Home Office

Annual Report and Accounts 2021–22

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(for the year ended 31 March 2022)

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Home Secretary
Introduction

This is my third foreword for a Home Office annual report as Home Secretary. Inevitably, the contents will vary from year to year, not least as the challenges facing our country evolve and shift. But some things remain constant: the critical importance of the department's work, the dedication and commitment to public service of its workforce, and my pride at leading an organisation that has such a pivotal role in government.

Since the start of the pandemic, the Home Office has been central to the COVID response. That has continued throughout the period covered by this report, and I once again pay tribute to everyone who has contributed to what has been a huge national effort.

The fight against crime has been a key priority for me since I was appointed, and we have made significant progress. Our campaign to recruit an additional 20,000 police officers has continued apace, with more than 13,500 hired by forces in England and Wales as of the end of March. We are determined to confront crime in all its forms, protect the vulnerable, and bring criminals to justice. We have published clear and comprehensive strategies to tackle violence against women and girls, domestic abuse, and drugs, as well as our over-arching Beating Crime Plan, while cracking down on serious violence, county lines gangs, and neighbourhood crime. The Police, Crime, Sentencing and Courts Act will further empower the police to do their vital work.

The Home Office continues to lead the United Kingdom's response to terrorism, the threat from which was underlined again in Liverpool and with the horrific murder of Sir David Amess MP. National security is the foremost responsibility for any government, and I am incredibly grateful to all those who work tirelessly to keep the public safe. They must have every power and tool they need. Through the Counter-Terrorism and Sentencing Act we have delivered a major overhaul of terrorist sentencing and monitoring.

We may be the Home Office, but we have to respond with agility and speed to global events. That has been demonstrated in stark fashion with the crises in Afghanistan and Ukraine. A huge amount of activity has gone into ensuring the UK is at the forefront of the humanitarian responses, including standing up schemes from scratch to help thousands of people reach safety. We will continue to do what is right in the face of conflict and instability around the world.

The Nationality and Borders Act is the main legislative vehicle for our New Plan for Immigration. Nothing short of radical reform was needed, in order to deliver a fair and firm system. The effort to stop people putting their lives in the hands of evil people smugglers remains a top priority. On one November day alone, 27 souls drowned in the Channel. The Migration and Economic Development Partnership with Rwanda is a world-leading innovation for dealing with what is a global crisis.

Doing all we can to right the wrongs of the Windrush scandal is another matter of huge importance, to the department and to me personally. Work has continued, including the compensation scheme and steps to ensure the Windrush Lessons Learned Review is a catalyst for lasting change throughout the Home Office.

As this report makes clear, it has been another extremely busy year. Yet I have no doubt that this scale and pace of activity will continue as we strive to keep our country safe and deliver for the public. I am very grateful to everyone engaged in this immensely worthwhile cause.

Rt. Hon Priti Patel MP
Home Secretary

Permanent Secretary
Foreword

Through the hard work and dedication of staff across the Home Office, we have continued to deliver Home Office commitments, achieving better outcomes for the public and contributing to our vision of a safe, fair and prosperous UK. Despite the difficult context, I am proud of the Home Office's achievements over the past year.

We have made progress on all four 'Priority Outcomes' set out in the Department's Outcome Delivery Plan for 2021/22:

- reducing crime;
- reducing the risk from terrorism to the UK and UK interests overseas;
- enabling the legitimate movement of people and goods to support economic prosperity; and
- tackling illegal migration, removing those with no right to be here and protecting the vulnerable.

On the first, we are delivering the **Beating Crime Plan**, published in July 2021. The Police Uplift Programme is on track, having recruited 13,576 police officers (68% by March 22 of our 20k target by March 2023). We have invested in targeted interventions to tackle homicide, serious violence and neighbourhood crime. We have introduced provisions in the Police, Crime, Sentencing and Courts Bill to improve the police's ability to deal with disruptive protests and unauthorised encampments. We have published the Violence Against Women and Girls Strategy and the Domestic Abuse strategy. We have continued efforts to crack down on drugs supply and county lines. We undertook rapid work to deliver the Economic Crime (Transparency and Enforcement) Act, which has provided greater powers to sanction oligarchs and businesses associated with the Russian Government.

Stark examples of the enduring threat from **terrorism** this year included the devastating attack during the evacuation from Afghanistan, the murder of Sir David Amess and the Liverpool Women's Hospital bombing. Home Office officials worked closely with operational partners to improve the UK's counter-terrorism response systems. We have brought forward legislation such as the Counter Terrorism and Sentencing Act, continued to set-up the Counter Terrorism Operations Centre, and created expert Regional Advisers to strengthen the implementation of the Prevent Duty across England and Wales. We have strengthened national security through progressing the UK-US Data Access Agreement. Through the Department's contribution to Integrated Review sub-strategies and priorities, we continue to secure the UK against state threats.

The launch of the **points-based immigration system** has been a significant achievement. We made good progress in delivering the Future Border and Immigration System. We concluded 6.4 million EU Settlement Scheme applications, and visas issued across work and study routes exceeded pre-pandemic levels. We expanded our digital application capabilities, and improved our ability to re-use and re-check biometrics, as part of a fully digital journey. We supported the care sector by expanding eligibility for skilled workers' visas and Health and Care Worker Visa to include health care assistants. Border Force effectively managed border pressures and sharp increases in passenger numbers, as COVID travel restrictions have eased. We issued record volumes of passports with the return of international travel. To help those in need of sanctuary in the UK, we launched our Afghan Relocations and Assistance Policy in April 2021 for individuals at risk or likely to be in the future due to the nature of their work for or alongside the UK Government in Afghanistan. We contributed to Operation Pitting following the 2021 Taliban offensive, resettling c15,000 people, and in January 2022 formally opened a new bespoke Afghan Citizens Resettlement Scheme, aimed at those who assisted UK efforts in Afghanistan and those judged most vulnerable. Following Russia's invasion of Ukraine, we rapidly stood up and implemented two humanitarian visa schemes to provide a safe route for Ukrainians who want to come to the UK, demonstrating the UK's generous support for the Ukrainian people.

At the heart of our work to tackle **illegal migration**, we launched the New Plan for Immigration, and have delivered the Nationality and Borders Act. The Act reforms our immigration laws, among other things, to deter illegal entry into the UK. Alongside this legislation, we have announced wider plans to address illegal migration, including a new Migration and Economic Development Partnership with Rwanda, and strengthened collaboration with the Ministry of Defence on small boat crossings in the English Channel.

The Department is playing our part in cross-cutting Government priorities such as the **Levelling Up agenda**. An area cannot be levelled up without tackling crime. As well as working to deliver the mission 'to reduce homicide, serious violence and neighbourhood crime by 2030, focused on the worst affected areas', we will ensure crime reduction is hard-wired into all aspects of work on levelling up. We are also supporting the **Places for Growth** programme as we strive to be a major employer in Stoke-on-Trent from early next year.

We will continue to build on our commitment to righting the wrongs done to the **Windrush** Generation and learn from our mistakes. Wendy Williams' return to the Department demonstrated that commitment. There is still more to do, but I am proud of our achievements and remain committed to making the Home Office an even more effective Department, placing our values of compassion, respect, collaboration and courage at the heart of everything we do. I am determined to drive the necessary reforms that will provide the Home Office with the strongest possible foundation to face future challenges and deliver our priorities for the future.

The Windrush Lessons Learned Report and Civil Service Modernisation have been catalysts for our transformation programme, One Home Office. We want the Home Office to be trusted by the public, where every one of our people can fulfil their potential, and where all of us can be proud, not just of the work we do, but also of the organisation to which we belong. We are seeking to be more:

- **Diverse & progressive** - Our workforce will be increasingly diverse and progressive, and our people empowered to fulfil their potential, they will proactively engage with public perception and OGDs to improve service delivery.

- **Forward looking** - The work we do will be focused on delivering outcomes that reflect our core purpose as a department; we will use performance management, technology, science and data to improve and innovate.
- **Efficient** - We will gain trust from the public by offering value-for-money on high quality, affordable and prioritised services.
- **Outcomes focused** - We will work as one Home Office to deliver on the People's Priorities and achieve positive outcomes that we are proud of.

Matthew Rycroft CBE
Permanent Secretary

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The Performance Report

Our Performance in 2021-22

Outturn against Budget

The Department's funding comes from government, agreed with HM Treasury through the Estimates process. The agreed amount of funding, categorised within control totals, represents the budget for the financial year within which we must operate.

Outturn and Estimate

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

Estimates

In 2021-22, the Home Office agreed with HM Treasury (through the Supplementary Estimates process) to increase: Net Operating costs budgets by £1,760 million; the Capital budget by £11 million; and the Annually Managed Expenditure budget by £439 million in relation to Police and Fire Service pensions.

The main changes to the Net Operating costs budgets were due to:

a) COVID-19 impacts (net, to cover a reduction in planned income), an increase in asylum costs due to the increased number of arrivals and the associated cost of accommodation, as well as costs related to Health Measure at the Border and Police COVID-19 compliance checks.

b) The unplanned costs of resettlement of Afghanistan nationals.

c) Asylum support to cover costs relating to high levels of arrivals, primarily via small boats.

The combined impact of these changes and to reflect the uncertain timing of cashflows, resulted in an increase of the Net Cash Requirement by £1,466 million.

Outturn

Table 1 below shows the actual outturn against the budget (with comparisons for the two previous years).

	2021-22				2020-21				2019-20			
£'000s	Outturn (actuals)	Estimate (budget)	Variance	%age Variance	Outturn (actuals)	Estimate (budget)	Variance	%age Variance	Outturn (actuals)	Estimate (budget)	Variance	%age Variance
Income	3,696,609	3,522,389	(174,220)		1,909,952	1,906,906	(3,046)		3,205,340	3,169,677	(35,663)	
Operating costs	18,408,203	18,539,787	131,584		16,472,740	16,627,092	154,352		14,590,340	14,591,855	1,515	
Net Operating costs	14,711,594	15,017,398	305,804	2.0%	14,562,788	14,720,186	157,398	1.1%	11,385,000	11,422,178	37,178	0.3%
Capital expenditure	823,381	901,810	78,429	8.7%	846,735	869,826	23,091	2.7%	717,352	739,828	22,476	3.0%
Annually Managed Expenditu	2,647,395	2,761,935	114,540	4.1%	2,306,212	2,384,917	78,705	3.3%	2,583,616	2,730,005	146,389	5.4%
Net Cash Requirement	16,972,682	17,929,079	956,397	5.3%	16,709,336	17,939,599	1,230,263	6.9%	14,678,066	14,560,305	(117,761)	-0.8%

The table confirms that the Outturn was managed within these key budget headings.

There was a £0.3 billion underspend in Net Operating costs caused by the uncertain situation when Estimates were agreed. At that time, December 2021, two significant matters were difficult to forecast:

1. The costs of the evacuation, care and resettlement of people from Afghanistan was an evolving situation, and from a forecasting perspective, it was difficult to predict the number of people to be resettled, and the associated temporary hotel costs. As the situation became clearer, our forecasts improved, including being able to factor in the lower per capita charges because of the higher proportion of

families being accommodated as one unit; also, commercial negotiations resulted in the unit hotel costs coming down. Together these costs resulted in £350 million saving against the Estimate. Costs of the Afghanistan Resettlement were £485 million in 2021-22.

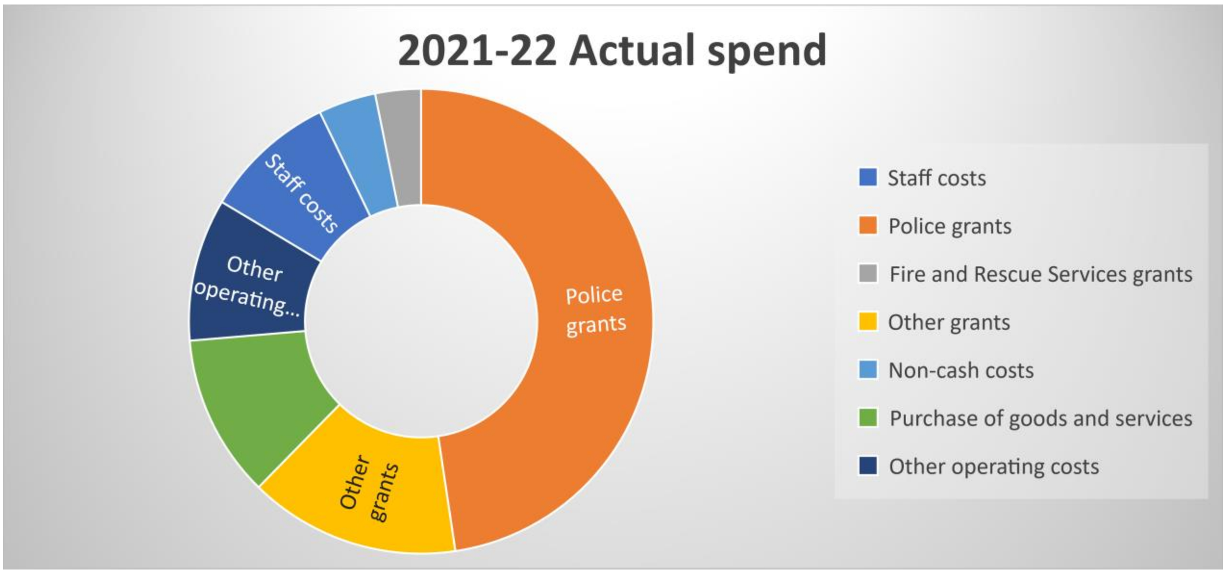
2. The other uncertainty was how income levels would recover as the country came out of lockdown. Again, we took a prudent view in negotiating the Estimate.
3. Overall income recovered from a low of £1.9 billion in 2020-21 to £3.7 billion in 2021-22. Whilst this was below planned levels, it exceeded the £3.2 billion income seen in 2019-20.

The Net Cash Requirement outturn was £1 billion below budget. This difference is partly due to the underspend on Net Operating costs, set out above, and also to a prudent approach to cash forecasting given the volatility in forecasting demand driven budgets such as asylum and income.

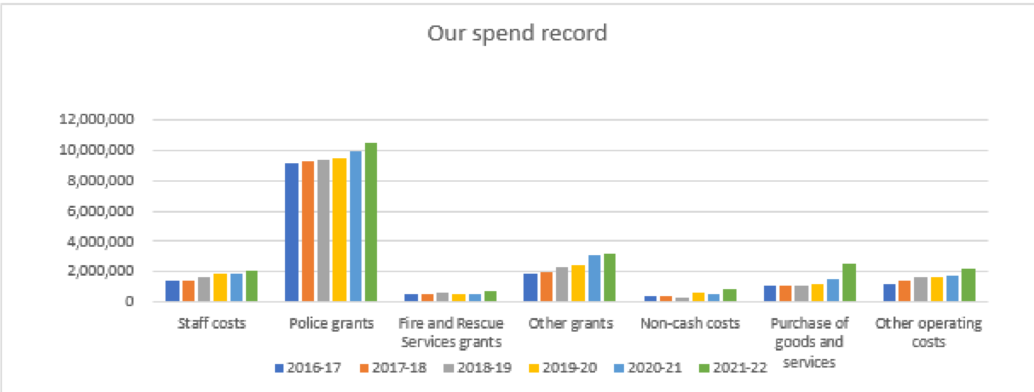
Asylum Support costs increased from £0.8 billion in 2020-21 to £1.5 billion in 2021-22. In 2021 there were 48,540 asylum applications, a 63% increase compared with the previous year's 29,815.

How we spend our money

In 2021-22, the Department managed an expenditure budget of nearly £22.5 billion, of which £902 million was for capital spend and £2.8 billion related to Annually Managed Expenditure (relating mainly to Police and Fire superannuation costs and other smaller non-cash items). Over 80% of the expenditure budget related to operating costs, a breakdown of which is shown in Table 2 below.



Operating costs compared to trends in recent years are shown in Table 3 below.



£'000s	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Staff costs	1,389,296	1,442,423	1,592,235	1,797,272	1,886,912	2,035,813
Police grants	9,217,339	9,250,930	9,419,849	9,525,436	9,983,572	10,494,644
Fire and Rescue Services grants	547,679	551,408	603,487	511,018	519,089	701,595
Other grants	1,809,093	1,911,900	2,270,770	2,464,414	3,095,543	3,237,316
Non-cash costs	371,005	354,867	285,707	559,322	503,422	881,200
Purchase of goods and services	1,076,963	1,009,196	1,041,216	1,204,102	1,536,035	2,494,907
Other operating costs	1,221,636	1,411,075	1,609,617	1,646,901	1,738,586	2,183,547
	15,633,011	**15,931,799**	**16,822,881**	**17,708,465**	**19,263,159**	**22,029,022**
Staff costs	8.9%	9.1%	9.5%	10.1%	9.8%	9.2%
Police grants	59.0%	58.1%	56.0%	53.8%	51.8%	47.6%
Fire and Rescue Services grants	3.5%	3.5%	3.6%	2.9%	2.7%	3.2%
Other grants	11.6%	12.0%	13.5%	13.9%	16.1%	14.7%
Non-cash costs	2.4%	2.2%	1.7%	3.2%	2.6%	4.0%
Purchase of goods and services	6.9%	6.3%	6.2%	6.8%	8.0%	11.3%
Other operating costs	7.8%	8.9%	9.6%	9.3%	9.0%	9.9%

Going Concern

The Consolidated Statement of Financial Position as at 31 March 2022 shows taxpayers' equity of (£691) million, a decrease in Net Assets of £269 million compared to the position as at 31 March 2021. In common with other government departments, the future financing of the Department's liabilities is to be met by future grants of Supply and the application of future income, both to be approved annually by Parliament. Accordingly, it is appropriate to adopt a going concern basis for the preparation of these financial statements.

Risk

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

Overview

The Performance report sets out the delivery against the Home Office Outcome Delivery Plan for 2021-22[1]; it is structured around the four priority outcomes:

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

There is also a section on Fire Service Reform; the contribution of the Strategic enablers to deliver high quality and efficient services; and the actions being taken to right the wrongs suffered by the Windrush generation. The Windrush Lessons Learned Review continues to act as a catalyst for deep change across the Home Office.

The report uses the most recent publicly available data at the time of writing; due to data lags, these do not always reflect the year 2021-22. Wherever possible, links to publications are included to enable the reader to access the most up to date statistics.

Summary of Performance

This overview summarises performance set out in greater detail under Performance Analysis.

1. Reduce crime

During the year since March 2021, the Home Office has made progress against our plan to reduce crime; this includes the publication of the Violence Against Women and Girls Strategy, Rape Review and Action Plan, Beating Crime Plan and 10-year Drugs Strategy. Furthermore, as of March 2022, the Police Uplift Programme is making good progress and we are on track to deliver 20,000 additional officers by March 2023.

The Crime Survey for England and Wales estimates for the year ending December 2021 compared with the pre-COVID-19 year ending December 2019 show an 18% increase in total crime, driven by a 54% increase in fraud and computer misuse. It should be noted that crime excluding fraud and computer misuse decreased by 13%, largely driven by an 15% decrease in theft offences.

In recognition of these increasing crime rates, the Home Office continues to work with other government departments to drive forward our Reduce Crime Outcome, the details of which follow in this report. That work is being undertaken in conjunction with a range of published plans including the Beating Crime Plan and 10 Year Drugs Strategy – which are also detailed throughout this report and in the sections below.

2. Reduce the risk from terrorism to the UK and UK interests overseas

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[1] Home Office Outcome Delivery Plan: 2021 to 2022 - GOV.UK (www.gov.uk)

2021-22 provided stark examples of an enduring threat from terrorism, including the devastating attack during the evacuation from Afghanistan, the murder of Sir David Amess and the Liverpool Women's Hospital bombing. The UK National Terrorism Threat Level, which is set independently by the Joint Terrorism Analysis Centre, was raised to SEVERE in November 2021, meaning an attack is highly likely, before being reduced back to SUBSTANTIAL in February 2022, meaning an attack is likely.

The Home Office continues to lead the UK response to terrorism, working across Government Departments and supporting operational partners. We have brought forward legislation such as the Counter Terrorism and Sentencing Act, taken concrete steps towards the establishment of the world leading Counter-Terrorism Operations Centre, and created expert Regional Advisers to strengthen the implementation of the Prevent Duty across England and Wales.

3. Enable the legitimate movement of people and goods to support economic prosperity

Delivery against this outcome in 2021-22 has been materially impacted by COVID-19. For the full year, passports and visas demand was lower than forecast but rose in the second half of the year as COVID-19 restrictions eased. Passenger volumes were significantly below pre-pandemic levels due to UK and overseas restrictions, whilst goods volumes have risen slightly. Visas were made available for scarce occupations including HGV drivers and poultry workers. Major changes seen at the border during 2021-22 saw EU Identity Cards ceasing to be accepted for travel from October 2021 and the commencement of EU Goods checks from 1 January 2022.

4. Tackle illegal migration, remove those with no right to be here, and protect the vulnerable.

The year 2021-22 was challenging due to ongoing system pressures on accommodation, resources and supporting clandestine arrivals by small boats. Despite this, there has been some good progress in establishing additional settlement routes for Afghan and Ukrainian citizens impacted by conflicts and supporting the evacuation in Afghanistan in August 2021. In 2021, the Home Office saw the highest number of asylum applications since 2003. Progress has included setting key milestones in the delivery of implementation of the Nationality and Borders Bill; rapidly increasing detention and accommodation capacity; continued enforcement activity despite impacts of COVID-19; and pursuing agreements for processing asylum claims in safe third countries.

Strategic Enablers

To deliver our priority outcomes, the Department has focussed on four key enablers:

- workforce, skills and location
- innovation, technology and data
- delivery, evaluation and collaboration
- sustainability.

In 2021-22, Home Office remained one of the most diverse government departments based on overall representation of race within Home Office staff figures. We embedded the Home Office values of being respectful, compassionate, collaborative and courageous. We promoted diversity and inclusion through our policies, processes and practices.

Our engagement score from the People Survey held broadly stable at 57% in 2021 compared to 58% in 2020. Our innovation scores in 2021-22 were broadly stable. Our Digital, Data and Technology team fostered a culture of innovation as seen through our work on Refugee Integration[2]. We used new technology to fight crime, including an algorithm that can automatically classify indecent images of children, and to improve the customer experience, such as the 'View and Prove' service for visa applicants.

In 2021-22, we made some headway in improving the health of our portfolio of programmes, though the growing size of the portfolio meant that as a whole the delivery confidence remains challenging.

Home Office Commercial monitored annual third party spend of c.£3.6 billion. We are on track to deliver our £125 million savings target during 2021-22. The Department contributed towards delivering the Greening Government Commitments by revising Home Office travel policy in October 2021 to encourage rail travel. We have already achieved our commitment to make 25% of our vehicle fleet ultra-low emission vehicles by the end of 2022.

In 2021-22, Home Office Delivery Group introduced a single top-level delivery routine which ensures consistent focus on whether we are achieving our Outcome Delivery Plan (ODP) goals. Our refreshed 2022-25 ODP, alongside a new Departmental performance framework, and Risk Refresh, provide the key foundations for monitoring our performance. We also built on early progress with the One Home Office transformation programme and made our five-year transformation plan, covering development of our people, data, technology, innovation, science and programme delivery.

[2] Refugee integration loans: a Policy CoLab case study - Home Office Digital, Data and Technology (blog.gov.uk)

Reduce Crime
Headline Indicators

Police Uplift Programme (PUP Team)	The Police Uplift Programme progresses well. The most recent statistics (31 March 2022) show that 13,576 additional police officers have been recruited as part of the Government's target to recruit an additional 20,000 police officers by March 2023.
Drugs	Since November 2019, through our County Lines Programme, the police have made over 7,400 arrests, seized £4.3 million in cash and significant quantities of drugs, and safeguarded more than 4,000 vulnerable people[3]. Between January and December 2021, across all sites, project ADDER has boosted activity and supported: over 600 Organised Crime Group disruptions, over £3.5 million in cash seized, almost 10,500 arrests (drug trafficking, possession of drugs, possession of weapons, acquisitive crime, criminal damage/arson, violence, homicide), 4,300 Out of Court Disposals offered and, 800 safeguarding events[4]. Enforcement partners are also seizing significant quantities of drugs. In February 2022, the Home Office published the National Statistics on 'Seizures of drugs in England and Wales, financial year ending 2021'. A total of 223,106 drug seizures were made in England and Wales in 2020-21, by police forces and Border Force, a 21% increase compared with the previous year. Further detail on this can be seen in our Drugs Misuse, Supply and County Lines section which further details how our Counter Supply and Illicit Commodities Programme supports the 10 Year Drug Strategy.
Homicide	The police recorded 691 homicide offences in England and Wales in the year ending December 2021, a 14% increase on the previous year[5].
Drug-related homicide	Drugs are a key driver for both crime and homicide. In the year to March 2021, 52% of homicides were drug related[6]. In December 2021, the Government launched its 10-year UK strategy 'From harm to hope: a 10-year drugs plan to cut crime and save lives'[7] to combat illegal drugs. This was underpinned by significant investment, including £300 million of dedicated funding to tackle supply.

[3] Home Office Outcome Delivery Plan: 2021 to 2022 - GOV.UK (www.gov.uk)

[4] An out of court disposal (OOCD) is a method of resolving an investigation for offenders of low-level crime and anti-social behaviour such as graffiti and low-level criminal damage, when the offender is known and admits the offence.

[5] Crime in England and Wales: Appendix tables - Office for National Statistics (ons.gov.uk)

[6] Appendix tables: homicide in England and Wales - Office for National Statistics (ons.gov.uk)

[7] From harm to hope: A 10-year drugs plan to cut crime and save lives - GOV.UK (www.gov.uk)

Serious Violence	There was a 4% decrease in knife-enabled crime recorded by the police in the year ending December 2021 (46,950 offences) compared with the previous year (49,152 offences). This was driven by a 15% decrease in robbery offences to 16,228. Levels of knife-enabled crime were lower during periods of lockdown but returned to pre-COVID-19 levels in the April to December 2021 period. Despite this, knife-enabled crime was still 10% lower in the year ending December 2021 compared with the pre-coronavirus year ending March 2019[8]. Hospital Admissions for Injury with a Sharp Object have decreased from the year to December 2020 to year to December 2021 by 6% from 4,284 to 4,026. For those aged under 25, this fell by 6%, from 1,691 to 1,586. These data have been affected by COVID-19 lockdowns.
Neighbourhood crime	In the year ending December 2021, the Crime Survey for England and Wales estimated there were 1.5 million incidents of neighbourhood crime (domestic burglary, vehicle offences, theft from the person and robbery). Using adjusted figures to allow for comparison between years, this is a 31% decrease from the year to December 2019[9]. Police recorded domestic burglary (-14%), vehicle offences (-6%) and robbery (-9%) all declined in the year to December 2021 compared with the previous year, although theft from the person offences increased (by 12%)[10].The police recorded 691 homicide offences in England and Wales in the year ending December 2021, a 14% increase on the previous year[11].

Performance During 2021-22

Beating Crime Plan

In 2021 we published the Beating Crime Plan, which sets out our approach to cutting homicide, serious violence and neighbourhood crime. The Plan is based on a targeted approach to places, people, and the business of crime, underpinned by excellence in basics. As well as this, the Plan sets out our strategic approach to addressing other crime types supported by their individual strategies such as:

- **Exposing and ending hidden harms** through the Domestic Abuse Act, Tackling Child Sexual Abuse Strategy, Rape Review Action plan and the Lord Chancellor's work on the new Victim's Bill
- **Building capability and capacity to deal with fraud and online crime** through the National Economic Crime Centre within the National Crime Agency, as well as Active Fraud Defence within the National Cyber Security Centre and through the Online Safety Bill.

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8 Crime in England and Wales - Office for National Statistics (ons.gov.uk)

9 Crime in England and Wales: Appendix tables - Office for National Statistics (ons.gov.uk)

10 Crime in England and Wales: Police Force Area data tables - Office for National Statistics (ons.gov.uk)

11 Crime in England and Wales: Appendix tables - Office for National Statistics (ons.gov.uk)

Police Uplift Programme

We remain committed to and, as of March 2022, are on track to recruit an additional 20,000 police officers by March 2023. The Department has provided policing funding to deliver the final year of the programme in the Police Settlement for 2022-23.

