit Basic DBS checks through an online service. There were 83 ROs in March 2021 (an increase from 79 in 2020) who between them submitted 1,843,436 applications in 2020-21 (up 1,771,021 (4%) on the previous year). The main responsibilities of ROs are:

- checking an applicant's identity
- ensuring the DBS application form is completed correctly
- collecting fees and paying DBS

### DBS quality account

The DBS quality account provides an honest, open, and accurate assessment of quality assurance activity. The most recent account relates to 2019-20. This marks the end of the current DBS quality assurance framework (QAF). A revised QAF has been developed for 2020-21 onwards.

This brief overview of the quality account report highlights progress and achievements that have been realised in 2019-20 whilst the full report sets the standard for the ongoing ambitions for the revised QAF going forward.

The QAF provides a 'whole system' approach that keeps vulnerable groups including children at the centre of DBS activities, recognising the important role that DBS holds in the wider safeguarding environment.

It draws together data and information from a variety of sources within the organisation to provide assurance that objectives are current, relevant, and are being met within three areas – safeguarding, efficiency and effectiveness, and user experience.

### Safeguarding

The aim for 2019-20 was to continue the deployment of safeguarding level 1 training to all staff within DBS. An ambitious target of 85% was set. Over 900 members of staff completed the training in-year (87.6%).

Improvements were sought to the published service standards for barring, and achievements were achieved across a range of indicators.

A variety of refresher training sessions were delivered to improve the quality of decisions, including 13 straight minded to bar, 41 representations and 41 structured judgment process sessions. The results are being seen in an improving trajectory of the quality of barring decision making.

### Efficiency and effectiveness

One of the aims for 2019-20 was to develop plans to extend ISO accreditation across disclosure. Work has taken place in partnership with areas

of disclosure not included in the current certification. This has resulted in a structured plan to see wider accreditation achieved.

Enhanced skills, capability and learning development throughout DBS has been a focus for this period. The Learning and Development team have continued to enrol staff onto several courses and successfully made use of the apprenticeship levy available, meaning DBS currently has 44 apprentices across seven subject areas from level 2 to level 5.

### User experience

A successful pilot of regionally-based outreach workers continues to be expanded to support safeguarding objectives and improve barring referrals. Research outputs have also been developed to understand the question 'Is DBS an effective safeguarding organisation?' and this includes work to improve how we measure customer satisfaction in future years.

### Financial performance

HM Treasury's Managing Public Money (2013) 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.

We are seeking to reduce our fees where possible and pass savings back to customers. Despite the surplus made in 2019-20, the fee reductions planned for October 2020 could not be implemented due to the uncertainty of the impact of COVID-19 on demand, and the resulting impact on income and funding levels which was particularly significant in the first quarter of the year.

In this financial year we have again made a surplus, which (less the cost of capital) has been recognised as a Consolidated Fund Extra Receipt creditor at year-end to be surrendered to the Home Office following approval of our annual report and accounts for 2020-21.

As we move into 2021-22, with the COVID-19 pandemic ongoing and a continued level of uncertainty on demand for our products and services, fees will remain unchanged for the year, during which we will assess the appropriate fee levels for future years.

# Financial summary

- Met or exceeded plans
- Mixed performance against plans e.g. growth in demand lower than predicted
- Under performed against plan

## Total revenue from contracts with customers 2020-21

£185.8m	-5% decrease from 2019-20	1% variance to budget
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Overall demand for DBS products was significantly impacted as a result of the COVID-19 pandemic, with reduction in normal activity, changes experienced in the marketplace and the introduction of the fast track checks specifically for individuals recruited to combat the pandemic. Additionally, due to the uncertain climate, fee reductions planned for October 2020 could not be implemented.

## Total operating expenditure 2020-21

£162.5m	-7% decrease from 2019-20	-12% variance to budget
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Overall operating expenditure was lower than both the prior year and that budgeted for, whilst still achieving strong performance and delivery of business plan activity.

### Enhanced DBS checks

<b>£111.3m</b> 60.1% of total income	<b>-13%</b> <b>decrease</b> <b>from</b> <b>2019-20</b>	<b>-6%</b> <b>variance</b> <b>to budget</b>
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**Prior Year** - normal activity saw a reduction of £32m in income; however, this was partially offset by income of £20.8m from the fast track checks. Additionally the full year impact of the fee reduction implemented in October 2019 reduced income by a further £5.5m.

**Budget** - normal activity saw a reduction of £32.4m in income; however, this was partially offset by the £20.8m income from the fast track checks and £4.5m of income received due to the removal of the planned fee reduction.

### Basic DBS checks

<b>£50.3m</b> 27.2% of total income	<b>19%</b> <b>increase</b> <b>from</b> <b>2019-20</b>	<b>23%</b> <b>variance</b> <b>to budget</b>
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**Prior Year** - income increased by £8m as demand has continued to grow, particularly within the gig economy, which has expanded due to COVID-19.

**Budget** - demand increased more than planned resulting in £9.5m of additional income, even with the full year's impact of the October 2019 fee reduction.

### Standard DBS checks

<b>£7.1m</b> 3.8% of total income	<b>-5%</b> <b>decrease</b> <b>from</b> <b>2019-20</b>	<b>0%</b> <b>variance</b> <b>to budget</b>
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**Prior Year** - whilst demand saw growth in income of £0.1m, this was offset by the full year impact of the October 2019 fee reduction.

**Budget** - checks issued were aligned to the budget.

### Update Service

<b>£16.4m</b> 8.9% of total income	<b>3%</b> <b>increase</b> <b>from</b> <b>2019-20</b>	<b>-5%</b> <b>variance</b> <b>to budget</b>
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**Prior Year** - increase in demand for the Update Service continued resulting in £0.4m growth in income from the product.

**Budget** - the growth in demand was lower than predicted due to the impact of COVID-19 on demand for Enhanced checks, resulting in £0.9m lower than budgeted income.

### Staff costs

<b>£43.1m</b> 26.4% of total operating expenditure	<b>16%</b> <b>increase</b> <b>from</b> <b>2019-20</b>	<b>-10%</b> <b>variance</b> <b>to budget</b>
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**Prior Year** - an increased requirement for contingent labour along with recruitment to support delivery of the DBS Strategy 2020-25 resulted in £5m of staffing expenditure and a further £1m due to increased pension costs.

**Budget** - costs were lower than budget by £4.8m as a result of changes in the pay structure which could not be implemented and lower than planned recruitment activity.

### Depreciation and impairment charges

<b>£5.7m</b> 3.5% of total operating expenditure	<b>7%</b> <b>increase</b> <b>from</b> <b>2019-20</b>	<b>-31%</b> <b>variance</b> <b>to budget</b>
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**Prior Year** - costs increased marginally as a result of recent investment activity with assets now in use.

**Budget** - variance is largely due to timing and the deferral of capital spend to 2021-22.

### Purchase of goods and services

<b>£112.1m</b> 68.9% of total operating expenditure	<b>-15%</b> <b>decrease</b> <b>from</b> <b>2019-20</b>	<b>-8%</b> <b>variance</b> <b>to budget</b>
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**Prior Year** - significant reductions in expenditure of £24.0m were as a result of the transition to new suppliers which was completed at the end of March 2020. These were offset to a degree by increased expenditure with police forces of £2.8m and postage related costs of £2.3m.

**Budget** - the under spend is due to planned costs, such as project costs and supplier related costs which were not incurred in-year.

### Provision expense and other

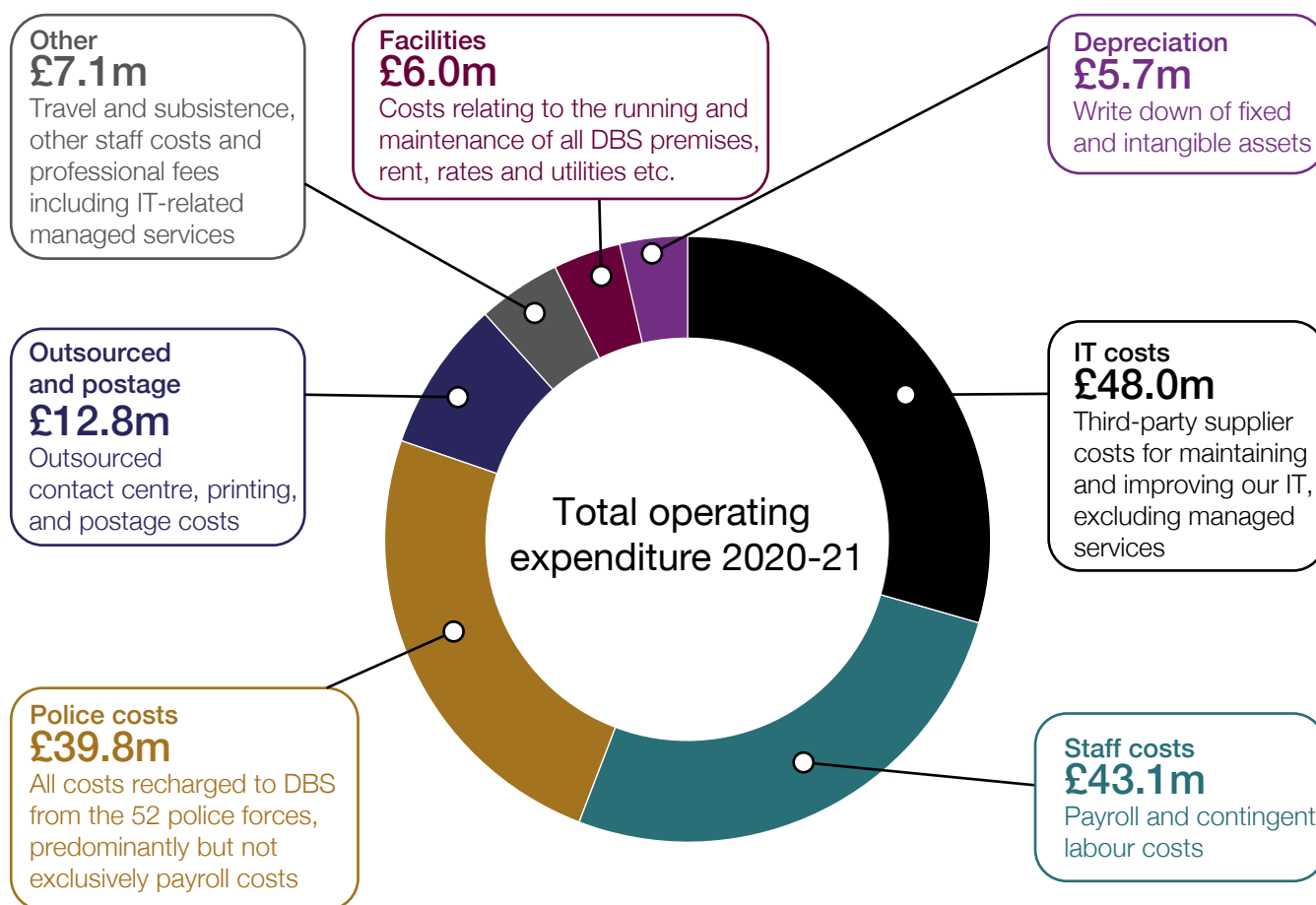
<b>£1.6m</b> 1.2% of total operating expenditure	<b>36%</b> <b>increase</b> <b>from</b> <b>2019-20</b>	<b>-76%</b> <b>variance</b> <b>to budget</b>
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**Prior Year** - increase in provisions is largely due to additional dilapidation costs of c£0.9m recognised in 2020-21 relating to leased premises at 1 Tithebarn St (exited) and Shannon Court (lease renewal). Further details of the leases are included in Note 14.

- Additional bad debt provision of c£0.3m recognised in-year following a Responsible Organisation (RO) going into administration.

**Budget** - the under spend is due to lower than expected restructuring costs and commercial related costs which did not materialise in-year.

**Figure 6: How we spent our income**



**Other non-financial performance**

DBS has a number of policies which cover anti-corruption, anti-bribery, 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 Home Office to the Cabinet Office on a quarterly basis. During 2020-21, no material incidents were reported.

**Sustainability report**

Sustainability information is compiled for DBS by the Ministry of Justice (MoJ) Sustainability team as the MoJ Property

directorate provides shared estates services to the Home Office, including those buildings which DBS occupy. As an NDPB of the Home Office, DBS is committed to the UK government sustainability programme.

**Data quality**

Sustainability data is gathered and validated by an external organisation and quality assured by the MoJ Sustainability team and Building Research Establishment on behalf of the Department of Environment, Food and Rural Affairs. 2019-20 non-financial indicators have been restated to include actual



environmental performance for the 2019-20 financial year.<sup>5</sup> All data is UK only unless otherwise stated. The data relates to our two sites managed by the Home Office and does not include where 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 Home Office for Greening Government Commitments (GGC) purposes. The data below shows DBS performance for the financial year ending 2020-21 against a 2014-15 baseline, unless otherwise stated.

We have achieved a 68% reduction of overall carbon emissions from estate and business travel, meeting the 2020 GGC target.

A review of data sourcing has been undertaken and as a result we have improved data quality on waste streams being collected, and are now reporting a larger amount of waste being collected from our two office sites. The data set previously provided may have been underquoted. We did not meet the target to continue to reduce total waste against baseline, however, the landfill rate for our two sites stands at 1%, compared to a target to reduce landfill waste to less than 10%, which is a positive achievement. We have increased the proportion of waste recycled against the baseline to 74% (up from 67% in 2019-20), and we are working with our facilities management companies to improve further.








2020-21 water consumption reduced by 45% compared to the baseline year and we have seen a 90% decrease in the amount of paper purchased since 2014-15 due to most of the business working from home in 2020-21 as a result of COVID-19.

<sup>5</sup> In accordance with annual reporting conventions across other UK government departments and agencies, 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

Table 10: Overall GGC performance for 2021

Area	Metrics	2020-21	2019-20 <sup>6</sup>	2018-19	2017-18	2014-15
<b>Greenhouse gas emissions</b>	Tonnes CO <sub>2</sub> e	732	891	1,161	1,547	2,305
<b>Energy</b>	kWh	3,342,172	3,696,015	4,276,927	4,946,718	6,003,280
	Expenditure (£)	316,235	333,410	338,062	383,468	543,446
<b>Domestic flights</b>	Number	24	106	55	70	100
<b>Office waste</b>	Amount (tonnes)	103	117	96	92	66
	% recycled by weight	74%	67%	49%	51%	45%
	Expenditure (£)	29,067	8,756	7,573	7,109	Not available
<b>Water</b>	Consumption (m <sup>3</sup> )	4,066	7,614	9,136	7,800	7,388
	Expenditure (£)	25,789	44,842	53,531	45,808	25,307
<b>Paper</b>	Amount (A4 reams equivalent)	475	2,440	3,510	4,885	4,900
	Expenditure (£)	1,224	6,064	14,300	19,902	10,743

**Table 11: Overall GGC Performance against targets for 2020-21**

Requirement	2020-21 performance against target *	Achievement against target	Explanation where target not achieved
Reduce greenhouse gas (GHG) emissions by 42%	-68%		
Reduce domestic business flights by 30%	-76%		
Continue to reduce total waste against baseline	56% increase		The number of tonnes of waste being reported has increased due to data quality improvements
Landfill waste to be less than 10%	1%		
Increasing the proportion of waste recycled against baseline	74%		
Reduce paper use by 50%	-90%		
Continue to reduce total estate water consumption against baseline	-45%		

\*Target is the 2014-15 baseline, unless otherwise stated



# Accountability report



# Accountability report

## Corporate governance report

This section of the report explains the composition and organisation of DBS' governance structures and how they support achievement of DBS' objectives.

## Directors' report

DBS is a body corporate established by the Protection of Freedoms Act, 2012. It is designated as an executive non-departmental public body and the Parliamentary Under Secretary of State for Safeguarding gives account for its business in Parliament. The DBS Chairman, Gillian Fairfield, and Chief Executive, Eric Robinson, meet the minister regularly.

The framework within which DBS operates is set out in a framework document drawn up by the Home Office in consultation with DBS and agreed to by DBS. The document does not convey any legal powers or responsibilities. This is supported by a delegation letter from the Home Office to the chief executive setting out the chief executive's financial authority.

The DBS board is comprised of members appointed by the Secretary of State in accordance with the Protection of Freedoms Act 2012. They function as non-executive members. Board membership has been stable with just one additional member, Neil Rhodes, being appointed with effect from 1 May 2020.

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](http://www.gov.uk/government/publications/dbs-register-of-interests).

The chief executive chairs a Strategic Leadership Team (SLT) comprised of DBS directors. It provides strategic leadership to DBS in its delivery of strategic and business plans, and agrees advice to be provided to the board.

Further information about the functioning of the board and SLT are included in the governance statement.

In line with the General Data Protection Regulation, five personal data-related incidents, classified as 'Unauthorised Disclosure', were reported to the Information Commissioner's Office for the reporting period 1 April 2020 to 31 March 2021.

## Statement of Accounting Officer's responsibility

Under Schedule 8 of the Protection of Freedoms Act, 2012, 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:

- a. 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
- b. make judgements and estimates on a reasonable basis
- c. state whether 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
- d. prepare the financial statements on a going concern basis
- e. confirm that the annual report and accounts as a whole is fair, balanced, and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced, and understandable

The Home Office's Principal Accounting Officer has designated DBS' chief executive as

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

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that DBS' auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

As the Accounting Officer, I confirm that the annual report and accounts as a whole is fair, balanced, and understandable. I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced, and understandable.



**Eric Robinson**  
Chief Executive  
9 July 2021

## Accounting Officer's governance statement for the reporting period of 1 April 2020 to 31 March 2021

This governance statement is a key feature of DBS' annual report and accounts. It addresses corporate governance and risk management, and demonstrates how I have fulfilled my duties to manage and control DBS' resources.

As the Accounting Officer for DBS, I am responsible for maintaining a sound system of internal control that supports the achievement of DBS' strategic and business 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 therefore provides high rather than 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 2020 to 31 March 2021.

## Board governance

### The board

The DBS board is made up of DBS members appointed by the Secretary of State, all of whom act as non-executive board members. I, the board secretary, and executive directors routinely attend board meetings.

The board is the ultimate source of authority for the actions of DBS and responsible for its functions and performance. The board is responsible for ensuring that all statutory functions of DBS are carried out appropriately. The board is responsible for strategy, corporate governance, business planning and in ensuring effective financial and service performance, delivery of major projects and an effective relationship with the Home Office Minister via the chairman. The board provides visible leadership to DBS.

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

The chairman invited the HO Director of Public Protection to every board meeting and her office receives copies of board papers. The board met on ten occasions between 1 April 2020 and 31 March 2021.

Under the Protection of Freedoms Act, 2012, the Secretary of State may give written directions to DBS in relation to certain functions;



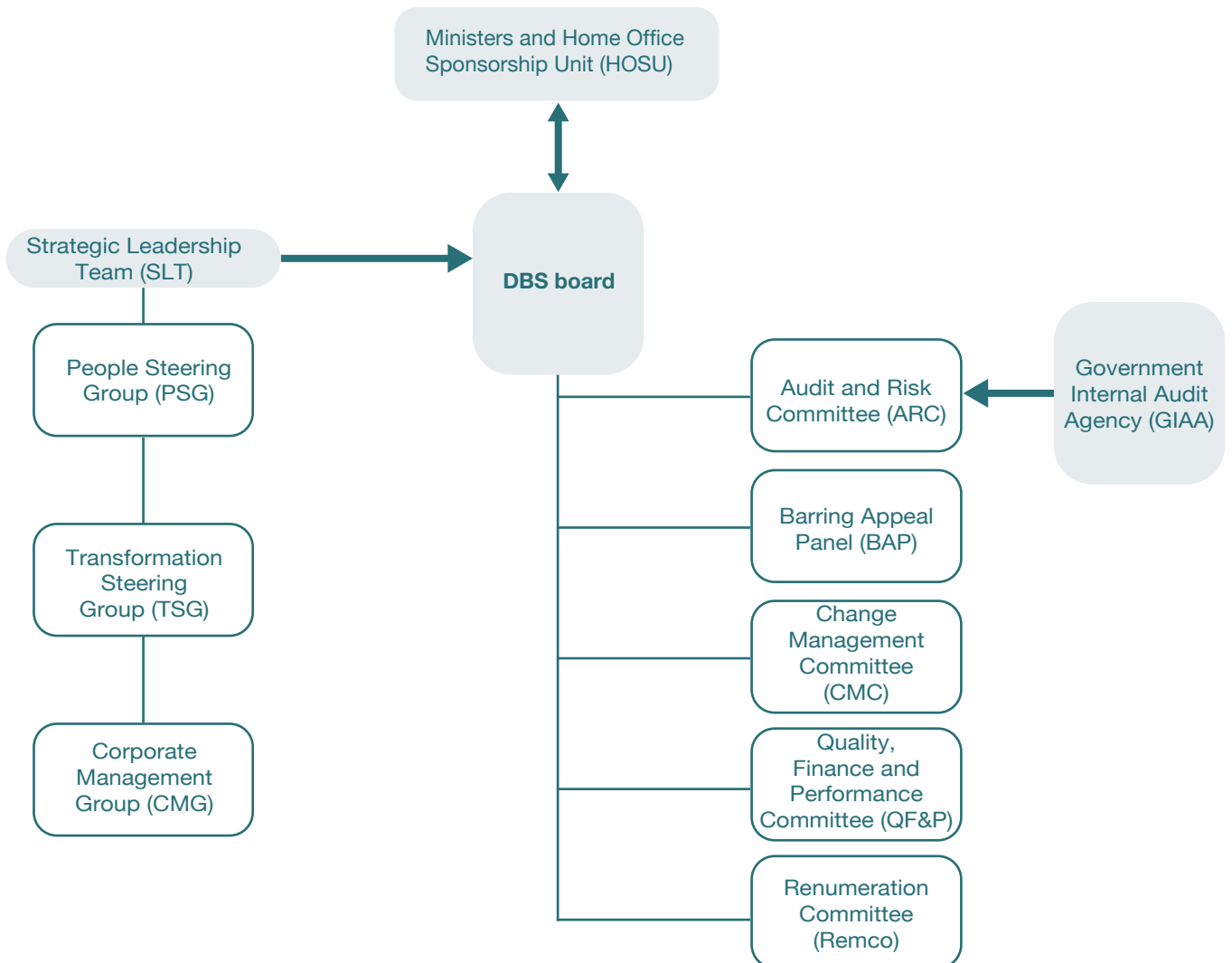
no such directions have been received in this reporting period. Similarly, the chief executive may exceptionally seek direction from the board where he believes a course of action is inconsistent with the standards expected of him as accounting officer; no such direction has been sought

or received in this reporting period.

**Summary of board work**

The following diagram shows how board interacts with its committees, Strategic Leadership Team, and HOSU as of 31 March 2021:

**Figure 7: Summary of board work**



Over this period, in addition to receiving reports from its chairman, chief executive, and committees, key elements of the board's work are summarised below:

- a. Board received regular situation reports on DBS' response to the pandemic including updates on organisational performance, financial impacts, people, risk, communications and business continuity
- b. An updated business continuity plan and policy were approved in November 2020
- c. Following a Supreme Court Judgment in January 2019, the Home Office and Ministry of Justice sought amendments to legislation for some filtering rules; the board has closely monitored and reviewed progress on the filtering project conducted by DBS and Home Office resulting in updated filtering rules taking effect from 28 November 2020
- d. DBS' 2020-25 strategy was approved and launched; the board and committees will maintain oversight on the development of the eight supporting strategic plans
- e. Following the successful transfer of services to a new service delivery model in March 2020, board received regular reports from the service transition programme on the outstanding transition activities, the service improvement projects, and the planned technology strategy projects
- f. To address the final Public Accounts Committee (PAC) recommendation from the Forty-second Report of Session 2017-19, DBS worked closely with HO on the DBS modernisation plan and provided an update to PAC in November 2020; I expect that this progress will be recorded as part of the next Treasury Minute update
- g. A rebuild of the DBS barring portal was approved as part of the barring and safeguarding strategic plan
- h. A Deed of Variation to vary the lease for the Shannon Court office building was agreed by board in December; this reduces the rental space and associated rent
- i. Board considered the impact of Brexit on DBS checks and sharing of criminal record information, noting the impact on right to work checks, ID validation, and procurement processes
- j. A new partnership plan was approved in February 2021
- k. In March 2021, board agreed the draft business plan and associated budget and fees for 2021-22; board agreed to delegate authority to the chairman to address any response from consulting with the Secretary of State before the business plan is published

### Board effectiveness

The board has reviewed its effectiveness, drawing on reviews previously completed by each committee. Overall, the board felt that it is performing strongly and

that governance and assurance has strengthened over the last year. It has introduced a people committee to strengthen governance of DBS people issues and is taking steps to increase its focus on strategic development and to audit the skills of board members and consider how development needs can be met.

### Governance framework

Drawing on HM Treasury's 'Corporate governance in central government departments: code of good practice' (2011) and the Cabinet Office's 'NDPBs: Principles of Good Corporate Governance' the board approved a new board governance framework in February 2020, comprised of:

- a. a framework document agreed with Home Office
- b. standing orders
- c. a scheme of delegation
- d. terms of reference for board and its committees
- e. code of conduct for board members of public bodies, which is published by Cabinet Office and adopted by the board

In developing this framework, the board was mindful of the Cabinet Office's 'Principles of Good Corporate Governance', as these reflect best practice in public and private sectors and draw from the principles and approach set out in HM Treasury's 'Corporate governance in central government departments: code of good practice'. These principles set out that a "comply or explain" approach is taken by the public

body, as is standard in UK corporate governance.

Consequently, the board has considered these principles and their supporting provisions and considers that it complies with all the requirements relevant to them in full, with the exception of the supporting provisions set out below:

- a. **"The public body should identify its key stakeholders. It should establish clear and effective channels of communication with these stakeholders."**

A new partnership plan has received board approval. Next steps are to add an additional layer of detailed partnership delivery plans to help to satisfy this provision.