We continue to work in partnership with the National Police Chiefs' Council, College of Policing and police forces across England and Wales to ensure forces deliver; Police forces in England and Wales have recruited 13,576 additional officers, as of 31 March 2022, from funding for the Police Uplift Programme. This is 68% of the 20,000 police officer target.

The Home Office is supporting forces to become more representative of the diverse communities they serve; the police officer workforce now has the highest proportion of Black, Asian and Minority Ethnic Police Officers, and female officers since records began.

Since April 2020, of the new recruits that have joined police forces in England and Wales, 10,405 of these were female making up 42% of all new recruits where sex of the new recruit is known. This is a notable increase on levels reported in the annual workforce statistics to 31 March 2020 during the early stages of the uplift programme (when 37% of new police joiners were female).

On the 4 February 2021, the Government published a total police funding settlement of up to £15.8 billion in 2021-22, an increase of up to £636 million compared to 2020/21. This includes funding for national priorities, such as tackling serious and organised crime, and government grants to Police and Crime Commissioners.

Drugs Misuse, Supply and County Lines

On 6 December 2021, the government published a 10-year drugs strategy to combat illicit drugs. There are three main strands to delivering the strategy ambition: cutting off drug supply, creating a world class treatment and recovery system, and achieving a generational shift in the demand for drugs. Underpinning this ambition is a record investment across government of nearly £900 million of additional funding over the next 3-years, taking the total investment on combating drugs over the next three years to £3 billion.

The Counter Supply and Illicit Commodities Programme has been designed to support the Government's 10-year drug strategy, specifically disrupting the upstream flow of illicit commodities (illicit firearms, heroin and cocaine). Work has also commenced on tackling the demand for drugs, with the first tranche of funding released to police forces for the expansion of Drug Testing on Arrest. Combined with this, we will also support the police to increase the use of Out of Court Disposal schemes for drug possession offences, leading to the development of our Tougher Consequences programme for swift and meaningful consequences for those that misuse drugs.

Serious Violence

Police recorded data in the last twelve months show a slight increase in knife-enabled crime following the easing of lockdown restrictions, however, levels are still below those seen before the coronavirus pandemic.

This year, we have provided £130 million to tackle serious violence and homicide. This includes £35.5 million for our network of Violence Reduction Units (VRU), which bring together key local partners to tackle the underlying causes of violence in the 18 areas of the country which account for over 80% of violence. The VRUs deliver a range of interventions to address risk factors such as childhood abuse, school exclusions and poor mental health, protecting young people from being drawn into violence.

To complement VRU activity, we have also provided £30 million for 'Grip' funding. This funding has been used to boost police forces' response to violence in these same 18 areas[12].

Homicide

As announced in the Beating Crime Plan, the Government hosted its annual Homicide Prevention Summit in December 2021. It focused on drug-related homicide, domestic homicide and homicides committed by those under probation supervision, with presentations and workshops delivered by the Home Office, Metropolitan Police Service, College of Policing, Her Majesty's Prison and Probation Service and the National Police Chiefs' Council. An outcome of the summit was supporting police, probation and health colleagues to better share data to identify individuals who present a risk and prevent them committing murder.

We are also driving forward work to reduce homicide, under three strategic pillars, tackling drugs, tackling serious violence, by reducing knife crime especially among young people; and working with perpetrators and victims to tackle domestic abuse. Additionally, we hosted a Homicide Day with all Police and Crime Commissioners, and a System Leaders workshop with a wide range of stakeholders – the National Police Chiefs' Council, Association of Police and Crime Commissioner, Independent Office Police Conduct, National Crime Agency, Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services, and the College of Policing made commitments to prevent homicide. The Home Office's plan also includes additional actions to bring down murder rates through improving mental health provision, offender management, and police and partner effectiveness.

Neighbourhood crime

In the year ending December 2021, the Crime Survey for England and Wales estimated there were 1.5 million incidents of neighbourhood crime (domestic burglary, vehicle offences, theft from the person and robbery). Using adjusted figures to allow for comparison between years, this is a 31% decrease from the year to December 2019[13].

Police recorded domestic burglary (-14%), vehicle offences (-6%) and robbery (-9%) all declined in the year to December 2021 compared with the previous year, although theft from the person offences increased (by 12%)[14].

The Home Office Safer Streets Fund continued during 2021-22, with two rounds of funding totalling £45 million supporting over 100 projects designed to tackle acquisitive crime in areas suffering disproportionately from such crimes and violence against women and girls. In November 2021, it was announced that the Safer Streets

[12] Funding for Violence Reduction Units announced - GOV.UK (www.gov.uk)

[13] Crime in England and Wales: Appendix tables - Office for National Statistics (ons.gov.uk)

[14] Crime in England and Wales: Police Force Area data tables - Office for National Statistics (ons.gov.uk)

Fund will continue with £50 million of Government funding available for each of the three years of the Spending Review Period. The Fund will also be expanded to cover neighbourhood crime, violence against women and girls and anti-social behaviour as its primary objectives.

Violence Against Women and Girls (VAWG) Strategy

Last year, the Domestic Abuse Act received Royal Assent and we published the Tackling Violence Against Women and Girls Strategy and Rape Review and Action Plan. Our Domestic Abuse Plan was published in March 2022.

Work to tackle VAWG will continue through the Police, Crime, Sentencing and Courts Bill. This brings forward strong measures including ending the halfway release of those convicted for sexual offences, such as rape, and will ensure perpetrators serve at least two thirds of their sentence. It will extend the Sexual Offences Act 2003 on abuse of positions of trust which predominantly affects young girls; and introduce Kay's Law – a package of reforms relating to police bail.

Police recorded data[15] should be treated with caution given the absence of survey data, high-levels of non-reporting and the impact of COVID-19.

Domestic Abuse

The Domestic Abuse Act (2021) introduced a statutory definition of domestic abuse, including economic abuse. Provisions are under way, with the most recent being the commencement of Section 3, which recognises children as victims of domestic abuse in their own right. Upcoming provisions include the Domestic Violence Disclosure Scheme and Coercive or Controlling Behaviour guidance consultations and piloting of the new domestic abuse protection orders. We will shortly be publishing the Domestic Abuse Plan and statutory guidance.

Our work supporting victims has included:

- increasing funding for front line services for victims of domestic abuse, including specialist 'by and for' services for male, BAME, migrant, LGBTQ and elderly victims and children.
- expanding Operation Encompass, now operating in all forces across England and Wales and expansion into Early Years Settings. In May 2021, we provided £173,000 to Encompass to launch a national specialist Teachers' Helpline during the pandemic
- launching the 'Ask for ANI' codeword scheme as a response to COVID-19, providing access to emergency support in the community. Over half of UK pharmacies, including Boots, Superdrug and LloydsPharmacy, are now enrolled in the scheme and supporting access support from the police or domestic abuse services.
- launching a £1.5 million support for Migrant Victims Scheme pilot in April 2021.

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15 Sexual offences in England and Wales overview - Office for National Statistics (ons.gov.uk)

Tackling Child Sexual Exploitation and Abuse (CSEA) Strategy

The Government published the Tackling Child Sexual Abuse Strategy in January 2021 and work continues in relation to implementing key actions and deliverables to tackle this crime at a domestic and international level. Close monitoring of quarterly crime data indicates good early progress on outcomes to work right across the system, from frontline professionals to policing response to the criminal justice system, to tackle Child Sexual Abuse.

Internationally, in September 2021 we secured the agreement of G7 partners to a 'Tackling CSEA Action Plan' to increase international efforts and further development of global standards and a shared narrative, particularly on tackling online harm and industry engagement.

We continue to support and fund, as the primary donor, the important work of the Global Partnership to End Violence Against Children, which runs programmes to keep children safe online in 70 countries.

The National Law Enforcement Data Programme

The Police National Computer (PNC) is a critical national infrastructure that has been in operation since 1974 providing significant value to policing and law enforcement. However, the technology base for PNC will soon be reaching end of life and will be replaced by the Law Enforcement Data Service (LEDS), a cloud-based platform, that will enhance existing capabilities but also provide new capabilities to support 21st century law enforcement needs.

The National Law Enforcement Data Programme, responsible for delivering LEDS, faced extensive challenges due to the legacy nature of PNC. Together with policing, the Home Office re-evaluated the scope of the programme, changed the delivery approach, and strengthened the partnership relationship, allowing the programme to exit Reset in July 2021. In addition, it was decided to continue to run PNC until 2025 in parallel with the development of LEDS to enable a gradual migration away from PNC and to provide for multi-speed adoption of LEDS in a complex policing technology landscape. Following iterative refinement and enhancement over the coming months, these products will be available for all police forces to start adopting and the LEDS product portfolio will continue to mature with further releases planned through to 2024.

Cybercrime

Estimates from the Telephone-operated Crime Survey for England and Wales showed that there were 1.8 million computer misuse offences in the year ending December 2021. This was a 104% increase compared with the year ending December 2019, largely driven by a 174% increase in ‘unauthorised access to personal information (including hacking)’ offences[16]. This included victims’ details being compromised via large-scale data breaches, and victims’ email or social media accounts being compromised.

[16] Crime in England and Wales: Appendix tables - Office for National Statistics (ons.gov.uk)

We are working to improve estimates for cybercrime against business in England and Wales. We are considering how COVID-19 has affected trends in cybercrime, the extent that the pandemic has influenced the recent increases observed, and to what degree these trends may continue in future.

We published the National Cyber Strategy in December 2021 and are also assessing how £2.1 billion of new cross-government cyber investments will achieve reductions in the volume of cybercrime over the next three years.

Modern Slavery

Work continues to tackle modern slavery and support victims through the Modern Slavery Victim Care Contract, transformation of the National Referral Mechanism and launch of a mental health fund. Significant progress includes the continued investment in the police to strengthen the Criminal Justice System response and continuing to work to test and evaluate models of support for victims engaging in the Criminal Justice System.

We are progressing on stakeholder engagement and early design of a new Modern Slavery Strategy. We have also launched the Modern Slavery Prevention Fund and the Government Modern Slavery Statements Registry, which now covers over 22,450 organisations and HMG departments publishing statements setting out how they are tackling modern slavery in supply chains for the first time.

Fraud

Estimates from the Telephone-operated Crime Survey for England and Wales (TCSEW) showed that there were 5.2 million fraud offences in the year ending December 2021. This is a 41% increase compared with the baseline year ending December 2019. Overall, in the year ending September 2021, fraud accounted for 40% of estimated TCSEW incidents, and was the most common crime type.[17]

We are spending an additional £400 million over the next three years to tackle economic crime including fraud, which follows the extra £63 million we spent in these areas in 2021. As of March 2022, we have put in place new fraud investigative teams in four pilot Regional Organised Crime Units using Police Uplift Programme funding.

In October 2021 we published the first tranche of the fraud sector charters (covering the Retail Banking, Telecommunications and Accountancy sectors) and relaunched the Joint Fraud Taskforce to bring together the efforts of the government, industry, regulators, and law enforcement to tackle the underlying vulnerabilities that fraudsters exploit.

Emergency Services Mobile Communications Programme

The Emergency Services Network (ESN) will transmit fast, safe and secure voice, video and data across the 4G network and give first responders immediate access to life-saving data, images and information in live situations and emergencies on the frontline. The programme continues to progress and confidence in the technical viability of the solution continues to increase. Much of the ultimate functionality of

[17] Crime in England and Wales: Appendix tables - Office for National Statistics (ons.gov.uk)

ESN has already been demonstrated and the core network built. ESN transition is currently planned to begin in Spring 2024 and if all the conditions for a safe transition can be met then the current estimate is that Airwave (the current network) may be capable of being switched off by the end of 2026.

Reduce the risk from terrorism to the UK and UK interests overseas

Headline Indicators

UK threat level	The threat level for the UK from terrorism is set by the Joint Terrorism Analysis Centre. In reaching a judgement on the appropriate threat level in any given circumstance several factors need to be considered. These include available intelligence, terrorist capability, terrorist intentions, and timescale. The threat to the UK from terrorism was raised from SUBSTANTIAL to SEVERE on 15 November 2021, meaning an attack was assessed to be highly likely. Subsequently the threat level was reduced to SUBSTANTIAL on 9 February 2022, meaning an attack is likely.
Prevent referrals	In the year ending March 2021, there were 4,915 referrals to Prevent, a 22% decrease compared to the previous year (6,287).[18] This decrease is likely to have been driven by the effects of public health restrictions that were in place throughout the year to control the spread of the COVID-19 virus. In comparison the number of referrals deemed suitable through an initial assessment to be discussed at Channel decreased only 7%, 1,333 down from 1,432. As a result, the proportion of referrals discussed at a Channel panel increased 4 percentage points to 27%.
Arrests, charges, and convictions	In the year ending 31 December 2021, there were 186 arrests for terrorism related activity in Great Britain, two fewer than the number in the previous 12-month period.[19] At the time of data provision, of these 186 arrests: 57 (31%) resulted in a charge; 85 (46%) persons were released pending further investigation; 34 (18%) people were released without charge; and 10% faced alternative action.[20] There were reductions in the number of arrests starting from April - June 2020. The reductions were most evident in arrests under non-terrorism legislation and may reflect the general reduction in traditional crime during this period when there were public health restrictions in place to control the spread of the COVID-19 virus. During the third national lockdown the number

[18] Individuals referred to and supported through the Prevent Programme, April 2020 to March 2021 (gov.uk)

[19] Operation of police powers under the Terrorism Act 2000 and subsequent legislation, quarterly update to December 2021 (gov.uk)

[20] Given the number of cases still to be finalised in the latest year, the current charge rate shown in the more recent years/quarters is likely to be lower than final figures which will be published in subsequent releases. Until all cases in a given period are finalised, care should be taken when comparing charge rates over time.

	of arrests fell, between January to March 2021, down to 39. In the latest two quarters, between July and September 2021, and October and December 2021, the number of arrests increased, to 51 and 52, respectively. In the year ending 31 December 2021, 54 persons were tried for terrorism related offences, the same number as in the previous year. Of the 54 persons tried for terrorism related offences, 50 were convicted (93%). This represents a 2% increase compared to the year ending December 2020. During 2020 and 2021, there was an increase in the overall backlog of court cases, due to COVID-19. However, the number of persons proceeded against by the Crown Prosecution Service for terrorism-related offences remained fairly consistent during this period, reflecting that these more serious offences have been prioritised.

Performance during 2021-22

CONTEST

The UK Counter-Terrorism system has matured since the first CONTEST strategy was published in 2003 and now brings together over 20 government departments and agencies, as well as the three devolved administrations. Our goal to reduce the risk from terrorism is delivered through the four P Strands of the CONTEST Strategy (Prevent, Pursue, Protect, Prepare), which contribute to achieving one overall aim.

The new Counter-terrorism Operations Centre (CTOC) continues to develop, and now sees partners from across Counter Terrorism (CT) Policing and the intelligence community established in the building. Additional partners are due to move in throughout the year as the programme (due to complete in 2024-25) takes shape. CTOC will deliver transformational integration, bringing partners from Counter-Terrorism Policing, the intelligence agencies, and the criminal justice system, coordinating their expertise, resource, and intelligence in a state-of-the-art facility.

PREVENT

The Channel programme provides support for vulnerable individuals who are at risk of engaging in extremism or terrorist-related activities. 1,333 referrals were discussed at a Channel panel and of those, 688 were adopted as a Channel case. Of the 688 Channel cases, the most common were cases referred due to concerns regarding Extreme Right-Wing radicalisation (317; 46%), followed by those with a mixed, unstable, or unclear ideology (205; 30%) and concerns regarding Islamist radicalisation (154; 22%)[21].

The Home Office has created a new network of expert Regional Advisers focusing on those local authorities that do not have access to dedicated Prevent resources. The Regional Advisers will seek to strengthen the implementation of the Prevent Duty across England and Wales, supporting local authorities to embed processes and

[21] Individuals referred to and supported through the Prevent Programme, England and Wales, April 2020 to March 2021 - GOV.UK (www.gov.uk)

structures which will enable them and their partners in their work to protect vulnerable people from radicalisation.

The Government also published the draft Online Safety Bill in May 2021. Following pre-legislative scrutiny, the bill has been strengthened and was introduced to Parliament on 17 March 2022. This joint Home Office and Department for Digital, Culture, Media and Sport policy delivers the Government's manifesto commitment to make the UK the safest place in the world to be online while defending free expression.

Following the appointment of William Shawcross as the Independent Reviewer of Prevent on 26 January 2021, the Review has consulted with individuals, organisations, and communities, and is in the process of developing practical recommendations to improve the strategy for protecting people vulnerable from being drawn into terrorism. Once the review is completed, the Government will consider its findings and recommendations carefully and will publish the review and the Government response in due course.

PURSUE

Following his review of the Multi-Agency Public Protection Arrangements used to supervise terrorist and terrorism-risk offenders, Jonathan Hall QC, the Independent Reviewer of Terrorism Legislation, recommended new search and arrest powers to close a small but significant gap in public protection when dealing with released offenders who present a terrorist risk.

The Counter-Terrorism and Sentencing Act, which delivered the largest overhaul of terrorist sentencing and monitoring in decades, received Royal Assent in April 2021, where the majority of the changes came into force in June 2021. The Police, Crime, Sentencing and Courts Bill was introduced to Parliament in March 2021 and provides for new police powers to keep the public safe: a power of premises search, a power of personal search, and a power of urgent arrest pending recall decision. These measures will improve the management, supervision and compliance of terrorist and terrorism-risk offenders in the community and are anticipated to come into force this summer.

PROTECT

The Senior Responsible Officer for Protect & Prepare provided evidence to the Manchester Area Inquiry throughout 2021-22. The Inquiry has delivered recommendations on the delivery of the Protect Duty, which will be taken forward at the next available legislative opportunity[22].

Following the terrorist bomb attack in Liverpool this year, a consultation was launched on how we govern the sale and purchasing of precursor material. The newly funded Radiological and Nuclear programme to refresh the UKs detection capabilities commenced this fiscal year and will run for a further three years.

Following the horrific murder of Sir David Amess MP, urgent work was undertaken to review immediately the arrangements in place for MPs and to identify where we can further strengthen the system, both in terms of the immediate response to MPs

[22] Manchester Arena Inquiry Volume 1: Security for the Arena - GOV.UK (www.gov.uk)

security and the wider implications for the security of high-profile individuals. Subsequently, a Parliament and Police-led review was undertaken, supported by the Home Office. Its recommendations and conclusion were presented to the Speaker and the Home Secretary in April.

PREPARE

The Manchester Arena Inquiry will further provide a recommendations chapter on the preparedness of emergency services. In planning for that, Prepare have updated the emergency services response doctrine for responding to a terrorist attack. This includes relaunching the ministerial oversight group for Joint Emergency Services Interoperability Principles. The Counter Terrorism Maritime Treaty with France was signed in this year, which will enable a joint response to a terror attack on passenger ferries. The Counter Drone Police operational capability became fully functional in this year and included a successful extensive operation to protect COP26, the 26th annual UN climate change conference.

The Victim of Terrorism Unit responded to the two terrorist attacks—the Sir David Amess murder and Liverpool Hospital bomb—providing support to those affected.

Enable the legitimate movement of people and goods to support economic prosperity

Headline Indicators

Visas	In 2021, the Department granted just under 1.31 million visas, a 36% increase on the previous year when 962k visas were granted. There were 240k work-related visas granted (including dependants), 110% higher than 114.5k the previous year as visas started to recover from the COVID-19. The student surge resulted in 448k overseas visa applications being received which was a 89% increase on the 237k the previous year. Quarter 3 2021 was particularly high with 271.8k applications being received, which is up 106% increase on the Quarter 3 last year. The combined Tiers 2 & 5 Work Sponsored overseas visa applications received was 211k which was a 120% increase compared to 96k last year. Visit visas applications were 629k in 2021, an 7% increase on the previous year at 587k.
Passenger arrivals	There were an estimated 30.2 million passenger arrivals in 2021 (including returning UK residents), a 24% (9.3 million) decrease compared with the previous year which was at 39.5 million. Passenger numbers in 2021 were 79% lower than the 146.3 million seen in 2019 (being the last full pre-pandemic year). In 2021, 91% of passengers were cleared within service standards, from the 221,770 passenger queues sampled.
Border Force Revenue protected	During 2021, we prevented the loss of £518 million in government tax revenues through detecting goods where excise duty had not been declared, compared to £356 million for the same period in 2020.
European Union Settlement Scheme	As of 31 December 2021, 6.4 million applications had been received (including duplicates) up to 31 December 2021, of which just under 6.1 million have been concluded. Comparatively as of 31 December 2020, 4.91 million applications had been received, with 4.51 million applications concluded.

Published Sources:

Migration transparency data - GOV.UK (www.gov.uk)

Summary of latest statistics - GOV.UK (www.gov.uk)

Tier 2 and T5 visa outcomes

Border Force transparency data: Q4 2021 - GOV.UK (www.gov.uk)

EU Settlement Scheme quarterly statistics, December 2021 - GOV.UK (www.gov.uk)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1055392/visas-summary-dec-2021-tables.ods

Performance During 2021-22

Passenger arrivals

During 2021, passengers crossing the borders were materially impacted by COVID-19 restrictions in the UK and other countries. The Government took a layered approach to mitigating the risk of the spread of imported infections and to help identify Variants of Concern, to reduce the risk of cases being imported from abroad.

Border Force therefore had to manage changing health requirements linked to specific countries. Specific health measures included quarantine, PCR tests, country risk assessments (red, amber, green) and the introduction of passenger locator forms. The measures, and changes in them, significantly reduced passenger numbers but there were also short term increases as various measures were relaxed.

As part of this layered approach, manual checks were conducted on all arriving passengers, to ensure compliance with health requirements. As a result of the introduction of health measures and multiple changes in requirements, passenger service standards for clearing the border were suspended for the financial year and so no numbers are reported. We have continued to take steps to ensure that queue times at the border are minimised as far as possible, including simplifying and automating the process for checking the Passenger Locator Forms without having to see a Border Force officer.

In the year ending December 2021, 24,947 people were initially refused entry at port and subsequently departed, compared to 13,103 equivalent departures in year ending September 2020.

List of tables - GOV.UK (www.gov.uk)

Health Measures at the Border

As a result of COVID-19, health measures requirements were introduced. Since their introduction they have been amended a number of times in respect of individual countries as the pandemic changed, impacting the ability of people to cross borders and therefore passenger demand throughout the year. The health measure requirements were removed as of 18 March 2022.

E-gates

During 2021, Border Force successfully completed eGates upgrades across all 22 eGates ports, improving capabilities with increased officer training and reduced error rates.

Goods

For 2021, we protected over £518 million in government tax revenues (detecting goods where excise duty has not been declared) compared to £356 million in 2020.

This included over £393 million revenue on cigarettes (959 million cigarettes), an increase of 102% in revenue compared to the same period last year. There was also more than £40 million revenue on Hand Rolled Tobacco (HRT), equivalent to 114 tonnes seized in 2021. This was 14% higher compared to the £35 million revenue on HRT in 2020, when we seized 110 tonnes. Revenue protected through alcohol seizures reduced by 33% from £126 million in 2020 to £84 million in 2021. In 2021, 289 lethal firearms (447 for 2020), 1,155 non-lethal (2,238 in 2020), 3,889 knives (7,758 for 2020) and 2,809 offensive weapons (5,625 in 2020) were seized at the border

EU Goods checks

As a result of EU Exit from 1 October 2021, most European Union (EU), European Economic Area (EEA) and Swiss citizens have needed a passport to enter the UK. ID cards are no longer accepted as a valid travel document for entry to the UK unless an exception applies. In addition, from 1 January 2022, working with HMRC, customs controls were introduced on imported EU goods movements into Great Britain. Both changes have been introduced with minimal disruption.

Border 2025 Strategy

Cabinet Office published the Border 2025 Strategy which sets out our vision for the UK border to be the most effective in the world. A border which embraces innovation, simplifies processes for traders and travellers, and improves the security and biosecurity of the UK. The purpose of the strategy is to set out:

- our approach to working in partnership with the border industry and users of the border to design, deliver and innovate around the border;
- a long-term Target Operating Model for the border that describes the border we are intending to create; and
- the major transformations that government and industry will need to deliver by 2025 and beyond to implement the Target Operating Model.

Visas, citizenship and passports

During 2021, we continued to adapt our operations in reaction to the COVID-19 pandemic and the regularly changing restrictions in the UK and overseas. In October 2021, we introduced short-term scarce worker schemes being for HGV drivers, poultry workers and pork butchers. The year also saw significant world events including Afghanistan and Ukraine. Fluctuating demand for visas (including adding new routes) and passports and the changing COVID-19 working restrictions impacting on our capacity have been the key risks we have managed throughout the last year.

All visa routes saw significant changes against 2020 with the relaxing of COVID-19 restrictions seeing the challenges of managing pent up demand being a major factor for the second half of the year.

In 2021, Entry Clearance (EC) applications increased 43% to 1.66 million up from 1.15 million in 2020. Sponsored study was 27% of the total number of EC applications received, visitors 38%, Skilled and Temporary work 13%, with Settlement and Other Non-Settlement routes forming the remaining 22%. In 2021, there were a total of 1.57 million. EC visa applications resolved with 1.31m granted

(83%) and 247k refusals. A total of 432k Sponsored study visas were granted (98%) with 9.3k refusals. 240k (90%) of Work visas were granted with 25.8k refused; 57% of applications resolved originated from the Skilled work route.

In 2021, the intake of EC visa applications for Sponsored study showed a 211k (89%) increase to 448k compared to 237k in 2020. There was a 140k (106%) increase during quarter 3 of 2021 compared to 2020. This unexpected surge of applications in Q3 had a knock-on effect on the other services. Of the student increase in the year to December 2021, the number of university sponsored study visa applications (main applicants) rose by 44% to 349,533 and a 35% increase for the Russell Group universities to 130,703 when compared to 2018[23].

In Country extensions at 398k saw a 76% increase in grants in 2021 from 226k in 2020, with the overall grant rate remaining at 98%. Work saw an increase of 92% from the previous year from 99.5k to 190.8k, with a 99% grant rate. Study grants increased 16% to 35.3k with a 99% grant rate and family increased 62% to 135k with a 98% grant rate. 'Other' grants increased 190% to 37k.

The Tier 2 and 5 Work Sponsored applications saw 211k applications, which was an increase of 115k (120%) compared to 96k in 2020. In 2021 629k Visitor EC visa applications were received which was a 41.4k (7%) increase on 2020 when 587k applications were received.

The increased demand and surge in other visa types, notably Tier 4 EC for Q3 resulted in the Tier 4 EC Service standard being 79.2% and Visitor EC 65.2% for straightforward standard applications.

Citizenship received 179,968 applications in 2021 of which 131,438 were naturalisation applications and 48,530 were Registration. There were 190.2k grants in 2021, a 46% increase on the 130.6k in 2020.

In 2021 HM Passport Office received 4.7m passport applications (domestic and international), compared to over 4.0 million in 2020.

Published Sources:

Immigration statistics Dec 21

HM Passport Office data: Q4 2021 - GOV.UK

Visas and Citizenship data: Q4 2021 - GOV.UK (www.gov.uk)

List of tables - GOV.UK (www.gov.uk) – Extensions Summary

List of tables - GOV.UK (www.gov.uk) – Entry Clearance

List of tables - GOV.UK (www.gov.uk) – Citizenship Summary

Temporary workers scheme

The temporary visa scheme, under the Seasonal Worker visa, to recruit additional poultry workers, pork butchers and HGV food drivers saw a total of 2,150 applications received with 2,015 of these successfully granted.

[23] Data quality issues identified as part of a change in methodology of extracting in-country (extension) and out-of-country (visa) relating to CAS has meant that comparisons with 2019 and 2020 data would not be balanced.