- b. **"The body should proactively publish agendas and minutes of board meetings."**

The minutes are an essential part of the board's governance and regularly include information that is legally privileged, commercial, or personal. Drafting them in a way that is suitable for publication creates the risk that they do not adequately fulfil their primary governance purpose. Analyses of Freedom of Information requests suggests that there is limited interest in board minutes; there have been no requests for copies of the minutes over the last 3 years.

- c. **"The body has adopted a code of conduct for staff. This is based on the Cabinet Office model code. All staff should be aware of the**

provisions of the code. The code should form part of the terms and conditions of employment.”

DBS has a code of conduct, but it does not form part of staff terms and conditions. DBS is content that any allegations of misconduct/performance are robustly linked to the code of conduct as a non-contractual issue and that this does not have significant risk to warrant changing this approach in the short/medium term. DBS is reviewing its code of conduct as part of current workforce planning.

The board has kept this governance framework under review and made minor changes to it throughout the year.

### Board committees

The board was supported by five committees:

- Audit and Risk Committee (ARC)
- Barring Appeal Panel (BAP)
- Change Management Committee (CMC)
- Quality, Finance and Performance Committee (QF&P)
- Remuneration Committee (RemCo)

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 have completed an annual report

of the activities undertaken and have considered their effectiveness as a contribution to the board’s review of its effectiveness. Each committee provided assurance that it fulfilled its purpose and functions and discharged its responsibilities in accordance with its terms of reference.

### Summary of committee activities from 1 April 2020 to 31 March 2021

#### Audit and risk committee (ARC) Roles and responsibilities

- Provides assurance to the board and Accounting Officer in relation to risk management, the internal control framework and environment, and the level of financial control
- Oversees the work of the internal auditors, the preparation of the annual report and accounts and governance statement
- Works with external auditors as appropriate

#### Chair

David Banks

#### Issues covered

- Reviewed progress of business continuity and disaster recovery plan
- Recommended to board the approval of the governance statement, and the annual report and accounts for 2019-20
- Conducted a self-assessment of the five principles of good practice as set out in

- the HM Treasury Audit and Risk Handbook
- Noted the progress made on the counter fraud action plan in order for DBS to be compliant with the government standard and agreed to endorse the counter fraud, bribery, and corruption policy for board approval
  - Reviewed the risk management framework and risk appetite statement to commend approval by the board
  - Reviewed the risk management maturity and introduced a standing agenda item for a chief executive update on what is deemed as a current risk within the business
  - Conducted ‘deep dives’ into DBS’ response to COVID-19, cyber security, and disclosure data breaches
  - Agreed a programme of six internal audits for the reporting year 2020-21 with the Government Internal Audit Agency (GIAA), who attended and provided an update at each ARC meeting

**Effective ratings**

Effective

Discharged its responsibilities in accordance with its terms of reference

**Number of committee meetings**

4

**Barring Appeal Panel (BAP)  
Roles and responsibilities**

- Meets when required with delegated authority to decide whether to appeal or defend an appeal against a decision of the Upper Tier Tribunal
- Membership determined when it is decided that a meeting is required

**Chair**

Delegated authority

**Issues covered**

- Barring appeal cases

**Effective ratings**

Effective

Discharged its responsibilities in accordance with its terms of reference

**Number of committee meetings**

2

**Change Management Committee (CMC)**

**Roles and responsibilities**

- Assists the board in its oversight responsibilities
- 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

- the review or sign off of specific business cases and expenditure by request of the chairman/and or board

### Chair

Samantha Durrant

### Issues covered

- Monitored the service transition programme and associated risks against plan
- Received regular reports to maintain oversight of the DBS change management programme
- Monitored the development of a customer journey plan to deliver the customer vision for the future, and tactical improvements to existing products and services
- Considered and endorsed business cases in support of change activities and commercial contracts for endorsement for board approval
- Monitored the technology programme incorporating the changes to the filtering rules, disclosure platform infrastructure refresh, transformation directorate mobilisation, and the impact of COVID-19
- Reviewed a draft change and transformation framework providing comment on its development

### Effective ratings

Effective

Discharged its responsibilities in accordance with its terms of reference

### Number of committee meetings

9

### Quality, Finance and Performance Committee (QF&P)

#### Roles and responsibilities

- Assists the board in its oversight and planning responsibilities
- Provides assurance to the board in relation to:
  - the framework and processes for quality, financial management and performance of DBS
  - the preparation and implementation of the DBS budget
  - ensuring that safeguarding is considered properly in the delivery of DBS' functions
  - strategic plans, business plans and the policies supporting their delivery

### Chair

Glenn Houston

### Issues covered

- Considered the RB network with regard to improving compliance and quality, as part of the customer journey and partnership plan in the DBS' 2020-25 strategy
- Considered proposals to change how DBS interacts with police forces and their

respective IT systems, to improve intelligence sharing and enhance the customer experience

- Scrutinised financial reports, performance dashboards and quarterly quality reports, providing assurance to board that the necessary focus and oversight is being maintained
- Reviewed the first draft budget in January and considered an updated draft budget and fees on 3 March, ahead of presentation to board
- Reviewed the recommendations from the Independent Monitor’s report on the Enhanced DBS check disputes
- Endorsed the quality assurance framework outlining DBS’ engagement with other safeguarding organisations and how to embed a quality of culture within DBS
- Considered the draft 2021-22 business plan and reviewed its measures and targets
- Reviewed eight strategic plans, providing endorsement, direction, and recommendations as appropriate
- Conducted ‘deep dives’ into barring appeals outcomes and withdrawals, finance and budget setting, police disclosure unit performance monitoring, and Update Service design and development

**Effective ratings**

Effective

Discharged its responsibilities in accordance with its

terms of reference

**Number of committee meetings**

7

**Remuneration Committee (RemCo)**

**Roles and responsibilities**

- Supports the board and is delegated to make decisions or recommendations in respect to remuneration and appraisals of the chief executive, all SCS-graded posts or other posts reporting to the chief executive
- Oversees senior recruitment and reviews pay strategy, implementation and pay proposals organisation-wide

**Chair**

Mary Cunneen

**Issues covered**

- Considered the pay remit and reward review 2020-21 for board approval
- Considered senior executives’ appraisals
- Maintained oversight of the recruitment process for senior executives

**Effective ratings**

Effective

Discharged its responsibilities in accordance with its terms of reference

**Number of committee meetings**

3

**Table 12: Board members' and chief executive's attendance at board and committee meetings from 1 April 2020 to 31 March 2021**

Name	Role	Board	ARC	BAP	CMC	QF&P	RemCo
Dr Gillian Fairfield*	Chairman	7 of 10	-	-	-	-	-
Eric Robinson	Chief Executive	10 of 10	3 of 3	-	-	-	-
David Banks	Board member ARC Chairman	9 of 10	4 of 4	-	9 of 9	-	-
Mary Cunneen	Board member RemCo Chairman	10 of 10	-	-	7 of 7	1 of 1	3 of 3
Samantha Durrant	Board member CMC Chairman	10 of 10	4 of 4	1 of 1	9 of 9	7 of 7	-
Glenn Houston	Board member Vice Chairman QF&P Chairman	10 of 10	-	1 of 1	-	7 of 7	3 of 3
Neil Rhodes	Board member (Started 1 May 2020)	9 of 9	3 of 3	-	-	5 of 6	-

\*Dr Fairfield had a period of 12 weeks sick leave following surgery; Glenn Houston, Vice Chairman, deputised for her during her absence

### Executive governance

#### Strategic Leadership Team (SLT)

I chair SLT, which provides strategic leadership to DBS in its delivery of strategic and business plans, and agrees advice to be provided to the board. It normally meets twice per month, with one meeting focused on business, and one meeting discussing strategic issues. The meeting discussing strategic issues does not normally involve decision making and therefore is not routinely minuted. I call additional meetings where necessary and have decided that from April 2021 onwards, SLT will

normally meet weekly.

SLT membership is comprised of myself and all directors.

In June 2020, SLT agreed terms of reference for itself and three groups which it has established to support it in its leadership. These groups report to SLT following each meeting and their role is summarised below:

#### Corporate Management Group (CMG)

CMG is formed of senior managers nominated by directors, and supports SLT by providing a corporate perspective on the management of risks,



overseeing data management and undertaking tasks assigned by SLT.

### People Steering Group (PSG)

PSG is chaired by the human resources and organisational development director. This group monitors DBS' performance in respect to its people, advises SLT on people-related policies and strategies to improve performance, and makes decisions about individual members of staff in accordance with those policies and strategies.

### Transformation Steering Group (TSG)

TSG is chaired by the executive director for business transformation. This group will agree a transformation plan with SLT, which it will then deliver through programme boards and continuous improvement.

### Main elements of internal control

I explain below the main elements of internal control. In order to obtain assurance on the effectiveness of these, I place reliance on the work of the board's ARC and on the Government Internal Audit Agency (GIAA). In addition, I receive assurances from directors on the adequacy of the system of internal control within their area. The board secures assurance on the effectiveness of these controls in a similar way and additionally, receives my assurance on their effectiveness when I present the

annual report and accounts to them for their consideration.

### 1. Management of risk

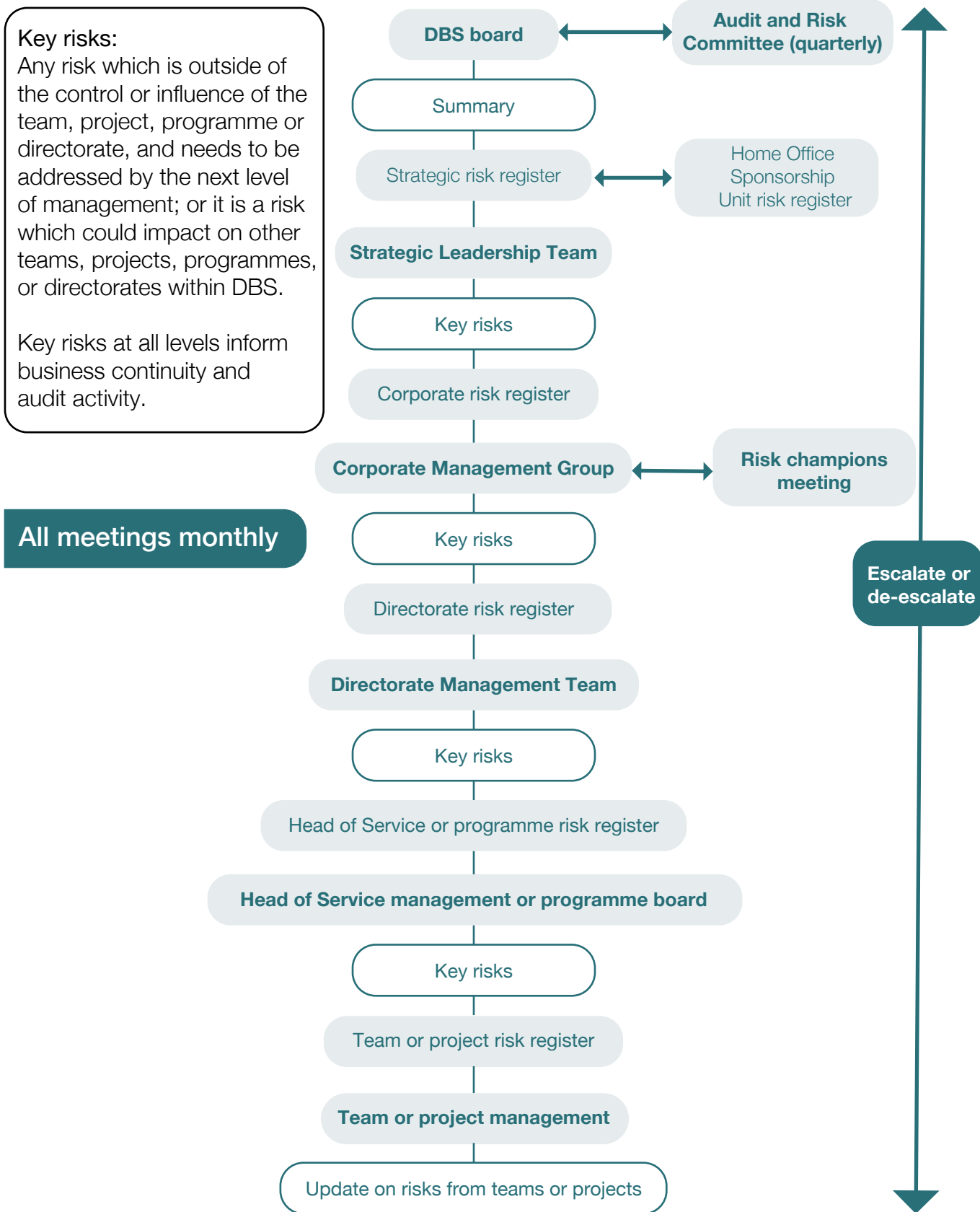
The board is responsible for DBS' system of corporate governance including management of risk. Throughout the period of this report, it had a risk management framework, informed by Treasury's Orange Book, in place, including a statement of its appetite for risk. The strategy is designed to maintain regularity and propriety and manage risk in line with the board's appetite rather than eliminate all risks. The framework is based on a process that:

- identifies and prioritises the risks affecting our business aims and objectives
- evaluates the likelihood of those risks happening and their likely impact
- manages those risks efficiently and effectively

To ensure the continued effectiveness of the management of risk, within this reporting period the board has:

- reviewed and updated its risk management strategy and appetite
- collaborated with the executive to identify strategic risks relevant to its corporate and business plan
- secured assurance, through ARC, in relation to risk management; and, regularly reviewed the executive's management of risk

**Figure 8: DBS risk reporting cycle**



The main features that support regular monitoring, review, and assurance of the management of risk are:

- a. DBS has appointed a risk manager to support the management of risk
- b. risks are identified and managed at strategic and operational level with proposed changes to strategic level risks presented to the board for their consideration
- c. CMG undertakes a risk management review programme which includes a quarterly review of the registers, complemented by a programme of 'deep dives' into individual risks, and horizon scanning, to ensure they are a true reflection of the risk environment in which DBS operates and proposes actions that can be taken to reduce the risk to align with the risk tolerance
- d. SLT regularly reviews the strategic risk register and the actions being taken to manage risks
- e. ARC meets four times a year to seek assurance on the management of risk, reviewing the strategic risk register and reporting their views to the board

Our risks are linked to our strategic objectives and the delivery of DBS' 2020-25 strategy. DBS maintains a strategic risk register that allows the board, relevant committees, and SLT to focus attention on areas of significant risk and monitor risk movement and the impact of mitigation.

DBS uses a risk matrix to define the level of risk by considering the category of likelihood against the category of impact.

Our risks are rated as follows:

<b>Very High</b>	<p>Probability: &gt;80% (almost certain to occur)</p> <p>Impact: Very high impact on public protection, reputation, finance, and/or delivery if they occur</p>
<b>High</b>	<p>Probability: 51% - 80% (likely to occur)</p> <p>Impact: High impact on public protection, reputation, finance, and/or delivery if they occur</p>
<b>Medium</b>	<p>Probability: 21% - 50% (may occur)</p> <p>Impact: Medium impact on public protection, reputation, finance, and/or delivery if they occur</p>
<b>Low</b>	<p>Probability: 6% - 20% (low but not impossible)</p> <p>Impact: Low impact on public protection, reputation, finance, and/or delivery if they occur</p>
<b>Very Low</b>	<p>Probability: 0% - 5% (very unlikely)</p> <p>Impact: Very low impact on public protection, reputation, finance and/or delivery if they occur</p>

As of March 2021, there are ten DBS strategic risks. They are scored as follows on the risk matrix, illustrating the relative positioning and risk appetite for each:

March-21	
Strategy	Risk appetite / status
1. Cyber attack	Minimalist* / Met
2. Failure to safeguard	Minimalist / Above
3. Capacity and capability	Open*** / Below
4. Business continuity and disaster recovery	Minimalist / Below
5. Legacy system failure	Minimalist / Above
6. Failure to transform	Minimalist / Above
7. Failure in supply chain performance	Minimalist / Met
8. Compliance	Cautious** / Met
9. Failure to manage financial resources	Minimalist / Met
10. Failure to improve DBS' profile	Minimalist / Met

Strategic risk matrix						
		LIKELIHOOD				
		Very Low	Low	Medium	High	Very High
IMPACT	Very High	2				
	High		1, 7, 8	5, 6		
	Medium		9	3, 10		
	Low		4			
	Very Low					

\*Minimalist - Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver; activities will only be undertaken where they have a low degree of inherent risk

\*\*Cautious - Preference for safe options that have low degree of inherent risk and only limited potential for benefit; willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity; activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent

\*\*\*Open - Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit; seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money; activities themselves may potentially carry, or contribute to, a high degree of residual risk

Further details about the ten DBS strategic risks are set out below. This table describes what each risk is, and summarises the key mitigation in place to manage each risk:

**Table 13: Summary of risks and mitigations**

Risk title and description	What are we doing about them?
<p><b>Cyber attack</b> 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 our key processing systems and reduced public confidence</p>	<p>We ensure data and systems are protected through use of cyber security measures. We do this by:</p> <ul style="list-style-type: none"> <li>• delivering two-factor authentication for all users</li> <li>• working with CGI to develop future Security Operations Centre options</li> <li>• delivering a cyber strategy year 2 action plan</li> <li>• recruiting additional cyber security</li> <li>• ensuring all staff undertake annual cyber e-learning</li> <li>• completing an ISO27001 action plan</li> </ul>
<p><b>Failure to safeguard</b> DBS safeguarding decision making within barring operations may be delayed and or inaccurate and there is a risk that a child or adult is subject to significant harm caused by a DBS action or inaction, leading to a failure to safeguard</p>	<p>We ensure we make high quality and timely decisions that safeguard the public by assuring quality and managing work effectively, including monthly performance monitoring by SLT and board. We do this by:</p> <ul style="list-style-type: none"> <li>• continually monitoring a barring and safeguarding delivery plan which includes several initiatives to further mitigate this risk</li> <li>• implementing a number of leadership changes and other planned operational changes to improve casework quality and the culture and leadership in Barring</li> <li>• nominating a grade 7 lead to undertake a review of how criminal offence data is used to inform barring workstreams</li> </ul>
<p><b>Capacity and capability risk</b> DBS may not be able to attract, retain and develop the right skills, and ensure equality, diversity, and inclusion; there is a risk that we do not have the people to deliver our services, leading to reduced service provision and an inability to achieve our KPIs and strategic objectives</p>	<p>We ensure we can attract, retain, and develop staff who produce quality work in support of our strategic objectives. We do this by:</p> <ul style="list-style-type: none"> <li>• developing a DBS academy</li> <li>• rolling out a succession/talent management framework</li> <li>• developing a capability framework linked to our workforce plan</li> <li>• undertaking community work in setting up partnerships with local organisations and communities to ensure DBS represents the communities we serve</li> </ul>

Risk title and description	What are we doing about them?
<p><b>Business continuity and disaster recovery (BCDR) risk</b>            DBS could potentially be subject to a continuity or catastrophic event and there is a risk that DBS' response to this is not sufficiently managed, creating reputational impact from disruption to our safeguarding functions and achievement of published service standard targets</p>	<p>We maintain appropriate plans to ensure we can respond effectively to a BCDR event. We do this by:</p> <ul style="list-style-type: none"> <li>• undertaking a 'lessons learnt' exercise from COVID-19 to inform further development of the BCDR</li> <li>• developing strategies for denial of people, denial of building and denial of systems strategies</li> <li>• Service Integration and Management (SIAM) control, establishing service suppliers BCDR plans and test schedules</li> <li>• completing actions following recommendations from audit</li> </ul>
<p><b>Legacy system failure risk</b>            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>	<p>We ensure legacy systems are stable and enable us to operate our services. We do this by:</p> <ul style="list-style-type: none"> <li>• developing a technology roadmap to modernise and improve our current estate</li> <li>• undertaking a capability assessment of the current and future skills required to support the delivery of the roadmap</li> </ul>
<p><b>Failure to transform risk</b>            DBS is transforming via its 2020-25 strategy, and due to the scale/maturity of change there is a risk that we are unable to deliver our intended strategic outcomes, resulting in benefits not being fully realised and sustained within agreed cost, time and quality parameters, leading to reputational damage</p>	<p>We ensure we are able to change and transform our business. We do this by:</p> <ul style="list-style-type: none"> <li>• strategy alignment</li> <li>• embedding board and executive governance</li> <li>• improved business planning</li> <li>• enhanced communication</li> <li>• developing improved culture and ways of working</li> </ul>

Risk title and description	What are we doing about them?
<p><b>Failure in supply chain performance</b> (new risk due to a split of previous strategic risk, ‘supplier performance and commercial relationships’) DBS is reliant upon a range of third party suppliers and there is a risk that they are unable to meet our desired levels of service performance or deliver projects and/or services key to our strategy, which may affect DBS’ reputation and public confidence in our organisation</p>	<p>We ensure our suppliers enable us to meet our desired performance levels. We do this by:</p> <ul style="list-style-type: none"> <li>• developing a plan to build resilience and robustness in managing our resources</li> <li>• ensuring our strategic prioritisation is captured in our directorate business continuity plans (BCDR risk, above)</li> <li>• applying the relevant supplier management framework activities to the other providers in the supply chain</li> <li>• having robust DBS BCDR arrangements in place including COVID plan, business continuity plan, denial of people, buildings, IT etc.</li> </ul>
<p><b>Compliance risk</b> 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>	<p>We ensure data is managed appropriately and safely through adherence to relevant legislation. We do this by:</p> <ul style="list-style-type: none"> <li>• annual data protection e-learning and awareness training</li> <li>• annual data protection compliance audit action plan</li> <li>• having a clear project plan in place with the supplier CGI (filtering)</li> <li>• assurance in line with the Public Sector Equality Duty that we are providing a seamless referral service</li> <li>• ensuring the filtering project remains on track for implementation</li> </ul>
<p><b>Failure to manage financial resources risk</b> DBS is reliant upon a capital allocation from the Home Office and is subject to time constraints for setting fees, and there is a risk that insufficient working capital or capital will be available to DBS, leading to an inability to resource effectively and complete our desired strategic initiatives</p>	<p>We ensure we make effective use of our budget in accordance with Managing Public Money. We do this by:</p> <ul style="list-style-type: none"> <li>• modelling activity to determine some demand scenario impacts during COVID-19 crisis</li> <li>• re-forecasting capital requirements to inform Home Office of the required resource departmental expenditure limits to capital departmental expenditure limits swap</li> <li>• developing a more advanced 5-year model</li> <li>• monthly monitoring of financial performance by SLT and board</li> </ul>



Risk title and description	What are we doing about them?
<p><b>Failure to improve DBS' profile risk</b>                      DBS' low profile and limited awareness of our purpose and how to work with us risks a lack of understanding of disclosure and barring responsibilities externally, and could adversely affect our ability to safeguard, deliver effective services and achieve our strategic ambitions, reducing public trust and confidence</p>	<p>We engage effectively with our partners to ensure we have a reputation as a highly valued public organisation that has the confidence of stakeholders and customers. We do this by:</p> <ul style="list-style-type: none"> <li>• recruiting a campaigns officer</li> <li>• working on developing campaigns</li> <li>• developing detailed communication and partnership plans</li> </ul>

**Managing COVID-19: An example of our governance and risk management in action**

One risk that became clear this year was the business continuity and disaster recovery risk, when COVID-19 emerged. As reflected throughout this annual report and accounts, the impact was felt across DBS' operations.

DBS responded quickly, invoking its business continuity plan on 5 March 2020 and establishing a weekly Gold Command group chaired by the Chief Executive to review and direct DBS' response to COVID-19, ensuring emerging issues are identified and addressed. DBS board members receive weekly situational update reports and the board has been kept fully informed of developments.

The Audit and Risk Committee (ARC) conducted a deep dive into DBS' response to the challenges posed by COVID-19, and reported their findings to the board in May 2020. ARC concluded that the risk was being managed effectively.

Having this strength of governance in place has enabled DBS to quickly put fast track checks in place to support the government's response to the pandemic, and to achieve the performance set out in the performance report.

An additional issue relating to a former supplier, Tata Consultancy Services Ltd (TCS), commencing legal proceedings against the DBS is being managed by specific board oversight and strengthened governance.

Risks will continue to be monitored on a regular basis and reported to SLT, board, and ARC to provide assurance that I am managing risks effectively and in accordance with the DBS risk management framework and risk appetite statement.

**2. Delegation**

I, as Accounting Officer, received a delegation from the Home Office setting out my financial authority. The board's audit and risk committee tested that this was being appropriately implemented as part of its ongoing assurance activity.

The board has agreed a scheme of delegation which sets out the matters that it has reserved to itself to decide. This includes approval of:

- all matters that are considered novel or contentious
- the strategic and business plan

- significant policies
- the budget
- the Internal audit charter
- significant procurements
- remuneration and framework for appraisal of senior posts
- how performance reporting to the board is completed

In September 2020, I established a scheme of delegation for the matters delegated to me by the board. This builds on delegations set out in DBS policies, annual budget delegations and direct delegations issued by me. The executive scheme of delegation provides for segregation of duties and ensures that procurement activity is controlled in line with the procurement delegation issued by the Home Office.

### 3. Assurance framework

I have an assurance framework that 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 provide confidence in the effectiveness of DBS policies and operations, the achievement of objectives and DBS' compliance to its obligations.

A report is presented to each ARC meeting detailing the assurances relating to the control environment. This includes:

- whistleblowing
- health and safety
- fraud

- computer system security
- information management compliance
- conformance with Freedom of Information and Parliamentary Questions procedures

### 4. Internal audit

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

In the Head of Internal Audit's annual report to ARC for 2020-21, he provided a moderate opinion in respect to the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control.

GIAA delivered an agreed internal audit programme for the 2020-21 financial year and undertook 11 internal audit reports during the year as summarised below. ARC monitors progress against the programme. Both SLT and ARC received all reports from GIAA and monitored progress in implementing management actions arising from the GIAA reports. As shown in the table below, during the reporting period, one report was given a 'substantial' opinion, eight were given a 'moderate' opinion, one offered no opinion, and one remains in progress.