Future Borders and Immigration System programme

The UK left the EU on 31 January 2020 and then entered a transition period with the EU until 31 December 2020. We delivered a new global points-based immigration system on time and on budget for those coming to the UK. This means that UK immigration rules apply to newly arriving migrants, including those from the EU. A visa is not required by EU citizens to visit the UK (other than those coming to the UK to get married), but a visa is required by those coming to work, study or join family here. The Department published its Future Borders and Immigration System strategy statement in May 2021 outlining our delivery priorities for 2021-22 and our long-term vision for the UK's border and immigration system. This set out our plans for transformational change for everyone who interacts with the immigration system and crosses the border. Our ambition is to become global leaders in proving a streamlined, digital and seamless customer experience, whilst further strengthening the security of the UK.

During 2021-2022, we have delivered major progress against the programme. Notable achievements throughout 2021 include:

- In March 2021 we set out plans to implement new routes for highly skilled migrants in the Government's **Plan for Growth** and announced further details of these in the Innovation Strategy in July. We fulfilled our commitment to launch a pathway within Global Talent for prize winners which launched in May 2021, with further prizes added in October.
- In July we launched a **Graduate** route to offer international students greater ability to remain in the UK when they complete their studies. The route supports the UK's world leading higher education sector in continuing to be a global leader whilst attracting the 'brightest and best' students from around the world. The Graduate route was the first to launch utilising bio-reuse[24] functionality and therefore enhancing the customer journey, by removing the need to attend a Visa Application Centre. This digital journey has since been rolled out further to **Skilled Work** and **Student** routes.
- **Temporary Work** routes as well as the new **International Sportsperson route** were reformed and introduced on the AUK2 platform (allowing use of the Chip Checker process for checking the identity of EEA nationals) providing a dedicated and simplified visa for sportspeople and their sponsors. The Temporary work route changes also included the launch of the standalone **Creative Worker** route which will help to boost the UK's wider cultural objectives through agreements like cultural exchange programmes.
- The first phase of an **SME support package** was delivered to lend support to our small and micro businesses engaging with the sponsorship system. This includes new, enhanced guidance, improvement to the support offered by the Home Office and an external engagement campaign to raise awareness of the sponsorship system and improve SME knowledge of requirements. We published a **Sponsorship Roadmap** setting out the improvements so far, our vision for the end state and our high-level plans.

[24] Biometric reuse is the use of biometric information that was previously enrolled for a previous immigration application or purpose

- We improved upon the customer journey in skilled work with the creation of a new **Eligibility Checker** to make it easier for both workers and employers to understand if a particular job is eligible under the Skilled Worker route. We have continued the strong focus on **simplification** of our rules, systems and process for customers in all our implementation taking advice from the external Rules Committee on simplifying our secondary legislation.
- At the end of 2021 we made changes to the **Seasonal Worker Route** to attract more HGV drivers, Poultry Workers and Pork Butchers.
- Early in 2022, we implemented the recommendations from the Migration Advisory Committee to add **Care Workers** to the Skilled Worker Route and we successfully developed and tested our ability to send (and for the carriers to receive) the **travel permission codes**, which is a key foundation to us launching the **ETA (Electronic Travel Authorisation) scheme**.

British Nationals Overseas (BN(O))

Following China's imposition of the National Security Law on the people of Hong Kong in July 2020, the Department created a bespoke immigration route for British Nationals (Overseas) status holders and their dependants, which launched on 31 January 2021. Those with BN(O) status and their eligible family members are able to come to the UK to live, study and work in virtually any capacity, on a pathway to citizenship. During 2021, 77,400 applications were resolved with a 98% grant rate.

UKVI customer satisfaction

UKVI Applicant Satisfaction for applicants who received a decision in 2020 showed 90% of customers were satisfied with the application service overall, compared to 86% for those who received a decision in 2019.

Published Source:

Customer service operations data: Q4 2021 - GOV.UK (www.gov.uk)

EU Settlement Scheme

We created the EU Settlement Scheme for EU, other EEA and Swiss citizens and their family members, resident in the UK by 31 December 2020, to enable them to continue living in the UK after it left the EU. The scheme closed on 30 June 2021. As of the 31 December 2021 the Home Office had received 6.4 million applications (including duplicates) and over 5.2 million people have obtained a grant of status.

Published Source:

EU Settlement Scheme statistics - GOV.UK (www.gov.uk)

Digital Services at the Border (DSAB)

DSAB is delivering the digital capability to allow Border Force, Police and other key stakeholders to identify and assess the threat posed by individuals who are about to travel to, and from, the UK through replacing the legacy systems Warnings Index and Semaphore.

The Programme completed the rollout of the first version of the Border crossing application, including the ability to check Immigration Status and new Health Measures at the Border (Passenger Locator Forms) to all Primary Control Point desks by the June 2021 milestone date. The system went live in November 2021 and by January 2022 it had successfully processed over 28 million passengers.

Tackle illegal migration, remove those with no right to be here and protect the vulnerable

Headline indicators:

Asylum	In 2021 there were 48,540 asylum applications, a 63% increase compared with the previous year (29,815). The number of applications is higher than at the peak of the European Migration crisis (36,546 in year ending June 2016), and the highest number of asylum applications in the UK since the year ending December 2003 (49,407).
Foreign National Offenders (FNO)	In the year ending September 2021, there were 2,732 FNOs returned from the UK, 20% fewer than the previous year and 47% fewer than 2019 before the pandemic began. FNO returns had fallen to 5,128 in 2019, following a steady increase between 2011 and 2016, due to more FNOs from the EU being returned in that period. Of the 2,732 FNOs returned from the UK in the year ending September 2021: 62% were EU nationals (1,705) 38% were non-EU nationals (1,027)
Returns	The number of enforced returns were very low during quarters that coincided with the COVID-19 lockdown, specifically early January 2021 (Q1 2021 - 422 returns). Numbers have increased to approximately 800 per quarter, however this is still below pre-pandemic levels (which saw around 1,800 returns per quarter).

Performance During 2021-22

Grants of protection via asylum and resettlement

The UK offered protection, in the form of asylum, humanitarian protection, alternative forms of leave and resettlement, to 14,734 people (including dependants) in 2021. Of these:

- 81% were granted refugee status following an asylum application
- 8% were granted humanitarian protection, or alternative forms of leave (such as discretionary leave, Unaccompanied Asylum-Seeking Children leave)
- 11% were granted refugee status through resettlement schemes

There were 1,587 people granted protection through resettlement schemes in 2021 (predominantly through the UK Resettlement Scheme). The number of people resettled was 93% higher than in the previous year when resettlement had to be paused due to the COVID-19 pandemic. However, resettlement levels have not yet returned to levels seen in the earlier period following the introduction of the Vulnerable Persons Resettlement Scheme (VPRS), which was introduced initially in response to the situation of Syrian refugees (over 5,000 people were resettled each year from 2016 to 2019, predominantly through the VPRS).

The above figures on resettlement do not include those relocated via the Afghan Relocations and Assistance Policy (ARAP) or the Afghan Citizens Resettlement Scheme (ACRS).

ARAP launched on 1 April 2021. Provisional data shows more than 7,000 people have been relocated under the scheme from 1 April 2021 until 3 March 2022. Following the evacuation from Afghanistan over the summer, work is underway to ensure information relating to all the individuals relocated are recorded on case working systems.

The ACRS opened in January 2022 and will prioritise those people who have assisted the UK efforts in Afghanistan who face a particular risk from the Taliban, for example because of their stand for democracy and human rights, or because of their gender, sexuality, or religion. The Government has committed to welcoming up to 20,000 people over the coming years.

Additionally, 6,134 partners and children of refugees living in the UK were granted entry to the UK through family reunion visas, 28% more than the previous year.

Published Source:

[How many people do we grant asylum or protection to? - GOV.UK (www.gov.uk)]

Asylum

We have continued to develop existing and new technology to help build on recent improvements such as digital interviewing and a move away from a paper-based system. We have streamlined and digitised the case working process to enable more effective workflow, appointment booking and decision-making. Additionally, we have introduced specialist decision making units, providing greater ownership and management of cohorts of asylum cases.

At the end of December 2021, there were 84,457 individuals in receipt of support, 32% higher than the previous year. This continues the trend of increasing numbers in receipt of support since the start of the COVID-19 pandemic, when the Home Office temporarily ceased ending Asylum Support for those whose claims have been either granted or refused, to ensure people were not made homeless during lockdown. This increase is also in part related to the recent increases in asylum applications.

Of the 84,457 individuals in receipt of support: 94% were in receipt of support in the form of accommodation and subsistence (including 24,175 in receipt of temporary support under Section 98 of the Immigration and Asylum Act (1999)), 6% were in receipt of subsistence only.

At the end of 2021, there were 81,978, cases awaiting an initial decision, 60% higher than the previous year. The number of cases awaiting an initial decision has shown an overall increase in the last ten years, and more rapidly since 2018, when there were 27,256 cases awaiting an initial decision at the end of that year. The Home Office prioritises cases with high harm, acute vulnerability, and those in receipt of the greatest level of support, including Unaccompanied Asylum-Seeking Children. Additionally, we have prioritised older cases and cases where an individual has already received a decision, but a reconsideration is required.

There were 4,035 appeals lodged on initial decisions in 2021. This is 17% fewer than the previous year, in part reflecting the smaller number of applications processed due to the pandemic and the smaller number of applications refused in the latest year, but this continues a downward trend for numbers of appeals lodged since 2015 (when there were 14,242 appeals lodged).

Of the appeals resolved in 2021, almost half (49%) were allowed, rising from 29% in 2010, when the time series began. The reason for allowed appeals, in majority cases, includes submission of further evidence or change in circumstances which can a have substantial impact on the initial decision.

Published Source:

How many people do we grant asylum or protection to? - GOV.UK (www.gov.uk)

Irregular Migration (including small boats)

In 2021 there has been a significant uplift in small boat arrivals with 28,526 people detected by our teams, which compares to 8,466 in 2020, 1,843 in 2019 and 299 in 2018. November 2021 saw the highest number of small boat arrivals in the last four years (6,971). We have continued to save lives at sea and protect the vulnerable who are making these perilous journeys.

Published Source:

Irregular migration to the UK, year ending December 2021 - GOV.UK (www.gov.uk)

Enforcement

In the year ending September 2021, enforced returns from the UK decreased to 2,830, around a third (35%) fewer than the previous year and 61% fewer than pre-pandemic levels in the year ending December 2019. The vast majority of enforced returns in the latest year were of Foreign National Offenders.

During the same period, there were 5,537 voluntary returns, 17% fewer than last year and 56% lower than pre-pandemic in 2019.

Detention

There were 24,497 people who entered immigration detention in 2021, 65% higher than the previous year when there was a large fall following the COVID-19 outbreak. The number of people entering detention is now similar to pre-pandemic levels, but the profile of detainees and their length of detention is different. Since the pandemic, an increasing proportion of those entering detention have been recent clandestine arrivals detained for short periods in order to confirm their identity and provide initial support on arrival.

At the end of December 2021, there were 1,179 people in immigration detention, 69% more than at the end of June 2020 (698) but 28% fewer than the end of December 2019 (1,637).

An increasing proportion of people who were detained spent short periods in detention, with 76% of those who left detention in 2021 detained for seven days or less. This is a higher proportion than the 54% in 2020 and the 39% pre-pandemic in 2019. 86% of those leaving detention in 2021 were granted immigration bail with the most common reason being an asylum (or other) application being raised. This combined with falling returns has led to a fall in the proportion of detainees being returned from detention; 13% (3,086) in 2021, down from 37% (9,081) pre-pandemic in 2019 and 64% (16,577) in 2010.

Published Source:

Detention Summary

The New Plan for Immigration

The New Plan for Immigration (Sovereign Borders) Programme is delivering legislative changes enabled by the Nationality and Borders Bill which will make the system fairer and more effective so that we can: better protect and support those in genuine need of asylum; deter illegal entry into the UK breaking the business model of criminal trafficking networks and saving lives; and remove from the UK those with no right to be here.

We have developed a monitoring and evaluation strategy to support the Programme in line with Outcome Delivery Plan 4, which commits the Department to undertaking evaluation of measures included within the New Plan for Immigration as they are implemented. The Monitoring and Evaluation strategy is being followed with a detailed workplan for 2022-23.

Strategic enablers

Headline People Survey indicators

Our engagement score of 57% from the People Survey compares to 58% in 2020. The Home Office remained one of the most diverse departments across Government and we continued to invest in diverse talent in 2021-22.

For 2022, the Department has met its target for the proportion of Black, Asian, and Minority Ethnic staff across all grades, except for the senior civil service (SCS). The representation of staff with a disability within the SCS exceeded the 5% target by four percentage points and the Department met its target for female representation at all grades (52%). Performance against other grade-specific diversity objectives, and those for Lesbian, Gay, and Bi representation, fell slightly short but were within 2 percentage points of target.

Our innovation scores also held broadly stable through 2021. The score for “My manager is open to my ideas” was 80% in 2021 compared to 79% in 2020. The score for “I have the opportunity to contribute my views…” was 35% in 2021 compared to 36% in 2020. We continued to build a culture of innovation in the Department, for example as seen in the Refugee Integration and the use of the Child Abuse Image Database.

Performance During 2021-22

Workforce, skills and location

Our Home Office values guide how we deal with each other, with our partners and with the citizens we serve – these are being: respectful, compassionate, collaborative and courageous. In 2021-22, we sought to embed these values, with a particular focus on their link to leadership. A key initiative was the creation of a Leadership Behavioural Framework, which highlighted for leaders at all levels the expectations around living our values. This was supplemented by the establishment of a ‘Leadership for All’ online community, a regular ‘Value of the Month’ feature on the Department’s intranet, and the embedding of our values both within mandatory performance goals for all leaders and within candidate notes for job applications. We also introduced a community development initiative for our Senior Civil Servant (SCS) cohort, to encourage and enable greater collaboration across missions, enablers and capabilities, and provide baseline skills/knowledge in Digital and Delivery and change/transformative leadership. In tandem, the Executive Committee committed to make the values the foundation of its monthly development sessions.

More widely, we concluded the first of our series of One Home Office Connect staff consultations in January 2022, with over 4,000 staff discussing and contributing their views on departmental transformation, with a focus on the values as an important lever for bringing about cultural change. This approach was also followed by our One Future Workplace initiative, which created behavioural guides to aid teams and individuals to explore how they embed values and behaviours into Hybrid Working.

In a challenging labour market, we took steps to maximise the availability of highly skilled people with the right capabilities to deliver our outcomes. We filled more vacancies in 2021-22 than in previous years.

The Home Office has the promotion of diversity and inclusion (D&I) high on its agenda, and the intention is to embed D&I throughout the Department’s policies, processes and practices such as central HR functions (recruitment, learning and performance management) through to both internal and external policy. In 2021-22, we continued to improve our recruitment practices to create a more diverse workforce, extending our use of inclusive job adverts, checking the language used in all vacancies. This was managed by our central resourcing centre to maximise the candidate pool who might apply and be as inclusive in our approach as possible. The Home Office anonymised all applications for both SCS recruitment and for delegated grades (non-Commissioner led campaigns) and introduced diverse shortlists for SCS campaigns to eliminate potential bias in the recruitment process. Pilots were completed to meet the Race Action Programme targets to use diverse Independent Panel Members and provide a central Expression Of Interest service; these services are now being expanded across the Department.

In 2021-22, we continued to invest in developing diverse talent by providing talent programmes for staff across grades from AA-SCS. This included supporting the development of our own people through bespoke Home Office programmes, such as the implementation of a new award-winning development scheme called Access for AA-EO staff, to support the development of under-represented groups in middle management roles, including colleagues who identify as Black, Asian and minority ethnic. Participation in this scheme has grown to 264 people and increased our reach at HEO-SEO grades to 211 during 2021-22. We continued to invest in cross-government programmes such as the Future Leaders and Senior Leaders Schemes. Building a diverse talent pipeline and enabling people to meet their potential remained a key priority, and to deliver this we maintained programmes targeted towards our diverse workforce, such as delivering the second cohort of our Enhanced Development Offer (Accelerate) for Black & minority ethnic Grade 6 colleagues. We carried out an audit into Home Office outreach activity to identify effective ways to attract junior talent, including through schools, and provided internship opportunities to widen access to the workforce through programmes including Care Leavers, Autism Exchange, and the Summer and Early Diversity Internship programmes.

We introduced a new, efficient approach to performance management that focuses on coaching and development to support colleagues to achieve their potential, and facilitates timely reward, based on excellent performance against goals underpinned by our Home Office values. We are now also running a ‘Career Watch’ Sponsorship Programme across all our business areas to address under-representation, currently focused on Black, Asian and minority ethnic colleagues and colleagues with a disability. In addition to the Sponsorship scheme between all members of our Executive Committee and Black, Asian and minority ethnic staff we have encouraged all SCS to build relationships with 2 members of this community to further support development, break down barriers and increase exposure to opportunities for this important talent pipeline to SCS.

Our Places for Growth programme will strengthen our presence across the whole UK by increasing the number of roles outside of London, especially senior leadership grades and policy makers, ensuring we are more representative of the communities we serve. In 2021-22 we relocated 550 roles to our Places for Growth hubs, including Salford, Newcastle, Leeds, Glasgow and Belfast.

Innovation, technology and data

In 2021-22, our Digital, Data and Technology (DDaT) team continued to foster a culture of innovation within the Department, creating a Home Office Innovation Network to share knowledge and build cross-departmental collaboration. We implemented a Policy and Innovation CoLab model[25], enabling more policy makers to work in innovative and user-centric ways. Our work on Refugee Integration was a notable example of CoLab in practice. In response to the COVID-19 pandemic, we put CoLab's recommendations into action, creating a digital application form which launched in September 2021, and streamlining the back-office process to allow business to continue uninterrupted. We developed plans to scale up Intelligent Automation across the Home Office over the next 5 years which will deliver significant efficiency savings and improve customer and colleagues experience.

We built efficient, digital-enabling environments, where colleagues can use data, intelligence, and analytics to make better decisions. The Augmented Data Catalogue was a prime example of this. In response to Windrush Recommendation 22, the Catalogue will form the primary knowledge repository enabling colleagues to find, exploit and enrich data assets to support evidence-based decision making.

We used new technology to fight crime. By applying machine learning and existing data, the Child Abuse Image Database programme produced an algorithm that can automatically classify indecent images of children. This technology, which we rolled out to 36 police forces in 2021-22, has the potential to reduce significantly the time officers spend grading images, enabling them to focus on safeguarding children and pursuing offenders. One case containing 2 million images was processed in 4 hours with the assistance of this tool.

We protected citizens by integrating Passenger Health Locator Forms to border crossing, enabling a move towards 100% checks at the border. An additional 24 countries were added to the Vaccine Verification route. As of March 2022, a total of 62 countries are now able to validate their vaccination status using a QR code in the Passenger Locator Form.

We deployed technology which improves customer experience and re-uses information that customers have already supplied to the Government. The 'View and Prove' service enables visa applicants to access the details of their immigration status and use it to generate a nine-character 'share code'. This 'share code' can be passed on to third parties such as potential employers and allows them to check whether the individual has the right to work, rent a property or access other services in the UK. Approximately 4 million checks have been carried out to date using this service. In 2021-22 we enabled digital interviewing for Asylum applications, providing capability for over 600 decision makers and interpreters to undertake around 32,000 interviews a year remotely.

We equipped our people with mobile access to our central systems to maximise efficiency and provide our operational colleagues with the same capabilities as our office-based staff. We continued the scaling of Microsoft O365 collaboration tooling including Teams, Teams Workspaces, SharePoint amongst others, enabling colleagues to work flexibly and collaboratively across business units and locations.

Delivery, evaluation and collaboration

In 2021-22, we implemented a series of actions to improve the overall health of our portfolio of programmes including large scale recruitment, 'Permanent Secretary Deep Dives' on key programmes, 'red team reviews' for programmes that go off track and a greater focus on planning and dependency management. At the same time, we

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[25] What is CoLab? - Home Office Digital, Data and Technology (blog.gov.uk)

continued to try to grow our capabilities and capacity to manage change against the backdrop of a highly competitive market for project, digital, IT and commercial skills all of which are key to the delivery of major programmes. These actions saw some improvement, however the continuing growth in size of the overall portfolio means that as a whole the portfolio remains challenging to deliver.

Throughout 2021-22, we developed our ability to use evidence and data from across the organisation to deploy our resources where they are needed most, to inform policy and to evaluate our effectiveness. We published a number of evaluation and other research reports. In July 2021, we published an evaluation of the Building a Safer Britain Together programme. This presented the impact of the programme for individuals, communities, and civil society organisations. We also published a report on the applications, legal challenges and other issues raised by people in immigration detention, and a report on the economic and social cost of child sexual abuse in England and Wales for victims who experienced abuse in the year to 31 March 2019.

We improved our performance and risk management to become better at managing and tracking risks and recommendations, such as those from the Windrush Lessons Learned Review. This was achieved in part through the ongoing roll-out of MORGAN, a cloud-based tool that enables better collaboration and information sharing. MORGAN tracks the most significant risks to the Department’s objectives, along with recommendations from an increasing number of external and internal sources. We also put in place new structures to encourage and support risk management, and to better integrate it to delivery. The most significant risks are made available to ministers and senior officials, while management of shared risks is now facilitated by a new Cross-cutting and Emerging Risk Working Group. These initiatives were in addition to the new risk management policy, process, training and community that were introduced in 2021-22.

Home Office Commercial continued to provide commercial advice for the goods and services required to deliver the full range of Departmental objectives. They monitored annual third party spend of c.£3.6 billion, c.£3.3 billion of general grants awarded and assurance of c.£3.4 billion Police and Fire third party spend. We are also on track to deliver our £125 million savings target during 2021-22.

In 2021-22, we transitioned into a new structure which saw Commercial align our business partner model to the One Home Office Blueprint. This included reacting at pace to provide solutions for peaks in immigration, supporting the Afghan Resettlement Programme, delivering Health at the Borders measures and adapting to changing developments throughout the pandemic. We made progress with our 3-year Commercial Strategy in which we set out a number of improvements: we increased the number of contract managers undertaking appropriate training; reviewed our approach to Grants awards; and developed our supplier engagement programme.

The Home Office remains committed to paying suppliers promptly and working with our suppliers to ensure they in turn pay their supply chain promptly. We aim to pay 90% of valid and undisputed invoices in 5 days. 2021-22 Q3 performance figures show that we are currently slightly below this target at 89%. All remaining invoices we aim to pay within 30 days, and we are currently slightly below this target at 96%.

In line with the Government’s continued focus on opportunities for Small to Medium Enterprises (SMEs), we monitored our achievement and targets in line with the SME

Action Plan[26]. The Home Office engaged with SMEs to support the Industrial Strategy aim ‘to improve living standards and economic growth by increasing productivity and driving growth across the UK’.

In 2021-22, we augmented our robust, multi-layered approach to security by building on strong partnership working with the Government Security Centres and National Technical Authorities. We made a number of process improvements to deliver a record number of security clearances to support the Home Office to respond to current priority workstreams, alongside continuing to improve links between the Human Resources IT Systems and Security to enable the improved ongoing clearance process. We implemented a number of physical security improvements across the Home Office estate and will continue to enhance arrangements over the next financial year. We also reviewed and updated our business continuity plans, learning lessons from the COVID-19 pandemic.

Sustainability

We helped to deliver the Greening Government Commitments by revising Home Office travel policy in October 2021 to encourage rail travel as a greener alternative to air travel. We completed a Net Zero study, including building energy surveys, to identify opportunities for low-carbon and zero-carbon technologies to reduce emissions and meet net zero targets. We commenced a programme of works to install LED lighting, HVAC upgrades, heat decarbonisation and renewables as well as works to improve data collection, including Smart Metering across our estate. We also met, more than a year early, our commitment to make 25% of our vehicle fleet ultra-low emission vehicles by the end of 2022.

We embedded sustainability in policy and operations, creating in July 2021 a new quarterly reporting structure on progress towards Greening Government Commitments, to make environmental considerations part and parcel of decision making.

Our Commercial Directorate has dedicated Social Value resource within the Commercial Policy, Strategy & People Team. Using future pipeline procurement activity data, our Social Value teams worked with procurement to ensure a robust approach to Social Value, embedding the appropriate themes into all in scope procurement activities and measured against the Home Office Commercial Social Value Strategy.

Commercial has specific Social Value Schedules to be used alongside the Model Services and Mid-Tier Contracts. These Schedules require suppliers to provide a Social Value plan of implementation within 3 months of contract commencement. We have begun to receive Implementation Plans for those live contracts which have used the Schedule, which enables us to monitor Social Value commitments made at procurement. This provides visibility where suppliers set targets to deliver the Social Value commitments throughout the lifecycle of the contract. For example, procurements that embedded this Schedule into their processes are Hassockfield and Dungavel Immigration Removal Centres and Juxtaposed Controls Services - Body Detection Dogs. All procurement staff received regular Social Value updates through internal communications. Social Value learning was mandatory for commercial staff.

In 2021-22, we continued to focus on tackling modern slavery risks in our supply chains, delivering against the goals published in the Home Office modern slavery statement,

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[26] home office sme action plan (publishing.service.gov.uk)

with robust measures in place to support our supply chains to identify and mitigate the risks of Modern Slavery.

Fire Service Reform

We are committed to preventing fires and reducing their harm so that a tragedy like Grenfell Tower never happens again. The Home Office continues to work towards implementing the recommendations made by Sir Martin Moore-Bick in the Grenfell Tower Inquiry's Phase 1 report. The Fire Safety Act 2021 received Royal Assent in April 2021 which clarified that the external walls and flat entrance doors of a multi-occupied residential building are included in the scope of the Regulatory Reform (Fire Safety) Order 2005 (the Fire Safety Order) and will need to be considered as part of a fire risk assessment. Royal Assent has enabled the Home Office to continue to develop secondary legislation which through regulations made under article 24 of the Fire Safety Order will implement the majority of those Phase 1 recommendations which require a change in the law. A public consultation on proposals to implement the Phase 1 recommendations on personal emergency evacuation plans was held between 8 June and 19 July 2021. The Home Office is also legislating through the Government's Building Safety Bill to strengthen fire safety legislation for all regulated premises and align it with building safety legislation from late 2022.

In December 2021, Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) published their third annual State of Fire and Rescue report which includes the Chief Fire and Rescue Inspector's annual assessment of the effectiveness and efficiency of fire and rescue services. HMICFRS are also carrying out their second full inspection of every fire and rescue service, publishing 13 reports in December 2021 with the rest to be published by the end of 2022. The reports highlighted progress on protection and values and culture, but indicated further improvements are required on prevention, efficiency, understanding risk and equality and diversity.

To date, HMICFRS has made six national recommendations, two are completed (ensure sector has sufficient capacity and capability to bring change, and to create a code of ethics) and one, that the sector should tackle unwarranted variations, is nearing completion. The three remaining actions will be addressed by the upcoming Fire Reform White Paper and consultation (clarifying the role of the fire and rescue services; considering reform of current pay machinery; and introducing operational independence for Chief Fire Officers). The White Paper will propose a series of fundamental reforms across three areas: people, professionalism, and governance. Each Fire and Rescue Service is responding to their inspection findings and reporting on progress in their inspection reports.

Windrush

Headline Indicators

Since its launch in April 2019, we have paid £39.4 million to 1,017 claimants and have offered a further £6.9 million to 239 claimants awaiting acceptance under the Windrush Compensation Scheme as at the end of March 2022. 50% of claimants have now had a final decision.

Performance during 2021-22

In 2021 we have worked extensively as a department to implement the comprehensive Windrush improvement plan to ensure that the lessons learned from the Wendy Williams review into Windrush are corrected.

Wendy Williams was invited by the Home Secretary to return to the Home Office to examine our progress against the 30 recommendations set out in her initial review, which was published in March 2020. Two years on, Wendy Williams states:

"In some ways, the Department is very different to the organisation I encountered at the time of my original review." She commends many of the colleagues she met in the course of her review, noting the 'excellent behaviours and initiatives' she saw from teams she visited. She also praised the 'positive commitment' of those working on the Windrush Compensation Scheme.

In her report, Wendy Williams concludes that we have met eight of the thirty recommendations and partially met a further thirteen. We have not met the remaining nine. She acknowledges that the scale of the challenge she set the Department was significant and that change on this scale takes time. Therefore, she notes it is unsurprising that some recommendations have not yet been met.