**Table 14: Internal audit reports and results**

Title	Date issued	Result
Police Disclosure Units	August 2020	Moderate opinion
Counter fraud risk assessment	September 2020	Not offered
Health and safety	October 2020	Substantial
Dispute resolution process	November 2020	Moderate opinion
Cyber security, including end user device management	February 2021	Moderate opinion
IR35 compliance	February 2021	Moderate opinion
Assurance framework	April 2021	Moderate opinion
Purchase to pay key financial controls	April 2021	Moderate opinion
Business continuity and disaster recovery	April 2021	Moderate opinion
Data warehouse	May 2021	Moderate opinion
Smarter ways of working	Report not yet issued	-

**Table 15: Definitions relating to the opinions noted above**

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

## 5. Financial management

Processes, controls, risk management and fraud prevention strategies delivered good financial stewardship 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. The board exercised its retained function to make significant changes to the budget where these became necessary.

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 Managing Public Money. This includes monitoring of changes in forecast income and expenditure and uncertainties such as demand fluctuations and the current risk profile.

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.

## 6. Whistleblowing

Following review by ARC, the board approved an updated whistleblowing policy and promotes the use of whistleblowing, recognising that it is a key control in both preventing and detecting breaches of control. For this period there have been two whistleblowing reports, both of which are currently subject to investigation.

## 7. Information management

Other than the five personal data-related incidents referenced in the directors' report, there have been no significant lapses of protective security.



**Eric Robinson**  
Accounting Officer  
9 July 2021

## Remuneration and staff report



# Remuneration and staff report

## Overview and strategy

To support achievement of the People objectives set out in DBS' 2020-25 strategy, a workforce plan was developed in 2020-21 to help 'develop a talented and diverse workforce that understands how their contributions help to achieve our objectives.'

DBS has embarked on a programme of work to enhance its employee value proposition (EVP) and become an attractive employer for the talent we will need to nurture, to achieve our organisation's strategic objectives. Through engagement sessions with our staff, and recognising known issues about attraction and retention, six workforce objectives were identified and progressed during 2020-21.

## Developing our People

The development of a DBS academy commenced this year. This will in future encompass all learning and development solutions for our staff, with its aim being to grow our internal talent to meet both organisational and individual needs. Learning journeys will be tailored to career pathways offering our staff the opportunity to progress or diversify their careers. The DBS Academy will use a variety of learning methods, including digital learning, instructor-led, peer-to-peer, mentoring, coaching, and accredited learning programmes and apprenticeships. We will also

look to create learning zones within our workplaces to support a learning culture, and create environments for collaborative working. Key benefits in delivering this model will be the opportunity for career growth at all levels of the organisation, reducing capability gaps, growing future talent, and developing our leaders. It will also enable succession planning for critical roles and enhance our employee brand.

## Fairly rewarding and recognising our employees

We need to recognise and reward our employees to ensure that they feel valued. To fairly acknowledge their contributions above and beyond day-to-day responsibilities, we have agreed a revised reward and recognition policy in 2020-21. We have further developed our flexible benefits options for employees, which suit their lifestyles and preferences, making rewards more appealing. In addition, a digital tool has been procured to enable peer-to-peer recognition in support of social recognition. The development of a capability-based pay progression scheme has been placed on hold due to the government pay freeze but will be progressed once the national picture is clearer.

## Enhancing our HR function

It is important that we ensure that our HR function has the right capabilities to deliver the DBS 2020-25 strategy. Consultation

commenced in January 2021 on a revised service delivery model and structure, which includes an organisational development (OD) function. The HR and OD directorate will transition to offer more strategic support to the organisation and provide services that will improve the overall employee experience, build our employee brand, and strengthen our people management capabilities across the organisation. This will be in place by 1 April 2021.

### **Adopting best in class HR technology**

In September 2020, DBS aligned with Home Office departments and adopted a new cloud-based HR and finance system that will enable HR to offer improved employee and manager self-service activities for standard employee transactions, such as pay and absence. It also offers enhanced online tools and processes for talent and development, workforce planning, and access to key information through employee and manager dashboards. These tools will be embedded during 2021-22. Key benefits include streamlined and standardised processes to drive efficiencies, integrated payroll which will reduce risk of overpayments and a single picture of capability and talent, and supports a high performing culture.

### **Enhancing our focus on EDI**

There has been a focus on continuous improvement of our approaches to EDI, in particular, to enhance

diversity of representation of protected characteristics in our workforce so that we reflect the communities we serve. COVID-19, through the opportunity presented by remote working, has enabled us to widen our reach through national recruitment campaigns. DBS has also successfully supported two schemes to increase diversity on the board – ‘Boardroom Apprentice’ and ‘Black on Board’.

In March 2021, DBS agreed a new EDI strategic plan, which explains how we will incorporate EDI into our ways of working and the products and services we provide. This three-year plan will ensure we are an inclusive organisation, where staff are engaged and feel they are treated fairly, with a high employee engagement index. Our activities will help staff understand why EDI is important and move us towards being an exemplar organisation where talent from diverse backgrounds is supported and successful.

COVID-19 has had a significant impact on DBS during 2020-21, both for those employees who could work from home and those operational staff who had to be in the workplace due to IT system constraints. HR implemented policy guidance on absence management, grievance, and discipline, which were focused on managing ‘day-to-day’ issues during the pandemic. In addition, wellbeing and engagement were at the forefront of our support to staff providing flexibility in ways of working, focusing on mental health and safe systems of working.

## Apprenticeships

During 2020-21, 28 employees successfully completed apprenticeships between level 2 and level 5, with 96% receiving

a Distinction. Our approach to apprenticeships will continue to be developed as part of the DBS Academy.



Remuneration  
report (audited)



# 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.

DBS' remuneration policy is set within HM Treasury guidelines.

## Remuneration policy

The DBS chairman and DBS board 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 chairman and each of the members is determined by the Secretary of State. Together, they form the DBS board.

The chief executive officer (CEO) is appointed by DBS following consultation with the Secretary of State. Their remuneration terms are set following consultation with the Home Office and consideration by the DBS 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 considers 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 SCS members and awards of remuneration packages was implemented in 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. Throughout the year ending 31 March 2021, the DBS board consisted 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 2021 totalled £2.7k. All expenses were paid in accordance with DBS policy.

The monetary value of benefits-in-kind covered any benefits provided by DBS and treated by HM Revenue and Customs as a taxable payment. Benefits reported are calculated as the taxable value. Any benefits-in-kind attributed to 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 DBS' two main sites.

**Bonuses**

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

**Payments to past directors**

During 2020-21, 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.

**Table 16: Payments to past directors in 2020-21**

		2020-21 (£)	2019-20 (£)
<b>Caroline Anderson</b>	Reimbursement of expenses	0	57
<b>Andrew Nelson</b>	Back payment of allowances	1,018	0

**Payments to third parties**

During the period no payments were made to third parties for the

services of board members.

## Senior salaries

Table 17: Senior salaries for non-executive directors

Non-executive directors	Salary (£'000) 2020-21	Salary (£'000) 2019-20	Benefits-in-kind* (to the nearest £100) 2020-21***	Benefits-in-kind* (to the nearest £100) 2019-20	Total (£'000) 2020-21	Total (£'000) 2019-20
Gillian Fairfield, Chairman	40-45	40-45	(1,100)	3,100	40-45	45-50
Caroline Anderson (left 25 April 2019)	-	0-5 (10-15)	-	-	-	0-5
Glenn Houston	15-20**	10-15	(300)	3,100	15-20	15-20
Andrew Nelson (left 15 January 2020)	-	10-15 (10-15)	-	1,400	-	10-15
Samantha Durrant	10-15	10-15	1,800	3,300	10-15	15-20
David Banks	10-15	10-15	1,400	1,900	10-15	10-15
Mary Cunneen	10-15	10-15	100	3,300	10-15	15-20
Neil Rhodes (started 1 May 2020)	10-15 (10-15)	-	-	-	10-15 (10-15)	-

\*Benefits-in-kind relate wholly to taxable travel and expenses (due to workplace tax regulations) incurred in the necessary course of performance of duties

\*\*Glenn Houston, Vice Chairman, took on additional responsibilities and deputised for the chairman during a 12-week period of sick leave during the reporting year

\*\*\*Negative figure is due to refunds relating to 2019-20 processed through payroll in April 2020

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

Table 18: Senior salaries for directors

Executive directors	Salary (£'000) 2020-21	Salary (£'000) 2019-20	Bonus payments (£'000) 2020-21	Bonus payments (£'000) 2019-20	Pension benefits*** (£'000) 2020-21	Pension benefits*** (£'000) 2019-20	Total (£'000) 2020-21	Total (£'000) 2019-20
<b>Eric Robinson</b> Chief Executive Officer	160-165	110-115 (155-160)	18*	9	1,966**	47	2,140-2,145	165-170
<b>Paul Whiting</b> Deputy CEO and Director for Finance and Corporate Services	115-120	105-110	-	-	46	38	160-165	145-150
<b>Ian Benson</b> Director for Business Transformation (Started 10 August 2020)	70-75 (110-115)	-	-	-	29	-	100-105	-
<b>Natalie Benton</b> Director for Strategy and Performance (Started 10 August 2020)	70-75 (110-115)	-	-	-	29	-	100-105	-
<b>Penny Fell</b> Commercial Director (Started 1 October 2020)	50-55 (105-110)				22		75-80	
<b>Claire Graves</b> Director of Finance (Effective 10 June 2020)	75-80 (90-95)	-	2	-	29	-	105-110	-
<b>Ian Johnston</b> Director for Disclosure (Started 16 July 2019)	95-100	85-90	5	-	40	32	140-145	120-125
<b>Andrew Robinson</b> Legal Director (Started 30 November 2020)	30-35 (115-120)	-	-	-	14	-	45-50	-

Executive directors	Salary (£'000) 2020-21	Salary (£'000) 2019-20	Bonus payments (£'000) 2020-21	Bonus payments (£'000) 2019-20	Pension benefits*** (£'000) 2020-21	Pension benefits*** (£'000) 2019-20	Total (£'000) 2020-21	Total (£'000) 2019-20
<b>Suzanne Smith</b> Director for Barring and Safeguarding (Effective from 28 February 2020)	105-110	5-10 (105-110)	-	-	42	-	145-150	5-10
<b>Barry Topham</b> Director for Technology and Innovation (Effective from 28 February 2020)	105-110	5-10 (105-110)	5	-	43	-	155-160	5-10
<b>Rachel Welch</b> Director for Human Resources and Organisational Development (Started 5 October 2020)	50-55 (100-105)	-	-	-	21	-	70-75	-
<b>Adele Downey</b> Chief Executive Officer (Left 15 May 2019)	-	10-15 (120-125)	-	-	-	34	-	45-50
<b>Gareth Gregory</b> Acting Chief Financial Officer (1 May to 15 July 2019)	-	20-25 (95-100)	-	-	-	24	-	40-45

No benefits-in-kind were paid to directors during 2020-21

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

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

\*\*2020-21 uplift largely due to transfers in, during scheme year to PCSPS and CSOPS schemes, relating to built-up contributions from previous roles prior to joining DBS

\*\*\*Pension includes full year impact for those only working for part of the year; prior year pension benefits figures for Barry Topham and Sue Smith were not available from MyCSP

## Pension benefits

Table 19: Pension benefits for directors

Directors	Accrued pension at pension age at 31/03/21 £'000	Real increase in pension and related lump sum at pension age £'000	CETV* at 31/03/21 £'000	CETV at 31/03/20 £'000	Real increase in CETV £'000
<b>Eric Robinson</b> Chief Executive Officer	120-125	115-120	2,373**	43	390
<b>Paul Whiting</b> Deputy CEO and Director for Finance and Corporate Services	15-20	2.5-5	230	186	28
<b>Ian Benson</b> Director for Business Transformation (Started 10 August 2020)	0-5	0-2.5	16	0	11
<b>Natalie Benton</b> Director for Strategy and Performance (Started 10 August 2020)	5-10	0-2.5	102	84	11
<b>Penny Fell</b> Commercial Director (Started 1 October 2020)	0-5	0-2.5	21	0	18
<b>Claire Graves</b> Director of Finance (Effective 10 June 2020)	5-10	0-2.5	75	54	12
<b>Ian Johnston</b> Director for Disclosure (Started 16 July 2019)	10-15	0-2.5	217	176	27
<b>Andrew Robinson</b> Legal Director (Started 30 November 2020)	0-5	0-2.5	8	0	6
<b>Suzanne Smith</b> Director for Barring and Safeguarding (Effective from 28 February 2020)	5-10	2.5-5	134	94	28
<b>Barry Topham</b> Director for Technology and Innovation (Effective from 28 February 2020)	10-15	2.5-5	118	87	19

Directors	Accrued pension at pension age at 31/03/21 £'000	Real increase in pension and related lump sum at pension age £'000	CETV* at 31/03/21 £'000	CETV at 31/03/20 £'000	Real increase in CETV £'000
<b>Rachel Welch</b> Director for Human Resources and Organisational Development (Started 5 October 2020)	0-5	0-2.5	13	0	11

\*CETV stands for cash equivalent transfer value

\*\*2020-21 uplift largely due to transfers in, during scheme year to PCSPS and CSOPS schemes, relating to built-up contributions from previous roles prior to joining DBS

### 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 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

For 2020-21, employers’ contributions of £7.3m were payable to the PCSPS (2019-20 £6.0m) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions, usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2020-21 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, which is a stakeholder pension with an employer contribution. Employers’ contributions are 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 these 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 or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement). It 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.