We published a new ethical decision-making guidance for decision-makers and policy makers. We launched a campaign to recruit an independent reviewer of the Independent Chief Inspector of Borders and Immigration. A further 13 organisations have received funding from the £500,000 Community Fund, in addition to the 14 organisations awarded funding in Phase 1. More than 12,000 of our staff have completed our mandatory 'Face Behind the Case' training.

In addition, we have made significant progress with the Windrush compensation scheme with the total amount paid or offered to claimants having increased to £46.3 million, by the end of January 2022. We have launched phase two of our communications campaign to raise awareness of the compensation scheme and signpost help to priority communities.

Windrush engagement

For those who need support, the Home Office has funded an organisation to provide free, independent claimant assistance to individuals for the duration of the Scheme. We Are Digital started providing this service from the first quarter of 2021.

The Home Office has also launched a package of support to make it easier for those making claims on behalf of a relative who has passed away to obtain the legal documentation required to process their claims. This includes reimbursing up to £1,500 towards legal advice that has been sought to apply for probate, which is the legal right to deal with someone's estate when they die. We Are Digital, who provide independent advice for those claiming compensation, will also be able to provide free help and support to those applying for probate, including how to complete the different application forms.

The Windrush Community Fund was open for applications from December 2020 until June 2021. The Community Fund supports community and grassroots organisations to run outreach and promotional activity to raise awareness of the Windrush Scheme (Documentation) and Windrush Compensation Scheme.

In Phase one, following a competitive bidding round, 14 grassroot and community organisations across the UK were awarded grants between £2,500 and £25,000 to ensure affected Windrush communities are aware of the support and compensation available. In Phase two, a further 13 organisations have been allocated funding between £2,500 and £25,000.

To reach priority audiences throughout the UK, the Home Office ran a £750,000 advertising campaign. The campaign used a range of channels including print, local radio, web and social media to make more people aware of the support available to them and how to apply.

Grassroots activity has included partnerships with specialist media outlets and the recruitment of campaign ambassadors. The ambassadors have worked in communities throughout the UK to encourage and support applications amongst their networks, via activities such as media interviews, hosting information events, distributing materials through food banks, faith organisations and coordinating social media work.

The Government continues to work closely with stakeholders to ensure as many people as possible apply.

[Windrush Compensation Scheme data: January 2022 - GOV.UK (www.gov.uk)]

https://homeofficemedia.blog.gov.uk/2021/11/30/windrush-compensation-scheme-factsheet-november-2021/

Public Sector Equality Duty

The Department has a dedicated Public Sector Equality Duty Team, who are responsible for delivering training across the Department to ensure better compliance with the equality duty. The training is being delivered to senior leaders, with the majority of Senior Civil Servants having attended a session. The team act as a centre of excellence within the Department, improving understanding and assisting in developing equality considerations.

Equality and Human Rights Commission

In March 2021, the Department entered into an action plan with the Equality and Human Rights Commission (EHRC), following an assessment into public sector equality duty compliance. The Department is working closely with the EHRC to ensure that the actions in the plan are completed, and the Department embeds equality consideration into the decision-making process.

Science, Technology, Analysis and Research

The Science, Technology, Analysis and Research (STAR) Group is responsible for ensuring that the Home Office thrives in the new and emerging UK context so that the public benefit from strategic direction which will be informed and driven by international collaboration, research, science and evidence to deliver on the government’s priorities and improve outcomes for the public. It brings together and strengthens the relationship between science, data and research and international links – what we know, how we innovate and what we understand from it and strategy and policy and more. It connects more strongly across Whitehall, ensuring that we are involved in and shaping priority policy across government.

In 2021-22, Home Office STAR has continued to play a central role in the provision of scientific advice to Ministers in response to the COVID-19 pandemic. The Home Office

Chief Scientific Adviser has also represented the Department at the Scientific Advisory Group for Emergencies. STAR continues to drive a robust evidence base to inform policy to support 'Living with COVID-19' plans and to model and mitigate the impact of variants of concern going forward.

We have sought to drive innovation across the Department through the better use of technology and data. We have established a new central futures and foresights function in our STAR Director General Command. This is a new, bespoke capability with the Home Office which will look to understand and articulate the future and major trends that may impact our work and customers, exploring their implications for shaping and achieving the Home Office's aims and priorities.

We have led a programme of ground-breaking research and development to support our priorities through our own internal capabilities such as the Accelerated Capability Environment in our Homeland Security Group and through partners such as the Defence Science and Technology Laboratory and National Security Technology and Innovation Exchange. Through our One Home Office Programme we have worked across the Department to pull together the innovation functions to create a space where existing innovators can share knowledge.

Sustainability Report

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

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

Environmental sustainability

The Home Office subscribes to the Greening Government Commitments[27] (GGC) for reducing carbon, water, and paper use, reducing travel, managing waste, sustainable procurement, developing and delivering Nature Recovery Plans, adapting to climate change, and reducing the impact of Information and communications technology.

Scope and data

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

[Government Financial Reporting Manual: 2021-22 - GOV.UK (www.gov.uk)]

The Departmental data below shows our present position for the financial year 2021-22 against a 2017-18 baseline, unless otherwise stated. 2021-22 environmental data is estimated using a 12-month period from January 2021 to December 2021. The environmental data for 2020-21 has been restated to show the full financial year up to March 2021.

The Department reports on all its arms-length bodies, except the Office of the Immigration Services Commissioner, which is not required to report (based on its size). We are unable to report data from locations where landlords do not provide data. The greenhouse gas conversion factors used can be found in the government environmental impact reporting requirements for business[28].

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

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[27] Greening Government Commitments 2021 to 2025 - GOV.UK (www.gov.uk)

[28] https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021

Summary of performance against the Greening Government Commitments (GGC)

Requirement by March 2025 (against 2017/18 baseline)	2021-22 performance	Achievement against 2025 target	Explanation where target not achieved
Reduce total greenhouse gas (GHG) emissions by 44 %	-48%	**Achieved**	
Reduce direct greenhouse gas emissions by 25%	-47%	**Achieved**	
Meet Government Fleet commitment for 25% of car fleet to be ultra-low emission vehicles (ULEV) by 31 December 2022, and for 100% of the government car and van fleet to be fully zero emissions at the tailpipe by 31 December 2027	36.2% as at 31 Dec 2021	**Achieved**	
Reduce the emissions from domestic business flights by at least 30% (report distance travelled; km)	-72%	**Achieved**	
Reduce overall waste by 15%	-43%	**Achieved**	
Reduce paper use by 50%	-73%	**Achieved**	
Remove consumer single use plastic (CSUP) from the central government office estate	-	**Working towards this target**	The amber rating is given to highlight the present shortfall against the target, but it is not due until 2025
Recycle more than 70% of waste	66%	**Working towards this target**	The amber rating is given to highlight the present shortfall against the target, but it is not due until 2025
Send less than 5% of waste to landfill	6%	**Working towards this target**	The amber rating is given to highlight the present shortfall against the target, but it is not due until 2025
Reduce water consumption by at least 8%	-12%	**Achieved**	
Develop and deliver a Nature Recovery Plan	-	**Longer term piece of work to be looked at as part of our Climate Adaption Plan**	

Greenhouse Gases

Greenhouse Gas Emissions (GHG)		2017-18	2018-19	2019-20	2020-21 (restated)	2021-22
Non-financial indicators (tonnes CO_2e)	Scope 1 (Direct) GHG emissions[29]	13,844	12,149	12,572	11,025	7,398
	Scope 2 (Energy indirect) GHG emissions	23,657	18,249	16,335	13,644	11,269
	Scope 3 (Official business travel) GHG emissions	8,506	9,243	8,254	3,578	5,490
	Total GHG Emissions – Scope 1,2 & 3	**46,007**	**39,641**	**37,161**	**28,247**	**24,157**
Related Energy Consumption (MWh)	Electricity: Non-Renewable	21,953	21,496	21,105	19,030	23,425
	Electricity: Renewable	45,339	42,971	42,805	39,498	28,238
	Gas	47,792	43,747	45,934	44,642	34,766
	Gas Oil	1,069	966	1,869	986	262
	LPG	3,573	1,794	1,034	285	467
	Burning Oil	4,833	3,160	3,110	2,512	1,504
	Total Energy Consumption	**124,559**	**114,134**	**115,857**	**106,953**	**88,662**
Financial indicators (£'000)	Total expenditure on energy	11,982	10,780	8,598	8,796	8,731
	Expenditure on official business travel (incl. domestic air travel)	26,568	49,405	40,435	14,190	21,843
	Expenditure on domestic air travel	911	1,161	1,522	185	440
	Total expenditure on energy and business travel	**39,461**	**61,346**	**50,055**	**23,171**	**31,014**

The Home Office has achieved a 48% reduction in carbon emissions from buildings and business-related travel, compared to the 2017-18 baseline, already meeting the 2025 target. This has been achieved through its Smarter Working programme, building consolidations, greener grid electricity and investment in energy efficiency measures. In 2021-22, we invested in further carbon saving equipment such as LED lighting and energy efficient fans and motors in our heating and ventilation systems. We have also carried out surveys across our property portfolio to identify future opportunities to improve energy performance.

We are taking measures to make our operational fleet more environmentally friendly with the purchase of electric or ultra-low emissions vehicles (ULEVs) to meet the cross-Government target to electrify at least 25% of our fleet by 2022. By the end of 2021-22, across Border Force and Immigration Enforcement, we have 36% ULEV cars across our fleet, already meeting the December 2022 target. A multi-year programme to install Electric Vehicle Charging Points to support the fleet's transition is underway.

The Home Office is on its pathway to net zero by 2050 and we are aiming to reduce our non-traded emissions (excludes emissions from travel and the power sector) by 50% by 2032. During 2020-21, the Home Office commissioned a study to understand how we will meet the Government's net zero by 2050 target whilst working to make the estate more sustainable, including opportunities to adopt renewable energy. The outputs have provided us with a five-year plan to maintain our trajectory towards our GGC and Net

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[29] Definitions for Scope 1-3 emissions can be found at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69282/pb13309-ghg-guidance-0909011.pdf

Zero Carbon targets. This will be further developed over time as we progress along the Net Zero Carbon journey.

Case Study – Home Office PSDS funded projects
In April 2021, the Home Office secured £235,000 funding from the Public Sector Decarbonisation Scheme (PSDS1) which contributed to a range of interventions to support the decarbonisation of three properties: Amadeus House, Eaton House and Bedfont Lakes. The interventions, which included LED lighting and the installation of Variable Speed Drives (VSD) on fans and motors to improve the efficiency of our heating and cooling systems, delivered a 50t CO_2 and £75,500 annual saving. These types of projects represent an easy win on our leasehold estate where there are often limitations to the interventions we can deliver in a landlord's building. We will continue to implement these projects across the portfolio whilst also working with our landlords to identify opportunities to fully decarbonise our properties.

Domestic Flights

Domestic Flights	2017-18	2018-19	2019-20	2020-21 (restated)	2021-22
Number of flights	13,474	14,495	13,236	1,303	2,385
Distance (km)	5,673,363	6,430,118	5,956,134	696,683	1,561,172

The number of business and operational flights taken decreased in 2021-22 by 83% compared to the 2017-18 baseline, with a 72% reduction in distance travelled, surpassing the 2025 target. The average distance per flight has increased from 421km to 653km.

International Business Travel

International Business Travel		2017-18	2018-19	2019-20	2020-21 (restated)	2021-22
Non-Financial Indicators (tonnes CO_2e)	Flights	3,337	3,917	3,040	424	720
	Rail	11	10	2	0.1	0.3
	Total	**3,348**	**3,927**	**3,042**	**424**	**720**

There is no target associated with international travel emissions, although reporting is required. The number of flights has fallen by 78% in 2021-21 against the baseline year. This is primarily due to the impact of COVID-19 lockdowns.

Paper Consumption

Paper Purchased	2017-18	2018-19	2019-20	2020-21 (restated)	2021-22
Paper Reams Procured (A4 equivalents)	250,010	186,267	150,657	53,876	68,373

The Department has reduced its paper consumption by 73% since the 2017-18 baseline, surpassing the 2025 target. This has been achieved through a continuing programme of IT improvements and digitalisation in addition to our staff working from home during COVID-19 lockdowns.

Water

Water Consumption			2017-18	2018-19	2019-20	2020-21 (restated)	2021-22
Non-Financial Indicators (m^3)	Water consumption	Office estate	133,175	136,502	134,177	128,745	91,056
		Whole estate	152,127	176,047	176,763	145,801	133,295
Financial Indicators (£'000)	Water supply and sewage costs[30]		1,293	1,073	454	605	609

The Department has reduced water consumption by 12% against the 2017-18 baseline, surpassing the 2025 target.

Waste

Waste			2017-18	2018-19	2019-20	2020-21 (restated)	2021-22
Non-Financial Indicators (tonnes)	**Total Waste**		**4,847**	**4,820**	**4,981**	**2,713**	**2,784**
	Non-hazardous waste	Landfill	375	177	204	62	163
		Reused/Recycled	4,274	4,276	4,361	2,330	1,859
		Composted/ anaerobic digestion	124	71	119	85	117
	Incinerated with energy from waste		74	296	296	235	645
	Incinerated without energy recovery		0	0	1	1	0

The Department has achieved an overall waste reduction of 43%, compared to the 2017-18 baseline, surpassing the 2025 target. Recycling was at 67% and 6% of our waste was sent to landfill, meaning that further work is required to meet the 2025 target.

We work closely with our Facilities Management suppliers to improve the accuracy of our waste data through waste audits and other means. Financial data for waste disposal is not available due to these costs being combined within service charges for many buildings.

Other sustainability commitments

Climate Change Adaption	Climate resilient designs are incorporated in relevant projects and new builds. In addition, robust business continuity plans are in place to manage occurrences of extreme weather events.
Rural Proofing and embedding sustainability in policy making	The Department is committed to mainstreaming sustainable development in the policy making process. A check list of specific impact tests now forms part of the policy impact assessment guide, giving greater assurance that due consideration will be given to sustainability and rural proofing.

[30] Water costs may include credit notes in the final quarter due to estimated billing

Biodiversity & Natural Environment	The Home Office continues to implement the MoJ Biodiversity Policy across its estate and especially seeks opportunities to support planting for pollinators and retrofitting bird and bat boxes.
Procurement of food and catering	Food provided in our catering outlets is local and in season, where possible, to minimise energy used in food production, transport and storage. Food is bought from farming systems that minimise harm to the environment, such as produce certified by LEAF, the Soil Association or Marine Stewardship Council. The outlets also offer fairly traded and ethically sourced products. They are reducing the amount of foods of animal origin (meat, dairy products and eggs) eaten; as livestock farming is one of the most significant contributors to climate change, and ensure that meat, dairy products and eggs are produced to high environmental and animal welfare standards. They are also reducing the amount of palm oil used and ensure that what is used is sustainably sourced.
Sustainable Construction	The Department is committed to the Building Research Establishment's BREEAM standard of "excellence" for new builds and "very good" for refurbishments where applicable. All project mandates now contain specific sustainability requirements.
Transparency - Energy Use	Energy usage for several Home Office sites can be viewed https://webview2.ecodriver.net/justiceshared/

United Nations Sustainable Development Goals

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

UNSDG	Outcome Delivery Plan 2021-22	Update for 2021-22
 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.  Ensure healthy lives and promote well-being for all at all ages.  Achieve gender equality and empower all women and girls.	**Reduce Crime** Clear evidence shows crime has a common set of drivers: drugs, alcohol, opportunity, profit, vulnerability, and the effectiveness of the criminal justice system. Every department is using the tools at its disposal to reduce crime. In addition to leading a cross-department delivery plan, we are investing directly in law enforcement, recruiting 20,000 additional police officers and funding evidence-based programmes in high-crime areas. We are doubling investment in tackling County Lines and drugs supply and a range of other initiatives to tackle the causes of crime. We are developing a strategy to combat violence against women and girls as well as domestic abuse. We are increasing the number of effective trials for child sexual exploitation and abuse and rape, so that cases reach court and justice is served more quickly.	The Home Office is driving forward work to reduce homicide, which builds on three strategic pillars: tackling drugs, tackling serious violence, and working with perpetrators and victims to tackle domestic abuse. During the year since March 2021, the Home Office has made good progress against our plan to reduce crime; this includes the publication of the Violence Against Women and Girls Strategy, Rape Review and Action Plan, Beating Crime Plan and 10-year Drugs Strategy. In addition, the Police Uplift Programme progresses well, and at the end of March 2022 we are on track to deliver 20,000 additional officers by the end of this Parliament, given forces' position and funding. The Home Office continues to invest in the County Lines Programme to tackle substance abuse and protect vulnerable people. The Counter Supply and Illicit Commodities Programme has been designed to support the government's 10-year strategy to combat illicit drugs (published in December 2021). There was a 4% decrease in knife-enabled crime in the year-ended December 2021, and hospital admissions for injury with a sharp object decreased by 6% over the same period. Last year, the Domestic Abuse Act received Royal Assent and we published the Tackling Violence Against Women and Girls Strategy and the Rape Review and Action Plan. Our Domestic Abuse Plan will be published in early 2022. Work to tackle violence against women and girls will continue through the Police, Crime, Sentencing and Courts Bill. This brings forward strong measures including ending the halfway release of those convicted for sexual offences, such as rape, and will ensure perpetrators serve at least two thirds of their sentence. It will extend the Sexual Offences Act 2003 on abuse of positions of trust which predominantly affects young girls; and introduce Kay's Law – a package of reforms relating to police bail. The Domestic Abuse Act (2021) introduced a statutory definition of domestic abuse, including economic abuse. Provisions are under way, with the most recent being the commencement of section 3, which recognises children as victims of domestic abuse in their own right. Upcoming provisions include the Domestic Violence Disclosure Scheme and Coercive or Controlling Behaviour guidance consultations and piloting of the new domestic abuse protection orders. Work continues to tackle child sexual abuse implementing key actions and deliverables to tackle this crime at a domestic and international level. Close monitoring of quarterly crime data indicates good early progress on outcomes to work right across the system, from frontline professionals to policing response to the criminal justice system.

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Reduce the risk from terrorism to the UK and UK interests overseas

Our overall strategy is set out publicly in the cross-government counter-terrorism strategy, Contest, which comprises the work strands of Prevent, Pursue, Protect and Prepare. The work strands each reduce an element of the risk from terrorism and collectively provide a balanced and comprehensive response.

The Prevent pillar uses a variety of levers to stop individuals from becoming terrorists or supporting terrorism, for example support through Channel. The Pursue pillar aims to stop terrorist attacks happening in this country, or against UK interests overseas, using the capabilities at our disposal across all partners.

The Protect pillar reduces vulnerability to a terrorist attack in the UK, or against UK interests overseas. Finally, the Prepare pillar aims to save lives, reduce harm, and aid recovery quickly in the event of a terrorist attack.

The Home Office continues to lead the UK response to terrorism, working across Government Departments and supporting operational partners. We have brought forward legislation such as the Counter Terrorism and Sentencing Act, taken concrete steps towards the establishment of the world leading Counter-Terrorism Operations Centre, and created expert Regional Advisers to strengthen the implementation of the Prevent Duty across England and Wales.

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Enable the legitimate movement of people and goods to support economic prosperity

The vast majority of people applying to come to the UK, and of goods, cross our borders and enter the country legitimately. Ensuring that this process is as smooth as possible is central to what we do and is linked to our work to tackle illegal migration and maintain border security. Implementing the Future Border and Immigration System programme and the new points-based immigration system is key to delivering those outcomes.

In addition, we will be investing in data and technology infrastructure capabilities at the border and continuing work to prevent the illegal import of controlled or illegal items such as Class A drugs, firearms, counterfeit goods, smuggled animals, and protected commodities.

During the year passengers crossing the borders were materially impacted by COVID-19 restrictions in the UK and other countries. The Government took a layered approach to mitigating the risk of the spread of imported infections and to help identify Variants of Concern, to reduce the risk of cases being imported from abroad.

Border Force therefore had to manage changing health requirements linked to specific countries. Specific health measures included quarantine, PCR tests, country risk assessments (red, amber, green) and the introduction of passenger locator forms. The measures, and changes in them, significantly reduced passenger numbers but there were also short term increases as various measures were relaxed.

The Home Office continued action at our borders against poaching and the trafficking of protected species of flora and fauna.

We prevented the loss of £518 million in government tax revenues through detecting goods where excise duty had not been declared.

Reduce inequality within and among countries.	**Tackle illegal migration, remove those with no right to be here, and protect the vulnerable.** We are strengthening our overall system, protecting the vulnerable, preventing illegal migration and asylum abuse and reinforcing a strong and secure border. Using robust analysis and intelligence, we will continue to target and disrupt the organised immigration criminals who facilitate illegal migration, intervene upstream along high-risk migration routes and reduce the incentives behind illegal migration, including by preventing crossings by small boats. We will reform our asylum system, work to tighten our asylum policies and improve the quality of our decision making whilst we continue to offer protection via our resettlement work, including helping protected individuals integrate into the country and secure employment.	The year 2021-22 has been challenging due to ongoing system pressures around accommodation, resources and supporting clandestine arrivals by small boats. Despite this, there has been some good progress in establishing additional settlement routes for Afghan and Ukrainian citizens impacted by conflicts, supporting the evacuation in Afghanistan in August 2021. In 2021, the Home Office saw the highest number of asylum applications since 2003. Progress has included setting key milestones in the delivery of implementation of the Nationality and Borders Bill; rapidly increasing detention and accommodation capacity; continued effort of enforcement activity despite impacts of COVID-19; and pursuing agreements for processing asylum claims in safe third countries.

Matthew Rycroft CBE
Accounting Officer

12 July 2022

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The Accountability Report

Corporate Governance Report

Lead Non-Executive Board Member's Report

During 2021-22, the Department continued to embed the One Home Office Transformation to support delivery of the Government's manifesto commitments, portfolio of priority programmes and incorporate recommendations from the Windrush Lessons Learned Report. This was set against the backdrop of the crises in Afghanistan and Ukraine, small boat channel crossing pressures and the impact of the COVID-19 pandemic. The Home Office has faced considerable challenge this year whilst re-structuring and putting the foundations in place for transformation. Staff have dealt with increasing external workload and demonstrated remarkable resilience and commitment.

Our ministerial team has seen a few changes with The Rt Hon Damian Hinds MP, Richard Harrington MP, Rachel Maclean MP, and Tom Pursglove MP joining the Home Office. Chris Philp MP and Victoria Atkins MP have taken on other government department portfolios. I must also express my sadness at the passing of James Brokenshire MP who worked tirelessly as Minister of State for Security. There have been no additions to our non-Executive team however Suzy Levy left the Department in the summer of 2021. I am grateful for the leadership she provided on people, culture change, ways of working and inclusivity.

There have been several changes at Executive level. Tricia Hayes was appointed as Second Permanent Secretary providing leadership of the operational functions of the Home Office and its corporate capabilities as well as functioning as the departmental Race Champion. Within the Missions, Jaee Samant joined the Department from the Department for Business, Energy, and Industrial Strategy as DG for Public Safety Group; Emma Churchill joined from Cabinet Office as DG for Migration and Borders following Glyn Williams' retirement and Chloe Squires took over as DG for Homeland Security after Tom Hurd's departure at the end of the last financial year. Within Capabilities, roles have been filled on an interim basis following the departures of Paul Lincoln, Tyson Hepple, Charu Gorasia, Simon Baugh and Stephen Braviner-Roman. Recruitment campaigns will take place in the next financial year. Julie Blomley has also replaced Jill Hatcher following her departure as Chief People Officer. Finally, we welcomed Gus Jaspert who joined from Number 10 Downing Street as DG Delivery – a new role responsible for overseeing strategy, transformation, risk, and delivery in the Home Office.

Our Non-Executive Directors provide support, challenge, experience and expertise across governance and assurance, business improvement, policy development, investment cases and project delivery. In addition to our roles as members of the Board and relevant sub-committees, we have supported Ministers and officials on a wide range of activities, including: priority programmes, such as the Police Uplift Programme; Future Border and Immigration System; Emergency Services Mobile Communications Programme; New Plan for Immigration; COVID-19 recovery; the Afghan and Ukraine crises and resettlement schemes; the Violence against Women and Girls and Domestic Abuse strategies; supporting Wendy Williams' return to assess the Home Office response to the Windrush Lessons Learned Report; and the One Home Office Transformation Programme which has a number of work strands including organisational design, productivity and efficiency and culture and ways of working.

The Department agreed to a new governance framework to strengthen its ability to deliver its core priorities and support the delivery of the One Home Office Transformation Programme. The Non-Executive and Manifesto Delivery Boards were replaced by more informal arrangements and a new routine of Secretary of State led Outcome Delivery Plan (ODP) stocktakes. This enables the Department to engage Ministers at an early stage on delivery and ensure the Home Office is outcome-focussed. The Board is supported by the Senior Leadership and Audit Risk and Assurance committees.

Executive Committee level governance has also been strengthened at subcommittee level with the Second Permanent Secretary chairing the People Committee and Finance and Investment Committee. The Performance and Risk Committee in this next financial year will be replaced by a Risk and Delivery Committee with greater emphasis on decision-making reflected by elevating the membership to DG level; with Non-Executive Directors continuing to participate in these committees. Boards have also been set up for each of the missions to ensure accountability in delivering our four core ODP priorities.

The Board met four times in 2021-22. It focussed on Afghan resettlement; the crisis in Ukraine; One Home Office Transformation; managing the asylum system through summer pressures; and departmental delivery against people priorities, the four outcome delivery plans and manifesto commitments. The Board is composed of the Ministers and Non-Executive Directors, the Permanent Secretaries, DG for Corporate Enablers, DG for Delivery, and the DG for Science, Technology, Analysis and Research.

The annual effectiveness evaluation was replaced by a broader governance review conducted during the Autumn / Winter of 2021 in which the Departmental Board's purpose, portfolio and membership was reviewed. Membership of the Board was enhanced to strengthen discussion on delivery priorities supported by key performance indicators. An Independent Review, as stipulated in the Corporate Code of Governance, will be conducted in Spring 2022 to inform the structure of the Board in 2022-23.

Sue Langley OBE
Home Office Lead Non-Executive Director

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000 (the GRAA), HM Treasury has directed the Home Office to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held, or disposed of, and the use of resources, during the year by the Department and its sponsored Non-Departmental Public Bodies designated by order made under the GRAA by Statutory Instrument 2017 No.1256. These bodies together are known as the 'Departmental group' consisting of the Department and sponsored bodies listed at note 16 to the accounts. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and the Departmental group and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows of the Departmental group for the financial year.

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

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

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

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

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

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

Matthew Rycroft CBE
Accounting Officer

Our Ministers as at 31st March 2022

Minister	Role
 The Rt Hon Priti Patel MP	Secretary of State for the Home Department
 The Rt Hon Kit Malthouse MP	Minister of State (Minister for Crime, Policing and Probation – jointly with Ministry for Justice)
 The Rt Hon Damian Hinds MP	Minister of State (Minister for Security and the Border)
 Baroness Williams of Trafford	Minister of State (Minister for Delivery)
 Lord Greenhalgh of Fulham	Minister of State (Minister for Building Safety, Fire and Communities)

 Lord Harrington of Watford	Minister of State (Minister for Refugees – jointly with Department for Levelling Up, Housing and Communities)
 Rachel Maclean MP	Parliamentary Under Secretary of State (Minister for Safeguarding and Vulnerability)
 Kevin Foster MP	Parliamentary Under Secretary of State (Minister for Safe and Legal Migration)
 Tom Pursglove MP	Parliamentary Under Secretary of State (Minister for Justice and Tackling Illegal Migration – jointly with Ministry of Justice)

Previous Ministers

Rt Hon James Brokenshire, Minister of State (Minister for Security)

Chris Philp MP, Parliamentary Under Secretary of State, Minister for Immigration Compliance and the Courts (jointly with Ministry of Justice)

Victoria Atkins, Parliamentary Under Secretary of State (Minister for Safeguarding and Afghan Resettlement)

Home Office Executive Committee membership as at 31st March 2022

Executive Director	Role
Matthew Rycroft CBE	Permanent Secretary
Tricia Hayes CB	Second Permanent Secretary
Emma Churchill	Director General, Migration & Borders Group
Phil Douglas	Interim Director General, Border Force
Tony Eastaugh CBE	Interim Director General, Immigration Enforcement
Emma Haddad	Director General, Asylum and Protection
Gus Jaspert	Director General, Delivery Group
David Kuenssberg	Interim Director General, Corporate Enablers
Jennifer Morrish and Diane Wills	Interim Directors General, Home Office Legal Advisers
Professor Jennifer Rubin	Director General, Science, Technology, Analysis and Research (STAR) and Chief Scientific Advisor
Jaee Samant	Director General, Public Safety Group
Chloe Squires	Director General, Homeland Security Group
Abi Tierney	Director General, Customer Services
Julie Blomley	Chief People Officer
Rob Hall	Interim Director of Communications

On 19 March 2022, Simon Ridley has been temporarily appointed as Second Permanent Secretary jointly at the Home Office and at the Department for Levelling Up, Housing and Communities to lead the cross-government taskforce on the humanitarian response to the Ukraine refugee crisis.