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

**Table 20: Relationship between the highest-paid director's total remuneration and the median remuneration of the DBS workforce**

Pay multiples	Year ending 31 March 2021 Salary	Year ending 31 March 2020 Salary (restated)
Highest-paid director's total remuneration (£'000)	175-180	120-125* (175-180)
Median paid employee's total remuneration (£0)	25,236	24,503
Ratio	7.03	4.99 (7.24)

\*The highest-paid director commenced employment on 16 July 2019  
 Figures in brackets reflect the full year equivalent had the highest-paid director been in post for the full financial year and received the full contractual bonus

# Staff report



# Staff report

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

**Table 21: Staff costs comprise (audited)**

	Permanently employed and fixed term appointment staff £'000	Others £'000	2020-21 Total £'000	2019-20 Total £'000
Wages and salaries	29,051	3,801	32,852	28,600
Social security costs	2,864	0	2,864	2,540
Other pension costs	7,346	0	7,346	5,956
<b>Sub-total</b>	<b>39,261</b>	<b>0</b>	<b>43,062</b>	<b>37,096</b>
Less recoveries in respect of outward secondments	0	0	0	(46)
<b>Total net costs</b>	<b>39,261</b>	<b>3,801</b>	<b>43,062</b>	<b>37,050</b>

Please refer to commentary in the Financial Performance section regarding increased costs in 2020-21.

## Average number of persons employed (audited)

The average number of full-time equivalent persons (excluding

non-executive directors) employed during the year was 934 (compared to 997 in 2019-20).

**Table 22: DBS headcount for the last three years**

	Total headcount throughout the year		
	2020-21	2019-20	2018-19
Directly employed	1,075	1,100	1,117
Fixed term appointments	30	34	65
Agency	16	22	24
Contingent labour in-year	26	3	10
<b>Total</b>	<b>1,147</b>	<b>1,159</b>	<b>1,216</b>

**Staff composition and gender**

**Table 23: Staff composition by headcount at 31 March 2021**

	Male	Female	Total
Non-executive directors	3	3	6
Executive directors	5	2	7
Directors	2	3	5
All other employees	410	640	1050
<b>Total</b>	<b>420</b>	<b>648</b>	<b>1068</b>

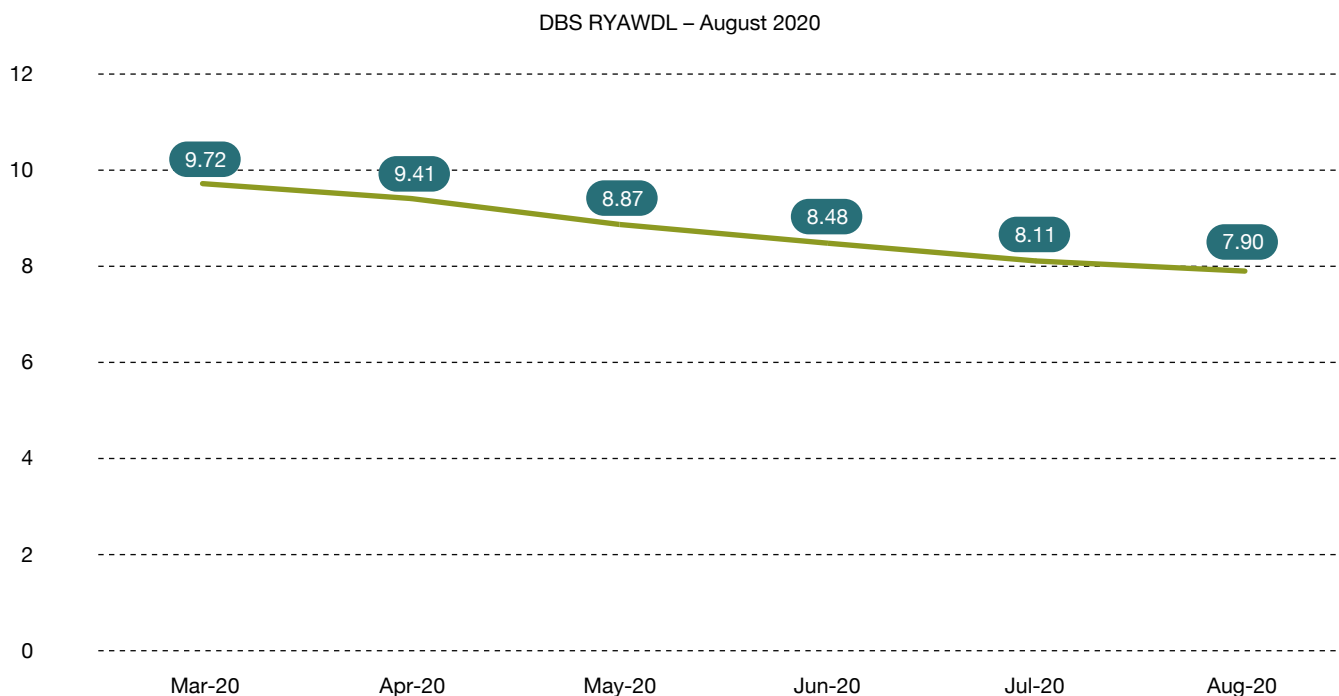
**Staff sickness**

The rolling year average working days lost (RYAWDL) due to staff sickness was 7.90 as at 28

August 2020. This is a 12-month rolling figure representing the period 1 September 2019 to 28 August 2020.<sup>7</sup>

<sup>7</sup> We have not been able to complete any RYAWDL reports since August 2020 due to the Adelphi- Metis transition and the unavailability of absence management information on Metis HR. This is the most current available data. Other sickness measures have been used for absence management in the interim while this is addressed as part of the implementation programme.

**Figure 9: Rolling year average working days lost (RYAWDL)**



### Public Sector Equality Duty

DBS is committed to fulfilling its responsibilities under the Equality Act 2010 and the subsequent Public Sector Equality Duty (PSED) 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 PSED 2011 also places obligations on DBS to consider how our decisions, systems, and policies affect those with different protected characteristics.

The Public Sector Bodies Accessibility Regulations (PSBAR), enacted in 2018, require all websites and web-based platforms to be accessible. This regulation required public sector bodies to achieve specific

accessibility standards for all existing websites and web-based platforms by 23 September 2020.

In 2020-21, activity was predominantly focused on compliance, for both PSED and PSBAR, with work to be undertaken identified through a critical friend review.

Our accessible documents policy was published on our website by the deadline, and explains how accessible our documents are, the work we are doing to make improvements to some of our older (pre-2018) documents, and how different formats can be obtained.

The in-house EDI team, introduced in 2018-19, has continued work to embed equality impact assessments as business as usual, with these being scrutinised by the Strategic

Leadership Team and board as part of our governance.

The DBS EDI strategic plan, developed in 2020-21, includes a strong focus on customer needs, with an aspiration to be seen as a supportive, progressive, listening organisation in our service delivery, where no customer groups are discriminated against in their access to, and understanding of, our services, products and processes, or in their implementation. This will move DBS beyond compliance. DBS will launch an EDI charter and a refreshed equality scheme in 2021-22, outlining new objectives for the next three years.

Our DBS charter ambitions are shown below:

1. DBS will put EDI considerations at the heart of all decisions
2. We will be seen as a supportive, inclusive, progressive, listening organisation in our service delivery
3. We will understand the needs of our customers and wider environmental factors
4. We will work in partnership with organisations who share our values to make improvements to products and services, and share good practice and data
5. Biases in service delivery will be identified, understood, and addressed at the earliest opportunity
6. No customer groups will be discriminated against in their access to, and understanding of, our services, products, and processes, or in their implementation
7. Our services, products and premises will be accessible to all, meeting their individual needs
8. We will be an inclusive organisation where staff are engaged and feel they are treated fairly, with a high employee engagement index
9. Our staff will understand why equality, diversity and inclusion is important in making recruitment safer
10. We will be more representative of our communities and use this diversity of experience and thinking in achieving our strategic objectives
11. We will be seen as an exemplar organisation where talent from diverse backgrounds is supported and successful

### Health and safety

There were no major health and safety incidents recorded in-year.

### Reporting of Civil Service and other compensation schemes: exit packages (audited)

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.

**Table 24: Exit packages in 2020-21**  
Comparative data shown in brackets for previous years

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	0 (4)	0 (4)
£10,000 - £25,000	-	0 (1)	0 (1)
£25,000 - £50,000	-	3 (1)	3 (1)
£50,000 - £100,000	-	0 (0)	0 (0)
£100,000 - £150,000	-	0 (0)	0 (0)
<b>Total number of exit packages</b>	-	<b>3 (6)</b>	<b>3 (6)</b>
<b>Total resource cost / £'000s</b>	-	<b>93 (65)</b>	<b>93 (65)</b>

Ill-health retirement costs are met by the pension scheme and are not included in Table 24.

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 2020-21:

- Remote working policy
- Job evaluation policy
- Flexi guidance
- Right to request flexible working policy
- Organisational change framework and procedures
- Learning and development policy
- Staff departure
- Annual leave
- Special leave policy

- Capability procedure
- Death in service policy
- Whistleblowing policy
- Family friendly policies

#### Other employee matters Equality, diversity, and inclusion (EDI)

Following the development of the EDI strategic plan this year, DBS will refresh its action plan for improvements. A further bench-marking review to assess progress since 2018-19 is planned for May 2021 using the Employers Network for Equality and Inclusion (ENEI).

The EDI team within DBS will be further developed to ensure EDI matters are fully considered in the development of organisational strategy and policy. We will also make EDI a priority within the development of the DBS Academy. Our academy offer will include training that relates to lived experiences, bias, and equality impact assessment completion.



### Gender pay gap

As at 31 March 2020, the mean gender pay gap at DBS (the difference between men’s and women’s average hourly pay) is that men are paid on average 2.9% more than women, and the median gender pay gap is 1.6% favourable to men than women.

In comparison to the 2019 figures, there has been an increase of 0.9% (mean average) in the gap and a decrease of 1.9% (median average). The increase in mean average in 2020 can be attributed to changes in the Strategic Leadership Team. In 2020, there were two women in senior roles, compared to four in 2019. The DBS gender pay gap compares favourably to the UK 2020 gender pay gap. The

Office for National Statistics (ONS) published the Annual Survey of Hours and Earnings (ASHE) which revealed a gender pay gap of 15.5% nationally. DBS has seen a continuous improvement in the gender pay gap over the past 3 years. Analysis demonstrates that this has largely been down to changing profile of employees, in particular female employees moving into senior positions and more male representation in junior roles.

### Report under Equality Act

#### Diversity data

The following data is based on headcount at 31 March 2021 (excluding non-executive directors).

**Table 25: Staff split by age**

16 - 19	20 - 29	30 - 39	40 - 49	50 - 59	60+	Total
3	128	252	313	291	75	1062

**Table 26: Staff split by ethnicity**

Black, Asian and minority ethnic (BAME)	White	Prefer not to say	Unknown	Total
28	961	34	39	1062

**Table 27: Staff split by disability**

Disabled	No disability	Prefer not to say	Unknown	Total
86	890	35	51	1062

**Spend on consultancy services and temporary staff**

Full year spend on consultants and contingent labour was £3.8m.

**Off-payroll engagements**

During 2020-21, there were 43 off-payroll engagements (contingent labour) with a total cost of £3.8m, with 38

contractors being paid more than £245 per day. 5 out of the 43 off-payroll engagements were agency staff. Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, NDPBs must publish information on their high paid and/or senior off-payroll engagements.

**Table 28: Total number of off-payroll engagements, as at 31 March 2021, who are earning in excess of £245 per day, and that lasted longer than six months**

	Number of appointments
Number of existing engagements as at 31 March 2021	17
<b>Of which</b>	
Number that have existed for less than one year at time of reporting	11
Number that have existed for between one and two years at time of reporting	5
Number that have existed for between two and three years at time of reporting	1
Number that have existed for between three and four years at time of reporting	0

**Table 29: All new off-payroll engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021, for more than £245 per day and that lasted longer than six months**

	Number of appointments
Number of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021	18
<b>Of which</b>	
Number assessed as caught by IR35	18
Number assessed as not caught by IR35	0
Number engaged directly (via PSC contracted to DBS) and are on DBS payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

**Table 30: Off-payroll engagements of board members and/or senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021**

	Number of appointments
Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, during the financial year	0
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	0

### 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 2020 to 31 March 2021.

The information below is based on several assumptions for Public and Commercial Services (PCS) Union 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.

There were 21 employees who were trade union representatives at DBS during the period 1 April 2020 to 31 March 2021 (1.05 full time equivalent).

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. There are an additional 20 trade union representatives who undertake duty and activity.

**Table 31: Percentage of pay bill spent on facility time in the period 1 April 2020 to 31 March 2021**

<b>Total cost of facility time</b>	£38,944
<b>Total pay bill</b>	£38,943,847
<b>Percentage of the total pay bill spent on facility time</b>	0.1%

# Parliamentary accountability and audit report



# Parliamentary accountability and audit report

## Regularity of expenditure (audited)

### Overview

DBS continues to operate as a self-funding non-departmental public body of the Home Office, 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 nor deficit. In advance of each financial year, a budget is set which includes estimated costs to deliver our services and priorities for that 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. Despite the surplus made in 2019-20, no further fee changes were implemented in 2020-21 due to the uncertainty of the impact of COVID-19.