Changes to the Home Office Governance Structure

We have new organisational structures that will enable us, as One Home Office, to deliver better outcomes for the public. Our three mutually supporting Missions lead the end-to-end delivery of our core outcomes, working in conjunction with our five Capabilities to provide best in class services. The Missions and Capabilities are coordinated and supported by a strong corporate centre which sets the strategic direction for the Department underpinned by evidence and provides the enabling functions to deliver our objectives.

- Public Safety Mission: principally reduces crime
- Homeland Security Mission: reduces the risk to the UK from terrorism, state threats and economic crime and cyber crime
- Migration and Borders Mission: principally enables the legitimate movement of people and goods, tackles illegal migration, and protects the vulnerable
- Five cross-cutting capabilities are integral to delivering these outcomes: Borders & Enforcement; Communications; Corporate Enablers; Customer Services and Legal

- Science, Technology, Analysis and Research and Delivery Group form our strategic centre that informs, sets direction, and coordinates cross-cutting priorities, including international and data capabilities
- We work with over 30 agencies and public bodies to deliver this work

Appointment of Senior Officials

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

Public Appointments

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

Business Appointment Rules

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

Non-Executive Directors (to 31 March 2022)

Non-Executive Director

Sue Langley OBE (Lead NED)	John Paton
James Cooper	Tim Robinson CBE
Michael Fuller QPM	Phil Swallow
Jan Gower	

Other Independent Non-Executive Directors

Independent members of the Audit and Risk Assurance Committee

John Aston	Ruth Murray-Webster
Richard Clarke	Terry Price
Alan Hammill	

Non-Executive Directors – Appointment and Terms

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

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

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

Declaration of Conflicts of interest

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

Register of interests

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

There were no conflicts of interest to report for SCS grades.

The register of Ministers' financial interests is held by Parliament and other relevant interests are held by the Cabinet Office.

Non-Executive Board Members’ interests

Name of Company or Organisation	Position Held	Type of Interest (e.g. pay, fees, shareholding)	Other Relevant Information
Sue Langley			
Arthur J Gallagher Holdings	Non-Executive Chair	Pay	
Macmillan Cancer	Trustee	Unpaid	Term of office ended 17 July 2021
UK Asset Resolution (UKAR) Ltd	Director	Pay	
City of London	Alderwoman	Unpaid	
James Cooper			
GB Rail freight Ltd	Chairman	Pay	
Solent Stevedores Limited	Consultant	Fees	
Michael Fuller			
Michael Fuller Consultancy Ltd	Director	Shareholding	
Jan Gower			
Medway Consulting	Partner	Profit share	
University of Loughborough	Member of the Strategic Advisory Board and School of Business and Economics	Unpaid	
Suzy Levy			
The Red Plate	Managing Director	Pay & shareholding	
The Women’s Sport Trust Charity	Board Member	Unpaid	
John Paton			
IVA Ventures LLC	Chair	Dividend	
Independent Digital News Media Ltd	Chair	Pay	
Evening Standard Ltd	Interim Chair and Director	Pay	
Boat International Media Ltd	Executive Chair	Pay	
Pembroke VCT PLC	Member Investment Committee	Fee	
Fine & Rare Wine	Director	Fee	
World PR	Advisor	Paid	

Tim Robinson		
LGC	Director	Pay & shareholding
OpenGI	Non-Executive Chairman	Pay & shareholding

Phil Swallow		
Crossrail	Member of the Board Advisory Panel	Paid Advisor
NALA Ventures & Investments LLP	Partner	Partner Drawings
Accenture	Senior Advisor	Paid Advisor
Cabinet Office	Advisor	Unpaid
Richmond Park Charitable Trust	Trustee	Unpaid
London Transport Museum	Member of Enterprise Board	Unpaid
Taw Valley Ltd	Director	Unpaid
Severn Valley Railway	Director	Unpaid
Locomotive Services (TOC) Limited	Non-Executive Director	Salaried

Mitigations have been put in place in relation to potential perceived conflicts of interest for the Department’s Non-Executive Directors. The Home Office Non-Executive Directors are required to report any conflict of interests that arise and recuse themselves from any discussions which may give rise to an actual or perceived conflict of interest. There was no requirement to enact this mitigation in 2021-22.

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

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

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

Governance Statement

How we are governed

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

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

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

Our Boards

The role and membership of the Departmental Board and the Executive Committee can be found on pages 74 to 78. Attendance records can be found on pages 95 to 97.

Corporate governance, management, and controls

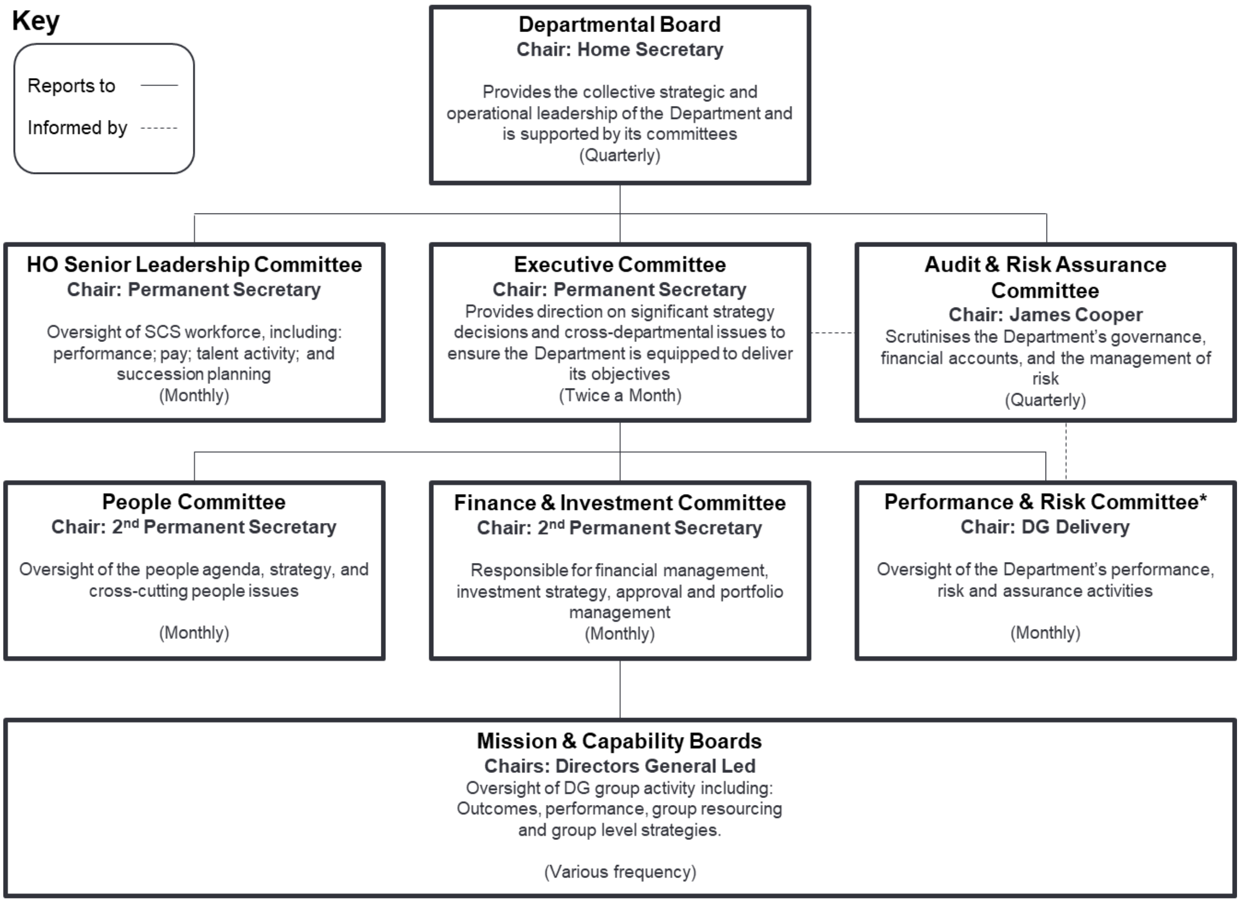
Governance
System of Control

We are governed by:

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

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

Home Office Governance Structure as of 31 March 2022



*In March 2022 the Executive Committee agreed to replace the Performance & Risk Committee with a Risk & Delivery Committee from May 2022. Membership will be elevated to Directors General and help strengthen the relationship with Mission & Capability Boards.

Our Boards and Committees

Departmental Board and subcommittees:

Departmental Board

Chair: Home Secretary

Number of meetings: 4
Purpose: The Departmental Board (the Board) is chaired by the Home Secretary, and includes Ministers, Non-Executive Directors, the Permanent Secretaries, DG Corporate Enablers, DG Science, Technology, Analysis and Research and Chief Scientific Adviser, and DG Delivery Group. It forms the collective strategic leadership of the Home Office with a broad purpose to steer and scrutinise the Department's strategy, performance, and capability. Its remit is wide-ranging with the top-level committees and timebound boards reporting directly or indirectly into it.

Responsibilities

- Provide long-term strategic direction for the Department that supports delivery of the Government's manifesto commitments and Outcome Delivery Plan objectives
- Scrutinise, advise, and assure the Department's performance against its delivery of strategic objectives, major programmes, and policy initiatives that support achievement of the peoples' priorities
- Ensure the design, capability and capacity of the organisation matches current and future commitments and plans
- Shape, test and assure strategic engagement across Government
- Provide leadership by defining and supporting the Department's purpose, values, and approach to delivery
- Policy will be decided by ministers alone, with advice from officials. The Board will give advice and support on the operational implications and effectiveness of policy proposals, focusing on getting policy translated into results. The established accountability of Ministers and Accounting Officers to Parliament is unchanged

Audit and Risk Assurance Committee

Chair: James Cooper, Non-Executive Director

Numbers of meetings: 4
Purpose: The Audit and Risk Assurance Committee (ARAC) supports the Board and Accounting Officer in their responsibilities for issues of risk, control, assurance, and governance and provides an independent view of the adequacy of the Department's risk, control, and governance arrangements. ARAC meet quarterly and holds an additional meeting to review and make a recommendation on the approval of the Home Office Annual Report and Accounts.

Responsibilities

- Review the strategic process for risk, control, and governance
- Approve the Home Office's Governance Statement, Annual Report and Accounts, other accounts within the Committee's scope, and management's letter of representation to NAO

- Review the planned activity and results of both internal and external audit
- Review the adequacy of management response to issues identified by audit activity, including NAO's management letter
- Assure management of risk and corporate governance requirements for the organisation including its major projects
- Provide assurance on information handling, health & safety, and Cyber Security arrangements
- Review anti-fraud policies, whistle-blowing processes, business continuity and arrangements for special investigations
- Review any value for money issues arising
- Oversee the Department's payment performance

Senior Leadership Committee

Chair: Permanent Secretary

Numbers of meetings: 10
Purpose: The Senior Leadership Committee provides a forum for strategic discussions on senior staff. The Committee's core purpose is management of the SCS workforce including performance, pay, talent and succession planning.

Responsibilities:

- Manage the Home Office Senior Civil Service (SCS) workforce, including having oversight of SCS reward, diversity and inclusion; Honours nominations and (as of January 2022) the new Modern Civil Service projects Cabinet Office are coordinating centrally for SCS; SCS assignment lengths; Places for Growth target for SCS; SCS secondments target; the new SCS performance management approach; and SCS capability-based pay
- Lead SCS talent and succession management for Pay Band (PB)2 and PB3, and have oversight of PB1 talent and succession planning
- Undertake overall workforce planning and management for the SCS cadre to meet organisational priorities including reviewing and signing off on SCS TCA extensions and new SCS posts
- Ensure the Home Office SCS structure and roles are designed to meet our future leadership needs (including input to resourcing strategies for Director posts and development for current Directors)

Non-Executive Board*

Chair: Permanent Secretary

Numbers of meetings: 7
Purpose: The Non-Executive Board (NEB) is an advisory board chaired by the Permanent Secretary and its membership is made up of the Home Office's Non-Executive Directors and three Home Office Directors General. It meets monthly and its role is to facilitate the scrutiny and guidance of the Home Office's delivery performance by its Non-Executive Directors.

Responsibilities:

Monitoring, challenging, and supporting:

- operational, manifesto and programme performance through the monthly review of KPI data annex and performance tracking/ implementation reports
- the quarterly review of performance and risk report
- period deep dives into key areas of challenge for the Home Office
- strategy and transformation progress in the Home Office

***** This board was disbanded in January 2022 and replaced with a more informal Non-Executive Director and Permanent Secretary engagement session. NEDs provide scrutiny of KPIs and delivery through the formal Governance Structure.

Manifesto Delivery Board*

Chair: Minister of State for Delivery

Numbers of meetings: 10
Purpose: The Manifesto Delivery Board (MDB) facilitates Ministerial engagement in delivery at an early stage. The MDB has a focus on scrutinising manifesto implementation and advising the Home Secretary on challenges and decisions that will improve implementation of manifesto and other commitments. It plays a key role in driving prioritisation of activity, reviewing, challenging, and supporting the delivery of the People's Priorities and priorities from the Centre, looking at delivery confidence across the full range of manifesto and other political commitments. It also provides support and challenge on cross-cutting priority pieces of work.

Responsibilities:

- Monitor, challenge and support delivery of all manifesto commitments, through regular review of delivery performance and legislation
- Drive better prioritisation and de-prioritisation of activity against agreed criteria to ensure consistency in decisions relating to prioritising and de-prioritising work across the Home Office
- Commission bespoke work to unblock delivery challenges. The MDB can, where appropriate, task the Home Secretary's Implementation Unit to use its independent perspective and analytical rigour to conduct deep dives or rapid reviews in support of the Department
- Encourage innovative and new ways of delivery. The Home Secretary has asked the Department to better capture innovative and new ways of delivery and the MDB plays a leading role in realising this ambition through discussions on particular areas of delivery which are constrained by a lack of funding and will consequently most benefit from doing things differently to maximise results

***** This board was disbanded in March 2022 with agreement to elevate Ministerial team engagement through the Departmental Board with KPI engagement undertaken in a focused way through the Home Office's rotating delivery stocktake meetings.

Executive Committee and sub-committees:

Executive Committee (ExCo)

Chair: Permanent Secretary

Numbers of meetings: 25
Purpose: ExCo provides direction on the significant strategy decisions and cross-departmental issues to ensure the Department is equipped to deliver its objectives.

Responsibilities:

- Agreement of budget allocations
- Direction setting and approval of Home Office strategy and policy prioritisation; including aligning Home Office activity with Ministerial priorities
- Approval of significant process changes across Home Office (e.g., Performance Management System)
- As necessary, approve approach to Department-wide stakeholder engagement and negotiations
- Review overall Home Office delivery performance against departmental objectives
- Agree mitigating actions to address issues of significant reputational and strategic importance
- Approve annual pay award for delegated grades

People Committee

Chair: Second Permanent Secretary

Numbers of meetings: 11
Purpose: People Committee leads on implementation of cross-departmental people strategies, manage cross-cutting programmes, and oversee performance across people issues, including estates

Responsibilities:

- Maintain strategic oversight of the people agenda and cross-cutting people issues in the Home Office
- Oversee the delivery of four people-focussed transformation objectives
- Govern the People and Diversity & Inclusion strategies and monitor performance, agreeing interventions as required
- Monitor performance against desired outcomes, including the Department's Health, Safety, Wellbeing and Fire Management performance, reviewing significant proposed policy changes, and agreeing interventions as required

Finance and Investment Committee

Chair: Second Permanent Secretary

Numbers of meetings: 18
Purpose: The Finance and Investment Committee (FIC) provides governance, assurance and oversight over the Home Office's significant investment decisions, financial performance, and portfolio delivery.

Responsibilities:

- Agreement of overall portfolio strategy and monitoring performance against the strategy, determining interventions as required
- Agreement of programme or project investment requests in line with agreed procedure for investment scrutiny (including staged gate approvals) – usually for whole life costs of £75 million and above. Conditions may be placed upon approvals or approvals withheld if standards are not met
- Hold programmes to account to ensure delivery and benefit realisation
- Monitor overall health and progress of portfolio delivery
- Monitor financial performance of the Department through review of current forecast and year to date position
- Approve cross-departmental financial initiatives

Performance and Risk Committee

Chair: Director General, Delivery Group

Numbers of meetings: 11
Purpose: The Performance and Risk Committee scrutinises the Department's organisational performance management, progress against organisational outcomes and ensures the Department has robust processes for identifying, evaluating, and mitigating risk. It also provides oversight and advice on internal audit and assurance. In the next financial year this Committee will change to become the Risk and Delivery Committee, with membership set at DG level to oversee progress against our outcomes including oversight of the Outcome Delivery Plan.

Responsibilities:

- Review performance and risk across the Department; agreeing measures to improve delivery; including horizon scanning to monitor and introduce upcoming risks to performance
- Agree interventions on internal audit
- Monitor performance against Digital, Data and Technology (DDaT) strategy, approval of decommissioning corporate legacy IT and taking mitigation actions to manage IT Technical Debt as escalated from the DDaT Committee
- Respond to live and urgent issues, taking strategic decisions required to facilitate the smooth running of the organisation or escalate to ExCo where it cannot
- The new Departmental Delivery Routine will interact with the corporate governance through the Performance and Risk Committee; stocktake actions will be monitored at this committee to track progress and assess any cross-cutting themes

Our approach to risk

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

Furthermore, in 2021-22 we introduced changes as part of an ongoing programme of risk management improvement. Most important was the complete revision of our risk arrangements, brought together in a new Enterprise Risk Management Framework. This principles-based approach draws on good practice - including from the Orange Book and our internal audit function - as well as extensive feedback from staff, to introduce a new approach to risk management policy and process. We have also launched a suite of new risk management training courses, an online 'toolkit' of essential models and templates, and a risk management Community of Practice focused on continuous change and improvement.

We have also continued to benefit from the input and insight of both our internal audit function and the oversight of other regulators, as a key component in identifying and managing risks.

Top level risks in 2021-22 and key mitigating factors

The nature of Home Office business means that our objectives are exposed to a range of risks, some of which materialise and become issues. The below summarise the Department's top ongoing strategic risks held at Executive level, the top risks to programme and project objectives and the primary issues that the Department managed in 2021-22.

Risks and Issues

Strategic Risks	Our Response
Counter-Terrorism (CT) – Loss of Confidence in the CT System There is a risk of a drop in public confidence in the CT system, in the event of a terrorist attack.	CT is managed and assessed as a priority outcome in the Department's Outcome Delivery Plan. The Home Office leads work across government to understand and monitor current and upcoming terrorist activities, and routine examination of system performance and critical risks.
Immigration – Preventable Loss of Lives There is a risk that individuals subject to immigration controls and/or in the care and responsibility of the Migration and Borders System may be subject to or cause harm to themselves or others.	Home Office Missions and Capabilities are working on a range of initiatives and operations focused on the specific causes and consequences of this risk, in close collaboration with partners across government and elsewhere.

IT Resilience There is a risk that business critical services are unavailable due to failing IT systems and inadequate business continuity and recovery.	We have maintained a strong focus on IT service continuity management, which is within risk tolerance, with remediation plans in place. We have also been targeting investment on critical systems, with additional mitigations including the prioritised introduction of new systems and uplifting our continuity and resilience policies.
Programme Delivery There is a risk that delays in portfolio delivery dates will increase overall costs and delay the realisation of benefits which will further strain the Department's finances.	Controls and mitigations in place include the introduction of a single view on portfolio health assessment to benchmark and measure improvements supplemented by ongoing programme deep dives and reviews, and improved communications within the project delivery community.
Cyber Threats to our Systems and Processes There is a risk that vulnerabilities in peoples, processes and technologies could be exploited accidentally or intentionally leading to a breach in confidentiality, integrity or availability of Home Office information, systems and environments.	We remain focused on proactive monitoring to anticipate and reduce cyber threats, in addition to a wide range of controls already in place.
Equality Duty There is a risk that the Department causes major harm or discriminates against members/sections of the public, by not having fully investigated and therefore not fully understood the potential impact to these groups/individuals of its policies and by not giving due regard to obligations under the Public Sector Equality Duty.	Controls and mitigations in place include changes to help flag equality risks to ministers, and the roll-out of training aimed at senior staff across the Department to increase awareness.
Asylum Contracts Failure There is a risk of failure of the support contracts and dispersal system, due to insufficient accommodation to manage the supported asylum population.	This was a new risk identified in 2021-22. Contingency bedspace has been made available to meet current demands. Tasking and prioritisation with ministers and performance reporting is in place.

National Transfer Scheme System Failure There is a risk that a lack of placement offers for unaccompanied asylum-seeking children, leads to reputational damage and legal challenge.	This was a new risk identified in 2021-22. The scheme has been made mandatory for all local authorities to provide crucial placements for children. This is in addition to a wide range of ongoing work being undertaken with local authorities, children's services, and across government.

Programme Risks	Our Response
Failure to deliver Emergency Services Mobile Communications Programme (ESMCP) There is a risk that ESMCP will not be delivered within the agreed timescales set out in the Integrated Programme Plan.	The programme continues to make good progress and the Full Business Case (FBC) was approved by the programme board and by the Major Projects Review Group in July. An independent review also concluded that our approach was in line with global directions and international standards, and despite longer timelines the FBC still demonstrates strong positive financial value.
Digital Services at the Border (DSAB) Programme There is a risk that the DSAB programme may fail to end the reliance on the Warnings Index.	DSAB has rolled out the new Border Crossing operating platform across all fixed primary control points and upgraded it to all eGates six months earlier than scheduled. This enabled the automation of the Passenger Locator Form to address the health measures at the border requirements following COVID-19. Progress is being made on the remaining elements to end reliance on the legacy systems. A Red Team review has been undertaken to assess the confidence in the new plan.
National Law Enforcement Data Programme There is a risk that the Law Enforcement Data System (LEDS) may not be delivered within the agreed timescales set out in the Integrated Programme Plan.	NLEDP is delivering LEDS, a modern data service that will enable the future retirement of the Police National Computer (PNC). The new service will enhance functionality, improve usability and deliver a range of benefits, including a reduction in future running costs in comparison with PNC. The programme remains highly complex with significant internal and external dependencies. This was reflected in the Amber rating in the last Infrastructure and Projects Authority delivery confidence assessment review in January 2022, that also noted the positive progress and acknowledged the significantly improved relationship with policing. The programme reports quarterly into the Public Accounts Committee (PAC) and was also the subject of a National Audit Office review during the summer of 2021.

Delivery Issues: The Home Office is focused on delivering against our priority outcomes as set out in the departments Outcome **Delivery** Plan. The following provides a summary of top delivery issues (the performance section provides an overview across all of our outcomes).

Windrush Compensation Scheme The Department continues to work tirelessly to implement the lessons from Windrush, and the commitments we made in the Comprehensive Improvement Plan.	In her report in March 2022, Wendy Williams stated that we have risen to the daunting challenge she set for us, and there are several areas where very good progress has been made. We know there more work to do, and we are committed to building on the great momentum we have created. Together we are taking, the lessons learned as a step towards a Home Office that makes the public proud.
Illegal Migration The issue of the Illegal Migration system remains a significant challenge, with increasing volumes of vulnerable people being exploited by smugglers and using dangerous routes into the UK. The Department has implemented a range of measures designed to combat this. Central to this is the Department's Migration and Economic Development Partnership with Rwanda but this comes as part of a wider package.	The Department is committed to tackling Illegal Migration and has developed a comprehensive package to do so. Considering the increasing volume of migrants crossing via dangerous routes, a comprehensive plan has been developed with the intention of deterring individuals from utilising such methods of crossing, managing those who arrive in the UK and removing those with no lawful basis to remain. Key delivery issues in this area include: • **Migration and Economic Development Partnership with Rwanda -** Combined with the Nationality and Borders Bill, these reforms will help enable the government to tackle illegal entry and the people smugglers who endanger life facilitating it, limit the legal claims used by those with no right to be in our country, strengthen our approach to safe and legal routes and bring in tougher border protections. • **Small boats** - The military has taken operational command of responding to small boats in the Channel, in partnership with Border Force. Together this will significantly enhance our ability to detect boats. The increased surveillance will mean we can better gather evidence for criminal investigations, ensuring more people-smugglers who trade in these life-threatening journeys can be referred for prosecution and brought to justice. **Asylum Accommodation** - The introduction of new asylum reception centres to provide basic accommodation and process claims will help to end the government's use of hotels to accommodate migrants who have entered the UK illegally. The new site will provide safe, suitable

	and more cost-effective accommodation for asylum seekers.
Ukraine casework Provide a safe, legal and efficient route (and sanctuary) for those fleeing the conflict in Ukraine	The desire to provide a safe, legal and efficient route and sanctuary for those fleeing the conflict in Ukraine has required diverted staff from other areas of work and impacted on business-as-usual performance across a number of areas. Resources are being used flexibly to ensure that the demands from the additional workloads can be met.
Supporting and Housing Refugees from Afghanistan (Operation Pitting)	Work focusses on ensuring those brought to the UK are supported and given a warm welcome and on moving people to settled accommodation and ensuring they can play a full part in communities across the UK.
COVID-19	In January 2022, under the One Home Office transformation programme, the department confirmed its One Future Workplace hybrid working offer would ensure that our ways of working for the future build on the learning we have achieved through the pandemic. This will connect us as teams, delivering for the public and supporting the wellbeing of everyone who works in the Home Office.

Personal Data Related Incidents

Table 1: SUMMARY OF OTHER PERSONAL DATA INCIDENTS FORMALLY REPORTED TO THE INFORMATION COMMISSIONER'S OFFICE IN 2021-22			
The Department notified the Information Commissioner's Office of 13 incidents during the 2021-22 reporting period.			
Category	**Nature of Incident**	**2021-22 Total**	**2020-21 Total**
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises	0	0
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured government premises	1	2
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0	0
IV	Unauthorised disclosure	7	7
V	Other	5	3

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

Table 2: SUMMARY OF OTHER PERSONAL DATA INCIDENTS RECORDED IN 2021-22			
The 9,192 incidents reported to Home Office Security and deemed by the data controller to be personal data breaches which did not fall within the criteria for reporting to the Information Commissioner's Office but recorded centrally within the Department are set out in the table below.			
Category	**Nature of Incident**	**2021-22 Total**	**2020-21 Total**
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises	348	1,085
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured government premises	5,959	1,150
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0	157
IV	Unauthorised disclosure	1,826	2,229
V	Other	1,059	351

The Home Office has continued to improve both awareness and education around the identification of personal data related incidents, and this has led to the increase in reported incidents across all categories. This represents a move towards a more robust level of assurance as confidence in positive behaviours around incident handling grows.

This is a key stage in becoming a more mature organisation in this aspect, where the number of incidents reported is not viewed in isolation but considered against the vast quantity of data handling instances undertaken throughout the organisation, on a daily basis.

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

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

Data Losses/Information Assurance

Governance and structures involving Information Assurance and managing information risk have been enhanced within the Home Office during 2021-22 with the continued evolution of the Data Protection Board, where representatives from across the business meet to discuss key issues.

In addition to the increase in awareness and education, the rising trend in the volume of reported data incidents is also commensurate with an expected upward trend in work undertaken by Her Majesty's Passport Office (HMPO), in large part attributable to the rise in demand now that international travel has begun again post-COVID pandemic. This has been an area of constant focus and will continue to be so during the following reporting year.

Analysis undertaken by the Office of the Data Protection Officer indicates that overall data incident volumes will continue to rise before reaching a relative plateau, although it is not possible to predict exactly when this will occur. It continues to be the Departments position that the increased volumes of reported incidents is a positive indicator of an improving and robust assurance regime.

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

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

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

Complaints to the Parliamentary Ombudsman

The Parliamentary and Health Service Ombudsman received a total of 550 complaints against the Home Office during 2020-21, a reduction of 188 (25.5%) compared to the 738 complaints in 2019-20. This report was published in August 2021 and is the period for which the most recently published is available [Complaints to the Parliamentary and Health Service Ombudsman, 2019-20 and 2020-21 | Parliamentary and Health Service Ombudsman (PHSO)].

Organisation	Complaints Received	Complaints Resolved by mediation	Decided following primary investigation	Resolved with agreement of the complainant at Initial checks or Primary investigation	Complaints accepted for Detailed	Detailed investigations fully upheld	Detailed investigations partly upheld	Detailed investigations not upheld	Detailed investigations resolved with the complainant	Detailed investigations discontinued	Uphold rate (only upholds)	Uphold rate (upheld or partly upheld)
Home Office	550	-	133	6	22	6	7	3	0	2	33%	72%
Border Agency	4	-	3	-	-	-	-	-	-	-	-	-
Border Force	54	-	14	-	1	-	1	1	-	-	-	50%
Dorset Police	1	-	-	-	-	-	-	-	-	-	-	-
Essex Police	1	-	-	-	-	-	-	-	-	-	-	-
Gangmasters and Labour Abuse Authority	1	-	-	-	-	-	-	-	-	-	-	-
General Register Office	7	-	-	-	-	-	-	-	-	-	-	-
Greater Manchester Police	1	-	-	-	-	-	-	-	-	-	-	-
Hampshire Constabulary	1	-	-	-	-	-	-	-	-	-	-	-
HM Passport Office	46	-	8	-	2	-	-	-	-	-	-	-
Home Office	161	-	14	-	2	1	-	-	-	-	100%	100%
Metropolitan Police Service	1	-	-	-	-	-	-	-	-	-	-	-
Northumbria Police	-	-	1	-	-	-	-	-	-	-	-	-
Office of the Immigration Services Commissioner	3	-	1	-	-	-	-	-	-	-	-	-
Police	24	-	1	-	-	-	1	-	-	-	-	100%
Security Industry Authority	5	-	1	1	-	-	-	-	-	-	-	-
The Disclosure and Barring Service	19	-	-	-	-	-	-	-	-	-	-	-
UK Immigration Enforcement	-	-	1	-	1	-	-	-	-	-	-	-
UK Visas and Immigration	221	-	89	5	16	5	5	2	-	2	35%	71%

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

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

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

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

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

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

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

Performance in responding to correspondence from the Public

In 2021-22, Home Office headquarters received 7,052 letters and emails which required an official response. We replied to 72% of this correspondence within 20 working days against a target of 95%.

This year's performance was similar to 2020-21 although volume received was 50% higher. This was due to a significant number of cases treated as official when they might previously have received a Ministerial response. This was primarily when letters were received from constituency staff of MPs rather than direct from MPs themselves.

Better Regulation

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

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

Machinery of Government Changes

There have been no such changes in 2021-22.

External Auditor

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

The total notional National Audit Office (NAO) audit fee for the core Department and its agencies was £560,000 (2020-21, £530,000). The audit fee for the Department's non-departmental public bodies was not notional and totalled £325,000 (2020-21, £317,000). No remuneration was paid to the NAO during 2021-22 for non-audit work (2020-21, £nil).

From 1st May 2018, the Home Office acquired office space in the NAO building at 157-197 Buckingham Palace Road under the terms of a lease for which a commercial payment is being made. The cost is £206,000 per annum for rents, adjusting for the rent-free period over the period of the lease, as well as annual costs of £54,000 service charge and £11,250 for hire of furniture. The lease ended in April 2021.

Political and Charitable Donations

The Home Office has not made any political or charitable donations during 2021-22.

Financial governance, management, and controls

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

Ministerial Direction
A ministerial direction on the grounds of value for money was issued by the Home Secretary in relation to the Migration and Economic Development Partnership. This is a new and untested policy, which means there is less evidence to draw on than in other policy areas. Accordingly, the Permanent Secretary noted to the Home Secretary that whilst the policy could have a deterrent effect, there is not sufficient evidence to conclude that it will have a significant enough deterrent effect to make the policy value for money. This was reflected in the exchange of letters between the Permanent Secretary and the Home Secretary, which are published on gov.uk.

Financial and corporate planning

This year's Business Planning process confirmed budgets for 2022-23, aimed at aligning both people and financial resources to the Department's objectives and Ministers' priorities. Indicative budgets were also set for 2023-24 and 2024-25. Forecasts were made for each business area to enable prioritisation decisions to be taken against a backdrop of a very challenging fiscal landscape.

The budget allocation for 2022-23 was then recommended for approval by Ministers at the Department's Executive Committee on 6 December 2021; Home Secretary approval was received on 1February 2022.

2022-23 Budgets were finalised before the beginning of the financial year to enable financial management by DG area to commence from the beginning of the financial year.

The faster timescales this year were mainly due to improvements in our internal planning process and driven by the desire to provide the wider Department with a clear financial basis on which to plan their work for the next three years.

Fraud, Bribery and Whistleblowing

Whistleblowing

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

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

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

Fraud and Bribery

The Home Office assesses its anti-fraud performance against the Cabinet Office Counter-Fraud Functional Standard, measuring its performance against the metrics set-out in the Standard, monitoring its counter fraud effectiveness through the reporting of Fraud and Error losses to the Cabinet Office. The launch of the Public Sector Fraud Authority will bring an increased scrutiny and focus to counter fraud performance and outcomes across government. The Home Office is working in close collaboration with the Cabinet Office to demonstrate an increase in its effectiveness through detected, prevented and recovered fraud as well as apply upfront fraud expertise, on high spend initiatives in order to minimise fraud risk.

The Home Office champions counter fraud at Board level; this includes insider threat and fraud across the Migration and Borders system. The Director General for Corporate Enablers leads on countering financial, commercial and insider fraud across the Home Office.

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

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

Levelling Up

A large proportion of Home Office funding is directed through grants to local delivery organisations. Assurance is gained regarding probity and regularity in the use of public funds through validation of grant payments. Evidence is collated throughout the financial year to provide assurance to the Accounting Officer by the grant holding unit. The Home

Office policy on grants ensures that legislation is in place and is supported by evidence to justify the grant funding from each grant holding unit.

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

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

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

Assurance

The Permanent Secretary is satisfied that Directors General have effective control over governance, risk, internal control and assurance processes within their areas of operations

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

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

The Assurance and Governance Unit (AGU) oversees assurance and risk across the Department. AGU continues to embed the simplified management assurance framework, which is carried out annually. The framework clarifies and structures the Department's approach to management assurance. It sets out the common principles and standard assurance activities that the Department expects to be in place, and how these should be assessed and reported. Assurance reporting is completed at Director level with the aim of embedding good assurance practice at all levels of the Department, and to facilitate organisational learning. Subject experts provide enhanced moderation and challenge to Director returns. We continue to work closely with subject experts and the Government Internal Audit Agency (GIAA) to complete audits of the Director returns.

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

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

The AGU manages the MORGAN IT system, which enables management of the Department's most significant risks; tracking recommendations made from external and internal sources of scrutiny; and delivery of the SMAF in a single easy-to-use online platform. MORGAN brings many improvements over traditional ways of managing risk and assurance work, including efficiency savings; increased visibility of data; and the creation and development of a single, auditable corporate record.

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

Independent Chief Inspector of Borders and Immigration

External scrutiny by the Independent Chief Inspector of Borders and Immigration (ICIBI) plays an important role in holding the Department to account on the efficiency and effectiveness of its immigration, asylum, nationality and customs functions.

The ICIBI issued thirteen inspection reports between April 2021 and March 2022. Reports and government responses are published to Gov.UK. The ICIBI made a total of 77 recommendations, of which the Department accepted 50 (65%) in full, and 18 (23%) partially; five recommendations (7%) were not accepted. One inspection report, containing four recommendations (5%) remains under consideration and will be published in due course.

The Windrush Lessons Learned Review, published in March 2020 recommended a review of the ICIBI's role and remit. The review has not begun due to delays in the process of appointing an independent reviewer.

Analytical Assurance

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

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

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

The process is overseen by the AQA Model Board, which meets quarterly and consists of senior civil servants from all areas of the Department and is supplemented by ad-hoc peer review sessions. The Board reports to the Performance and Risk Committee and to the Executive Committee.

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

An iterative process is in place to regularly review and update the models classed as business critical. All existing business-critical models have now been reviewed, with new models developed and scheduled for review once complete. We will continue to review the approach to strengthen our management of risks as needed.

Project Assurance

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

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

Over 2021-22, the IPA and PPD between them carried out 46 assurance reviews on Home Office projects. PPD collates, tracks and analyses the recommendations arising from these interventions both to ensure that they are addressed and to help identify recurring topics for the Project Delivery Community Learning Events that PPD runs and for future Government Internal Audit Agency (GIAA) thematic reviews. PPD also provides advice to projects through its Portfolio Business Partner Team, including on the action needed to address recommendations arising from assurance and audit reviews.

Home Office projects which form part of the Home Office Change Portfolio, report monthly to PPD who provide monthly and quarterly reports on portfolio delivery to the Home Office Portfolio Delivery Board. Additionally, a subset of these projects is classified as GMPP and report quarterly to the IPA. The IPA will publish data on these programmes as part of the IPA Annual Report in summer 2022, this publication will include 2021-22 quarter four GMPP project data, including the IPA delivery confidence rating for each of its GMPP projects.

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

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

Summary of Government Internal Audit Agency Opinion
The Group Chief Internal Auditor for the Department is required to express an opinion to the Accounting Officer on the adequacy of the Department's framework of governance, risk management and control arrangement. I am providing a Limited opinion on the adequacy of the framework of governance, risk management and control within Home Office for 2021-22. This rating is consistent with the past four years.

There is an indication of a positive direction of travel this year towards a more robust framework. One key area where there is evidence of clear improvements in control and assurance is around digital, data and technology. Further action is needed over the coming year, however, to focus on ensuring controls over the department's key systems are in place and properly assured, together with strengthened and embedded risk management across the business.

The new performance and planning framework, if operating effectively, should provide a sound basis to support this. This is designed to provide 'one version of the truth' to help understand what is happening across all areas of the business and to link more closely performance, delivery and risk. Further progress around the One Home Office Transformation would also provide an ideal platform to embed new ways of working as structures, roles and responsibilities and processes are reviewed, alongside cultural change.

There is evidence of a strong appetite for improvement from the Home Office's Executive Committee.

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

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

This includes:

- Completion of the annual Director Simplified Management Assurance Framework to summarise the objectives, controls and risks within each Director's operations and provide an assessment of the level of assurance within business processes; and

- Content of Agency and Arms-Length Body Governance Statements to ensure consistency and completeness of this statement.

Conclusion and compliance with Code of Good Practice

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

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

Matthew Rycroft CBE

Accounting Officer

12 July 2022

Annex to the Governance Statement

Board and Committee attendance during 2021–22 (up until 31 March 2022)

Name of Board Member	Departmental Board	Executive Committee	Audit & Risk Assurance Committee
Ministers			
The Rt Hon Priti Patel MP	3/4	N/A	N/A
The Rt Hon Kit Malthouse MP	3/4	N/A	N/A
The Rt Hon Damien Hinds MP[31]	2/2	N/A	N/A
Baroness Williams of Trafford	3/4	N/A	N/A
Lord Greenhalgh of Fulham	1/4	N/A	N/A
Lord Harrington of Watford[32]	1/1	N/A	N/A
Rachel Mclean MP[33]	2/2	N/A	N/A
Kevin Foster MP	4/4	N/A	N/A
Tom Pursglove MP[34]	2/2	N/A	N/A
Former Ministers			
The Rt Hon James Brokenshire MP	0/1	N/A	N/A
Chris Philp MP	2/2	N/A	N/A
Victoria Atkins MP	2/3	N/A	N/A
Executive Directors			
Matthew Rycroft CBE	4/4	24/25	3/4
Tricia Hayes CB[35]	2/4	23/25	3/4
Emma Churchill[36]	N/A	9/10	N/A
Phil Douglas[37]	N/A	11/12	N/A
Tony Eastaugh CBE[38]	N/A	15/18	N/A
Emma Haddad	N/A	24/25	N/A

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[31] The Rt Hon Damian Hinds MP became Minister of State (Minister for Security and the Border) on 13 August 2021 replacing Rt Hon James Brokenshire MP.

[32] Lord Harrington became Minister of State (Minister of Refugees) on 8 March 2022 replacing Victoria Atkins MP.

[33] Rachel Mclean MP became Parliamentary Under Secretary of State (Minister for Safeguarding and Vulnerability) on 20 September 2021.

[34] Tom Pursglove MP became Parliamentary Under Secretary of State (Minister for Justice and Tackling Illegal Migration) on 17 September 2021 replacing Chris Philp MP.

[35] Tricia Hayes was appointed Second Permanent Secretary on 9 June 2021.

[36] Emma Churchill joined the Department on 20 January 2022 following Glyn Williams' retirement.

[37] Phil Douglas was appointed on an interim basis on 22 November 2021. Paul Lincoln moved on secondment to industry on 30 September 2021.

[38] Tony Eastaugh was appointed on an interim basis on 16 August 2021 following Tyson Hepple's departure on 22 July 2021.

Gus Jaspert[39]	2/2	15/18	3/3
David Kuenssberg[40]	2/2	14/14	2/2
Jennifer Morrish	N/A	9/9	N/A
Diane Wills	N/A	12/12	N/A
Professor Jennifer Rubin	4/4	25/25	N/A
Jaee Samant[41]	N/A	10/13	N/A
Chloe Squires[42]	N/A	23/25	N/A
Abi Tierney	N/A	20/25	N/A
Julie Blomley[43]	N/A	10/11	1/1
Rob Hall[44]	N/A	14/15	N/A
Former Executive Directors			
Stephen Braviner-Roman[45]	N/A	7/10	N/A
Charu Gorasia	2/2	8/11	0/1
Tyson Hepple	N/A	7/7	N/A
Paul Lincoln OBE	N/A	7/9	N/A
Rachel Watson	N/A	5/6	N/A
Glyn Williams	N/A	15/16	N/A
Simon Baugh	N/A	5/6	N/A
Lawrence Carter	N/A	6/7	N/A
Jill Hatcher	N/A	6/7	N/A
Non-Executive Directors			
Sue Langley	3/4	N/A	N/A
James Cooper	4/4	N/A	4/4
Michael Fuller QPM	3/4	N/A	2/4
Jan Gower	2/4	N/A	N/A
John Paton	3/4	N/A	N/A
Tim Robinson CBE	4/4	N/A	N/A
Phil Swallow	4/4	N/A	N/A

[39] Gus Jaspert joined the Department on 9 August 2021. DG Delivery was a newly created position.

[40] David Kuenssberg was appointed on an interim basis from 18 October 2021 following Charu Gorasia's departure on 15 October 2021.

[41] Jaee Samant joined the Department on 1 November 2021. Rachel Watson held an interim position from 5 July 2021 to 29th October, following Tricia Hayes' appointment as Second Permanent Secretary.

[42] Chloe Squires was appointed on 1 April 2021 following Tom Hurd's departure in the previous financial year.

[43] Julie Blomley joined the Department on 1 December 2021. Jill Hatcher left the Department on 3 August 2021. The interim Chief People Officer was Lawrence Carter.

[44] Rob Hall was appointed on 8 October 2021 following Simon Baugh's departure on the same date.

[45] Stephen Braviner-Roman left the Department as DG Legal on 31 December 2021. Attendance was shared by Jennifer Morrish and Diane Wills on an interim basis.

Former Non-Executive Directors			
Suzy Levy[46]	1/2	N/A	N/A
Independent Audit and Risk Assurance Committee Members			
John Aston	N/A	N/A	3/4
Richard Clarke	N/A	N/A	2/4
Alan Hammill	N/A	N/A	2/2
Ruth Murray-Webster	N/A	N/A	2/2
Terry Price	N/A	N/A	3/4
Former Independent ARAC Members			
Claire Cook	N/A	N/A	1/1

Not all members were invited to every meeting held.

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

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

[46] Suzy Levy's contract expired on 31 August 2021.

Remuneration and Staff Report

Diversity Targets

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

Table 1: Progress against Home Office workforce diversity targets

Characteristic	Grade	Target	2021	2022
Black, Asian and Minority Ethnic	All Staff	24%	24%	24%
	SCS	12%	7%	8%
Disability	All Staff	12%	10%	11%
	SCS	5%	9%	9%
Woman	All Staff	52%	52%	52%
	SCS	47%	45%	45%
Lesbian, Gay and Bi*	All Staff	6%	4%	4%
	SCS	6%	5%	5%

* At the time of collecting this data, the Home Office's HR IT system only recorded people as either 'Heterosexual', 'Straight' or 'LGB'.

Women

The Home Office is committed to gender equality in the workplace, where we can retain, recruit, and help our people progress, to ensure that we are representative of the communities we serve.

We are prioritising the actions identified in the Gender Action Plan, which is co-owned by the Gender Equality Network (the staff support network) and supported by the Gender Champions Board, led by an Executive Committee level Gender Champion. The Plan has the following priorities: nurturing talent, achieving balanced representation, addressing the Gender Pay Gap and workplace wellbeing.

The Home Office continues to set specific targets to address the under-representation of women in the Senior Civil Service (SCS), aiming to achieve a representation rate of 47% by 2025, which is equivalent to the female economically active population of the UK. Female SCS representation in the Home Office exceeded this target during 2020 but in March 2022 was 45.1%

Initiatives launched this year include the Home Office Exit Questionnaire, with one of our aims being to gain a greater understanding of why people decide to leave the Home Office. This is the first time the Department can capture data information about why colleagues move on and will help to improve staff attraction and retention strategies. Feedback has also been gathered from over 1,400 staff in a Menopause Survey and is currently being analysed.

Table 2: Number of male and female employees 31 March 2022[1]

	Female	Male	Total as at 31 March 2022	Female representation by %
Directors[2]	8	6	14	57.1%
Senior Managers[3]	137	167	304	45.1%
Employees[4]	18,668	17,113	35,781	52.2%

Table 3: Number of male and female employees 31 March 2021[1]

	Female	Male	Total as at 31 March 2021	Female representation by %
Directors[2]	10	6	16	62.5%
Senior Managers[3]	129	159	288	44.8%
Employees[4]	18,105	16,617	34,722	52.1%

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

The Home Office Gender Pay Gap Report was published in January 2022 and covers the period April 2020 to March 2021. The Report focuses on the employee’s actual earnings, excluding overtime, and actual working hours during a specified pay period.

The primary driver of the Home Office Gender Pay Gap relates to workforce composition. The use of allowances to attract, retain and recompense our people engaged in front line 24/7 operations, compared to the rest of the workforce, has a significant impact. The Home Office mean hourly pay gap was 7.7%, with a median gap of 11.5%. The Home Office Bonus pay gap was 4.5% and median 0%.

The departmental strategy to achieve gender equality and support the reduction of our Gender Pay Gap, has included a variety of cross governmental and Home Office specific interventions and actions.

For example: the Home Office runs its own award-winning development programme called Access, to support the development of under-represented groups in middle management roles, including women. Last year the programme was extended to include entry level and administration grades.

To complement our internal development programmes, we also participate in multiple cross government talent programmes. These include Crossing Thresholds aimed exclusively for women in the Civil Service below SCS, and the Future Leaders Scheme, a cross government talent programme aimed at high potential senior leaders, including from under-represented groups to help them accelerate their development to the SCS.

We provide flexible working to support staff who wish to work more flexibly, for example, posts being available on job-share and options for reduced hours, term-time working or compressed hours, and encourage the uptake of shared parental leave. We also have our own active job-sharing network, with links into the cross-government flexible working network.

The Home Office participated in the Leadership Summit, designed specifically for women to support them moving into executive roles. We also took part in a pilot Summit for Black, Asian and Minority Ethnic women, and recently launched an equivalent pilot for women at middle management level.

The Department has created our own Career Watch Sponsorship Programme for Black, Asian and Minority Ethnic staff and staff with a disability, to support the development and progression of staff with potential to progress. We are reviewing the outcomes, but data collected from two thirds of the schemes launched so far indicates that an average 54% of sponsees are women.

The Home Office has also recently introduced a support network for both men and women who may have experienced domestic abuse. This involves a new cohort of domestic abuse champions in each directorate who can provide training and awareness raising sessions, as well as signposting colleagues to support services.

Table 4: Home Office Gender Pay Gap

Hourly Pay Gap	Mean	Median
Most recent year (2020-21)	7.7%	11.5%
Prior year (2019-20)	7.8%	12.5%

Bonus Pay Gap	Mean	Median
Most recent year (2020-21)	4.7%	0%
Prior year (2019-20)	3.3%	0%

Table 4.1: Percentage of males and females in each pay quartile

Quartile	Male	Female
Upper quartile	55.4%	44.6%
Second quartile	55.0%	45.0%
Third quartile	41.5%	58.5%
Lower quartile	40.9%	59.1%

Table 4.2: Percentage of employees receiving a bonus

Male	Female
65.4%	64.3%

Disability

The Home Office is proud to be a Disability Confident Leader employer. This renewal accreditation was confirmed in March 2021. Our accreditation is valid for 3 years and recognises our work to date to challenge attitudes, increase understanding, remove barriers and ensure that disabled people have the opportunity to fulfil their potential and realise their aspirations.

The Department has a target of 12% disability representation. We have seen the proportion of our staff declaring a disability increase from 9.8% to 10.5% over the period

March 2021 to March 2022. At SCS level 9% of staff as at 31 March 2022 reported as disabled, this exceeds the target of 5%.

As part of our commitments to increase representation rates and enhance our talent pipeline, we have developed recruitment and mentoring initiatives. For example, Career Watch is a mentoring programme aimed at disabled colleagues and other under-represented groups, and we have disabled colleagues who have been encouraged to become independent panel members for recruitment campaigns.

We have increased the number of places on accelerated talent programmes, such as Access (a Home Office programme) and the Future Leaders Scheme (a cross government accelerated development scheme). HR teams have worked closely with staff networks and departmental champions to highlight talent development opportunities to disabled colleagues, alongside other under-represented groups. For instance: targeted coaching, awareness sessions, targeted communications, and putting reasonable adjustments in place.

One of the aims of our performance management policy, launched July 2021, is to embed a culture of continuous personal and professional development, that encourages improvement at individual, team and organisational level. The key features of the policy are SMART goals, regular conversations, reward performance and behaviours and support if these dip below the minimum standards. This supports our ambition to be a more inclusive and supportive employer.

ABLE, our disability focused staff support network, organised over 20 staff awareness sessions to celebrate UK Disability History Month 2021 (18 November to 18 December) and International Day of People with Disabilities (3 December). These events benefitted from the involvement and support of several senior leaders, such as the Permanent Secretary and Second Permanent Secretary, and our Home Office disability champion amongst those who spoke with passion about this important topic.

The Department now arranges British Sign Language Interpreters for many of our staff events to ensure the events are inclusive to as many people as possible.

Workplace (Reasonable) Adjustments (WRA)

Throughout the COVID-19 pandemic the Home Office has supported its employees with workplace adjustments, whilst working from home and in the workplace.

In July 2021 we launched updated guidance on work-placement adjustments. Suppliers of equipment were added to Metis, our HR software, making it easier for line managers to provide jobholders with the equipment and support needed to undertake their role. The guidance was developed in partnership with the Business Disability Forum, the UK's national employers' network specifically focused on disability and internal stakeholders.

In the period 1 October 2020 to 30 September 2021, the Department invested over £600,000 in supporting Home Office employees with Workplace Adjustments.

Race

Across the organisation, Black, Asian and Minority Ethnic colleagues comprise a greater proportion of the workforce in the junior grades than in senior grades.

We have seen positive increases across most grades since June 2020 and are well above the UK working age population for Black, Asian and Minority Ethnic people (2011 census date <15%) in the Department with the average being 24%. At SCS level, our representation between March 2021 and March 2022 has increased from 6.9% to 7.9%. Progress to meet our representation target at SCS remains a key priority.

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

So far, we have made real progress with a number of key interventions. All Executive Committee and People Committee members have at least two Black, Asian or Minority Ethnic sponsee / mentee as part of a formal relationship. This opportunity has also been offered to all Black, Asian and Minority Ethnic employees at Grade 6, and over 70 relationships have been mapped with separate Grade 6 executive coaching underway. Sponsorship / mentoring for more Grade 6 employees will be re-launched in July 2022.

In 2021 we launched a new development programme for Black, Asian and Minority Ethnic employees at Grade 6 called Accelerate, and we will recruit the second cohort during 2022.

Our Race data dashboard is supporting our more detailed understanding of representation issues and the different personal experiences of our employees from either a Black/Black British, Asian/Asian British and other Minority Ethnic backgrounds at the Home Office. The more granular ethnicity data is starting to allow us to develop new initiatives to improve representation for individual groups.

Nine hundred employees have now come forward as volunteers and registered as independent panel members who will help to remove bias from the sift and interview stages of our recruitment process. This will ensure that all of our interview panels for SEO roles and above include people from diverse backgrounds.

In April 2021, we launched a new performance management system within Metis, which was designed to create fairer outcomes for Black, Asian and Minority Ethnic employees. The new system removed the star ratings which saw Black, Asian, and Minority Ethnic colleagues over-represented in 1- and 2-star categories and under-represented in 4-star. The new system also encourages regular conversations between managers and their staff, helping to build better relationships and supporting quality conversations.

Sexual Orientation

Lesbian, Gay and Bisexual (LGB) representation appears to be greater at more senior grades, with 5.1% representation at SCS compared to 3.38% of AA/ AO staff. No grade or function has achieved the target of 6% LGB representation yet. We have developed an LGBTI+ plan owned by the Department’s LGBTI+ Champions Board; a new departmental Champion has recently been appointed who will take stock of activity. We continue to ensure areas of known strength (Employee Network, Allies and Role Models, Senior Leadership) remain strong. In the last reporting period, we celebrated LGBTI+ History month and Pride events around the country. We received two awards from the recent Stonewall Workplace Equality Index. The first was for the Spectrum network, who received a “highly commended” for their work as a staff network. The Home Office also received a silver award in the same assessment.

Social Mobility

In the year since our last annual report was published, the Home Office has taken steps to push forward on the Social Mobility agenda. Emma Haddad, who is the Director General of Asylum and Protection, was appointed Social Mobility Champion to bring focus and act as a leader in this area.

This has resulted in a number of developments. A dedicated intranet hub has been created, which provides a focal point where colleagues can find useful resources, news and details of events being planned. Social Mobility questions have been introduced on the Internal HR system, which enables the Department to collect relevant employee data. A team of Social Mobility Advocates have been recruited and we have continued the Elevate outreach programme to raise awareness of the Home Office and help us attract more people from lower socio-economic backgrounds to apply for our jobs. We have also entered the Social Mobility Foundation top 75 employer index, improving our position on the previous year, and placing to 46 from 54.

Faith and Belief

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

Staff Sickness

The rolling year average working days lost to sick absence for the Home Office as at 31 March 2022 is 8.01 days (5.49 days in 2020-21). This is an increase of 2.52 rolling year average working days and is the result of working arrangement changes caused by Covid-19. The 2019-20 rolling year average workings days lost to sick absence was 7.55 days. This figure is per staff year for paid Civil Servants only, which is in line with cross government guidelines from Cabinet Office.

Trade Union facility time data

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

This table shows the total number of employees who were Trade Union representatives during the period 1 April 2021 to 31 March 2022.