Consideration was given by both DBS and the Home Office during 2018-19 as to how our historical, current, and

potential future year surpluses are to be remitted to the Home Office (and ultimately to Treasury's Consolidated Fund as a 'Consolidated Fund Extra Receipt'), in line with HM Treasury's 'Managing Public Money' requirements.

Due to the uncertainty of the impact of COVID-19 on demand volumes and DBS cashflow at the time of consideration, it was agreed that no transfer would be made in 2020-21 relating to the 2019-20 surplus. Any payments to settle the amounts due to the Home Office will be made taking account of DBS working capital requirements and projected cashflow over the coming months.

### Parliamentary accountability disclosures

#### Losses and special payments (audited)

There were no cases of fruitless payments during 2020-21. In 2019-20, there were 30 cases totalling £3k.

There were 37 cases of ex-gratia and 2 other special payments totalling £18k in 2020-21. There were 75 cases in 2019-20 totalling £22k. 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 £100k (2019-20 £98k). No remuneration was paid to the National Audit Office for non-audit work.

### **Gifts**

No gifts were made or received during the reporting period that

meet the reporting requirements prescribed in HM Treasury's 'Managing Public Money'.

### **Remote contingent liabilities (audited)**

There were no remote contingent liabilities at 31 March 2021. 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.

Table 32: DBS fees and charges

Activity	2020-21 Income £'000	2020-21 Costs £'000	2020-21 Surplus/ (deficit) £'000	2020-21 Actual % recovery £'000	2020-21 Planned % recovery £'000	2019-20 Surplus/ (deficit) £'000
Enhanced DBS checks	111,299	(97,443)	13,856	114%	100%	16,282
Standard DBS checks	7,127	(4,695)	2,432	152%	100%	1,332
DBS Adult First	599	(757)	(158)	79%	100%	(241)
Update Service	16,436	(15,860)	576	104%	100%	(771)
Basic DBS checks	50,297	(43,734)	6,563	115%	100%	3,142
Other*	135	0	135	n/a	100%	-
<b>Total</b>	<b>185,893</b>	<b>(162,489)</b>	<b>23,404</b>	<b>114%</b>	<b>100%</b>	<b>19,744</b>

\*'Other' relates primarily to income (and associated costs) for applications by Registered Bodies and countersignatories, 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 equivalent 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 (IFRS) 8 purposes.

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



**Table 33: Notional cost per paid application received in 2020-21**

	Costs (£'000)	Applications (000)	Notional cost (£)
Enhanced DBS checks*	97,444	2,749	35.45
Standard DBS checks	4,695	312	15.07
Update Service subscriptions	15,860	1,282	12.37
Basic DBS checks	43,734	2,184	20.02

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

\*Enhanced volumes include 521,000 COVID-19 checks (including c.487 000 fast track checks) which were free to the applicant but paid for by the Department of Health and Social Care; as a result, paid checks were 88% of the total Enhanced DBS checks, compared with 78% in 2019-20, and volunteer checks were 44% of the number in 2019-20

**Table 34: Notional cost per paid and volunteer applications received in 2020-21**

	Costs (£'000)	Applications (000)	Notional cost (£)
Enhanced DBS checks*	97,444	3,122	31.21
Standard DBS checks*	4,695	346	13.55
Update Service subscriptions	15,860	1,905	8.33
Basic DBS checks	43,734	2,184	20.02

\*The cost of processing a paid DBS check application is based on 12.0% Enhanced and 10.0% Standard (32.7% Update Service and 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  
9 July 2021

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

## Opinion on financial statements

I certify that I have audited the financial statements of the Disclosure and Barring Service (DBS) for the year ended 31 March 2021 under the Protection of Freedoms Act 2012. The financial statements comprise: Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by HM Treasury's Government Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion, the financial statements:

- give a true and fair view of the state of the DBS's affairs as at 31 March 2021 and DBS's net income for the year then ended;
- 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019.

I am independent of DBS in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Conclusions relating to going concern

In auditing the financial statements, I have concluded that DBS's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on DBS's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for DBS is adopted in consideration of the requirements set out in HM Treasury's Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

### Other Information

The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report

as having been audited, the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of DBS and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report or Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting

Officer, is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing DBS's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by DBS will not continue to be provided in the future or either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Protection of Freedoms Act 2012. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when

it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation

My procedures included the following:

- Inquiring of management, the Government Internal Audit Agency and those charged with governance, including obtaining and reviewing supporting documentation relating to DBS's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including DBS's controls relating to relevant legislation requirements; Protection of Freedoms Act 2012 and Managing Public Money;

- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals;
- obtaining an understanding of DBS's framework of authority as well as other legal and regulatory frameworks that DBS operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of DBS. The key laws and regulations I considered in this context included the Protection of Freedoms Act 2012, Managing Public Money, Employment Law, Tax Legislation, The Police Act 1997 and The Serious Organised Crime and Police Act 2005.
- specific risk assessments performed in respect of significant risks relating to fraud: risk-based sampling of manual journals to identify those presenting higher risk of fraud, informed by planning risk assessment and review of outturn against budget; review of estimates presented within the accounts; analysis of individual income streams to address the potential risk of fraud in revenue recognition.

In addition to the above, my procedures to respond to identified risks

included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- substantive testing of manual journals including journals with fraud characteristics; reviewing estimates within the account and challenging underlying assumptions and methodologies; substantive testing of income streams to address risk of fraud in

revenue recognition.

- I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

## Report

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and**  
**Auditor General**

**Date 12 July 2021**

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

# Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2021

	Note	2020-21 £'000	2019-20 £'000
Revenue from contracts with customers	5	(185,758)	(194,694)
Other operating income		(135)	(182)
<b>Total operating income</b>		<b>(185,893)</b>	<b>(194,876)</b>
Staff costs	3	43,062	37,050
Purchase of goods and services	4	112,113	131,542
Depreciation and impairment charges		5,746	5,389
Provision expense	11	837	603
Other operating expenditure	4	731	548
<b>Total operating expenditure</b>		<b>162,489</b>	<b>175,132</b>
<b>Net expenditure / (income) for the period</b>		<b>(23,404)</b>	<b>(19,744)</b>
<b>Other comprehensive net expenditure</b>		<b>2020-21 £'000</b>	<b>2019-20 £'000</b>
Items which will not be reclassified to net operating costs:	<b>Note</b>		
Less net (gain)/loss on revaluation of property plant & equipment		-	(0)
Less net (gain)/loss on revaluation of intangible assets	6	(320)	(68)
Actuarial (gain)/loss on pension scheme liabilities			
Items which may be reclassified to net operating costs:			
- Net (gain)/loss on revaluation of investments			
<b>Comprehensive net expenditure for the period</b>		<b>(23,724)</b>	<b>(19,812)</b>

The notes on pages 107 to 126 form part of these accounts.



# Statement of Financial Position as at 31 March 2021

		2020-21 £'000	2019-20 £'000
	Note		
<b>Non-current assets:</b>			
Property, plant and equipment		968	1,653
Intangible assets	6	16,387	18,981
<b>Total non-current assets</b>		<b>17,355</b>	<b>20,634</b>
<b>Current assets:</b>			
Trade and other receivables	8	21,480	18,283
Cash and cash equivalents	9	73,265	60,586
<b>Total current assets</b>		<b>94,745</b>	<b>78,869</b>
<b>Total assets</b>		<b>112,100</b>	<b>99,503</b>
<b>Current liabilities:</b>			
Trade and other payables	10	(77,158)	(66,230)
Provisions	11	(900)	(295)
<b>Total current liabilities</b>		<b>(78,058)</b>	<b>(66,525)</b>
<b>Total assets less current liabilities</b>		<b>34,042</b>	<b>32,978</b>
<b>Non-current liabilities:</b>			
Provisions	11	(865)	(630)
<b>Total non-current liabilities</b>		<b>(865)</b>	<b>(630)</b>
<b>Total assets less total liabilities</b>		<b>33,177</b>	<b>32,348</b>
<b>Taxpayers' equity and other reserves:</b>			
General fund		32,730	32,114
Revaluation reserve		447	234
<b>Total equity</b>		<b>33,177</b>	<b>32,348</b>

The financial statements on pages 103 to 106 were approved by the DBS board on 8 July 2021.  
Approved by Eric Robinson as Accounting Officer for the Disclosure and Barring Service



9 July 2021

The notes on pages 107 to 126 form part of these accounts.

# Statement of Cash Flows

## for the Year Ended 31 March 2021

		2020-21 £'000	2019-20 £'000
<b>Cash flows from operating activities</b>			
Retained income for the year		23,404	19,744
Adjustments for non-cash transactions		6,917	5,981
Increase in trade and other receivables	8	(3,197)	(1,999)
<i>Less movements in receivables not passing through the statement of comprehensive net expenditure</i>		(352)	8
Increase/(decrease) in trade payables and other payables*	10	10,928	(25,211)
<i>Less movements in payables relating to items not passing through the statement of comprehensive net expenditure</i>		(23,965)	25,027
Use of provisions		-	-
<b>Net cash inflow from operating activities</b>		<b>13,735</b>	<b>23,550</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	-
Purchase of intangible assets		(1,055)	(519)
<b>Net cash outflow from investing activities</b>		<b>(1,055)</b>	<b>(519)</b>
<b>Cash flows from financing activities</b>			
Consolidated fund extra receipts payable (funding returned to Home Office)		-	(49,027)
<b>Net financing</b>		<b>-</b>	<b>(49,027)</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		<b>12,680</b>	<b>(25,996)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	9	60,586	86,582
<b>Cash and cash equivalents at the end of the period</b>	9	73,265	60,586

The notes on pages 107 to 126 form part of these accounts.

# Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2021

	General Fund £'000	Revaluation Reserve £'000	Taxpayers' equity £'000
<b>Balance at 1 April 2019</b>	<b>31,417</b>	<b>244</b>	<b>31,661</b>
Comprehensive net expenditure for the year	19,744	-	<b>19,744</b>
Amounts payable to the consolidated fund	(19,125)	-	<b>(19,125)</b>
<b>Non-cash adjustments:</b>			
Net gain/(loss) on revaluation	-	68	<b>68</b>
<b>Movement in reserves:</b>			
Transfers between reserves	78	(78)	-
<b>Balance at 31 March 2020</b>	<b>32,114</b>	<b>234</b>	<b>32,348</b>
<b>Balance at 1 April 2020</b>	32,114	234	<b>32,348</b>
Comprehensive net expenditure for the year	23,404		<b>23,403</b>
Amounts payable to the consolidated fund	(22,895)		<b>(22,895)</b>
<b>Non-cash adjustments:</b>			
Net gain/(loss) on revaluation		320	<b>320</b>
<b>Movement in reserves:</b>			
Transfers between reserves	107	(107)	-
<b>Balance at 31 March 2021</b>	<b>32,730</b>	<b>447</b>	<b>33,177</b>

The notes on pages 107 to 126 form part of these accounts.

## Notes to the accounts

### 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2020-21 Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FRoM 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 DBS for the financial year ending 31 March 2021 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 direction given by the 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 2021, and for amounts reported for income and expenses during the year.

In the process of applying DBS' accounting policies, management has made the following judgements, which have

the most significant effect on the amounts recognised in the financial statements:

#### **Relifing 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 2021.

#### **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).

#### **Development costs**

Initial capitalisation of costs is based on management's judgement that technological and

economic 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 (SoCNE) 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 undertakes 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 arising 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 2021 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. Income recognition

Income represents fees charged to:

- applicants for applications for Enhanced and Standard DBS checks of prescribed criminal record information
- applicants for applications for Basic DBS 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 DBS 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 overleaf 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.

Table 35: Performance obligations

Income stream	Description of income stream	Performance obligation	Payment terms
Enhanced and Standard DBS check - submitted via a Registered Body	Supply of DBS checks to individuals	Issue of certificate to customer	Invoiced to Registered Bodies in arrears
Basic DBS check - submitted via a Responsible Organisation	Supply of DBS checks to individuals	Issue of certificate to customer	Invoiced to Responsible Organisations in arrears
Basic DBS check - direct online application to DBS	Supply of DBS 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

### Department of Health and Social Care (DHSC) reimbursement of free-of-charge checks

To aid the DHSC COVID-19 response, the Home Office and DBS have put temporary arrangements in place to provide Standard and Enhanced DBS checks and fast track emergency checks of the Adults' and Children's Barred Lists, free-of-charge.

Where the DHSC has confirmed reimbursement for such free-of-charge checks, this funding will be treated as income, to the extent that the above performance obligations have been satisfied.

### 1.7. Grant-in-aid

Grant-in-aid is recognised in accordance with applicable FReM guidance and IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, which applies as interpreted for the public sector.

Accordingly, grants-in-aid are accounted for as a source of financing and credited to reserves, and not income.

### 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 earnings 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 contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable 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. 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, pre-payments, 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 believes 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 2020 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 2022, and therefore this standard does not affect the 2020-21 financial statements.

The full impact of the introduction of this standard will require assets and liabilities to be increased by the same amount, as operating leases will be treated in the same way as finance leases. 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 2021-22 DBS annual report and accounts. IFRS 16 will be adopted by DBS the first time in 2022-23 with 2021-22 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 (2023-24 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

		Gross expenditure	Income	Net expenditure / (income)
<b>Disclosure services</b>	<b>Disclosure services</b> 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	65,286	(185,758)	(120,472)
<b>Technology and innovation</b>	<b>Technology and innovation</b> The Technology and Innovation 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 provided by the team enable DBS' vision to make our services simpler, faster, and secure Making Recruitment Safer. They work in partnership with other DBS directorates, suppliers, and a wide range of external and internal stakeholders	43,953	-	43,953
<b>Business transformation</b>	<b>Business transformation</b>	16,874	-	16,874
<b>MI and business change</b>	<b>MI and business change</b>	3,500	-	3,500
<b>Finance and corporate support</b>	<b>Chief Finance Officer</b> The Finance and Corporate Support directorate is responsible for providing financial, commercial, risk management and legal advice across DBS, including the preparation of the annual report and accounts and the DBS business plan	14,787	(135)	14,652
<b>Chairman and chief executive's office</b>	<b>Chairman and chief executive's office</b> The chairman and chief executive's 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 requests, Parliamentary Questions, the publication scheme and leading on the relationship between DBS and HOSU	2,601	-	2,601
		<b>162,489</b>	<b>(185,893)</b>	

		Gross expenditure	Income	Net expenditure / (income)
<b>Barring and safeguarding</b>	<b>Barring</b>	10,713	-	<b>10,713</b>
	<b>Safeguarding</b>	2,438		2,438
	The Barring and Safeguarding directorate discharges DBS statutory functions 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 directorate also makes decisions as to whether to include a person in one or both Barred Lists along with decisions as to whether an individual should be removed from one or both lists. The directorate has wider responsibility for safeguarding and quality across DBS and has a key role in ensuring DBS maintains focus on our vision of Making Recruitment Safer			
<b>Strategy and performance</b>	<b>Strategy and performance</b> The Strategy and Performance directorate is responsible for developing the strategy for DBS and ensuring performance to achieve the strategic objectives in the business plan is managed effectively at an organisational level. It also provides specialist communications, policy, and research services, and manages partnerships and stakeholder activity across the organisation	2,337	-	<b>2,337</b>
<b>Total</b>		<b>162,489</b>	<b>(185,893)</b>	<b>(23,404)</b>

### 3. Staff numbers and related costs

Staff costs comprise:

	2020-21 Total £'000	2019-20 Total £'000
Wages and salaries	32,852	28,554
Social security costs	2,864	2,540
Other pension costs	7,346	5,956
<b>Sub-total</b>	<b>43,062</b>	<b>37,050</b>

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

The increase in staff costs in 2020-21 was due to an increased

requirement for contingent labour, along with recruitment to support delivery of the first year of DBS' 2020-25 strategy. This resulted in an increase of £5m in staffing expenditure and a further £1m

### 4. Other operating costs

	2020-21 £'000	2019-20 £'000
<b>Purchase of goods and services</b>		
PFI (and other service concession arrangement) service charges	12,802	41,060
Police and other data source costs	39,801	36,945
Facilities management and staff services	5,994	4,702
Travel, subsistence, and other staff costs	216	669
Professional fees	5,247	8,416
Audit fees - external	100	98
IT running and telephone costs	47,953	39,652
<b>Total</b>	<b>112,113</b>	<b>131,542</b>
<b>Other operating expenditure</b>	<b>£'000</b>	<b>£'000</b>
Other	731	548

PFI service charges have decreased in-year for 2020-21 following the expiry of the sole PFI agreement with Tata Consultancy Services (TCS) on 28 March

2020. The 2020-21 spend relates to postage costs and other outsourced services including call centre and ID checking costs.

## 5. Income

<b>Revenue from contracts with customers</b>	<b>2020-21 £'000</b>	<b>2019-20 £'000</b>
Enhanced DBS checks	111,299	127,958
Standard DBS checks	7,127	7,530
Update Service	16,436	16,017
Basic DBS checks	50,297	42,325
Other	599	864
<b>Total revenue from contracts with customers</b>	<b>185,758</b>	<b>194,694</b>
<b>Other operating income</b>	<b>135</b>	<b>182</b>

Further details regarding DBS fees and charges can be found in the accountability section of the annual report

## 6. Intangible assets

	2020-21			
	Information technology £'000	Software licenses £'000	Assets under construction £'000	Total £'000
<b>Cost or valuation</b>				
Balance at 1 April 2020	128,866	11,308	4,507	144,681
Additions	96	-	2,053	2,149
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer	57	17	(74)	-
Reclassifications	1,676	-	(1,676)	-
Revaluations	1,245	350	-	1,595
<b>At 31 March 2021</b>	<b>131,940</b>	<b>11,675</b>	<b>4,810</b>	<b>148,425</b>
<b>Amortisation</b>				
Balance at 1 April 2020	(116,097)	(9,603)	-	(125,700)
Charged in-year	(4,487)	(576)	-	(5,063)
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer	-	-	-	-
Reclassifications	-	-	-	-
Revaluations	(962)	(313)	-	(1,275)
<b>At 31 March 2021</b>	<b>(121,546)</b>	<b>(10,492)</b>	<b>-</b>	<b>(132,038)</b>
<b>Net book value at 31 March 2021</b>	<b>10,394</b>	<b>1,183</b>	<b>4,810</b>	<b>16,387</b>
<b>Net book value at 1 April 2020</b>	<b>12,769</b>	<b>1,705</b>	<b>4,507</b>	<b>18,981</b>
<b>Asset financing:</b>				
Owned	10,394	1,183	4,810	16,387
Finance leased	-	-	-	-
On balance sheet PFI contracts	-	-	-	-
<b>Net book value at 31 March 2021</b>	<b>10,394</b>	<b>1,183</b>	<b>4,810</b>	<b>16,387</b>

Included within Information Technology is an individual asset with a net book value of £6m, 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

				2019-20
	Information technology	Software licenses	Assets under construction	Total
	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>				
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
<b>At 31 March 2020</b>	<b>128,866</b>	<b>11,308</b>	<b>4,507</b>	<b>144,681</b>
<b>Amortisation</b>				
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)
<b>At 31 March 2020</b>	<b>(116,097)</b>	<b>(9,603)</b>	<b>-</b>	<b>(125,700)</b>
<b>Net Book Value at 31 March 2020</b>	<b>12,769</b>	<b>1,705</b>	<b>4,507</b>	<b>18,981</b>
<b>Net Book Value at 1 April 2019</b>	<b>16,976</b>	<b>2,342</b>	<b>413</b>	<b>19,731</b>
Asset financing:				
Owned (enter manually):	12,769	1,705	4,507	18,981
Finance leased (enter manually):	-	-	-	-
On balance sheet PFI contracts (enter manually):	-	-	-	-
<b>Net Book Value at 31 March 2020</b>	<b>12,769</b>	<b>1,705</b>	<b>4,507</b>	<b>18,981</b>

## 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' expected purchase and usage requirements and DBS is therefore exposed to little credit, liquidity or market risk.

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

In the financial year 2020-21, DBS has been exposed to the risk of unrecoverable receivables representing 2% of total trade receivables in the financial year. This is recognised in the financial statements for 2020/21 as an expected credit loss, with the expectation that the amount will be fully unrecoverable.

## 8. Trade receivables and other assets

	2020-21	2019-20
	£'000	£'000
<b>Amounts falling due within one year:</b>		
Trade receivables	15,538	17,644
Deposits and advances	3	29
Prepayments	3,691	610
Contract Assets	2,248	-
<b>Total</b>	<b>21,480</b>	<b>18,283</b>

Trade receivables largely relates to balances due to DBS from Registered Bodies and Responsible Organisations for fees charged.

DBS 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.



## 9. Cash and cash equivalents

	2020-21	2019-20
	£'000	£'000
Balance at 1 April	60,586	86,582
Net change in cash and cash equivalent balances	12,679	(25,996)
<b>Balance at 31 March</b>	<b>73,265</b>	<b>60,586</b>
The following balances were held at:		
Government Banking Service	73,265	60,586
<b>Balance at 31 March</b>	<b>73,265</b>	<b>60,586</b>

No Consolidated Fund Extra Receipts transfers to Home Office were made in the year ended to 31 March 2021.

The year-end balance of £73.3m therefore includes

£42.0m owed to Home Office relating to the 2019-20 and 2020-21 surplus not yet transferred as Consolidated Fund Extra Receipts.

## 10. Trade payables and other current liabilities

	2020-21	2019-20
	£'000	£'000
<b>Amounts falling due within one year:</b>		
Trade payables	4,812	3,566
Accruals	19,221	31,334
Contract liability	11,108	12,205
Payable to the Consolidated Fund	42,019	19,125
<b>Total</b>	<b>77,160</b>	<b>66,230</b>

The accruals balance at 31 March 2020 is 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. The subsequent payment of those amounts is reflected in the decrease in 2020-21 accruals.

Contract liabilities are deferred where an application fee has been

received but the application is still being processed by DBS.

At 31 March 2021, DBS has included a payable of £42m relating to the surrender of 2020-21 and 2019-20 in-year surplus after deducting cost of capital relating to each period. These amounts are due to be settled by DBS following publication of the Annual Report and Accounts for the reporting period 2020-21.

## 11. Provisions for liabilities and charges

	2020-21				
	Early departure costs £'000	Dilapidations £'000	Legal costs £'000	Other provision £'000	Total £'000
Balance at 1 April	-	900	25	-	925
Balance transferred	-	-	-	-	-
Provided in the year	410	383	50	21	864
Provisions not required written back	-	-	(25)	-	(25)
Provisions utilised in the year	-	-	-	-	-
<b>Balance at 31 March</b>	<b>410</b>	<b>1,283</b>	<b>50</b>	<b>21</b>	<b>1,765</b>
<b>Analysis of expected timing of discounted flows</b>					
Not later than one year	410	418	50	21	900
Later than one year and not later than five years	-	865	-	-	865
<b>Balance at 31 March</b>	<b>410</b>	<b>1,283</b>	<b>50</b>	<b>21</b>	<b>1,765</b>

2019-20

	Early departure costs £'000	Dilapidations £'000	Legal costs £'000	Other provision £'000	Total £'000
Balance at 1 April	-	297	25	-	322
Balance transferred	-	-	-	-	-
Provided in the year	-	603	-	-	603
Provisions not required written back	-	-	-	-	-
Provisions utilised in the year	-	-	-	-	-
<b>Balance at 31 March</b>	<b>-</b>	<b>900</b>	<b>25</b>	<b>-</b>	<b>925</b>
<b>Analysis of expected timing of discounted flows</b>					
Not later than one year	-	270	25	-	295
Later than one year and not later than five years		630		-	630
<b>Balance at 31 March</b>	<b>-</b>	<b>900</b>	<b>25</b>	<b>-</b>	<b>925</b>

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.

Additional dilapidations provisions of £0.4m were recognised in year relating to the second floor at 1 Tithebarn Street (exited) and Shannon Court (renewal) leases. Further details of the leases are included in note 13.

## 12. Related party transactions

The Home Office is the sponsor department of DBS and is regarded as a related party. For the year ended 31 March 2021, DBS had a number of material transactions with the Home Office and also with other entities for which the 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.

**Table 36: Related party transactions**

	2020-21 £'000	2019-20 £'000	Nature of transactions
Security Industry Authority	(3,480)	(2,887)	Income receivable for DBS checks carried out during the year
Home Office	(20,843)	-	Reimbursement from DHSC (via Home Office) for free-of-charge checks provided as part of the COVID-19 response
Home Office	7,401	9,527	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 (including the National Crime Agency)	39,801	35,286	Police costs incurred for work undertaken by police authorities to complete the disclosure process

### 13. Commitments under leases

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

	2020-21	2019-20
	£'000	£'000
<b>Obligations under operating leases for the following periods comprise:</b>		
<b>Buildings</b>		
Not later than one year	803	1,540
Later than one year and not later than five years	3,988	1,279
Later than five years	299	-
	<b>5,090</b>	<b>2,818</b>

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. A lease renewal for Stephenson House was still in negotiation at the balance sheet date.

The existing 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). A 10-year lease renewal has been signed and is effective from 1 August 2021 with a 5-year break clause in July 2026.

The lease for floor 2 at 1 Tithebarn Street 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 at 1 Tithebarn Street expired in November 2021 with no future lease commitment other than the ongoing discussions around dilapidations. Further information on dilapidations are included in note 11.

From 1 April 2022, DBS will amend the accounting treatment of these lease commitments in line with the requirements of IFRS 16.

## 14. Other financial commitments

	2020-21 £'000
Not later than one year	16,143
Later than one year and not later than five years	
Later than five years	
<b>Total commitments</b>	<b>16,143</b>

At 31 March 2021 DBS had non-cancellable financial commitments with:

- £7.6m for application management services and service integration
- £5.6m for contact centre services
- £1.3m for document handling services
- £1.5m for other non-cancellable contracts under £1m each

### 15. 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 by DBS over the periods 2016-17 to 2018-19 totals £14.0m.

### 16. 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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