Number of employees who were Trade Union representatives	**Number of employees who were Trade Union representatives expressed as a Full Time Equivalent number**
329	310

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

Percentage of time spent on facility time	Number of employees
0%	61
1-50%	268
51-99%	0
100%	0

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

Total cost of facility time	£893,632
Total pay bill	£1,716,446,449
Percentage of the total pay bill spent on facility time	0.05%

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

Time spent on paid TU activities as a percentage of total paid facility time hours	0

Distribution of Headcount of Senior Civil Service (SCS) salaries (actual) as at end of March 2022

Salary Bands	SCS within the range as at end of March 2022	Percentage
£70,000 - £75,000	21	6.91%
£75,000 - £80,000	58	19.08%
£80,000 - £85,000	52	17.11%
£85,000 - £90,000	30	9.87%
£90,000 - £95,000	30	9.87%
£95,000 - £100,000	27	8.88%
£100,000 - £105,000	22	7.24%
£105,000 - £110,000	12	3.95%
£110,000 - £115,000	12	3.95%
£115,000 - £120,000	7	2.30%
£120,000 - £130,000	9	2.96%
£130,000 - £140,000	9	2.96%
£140,000 - £150,000	9	2.96%
£150,000 - £155,000	2	0.66%
£155,000 - £160,000	1	0.33%
£160,000 - £165,000	1	0.33%
£165,000 - £170,000	1	0.33%
£200,000 - £205,000	1	0.33%
Grand Total	**304**[47]	**100.00%**

This information has been extracted from Metis - Home Office Human Resources Record System as at the end of March 2022

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

Remuneration bands include salary, allowances, 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.

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

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

[47] There is 1 Incoming Loan excluded from the distribution as their salary is not held on the Home Office Payroll System

Distribution of Headcount of Senior Civil Service (SCS) salaries (actual) as at end of March 2021

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

Spend on consultancy services and temporary staff

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

The Consultancy and Contingent Labour approvals process is owned and managed by the Chief Commercial Officer and was established in October 2010; requests for approvals are reviewed fortnightly. Consultancy requests over £20,000, if approved by the ERG Board, are submitted to the Director General, Capabilities & Resources who operates under delegation from the Home Secretary for requirements up to the value of £200,000. Requests above this value also go to the Permanent Secretary for approval and then onwards to the Home Secretary and the relevant minister. All Consultancy requests over £10 million in value are also submitted to the Cabinet Office Spending Controls Team for additional scrutiny and approval.

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

Consultancy Services	2021-22 total expenditure (£000)	2020-21 total expenditure (£000)
Home Office Core Department	67,141	25,275
Disclosure and Barring Service	460	3,074
College of Policing	1,895	3,867
Security Industry Authority	167	107
Gangmasters & Labour Abuse Authority	189	79
Total	**69,852**	**32,402**

Contingent Labour/Agency Costs	2021-22 total expenditure (£000)	2020-21 total expenditure (£000)
Home Office Core Department	133,669	66,341
Independent Office for Police Conduct	349	1,174
College of Policing	6,434	5,833
Disclosure and Barring Service	3,629	3,788
Security Industry Authority	573	963
Total	**144,654**	**78,099**

Total Consultancy Services and Contingent Labour/Agency Costs	2021-22 total expenditure (£000)	2020-21 total expenditure (£000)
Home Office Core Department	200,810	91,616
Independent Office for Police Conduct	349	1,174
College of Policing	8,329	9,700
Disclosure and Barring Service	4,089	6,862
Security Industry Authority	740	1,070
Gangmasters & Labour Abuse Authority	189	79
Total	**214,506**	**110,501**

The Home Office monitors Temporary Staff costs to ensure that the continuing expenditure represents the best value for money for the organisation. Agency staff have been retained primarily as a flexible resource to deal with backlogs in migrant casework, passport application/examination, and asylum applications. The increase in spend is predominantly to continue to support two significant segments of the business high on Ministerial agendas:

- Border Force and Immigration - driven by increased arrivals to the UK of asylum seekers, combined with EU exit and the need for more intelligent, quicker but thorough systems to assess, track, process people entering and leaving the UK.
- Passport Office - COVID related backlogs, such as managing demand where there has been delayed applications to renew or for first time passports.

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

Off-payroll engagements

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

The tables 1 and 2 below provide the total number of off-payroll engagements, who are earning more than £245 per day plus new engagements during the year, table 3 shows those who were board members or senior officials during the year.

Table 1: This table shows the number of off-payroll engagements as of 31 March 2022, for more than £245 per day and that last for longer than six months	**Main Department**	**Agencies**	**ALBs**
Number of existing engagements as of 31 March 2022	134	-	-
Of which:			
Number that have existed for less than one year at time of reporting	43	-	-
Number that have existed for between one and two years at time of reporting	64	-	-
Number that have existed for between two and three years at time of reporting	20	-	-
Number that have existed for between three and four years at time of reporting	6	-	-
Number that have existed for four or more years at time of reporting	1	-	-

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

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022, for more than £245 per day and that last for longer than six months.	**Main Department**	**Agencies**	**ALBs**
Number of new engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022	28	-	7
Of which:			
Number of the above which were assessed as being within the scope of IR35	28	-	-
The number of these engagements which were assessed as being outside the scope of IR35	-	-	-
The number that were engaged directly (via PSC contracted to the department) and are on the departmental payroll	-	-	-
No. of engagements reassessed for consistency / assurance purposes during the year	28	-	-
The number that saw a change to IR35 status following a consistency review	-	-	-

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022	**Main Department**	**Agencies**	**ALBs**
Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, during the financial year	-	-	-
Number of individuals that have been deemed 'board members and/or, senior officials with significant financial responsibility', during the financial year. This figure should include both off-payroll and on-payroll engagement	-	-	-

Civil Service People Survey

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

The 2021 People Survey had a 58% response rate, 2% less than the 2020 Survey. The departmental results show the staff engagement level decreased by 1% and the Employee Engagement Index – the key indicator of staff opinion – was 57%.

The rest of this report is audited information.

Staff Costs

	Permanently employed staff	Others	Ministers	2021-22 Departmental group total	2020-21 Departmental group total
	£000	£000	£000	£000	£000
Wages and Salaries	1,355,299	186,986	310	1,542,595	1,419,254
Social Security Costs	148,034	-	34	148,068	134,913
Other Pension Costs	345,839	-	-	345,839	333,322
	1,849,172	**186,986**	**344**	**2,036,502**	**1,887,489**
Less recoveries in respect of outward secondments	(689)	-	-	(689)	(577)
Total Staff Costs	**1,848,483**	**186,986**	**344**	**2,035,813**	**1,886,912**
Of which:					
Core Department	1,698,593	170,700	344	1,869,637	1,724,407
Arm's length bodies	149,890	16,286	-	166,176	162,505
Total Staff Costs	**1,848,483**	**186,986**	**344**	**2,035,813**	**1,886,912**

Staff Costs by business segment

	Permanently employed staff	Others	Ministers	2021-22 Departmental group total	2020-21 Departmental group total (restated)
Business segment	**£000**	**£000**	**£000**	**£000**	**£000**
Science, Technology, Analysis, Research and Strategy	253,582	26,414	344	280,340	263,845
Homeland Security	72,217	2,077	-	74,294	68,227
Public Safety	106,211	14,658	-	120,869	107,941
Migration and Borders	42,048	4,690	-	46,738	41,573
Customer Service (UKVI and HMPO)	464,798	84,701	-	549,499	502,246
Borders and Enforcement	723,006	30,874	-	753,880	713,191
Corporate Enablers	91,126	7,386	-	98,512	101,378
Digital, Data and Technology	86,894	15,925	-	102,819	79,181
Legal	-	-	-	-	-
Communications	8,601	261	-	8,862	9,330
Total Staff Costs	**1,848,483**	**186,986**	**344**	**2,035,813**	**1,886,912**

Seconded staff include staff on redeployment. In 2021-22 there were five redeployments at grades EO to G6, with a typical duration of 12 months.

Defined Benefit Schemes

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multi-employer defined benefit schemes, but the Home Office is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the PCSPS as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (http://www.civilservicepensionscheme.org.uk).

For 2021-22, employers’ contributions of £315 million were payable to PCSPS and CSOPS (2020-21 £304 million) at one of four rates in the range 26.6% to 30.3% (2020-21 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 2021-22 to be paid when the member retires and not the benefits paid during this period to existing pensioners. 19 persons (27 in 2020-21) retired early on ill-health grounds.

Partnership and Stakeholder Schemes

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. For 2021-22, employers’ contributions of £2.5 million were paid to an appointed stakeholder pension provider (2020-21 £2.2 million). Employer contributions are age related and ranged from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £87,600 (2020-21 £136,500), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers as at 31 March 2022 were £2.6 million (£2.3 million in 2020-21). Contributions prepaid at that date were £nil (£nil in 2020-21).

By Analogy Pension Scheme

The Home Office also operates a ‘Broadly by Analogy’ (BBA) Pension Scheme. This scheme is analogous with the PCSPS. Liabilities for the scheme rest with the Home Office and provision for these liabilities is reflected in the Statement of Financial Position.

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

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

Average number of persons employed

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

Business segment	Permanently employed staff	Others	Ministers	2021-22 Departmental group total	2020-21 Departmental group total (restated)
Science, Technology, Analysis, Research and Strategy	4,740	203	-	4,943	4,742
Homeland Security	1,153	31	-	1,185	1,109
Public Safety	1,860	190	-	2,050	1,866
Migration and Borders	685	12	-	698	632
Customer Service (UKVI and HMPO)	12,076	2,958	-	15,034	14,006
Borders and Enforcement	13,947	397	-	14,343	13,831
Corporate Enablers	1,387	116	7	1,510	1,584
Digital, Data and Technology	1,570	237	-	1,806	1,418
Legal	-	-	-	-	-
Communications	131	1	-	132	141
Total Staff	**37,548**	**4,145**	**7**	**41,700**	**39,329**
Of which:					
Core Department	34,335	3,977	7	38,319	36,089
Departmental Group	**37,548**	**4,145**	**7**	**41,700**	**39,329**

*New segment data only available for last six months of year. Therefore, this data used to determine segment split and applied to historic monthly totals to obtain average for year (and prior year).

Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	Core Department & Agencies			Departmental Group		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
Less than £10,000	- (-)	21 (3)	21 (3)	- (1)	21 (3)	21 (4)
£10,000 - £25,000	- (-)	3 (1)	3 (1)	- (-)	3 (3)	3 (3)
£25,000 - £50,000	- (-)	1 (3)	1 (3)	- (-)	2 (7)	2 (7)
£50,000 - £100,000	- (-)	1 (4)	1 (4)	1 (3)	3 (5)	4 (8)
£100,000 - £150,000	- (-)	- (-)	- (-)	3 (-)	1 (-)	4 (-)
Total number of exit packages by type	**- (-)**	**26 (11)**	**26 (11)**	**4 (4)**	**30 (18)**	**34 (22)**
Total resource cost (£000)	**- (-)**	**321 (424)**	**321 (424)**	**410 (229)**	**634 (686)**	**1,044 (915)**

Comparative figures for the prior year are shown in brackets.

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

Departmental Remuneration Report

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

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Further information about the work of the Civil Service Commission can be found at ***www.civilservicecommission.org.uk***

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

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

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

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

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

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

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

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

Further information about the work of the Review Body can be found at ***www.gov.uk/government/organisations/review-body-on-senior-salaries*****.**

Ministers
The Ministers responsible for the Department during 2021-22 are reported on pages 65 to 66.

Membership of the Home Office Departmental Board
The membership of the Departmental Board during 2021-22 can be found in the annex to the Governance Statement on pages 95 to 97.

Executive Committee
The membership of the Executive Committee during 2021-22 is found in the annex to the Governance Statement on pages 95 to 97.

Non-executive directors
The information relating to the non-executive directors is reported on pages 68 to 69.

Remuneration Committees
The Home Office Senior Leadership Committee work to Cabinet Office guidelines to determine the amount of non-consolidated performance-related pay for Senior Civil Servants (SCS) within the Home Office. To assess the 2020-21 performance year the committees comprised:

Committee	Composition
Pay Band 3 - Senior Pay and Talent Committee	The Perm Sec, 2nd Perm Sec, Non-Executive Director and Chief People Officer
Pay Band 2 - Senior Leadership Committee	The Perm Sec, 2nd Perm Sec, Chief People Officer, and all the Department's Directors General
Pay Band 1 - Senior Leadership Committee	The Perm Sec, 2nd Perm Sec, Chief People Officer, and all the Department's Directors General

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

Group 1 – top

Group 2 – achieving

Group 3 – low

For the 2020-21 performance year, only Group 1 was eligible for a non-consolidated performance payment. Staff in all three groups were eligible for a pay award.

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

For the 2021-22 SCS pay award, a public sector pay pause was in effect, which resulted in no consolidated pay awards across the SCS. Up to 3.3% of the SCS pay bill could continue to be used for non-consolidated performance payments.

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

2.01% of the SCS pay bill was paid in non-consolidated performance payments to staff in Group 1; this equates to £784,000.

The 2021-22 non-consolidated performance payments for the 2020-21 performance year were paid in September 2021. The bonuses were set at £14,000 (Pay Band 3); £11,000 (Pay Band 2) and £8,000 (Pay Band 1).

The assessment and review of performance for the 2021-22 performance year will be undertaken shortly.

Remuneration and pension entitlements

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

Single Total Figure of Remuneration

	Salary (£)[1]		Severance Pay (£)		Benefits in kind (to nearest £100)		Pension Benefits (to nearest £000)[2]		Total (to nearest £000)	
Ministers	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Current Ministers										
Rt Hon Priti Patel MP	67,505 (67,505)	67,505 (67,505)	- -	- -	- -	- -	17,000 -	17,000 -	85,000 -	84,000 -
Kit Malthouse MP	31,680 (31,680)	31,680 (31,680)	- -	- -	- -	- -	8,000 -	8,000 -	40,000 -	39,000 -
Kevin Foster MP	22,375 (22,375)	22,375 (22,375)	- -	- -	- -	- -	6,000 -	5,000 -	28,000 -	28,000 -
Baroness Williams[3]	117,850 (117,850)	117,850 (117,850)	- -	- -	4,300 -	4,500 -	21,000 -	20,000 -	143,000 -	142,000 -
Rt Hon Damian Hinds MP (from 13/8/21)	20,098 (31,680)	- -	- -	- -	- -	- -	5,000 -	- -	26,000 -	- -
Rachel Maclean MP (from 16/9/21)	11,187 (22,375)	- -	- -	- -	- -	- -	3,000 -	- -	14,000 -	- -
Thomas Pursglove MP (from 17/9/21)	11,187 (22,375)	- -	- -	- -	- -	- -	3,000 -	- -	14,000 -	- -
Lord Stephen Greenhalgh[4]	-	-	-	-	-	-	-	-	-	-
Lord Richard Harrington[5]	-	-	-	-	-	-	-	-	-	-
Former Ministers										
Rt Hon James Brokenshire MP[6] (until 7/7/21)	8,516 (31,680)	31,680 (31,680)	7,920 -	- -	- -	- -	2,000 -	8,000 -	18,000 -	39,000 -
Victoria Atkins MP (until 24/9/21)	11,187 (22,375)	22,375 (22,375)	- -	- -	- -	- -	3,000 -	5,000 -	14,000 -	28,000 -
Chris Philp MP[7] (until 16/9/21)	-	-	-	-	-	-	-	-	-	-

[1] The salary shown for MP Ministers only relates to the difference between their MP's salary and their Minister's salary, as the MP element is paid via the Houses of Parliament and not the Home Office. Figures in brackets are the full year equivalent.

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

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

[4] Lord Stephen Greenhalgh is an unpaid Minister of State jointly at the Department for Levelling Up, Housing and Communities and the Home Office.

[5] Lord Richard Harrington is an unpaid Minister of State (Minister for Refugees) jointly in the Department for Levelling Up, Housing and Communities and the Home Office.

[6] The Home Office made a special payment of £63,360 to James Brokenshire's widow in lieu of death in service benefits.

[7] Chris Philp is Parliamentary Under Secretary of State for both the Ministry of Justice and Home Office jointly. His ministerial salary is paid by Ministry of Justice.

Single Total Figure of Remuneration

Officials	Salary[1] (£000)		Bonus Payments (£000)		Benefits in kind (to nearest £100)		Pension Benefits (to nearest £000)[2]		Total (to nearest £000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Current Officials										
Matthew Rycroft[3] Permanent Secretary	185-190 (180-185)	185-190 (180-185)	15-20	-	0-5	-	75	72	275-280	255-260
Tricia Hayes Second Permanent Secretary	145-150 (150-155)	130-135 (130-135)	10-15	-	-	-	110	57	265-270	190-195
Dr Abigail Tierney[3] Director General, UK Visas and Immigration, Director General, Her Majesty's Passport Office and UK Visas and Immigration	165-170 (160-165)	155-160 (160-165)	-	-	-	-	61	61	225-230	220-225
Jennifer Rubin Home Office Chief Scientific Adviser, Director General, STAR (Science, Technology, Analysis and Research)	145-150 (145-150)	35-40 (145-150)	-	-	-	-	58	15	205-210	50-55
Emma Haddad[4] Director General for Asylum and Protection (From 1 February 2021)	130-135 (130-135)	- -	-	-	-	-	35	-	165-170	-
Chloe Squires Director General, Homeland Security Group (From 1 April 2021)	130-135 (130-135)	- -	10-15	-	-	-	116	-	255-260	-
Jaee Samant Director General, Public Safety Group (From 1 November 2021)	50-55 (130-135)	- -	-	-	-	-	10	-	60-65	-
Gus Jaspert Director General, Delivery Group (From 9 August 2021)	75-80 (120-125)	- -	-	-	-	-	32	-	105-110	-
Phil Douglas Director General, Border Force (From 22 November 2021)	35-40 (100-105)	- -	-	-	-	-	32	-	65-70	-
David Kuenssberg Director General, Corporate Enablers (From 18 October 2021)	60-65 (140-145)	- -	0-5	-	-	-	30	-	95-100	-
Tony Eastaugh[5] Interim Director General of Immigration Enforcement (From 16 August 2021)	80-85 (130-135)	- -	-	-	-	-	-	-	80-85	-
Emma Churchill Director General, Migration & Borders (From 20 January 2022)	20-25 (120-125)	- -	-	-	-	-	14	-	35-40	-
Former Officials										
Glyn Williams Director General, Migration & Borders Group (Until 31 December 2021)	100-105 (135-140)	140-145 (135-140)	10-15	10-15	-	-	3	74	120-125	225-230
Charu Gorasia Director General, Capabilities and Resource (Until 31 October 2021)	90-95 (160-165)	160-165 (160-165)	-	10-15	-	-	27	78	120-125	250-255
Tyson Hepple[3] Director General, Immigration Enforcement (Until 8 August 2021)	55-60 (130-135)	125-130 (130-135)	-	-	-	-	8	174	60-65	300-305
Paul Lincoln Director General, Border Force (Until 31 October 2021)	105-110 (135-140)	135-140 (135-140)	10-15	-	-	-	19	57	140-145	190-195

[1] The figures in brackets are the full year equivalents.

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

[3] Salary includes buy-out of annual leave, which is a non-consolidated payment.

[4] Emma Haddad joined theme Office payroll from 1 April 2021 remaining on DWP's payroll until this time.

5 Tony Eastaugh chose not to be covered by the Civil Service pension arrangements during the reporting year.

	Salary (£000)		Bonus Payments (£000)		Benefits in kind (to nearest £100)		Pension Benefits (to nearest £000)		Total (to nearest £000)	
Non-Executive Directors	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Current Non-Executive Directors										
Sue Langley	20-25	20-25	-	-	-	-	-	-	20-25	20-25
James Cooper	10-15	10-15	-	-	-	-	-	-	10-15	10-15
Michael Fuller QPM	10-15	10-15	-	-	-	-	-	-	10-15	10-15
John Paton	10-15	10-15	-	-	-	-	-	-	10-15	10-15
Phil Swallow	10-15	5-10	-	-	-	-	-	-	10-15	5-10
Timothy Robinson[1]	10-15	10-15	-	-	-	-	-	-	10-15	10-15
Janet Gower	10-15	0-5	-	-	-	-	-	-	10-15	0-5
Former Non-Executive Directors										
Suzy Levy (until 31/8/2021)	5-10	10-15	-	-	-	-	-	-	5-10	10-15

1 At his request, Timothy Robinson's fee will be donated directly to charity

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

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts. In respect of Ministers in the House of Commons, departments bear only the cost of the additional Ministerial remuneration; the salary for their services as an MP (£81,932 from 1 April 2021) and various allowances to which they are entitled are borne centrally. However, the arrangement for Ministers in the House of Lords is different in that they do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their Ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the Department and is therefore shown in full in the figures above.

Benefits in kind

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

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2021-22 relate to performance in 2020-21 and the comparative bonuses reported for 2020-21 relate to the performance in 2019-20.

Fair Pay disclosures

Salary and allowances

The percentage change in respect of the highest paid director's salary and allowances was 0% and was in the band £185-£190k for both 2021-22 and 2020-21.

The average percentage change in respect of all other employees' salary and allowances increased by 1.7% in 2021-22 compared to 2020-21.

Performance pay and bonuses

The Remuneration Committee that determines performance pay and bonuses meet subsequent to the production of this Annual Report therefore this disclosure compares 2019-20 and 2020-21.

The Highest paid director did not receive a bonus payment in 2019-20 or 2020-21. To note that The Single Total Figure of Remuneration table within the Remuneration Report (page 118) shows that the highest paid director received a bonus payment in 2021-22 in the band £15,000-£20,000 (2020-21 £nil).

For other employees the average performance pay and bonuses increased by 22.3%[48] between 2019-20 (£10,048k) and 2020-21 (£12,513k).

Pay multiples

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

The following table show the median earnings of the Department's workforce and the ratio between this and the earning of the highest paid director. It also shows the ratio for the both the top and bottom quartile.

	2021-22	2020-21
Band of Highest Paid Director's Total Remuneration (£000)	200-205	185-190
25th Percentile Pay (£)	27,227	25,686
25th Percentile Remuneration Ratio	7.4	7.3
Median Pay (£)	35,068	34,037
Median Remuneration Ratio	5.8	5.5
75th Percentile Pay (£)	42,108	40,739

[48]Data available at **Error! Hyperlink reference not valid.**

Home Office: performance-related pay, 2019 to 2020 - GOV.UK (www.gov.uk)

75th Percentile Remuneration Ratio	4.8	4.6

Matthew Rycroft is the highest paid director for 2021-22 and was also the highest paid director in 2020-21. No employees received remuneration more than the highest paid director.

Remuneration for all employees in bands of £5,000 ranged from £15,000- £20,000 to £200,000-£205,000 (2020-21 £15,000-£20,000 to £185,000-£190,000).

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

Overall Median Remuneration Ratio changed from 5.5 in 2020-21 to 5.8 2021-22.

This ratio change was due to the bonus payment made in 2021-22 to the highest paid director, increasing the comparison band from £185k-£190k to £200k-£205k, even though Median pay for all other employees increased by 3%.

Salary component only

	2021-22	**2020-21**
Band of Highest Paid Director's Total Remuneration (£000)	180-185	180-185
25th Percentile Pay (£)	24,893	24,893
25th Percentile Remuneration Ratio	7.4	7.4
Median Pay (£)	28,654	27,372
Median Remuneration Ratio	6.4	6.7
75th Percentile Pay (£)	35,196	35,068
75th Percentile Remuneration Ratio	5.2	5.2

The table above shows that the ratio to Median pay changed from 6.7 in 2020-21 to 6.4 in 2021-22. This was due to the.5% increase in Median pay salary and allowances. There was no change in Salary for the highest paid director (0% change)

Pension Benefits

Ministerial pensions

Ministers	Accrued pension at age 65 as at 31 March 2022 £000	Real increase in pension at age 65 £000	CETV at 31/3/22 £000	CETV at 31/3/21 £000	Real increase in CETV £000
Rt Hon Priti Patel MP	5-10	0-2.5	82	63	8
Victoria Atkins MP	0-5	0-2.5	19	16	1
Kit Malthouse MP	0-5	0-2.5	35	25	5
Kevin Foster MP	0-5	0-2.5	12	8	2
Baroness Williams	10-15	0-2.5	184	155	12
Rt Hon James Brokenshire MP	5-10	0-2.5	144	141	1
Rt Hon Damian Hinds MP	0-5	0-2.5	59	52	3
Rachel Maclean MP	0-5	0-2.5	13	10	2
Thomas Pursglove MP	0-5	0-2.5	8	6	0

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

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

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

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

The Cash Equivalent Transfer Value (CETV)

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

The real increase in the value of the CETV

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

Civil Service Pensions

Officials	Accrued pension at pension age as at 31 March 2022 and related lump sum £000	Real increase /(decrease) in pension and related lump sum at pension age £000	CETV at 31 March 2022 £000	CETV at 31 March 2021 £000	Real increase /(decrease) in CETV £000	Employer contributions to partnership pension account £000
Current Officials						
Matthew Rycroft Permanent Secretary	90-95	2.5-5	1,535	1,409	43	-
Tricia Hayes Second Permanent Secretary	65 - 70 plus a lump sum of 135 - 140	5 - 7.5 plus a lump sum of 5 - 7.5	1,292	1,140	85	-
Dr Abigail Tierney Director General, UK Visas and Immigration, Director General, Her Majesty's Passport Office and UK Visas and Immigration	5-10	2.5-5	88	45	30	-
Jennifer Rubin Home Office Chief Scientific Adviser, Director General, STAR (Science, Technology, Analysis and Research)	0-5	2.5-5	51	7	33	-
Emma Haddad Director General for Asylum and Protection	40-45	0-2.5	543	499	13	-
Chloe Squires Director General, Homeland Security Group (From 1 April 2021)	35 - 40 plus a lump sum of 65 - 70	5 – 7.5 plus a lump sum of 7.5 - 10	559	460	70	-
Jaee Samant Director General, Public Safety Group (From 1 November 2021)	55 - 60 plus a lump sum of 115 - 120	0 - 2.5 plus a lump sum of 0	1,108	1,062	2	-
Gus Jaspert Director General, Delivery Group (From 9 August 2021)	40-45	0-2.5	456	427	14	-
Phil Douglas Director General, Border Force (From 22 November 2021)	50-55	0-2.5	887	851	26	-
David Kuenssberg Director General, Corporate Enablers (From 18 October 2021)	25-30	0-2.5	393	358	17	-
Emma Churchill Director General, Migration & Borders (From 20 January 2022)	40 - 45 plus a lump sum of 75 - 80	0 - 2.5 plus a lump sum of 0 - 2.5	632	619	9	-
Former Officials						

Glyn Williams Director General, Migration & Borders Group (Until 31 December 2021)	60 - 65 plus a lump sum of 190 - 195	0 - 2.5 plus a lump sum of 0 - 2.5	1,516	1,470	3	-
Charu Gorasia Director General, Capabilities and Resource (Until 31 October 2021)	60-65	0-2.5	875	827	10	-
Tyson Hepple Director General, Immigration Enforcement (Until 8 August 2021)	55 - 60 plus a lump sum of 120 - 125	0 - 2.5 plus a lump sum of 0	1,052	1,042	1	-
Paul Lincoln Director General, Border Force (Until 31 October 2021)	55 - 60 plus a lump sum of 25 - 30	0 - 2.5 plus a lump sum of 0	843	802	6	-

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

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

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

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

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

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values

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

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

Real increase in CETV

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

Compensation for loss of office

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

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

Matthew Rycroft CBE

Accounting Officer

Parliamentary accountability and audit report

Statement of outturn against Parliamentary supply

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

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

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

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

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

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

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

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 12, in the financial review section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

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

Summary tables – mirrors part 1 of the Estimates

Summary table, 2021-22, all figures presented in £000s

Type of spend	SoPS note	Outturn			Estimate			Outturn vs Estimate, saving/(excess)		Prior year outturn total, 2020-21
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
Departmental Expenditure Limit										
Resource	1.1	14,711,574	-	14,711,574	15,017,398	-	15,017,398	305,824	305,824	14,562,788
Capital	1.2	823,381	-	823,381	901,810	-	901,810	78,429	78,429	846,735
Total		15,534,955	-	15,534,955	**15,919,208**	**-**	**15,919,208**	384,253	384,253	**15,409,523**
Annually Managed Expenditure										
Resource	1.1	2,647,395	-	2,647,395	2,761,935	-	2,761,935	114,540	114,540	2,306,212
Capital	1.2	-	-	-	-	-	-	-	-	-
Total		2,647,395	-	2,647,395	**2,761,935**	**-**	**2,761,935**	114,540	114,540	**2,306,212**
Total Budget										
Resource	1.1	17,358,969	-	17,358,969	17,779,333	-	17,779,333	420,364	420,364	16,869,000
Capital	1.2	823,381	-	823,381	901,810	-	901,810	78,429	78,429	846,735
Total Budget Expenditure		**18,182,350**	**-**	**18,182,350**	**18,681,143**	**-**	**18,681,143**	**498,793**	**498,793**	**17,715,735**
Non-Budget Expenditure	1.1	-	-	-			**-**	-	-	-
Total Budget and Non-Budget		**18,182,350**	**-**	**18,182,350**	**18,681,143**	**-**	**18,681,143**	**498,793**	**498,793**	**17,715,735**

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

Net cash requirement 2021-22, all figures presented in £000s

Item	SoPS note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior year outturn total, 2020-21
Net cash requirement	3	16,972,682	17,929,079	**956,397**	**16,709,336**

Administration costs 2021-22, all figures presented in £000s

Type of spend	SoPS note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior year outturn total, 2020-21
Administration costs	1.1	282,944	368,221	**85,277**	**320,554**

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

Notes to the Statement of Outturn against Parliamentary Supply 2021-22 (£000s)

SoPS 1. Outturn detail, by Estimate line[49]

SoPS 1.1. Analysis of resource outturn by Estimate line

Type of spend (resource)	Resource outturn							Estimate			Outturn vs Estimate, saving/ (excess)	Prior year outturn total, 2020-21, restated
	Administration			Programme			Total	Total	Virements	Total including virements		
	Gross	Income	Net	Gross	Income	Net						
Spending in Departmental Expenditure Limit (DEL)												
Voted expenditure												
A - Science, Technology, Analysis, Research and Strategy	46,276	-	46,276	121,372	(18,662)	102,710	148,986	154,481	3,861	158,342	9,356	129,177
B - Homeland Security	48,467	-	48,467	1,232,648	(259,327)	973,321	1,021,788	1,128,344	(45,976)	1,082,368	60,580	1,036,861
C - Public Safety	49,351	(1,914)	47,437	10,426,438	(655)	10,425,783	10,473,220	10,492,655	(18,780)	10,473,875	655	10,246,194
D - Migration and Borders	24,672	(201)	24,471	62,832	(1,114)	61,718	86,189	102,115	(14,812)	87,303	1,114	89,737
E - Customer Service (UKVI and HMPO)	1,139	-	1,139	3,483,409	(3,151,172)	332,237	333,376	496,392	(49,163)	447,229	113,853	689,233
F - Borders and Enforcement	2,445	-	2,445	1,212,833	(32,062)	1,180,771	1,183,216	1,248,699	(9,693)	1,239,006	55,790	1,077,627
G - Corporate Enablers	162,352	(92,026)	70,326	872,440	(12,563)	859,877	930,203	852,796	77,407	930,203	-	729,240
H - Digital, Data and Technology	21,506	(679)	20,827	541,086	(126,234)	414,852	435,679	378,859	56,820	435,679	-	436,993
I - Legal	8,312	-	8,312	-	-	-	8,312	10,578	(2,266)	8,312	-	10,447
J - Communications	13,244	-	13,244	4,285	-	4,285	17,529	17,801	2,602	20,403	2,874	17,205
K - Arm's Length Bodies (Net)	-	-	-	73,076	-	73,076	73,076	134,678	-	134,678	61,602	100,074
L - Departmental Unallocated Provision	-	-	-	-	-	-	-	-	-	-	-	-
Total voted DEL	**377,764**	**(94,820)**	**282,944**	**18,030,419**	**(3,601,789)**	**14,428,630**	**14,711,574**	**15,017,398**	**-**	**15,017,398**	**305,824**	**14,562,788**
Total spending in DEL	**377,764**	**(94,820)**	**282,944**	**18,030,419**	**(3,601,789)**	**14,428,630**	**14,711,574**	**15,017,398**	**-**	**15,017,398**	**305,824**	**14,562,788**
Spending in Annually Managed Expenditure (AME)												
Voted expenditure												
M - Police and Fire superannuation	-	-	-	2,515,542	-	2,515,542	2,515,542	2,518,595	(3,053)	2,515,542	-	2,304,824
N - AME Charges	-	-	-	132,718	-	132,718	132,718	243,340	3,918	247,258	114,540	(691)
O - AME Charges Arm's Length Bodies (Net)	-	-	-	(865)	-	(865)	(865)	-	(865)	(865)	-	2,079
Total voted AME	**-**	**-**	**-**	**2,647,395**	**-**	**2,647,395**	2,647,395	**2,761,935**	**-**	**2,761,935**	**114,540**	**2,306,212**
Total spending in AME	**-**	**-**	**-**	**2,647,395**	**-**	**2,647,395**	2,647,395	**2,761,935**	**-**	**2,761,935**	**114,540**	**2,306,212**
Total resource	**377,764**	**(94,820)**	**282,944**	**20,677,814**	**(3,601,789)**	**17,076,025**	**17,358,969**	**17,779,333**	**-**	**17,779,333**	**420,364**	**16,869,000**

[49] The new Home Office Organisational Structure became effective from 1 April 2021, and the voted expenditure categories in these notes to the statement of parliamentary supply align with the operating segments of the Home Office in the new structure. The 2020-21 comparatives have also been restated for the new vote categories and new structure. Refer to page 68 for detail on the new organisational structure.

SoPS 1.2. Analysis of capital outturn by Estimate line

Type of spend (capital)	Outturn			Estimate			Outturn vs Estimate, saving/(excess)	Prior year outturn total, 2020-21, restated
	Gross	Income	Net	Total	Virements	Total including virements		
Spending in Departmental Expenditure Limit (DEL)								
Voted expenditure								
A - Science, Technology, Analysis, Research and Strategy	41,399	(332)	41,067	43,461	(2,062)	41,399	332	34,562
B - Homeland Security	190,326	-	190,326	206,907	-	206,907	16,581	142,940
C - Public Safety	181,558	-	181,558	197,648	-	197,648	16,090	258,037
D - Migration and Borders	88,910	-	88,910	110,777	-	110,777	21,867	105,560
E - Customer Service (UKVI and HMPO)	97,773	(525)	97,248	100,965	(3,192)	97,773	525	102,148
F - Borders and Enforcement	155,531	(1,595)	153,936	185,718	(8,748)	176,970	23,034	130,189
G - Corporate Enablers	(12,128)	6,874	(5,254)	(16,798)	11,544	(5,254)	-	15,408
H - Digital, Data and Technology	59,676	-	59,676	57,432	2,244	59,676	-	42,561
I - Legal	-	-	-	-	-	-	-	-
J - Communications	2	-	2	500	(498)	2	-	-
K - Arm's Length Bodies (Net)	15,912	-	15,912	15,200	712	15,912	-	15,330
L - Departmental Unallocated Provision	-	-	-	-		-	-	-
Total voted DEL	**818,959**	**4,422**	**823,381**	**901,810**	**-**	**901,810**	**78,429**	**846,735**
Total spending in DEL	**818,959**	**4,422**	**823,381**	**901,810**	**-**	**901,810**	**78,429**	**846,735**
Spending in Annually Managed Expenditure (AME)								
Voted expenditure								
M - Police and Fire superannuation	-	-	-	-		-	-	-
N - AME Charges Arm's Length Bodies (Net)	-	-	-	-		-	-	-
Total voted AME	-	-	-	-	-	-	-	-
Total spending in AME	-	-	-	-	-	-	-	-
Total capital	**818,959**	**4,422**	**823,381**	**901,810**	**-**	**901,810**	**78,429**	**846,735**

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

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

SoPS 2. Reconciliation of outturn to net operating expenditure

Item		Reference	Outturn total	Prior year outturn total, 2020-21
Total resource outturn		**SoPS 1.1**	**17,358,969**	**16,869,000**
Add:	Capital grants		631,680	208,291
	Capital expenditure		78,122	53,335
	PFI adjustments		-	2
	Capital disposal adjustments		(244,857)	(803)
Total			**464,945**	**260,825**
Less:	Income payable to the Consolidated Fund		(304,548)	(109,516)
	Capital grant income		(2,480)	(2,302)
Total			**(307,028)**	**(111,818)**
Net Operating Expenditure in Consolidated Statement of Comprehensive Net Expenditure		**SoCNE**	**17,516,886**	**17,018,007**

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

SoPS 3. Reconciliation of net resource outturn to net cash requirement

Item	Reference	Outturn total	Estimate	Outturn vs Estimate, saving/(excess)
Total resource outturn	**SoPS 1.1**	**17,358,969**	**17,779,333**	**420,364**
Total capital outturn	**SoPS 1.2**	**823,381**	**901,810**	**78,429**
Adjustments for ALBs:				
Remove voted resource and capital		(88,123)	(149,878)	(61,755)
Add cash grant-in-aid		127,125	138,899	11,774
Adjustments to remove non-cash items:				
Depreciation and amortisation		(580,327)	(397,745)	182,582
New provisions and adjustments to previous provisions		(177,571)	(243,340)	(65,769)
Departmental unallocated provision		-	-	-
Accrued capital expenditure		(9,720)	-	9,720
Other non-cash items		(259,863)	-	259,863
Adjustments to reflect movements in working balances:				
Increase/(decrease) in inventories		170	-	(170)
Increase/(decrease) in receivables		(1,207)	-	1,207
(Increase)/decrease in payables		(454,844)	(100,000)	354,844
(Increase)/decrease in pension liability		22	-	(22)
Use of provisions		41,342	-	(41,342)
Total		**16,779,354**	**17,929,079**	**1,149,725**
Removal of non-voted budget items:				
Other adjustments		193,328	-	(193,328)
Net cash requirement		**16,972,682**	**17,929,079**	**956,397**

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

SoPS 4: Analysis of Income due to the Consolidated Fund
SoPS 4.1: Analysis of income payable to the Consolidated Fund

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

	Outturn total		Prior year, 2020-21 (restated)[1]	
	Accruals	**Cash basis**	**Accruals**	**Cash basis**
Income outside the ambit of the Estimate	358,808	304,548	150,784	109,516
Total amount payable to the Consolidated Fund	**358,808**	**304,548**	**150,784**	**109,516**

SoPS 4.2: Consolidated Fund Income

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

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

[1] In compliance with the FReM, this note outlines the Departments payable to the Consolidated Fund with respect to income collected outside of the ambit of estimates, and does not include any payable related to unused supply funding. Accordingly, the prior year comparatives have been restated without the supply funding payable

Parliamentary Accountability Disclosures

The following sections are subject to audit.

Losses and Special Payments

1. Losses statement

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

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

	2021-22				2020-21			
	Core Department and Agencies		Departmental Group		Core Department and Agencies		Departmental Group	
	Number of cases	£000	Number of cases	£000	Number of cases	£000	Number of cases	£000
Losses under £300,000	268	227	272	233	251	162	269	627
Cases over £300,000	3	36,647	3	36,647	5	40,860	6	41,595
TOTAL	**271**	**36,874**	**275**	**36,880**	**256**	**41,022**	**275**	**42,222**
Cases over £300,000 comprise:								
Fruitless payments	2	13,227	2	13,227	2	30,341	3	31,076
Cash Loss	-	-	-	-	1	806	1	806
Constructive Loss	-	-	-	-	1	1,114	1	1,114
Store Loss	-	-	-	-	1	8,599	1	8,599
Claims waived or abandoned	1	23,420	1	23,420	-	-	-	-
TOTAL	**3**	**36,647**	**3**	**36,647**	**5**	**40,860**	**6**	**41,595**

Losses over £300,000 comprised;

1. Fruitless payments totalling £0.9 million (2020-21 £0.8 million) were incurred by the Home Office as a result of cancellations of scheduled flights intended to remove ineligible asylum seekers, which were subsequently cancelled due to asylum seekers being granted the right to appeal.

2. As reported in 2020-21, HMRC launched an enquiry into the Home Office's compliance with the off payroll working (IR35) rules in relation to contingent labour in 2018. That enquiry concluded that there had been instances where contractors were incorrectly assessed as out of scope. HMRC assessed the tax and national insurance lost between 6 April 2017, when the rules came into force, and 31 March

2021 at £29.5 million, which was reported in 2020-21 as loss. In 2020-21, we reported that HMRC had also imposed a penalty of £4 million, suspended for 3 months subject to certain conditions. Those conditions were met, and the penalty was cancelled.

The Home Office are now reviewing their Managed Services contracts against the IR35 rules as part of an over-arching project IR35 Compliance Project being rolled out across the Home Office. There are more than 1,000 Managed Service contracts. To date a proportion have been assessed as not compliant with IR35. These accounts include an accrual of £12.3 million for the tax and national insurance impact on the 6 non-compliant contracts. It is recognised that there will most likely be further non-compliant contracts, however, we cannot estimate the value with sufficient reliability, and we are therefore noting that there is a contingent liability. The value will become clear as the Home Office review and discussions with HMRC on the implications of non-compliance progress.

3. Due to COVID-19 there was a significant reduction in volumes of customers processed by the Home Office's Commercial partners operating overseas Visa Application Centres. Consequentially, this has impacted these partners ability to deliver savings (cost reductions) agreed in contract extensions. These claims waived or abandoned totalled £23.4 million.

2. Special Payments

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

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

	2021-22				2020-21			
	Core Department and Agencies		Departmental Group		Core Department and Agencies		Departmental Group	
	Number of cases	£000	Number of cases	£000	Number of cases	£000	Number of cases	£000
Special Payments under £300,000	7,030	70,360	7,080	70,383	6,831	71,819	6,875	71,912
Special Payments over £300,000	2	911	2	911	3	1,770	3	1,770
TOTAL	**7,032**	**71,271**	**7,082**	**71,294**	**6,834**	**73,589**	**6,878**	**73,682**

Special payments under £300,000 for 2021-22 totalled £70.4 million (2020-21: £71.9 million).

These payments were in relation to:

1. Adverse legal costs paid – 2,105 cases paid totalling £28.4 million (3,099 cases totalling £33.8 million in 2020-21)
2. Tribunal award payments – 3,207 cases paid totalling £0.5 million (2,287 cases totalling £0.3 million in 2020-21)
3. Compensation payments for wrongful detention - 572 cases totalling £12.7 million (330 cases totalling £9.3 million in 2020-21)
4. Other compensation payments – 156 cases totalling £2.8 million (92 cases totalling £1.7 million in 2020-21)
5. Ex-gratia payments - 272 payments totalling £0.9 million (324 cases totalling £1.2 million in 2020-21)
6. Windrush compensation scheme – Payments were made towards 768 cases in year totalling £25.1 million (741 cases totalling £14.0 million 2020-21)[2].

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

Special Payments over £300,000 comprise an adverse legal cost of £0.4 million in connection with one case brought against the Department (2 cases and costs of £1.4 million in 2020-21) and one compensation payment of £0.5 million (1 payment of £0.4 million in 2020-21)

[2] As per the Performance report, cases to date total 1256. Claimants can receive a preliminary payment before a full and final payment hence the total number of payments is greater than the total cases to date.

Fees and Charges

Segment	Income Stream	2021-22 Income £'000	2021-22 Full Cost £'000	2021-22 Surplus/ (deficit) £'000	2021-22 Fee recovery actual %	2021-22 Fee recovery target %	2020-21[3] (Restated) Income £'000	2020-21[3] (Restated) Full Cost £'000	2020-21[3] (Restated) Surplus/ (deficit) £'000	2020-21[3] (Restated) Fee recovery actual %	2020-21[3] (Restated) Fee recovery target %
Science, Technology, Analysis, Research and Strategy	College of Policing - People Development	19,568	69,439	(49,871)	28	100	24,135	69,543	(45,408)	35	100
Science, Technology, Analysis, Research and Strategy	SIA - Licensing and ACS Income	30,468	27,271	3,198	112	100	31,444	27,088	4,356	116	100
Science, Technology, Analysis, Research and Strategy	DBS Disclosures and Update Service	219,096	164,408	54,688	133	100	185,808	163,157	22,651	114	100
Customer Service (UKVI)	Overseas	674,633	315,541	359,093	214	149	269,321	409,575	(140,254)	66	192
Customer Service (UKVI)	In-Country	844,585	604,140	240,445	140	149	511,314	396,550	114,764	129	192
Customer Service (HMPO)	Passports & other associated income	470,304	643,447	(173,143)	73	100	270,691	535,882	(265,191)	51	100
Customer Service (HMPO)	Certificate Services	24,692	39,304	(14,612)	63	100	21,024	36,946	(15,922)	57	100
Digital, Data and Technology	Police ICT	122,798	124,867	(2,069)	98	100	109,406	112,759	(3,353)	97	100
Total		**2,406,146**	**1,988,417**	**417,729**	**121**		**1,423,144**	**1,751,500**	**(328,357)**	**81**	

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

Notes

1) **College of Policing:** People development includes exams and assessments, learning and development services and leadership development services. HM Treasury approval has been obtained for the subsidy of selected training products for core customers, which are principally UK police forces and public bodies.

[3] Comparatives have been restated for the following:

- Inflation uplifts included in the cost base for the HMPO income streams in 2020/21 have been removed
- Income that related to the reimbursement of costs have removed as these are not income streams for the purposes of this disclosure.
- Segments reflect the new organisational structure of the Home Office which became effective on 1 April 2021. Refer to page 68 for detail on the new organisational structure.

2) Security Industry Authority (SIA)

a) Licensing Income is the application fee for an individual SIA Licence. Individuals working in specific sectors of the private security industry are required by law to hold an SIA Licence.

b) Approved Contractor Scheme (ACS) income is the registration and application fees for companies joining the voluntary scheme for providers of security services. Companies who satisfactorily meet the agreed standards may be registered as approved and advertise themselves as such.

3) Disclosure and Barring Service (DBS)

a) A basic DBS certificate is available for any position or purpose, and will contain details of ‘unspent’ convictions and conditional cautions.

b) A Standard DBS Disclosure certificate provides details of all convictions held on the Police National Computer including current and “spent” convictions as well as details of any cautions, reprimands or final warnings on the applicant.

c) A Enhanced DBS check is available to anyone involved in work with vulnerable groups and other positions involving a high degree of trust; Enhanced certificates contain the same information as the Standard certificate with the addition of relevant local police force information.

d) An Enhanced with Barred List(s) DBS certificate will contain the same information as the Enhanced DBS check certificate but includes details of whether the individual is included on one or both of the lists of those barred from working with children and vulnerable groups where the role is in regulated activity

e) The DBS Update Service enables applicants to keep their DBS certificates up to date online and allows employers to check a certificate online.

4) UKVI Overseas is responsible for issuing Visas. The Group's cost recovery target is 149% with the additional income from fees contributing to the overhead costs within the Department.

5) UKVI In-Country deals with UK based applications for permanent settlement and Nationality applications. The Group's cost recovery target is 149% with the additional income from fees contributing to the operation of the wider borders system, including the Border Force.

6) HMPO Passport activities include all services relating to the issuing of passports where the financial objective of this activity is to break even in year. A fee is charged for all passports except for those issued to war veterans, that is, those born on or before 2 September 1929.

7) HMPO Certificate Services includes all services relating to the issuing of certificates for birth, death and marriage. In addition, central Home Office funding is provided for support functions to maintain the registers of all vital events. The financial objective is to break even after central Home Office funding for non-fee bearing activities.

8) Police ICT income stream relates to charges for national IT services and systems provided by the Home Office to England and Wales Police forces and all other law enforcement agencies.

Remote contingent liabilities

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

Non-statutory Liabilities

Quantifiable contingent liabilities

	1 April 2021	Change in year	Liabilities crystallised in year	Obligation expired in year	31 March 2022
	£000	£000	£000	£000	£000
Indemnity provided to BAA in respect of damage or injury caused to third parties from Border Force in their use of vehicles operating airside while transporting immigration officers between airside locations.	52,000	-	-	-	52,000
Indemnity granted in relation to Cyclamen programme up to a maximum €10 million. (Minute dated 17 July 2009)	8,637	(214)	-	-	8,423
Indemnity arising from Riot Damage Costs. (Minute dated 21 May 2012)	10,000	-	-	-	10,000
	70,637	**(214)**	**-**	**-**	**70,423**

The €10 million indemnity granted in relation to Cyclamen has been translated using sterling exchange rates as at 31 March 2022 (exchange rate used 1.1873).

Unquantifiable contingent liabilities

The following liabilities are judged to be unquantifiable:

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

- If the Home Office reduces or discontinues its share of the match funding of the expanded ECBCU then it will contribute up to 50% of the resulting costs, for example redundancy payment or property cost.
- HMG guarantee for EU funding streams as announced in August and October 2016. Home Office responsibility covers AMIF Programmes.
- The Home Office appeal to the Supreme Court in relation to the Gubeladze case (A8 Worker Registration Scheme) has failed. This outcome leaves the Department liable to refund Worker Registration Scheme fees collected over the period 2009 and 2011. The Home Office recognised a provision for this liability in its 2019-20 accounts. There is also an unquantifiable liability for claims for consequential losses.

Indemnities

Home Office Central London Accommodation Strategy
(Minute dated 23 January 2002)

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

Border Force New Detection Technology (NDT)

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

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

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

Equipment is occasionally deployed in support of Frontex operations (usually CO_2 probes or Heartbeat detectors).

All ports operate CO_2 probes.

<u>*Specific European countries*</u>

1. Belgium (loan of motion detection equipment and building; and loan of passive millimetre wave imager trucks and reflector and thermal imaging equipment)

2. The Netherlands (loan of motion detection equipment and building/ shelter, CO_2 probes and Thermal Imaging equipment)

3. France (loan of motion detection equipment and building/ shelters; CO_2 probes; and loan of passive millimetre wave imager reflectors and ISO containers)

    i. **Calais:** Heartbeat equipment and building and Passive Millimetric Wave Imager ISO containers. Heartbeat equipment and two buildings in juxtaposed control zone commenced Spring 2004. 6 motion detectors (3 at DRI, 1 at RORO C7 operated by French stakeholders, 2 at UKBF sheds operated by UKBF staff and French stakeholders) and 7 hangars to operate with another hangar conversion to take place. Calais has 2 Passive Millimetric Wave Imagers operated in parallel.

    ii. **Coquelles:** Heartbeat Detection Unit at the Euro tunnel operated in the juxtaposed control zone by the Home Office. Passive Millimetric Wave Imager ISO containers. Shelter for and Heartbeat detection equipment which is under control of, and operated by, the UKVI in the juxtaposed control zone. One hangar, Clanect Machine operated by French Stakeholders and 2 Passive Millimetric Wave Imagers with reflectors operated in series.

    iii. **Dunkerque**: Heartbeat building commenced Summer 2005. Heartbeat equipment and building operated by the Home Office in the juxtaposed control zone and commenced operation in Spring 2004. 5 Hangars (3 at primary including a deep search area, 2 at secondary controls), 4 Clanect Machines operated by French Stakeholders.

    iv. **Ostend**: Heartbeat shelters.

    v. **St. Malo**: CO_2 probes to be operated by French operators.

    vi. **Vlissingen**: Heartbeat equipment and shelters.

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

The minutes also refer to the following:

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

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

Indemnity provided to the Chairman and members of the team carrying out, in good faith and honesty, the inquiry into the disturbances at the Harmondsworth and Campsfield Immigration Removal Centres.

Credit Industry Fraud Avoidance Service (CiFas) – Fraud Protection Service
(Minutes dated 23 November 2011 and 2 March 2016)

To indemnify bodies against erroneous data entered on the CiFas database, resulting in claims lodged against those organisations.

Cyclamen (Minute dated 29 May 2009)

Indemnities to various port and airport authorities with the maximum exposure limited to £115 million, and with no individual indemnity being above £10 million.

Chief Inspector of the Border Force – legal title remains Chief Inspector of UKBA
As part of the secondment of the Chief constable of Tayside Police to the position of the independent Chief Inspector of UKBA, a contingent liability associated with pension entitlements falling to the Home Office was created.

Daniel Morgan Independent Panel indemnity (Minute dated 17 June 2019)

The Daniel Morgan Independent Panel was set up by the Home Secretary in 2013 to review the 1987 murder of Daniel Morgan, its background and the handling of the case. A contingent liability was formally agreed by HMT in June 2019. This covers the cost of defending any claim, including, where unsuccessful, any damages and claimants cost raised against the Chair, current and former members of the Panel and any person engaged at any time to provide assistance to the Panel, against any civil liability for any act done or omission made in good faith, in the execution of his or her duties, or in the purported execution of his or her duties.

Angiolini Inquiry (Minute dated 24 May 2022)

The Angiolini Inquiry was established on 31 January 2022 to review the circumstances of the abduction, rape and murder of Sarah Everard, and the abuse of power by a serving Metropolitan Police officer that risks undermining public confidence in the police.

The Home Office agrees to indemnify Dame Elish Angiolini as Chair of the Inquiry, as well as current and former members of the Inquiry and any individual engaged at any time to aid the Inquiry, against any legal costs, actions or damages arising from the execution of their duties in connection with the Inquiry. The indemnity will also cover any civil liability for any act done or omission made in good faith in the execution of their duties.

This indemnity applies only to acts done or omissions made during the Inquiry's work, from establishment on 31 January 2022 until the final report is published by the Home Secretary.

The indemnity is subject to the proviso that any liability which is to any extent met by insurers on the beneficiary of this indemnity, or for which reimbursement is made to any extent by such insurers, shall in that event and to that extent no longer be the subject of the indemnity and, if previously met or reimbursed by the Government, shall to that extent be refunded by the beneficiary to the Government.

Matthew Rycroft CBE
Accounting Officer

12 July 2022

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

Opinion on financial statements

I certify that I have audited the financial statements of the Home Office (the Department) and of its Departmental Group for the year ended 31 March 2022 under the Government Resources and Accounts Act 2000. The Department comprises the core Department and its agencies. The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2021. The financial statements comprise the Department and the Departmental Group's:

- Statements of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Home Office and its Group's affairs as at 31 March 2022 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn Against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2022 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (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 have also elected to apply the ethical standards relevant to listed entities. I am independent of the Home Office and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Home Office and its Group’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Home Office or its Group'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 the Home Office and its Group is adopted in consideration of the requirements set out in HM Treasury’s Government Financial Reporting Manual, which requires 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 financial statements nor my auditor’s certificate and report. 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 the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Home Office and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

- I have nothing to report in respect of the following matters which I report to you if, in my opinion:
- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Home Office 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 subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; 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:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and

- assessing the Home Office and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Home Office and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Home Office and its Group's accounting policies.
- Inquiring of management, the Government Internal Audit Agency and those charged with governance, including obtaining and reviewing supporting documentation relating to the Home Office and its Group's policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Home Office and its Group's controls relating to the Home Office's compliance with the Government Resources and Accounts Act 2000, Managing Public Money and the Supply and Appropriation (Main Estimates) Act 2021;
- discussing among the engagement team including component audit teams and involving relevant internal and external specialists, including for income and

property regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Home Office and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates and timings of income recognition. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I also obtained an understanding of the Home Office and Group's framework of authority as well as other legal and regulatory frameworks in which the Home Office and Group operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Home Office and its Group. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2021, employment law and tax legislation and relevant legislation relating to fees charged by the Home Office.

In addition, I considered the indexation and asset clearing account of non-current assets, Statement of Outturn Against Parliamentary Supply reconciling items, and the transfer of a non-current asset to the Government Property Agency, as these have heightened risk of fraud, non-compliance with laws and regulations and regularity.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;
- 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; and 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 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. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies

Date 12 July 2022

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

3
Financial Statements

Financial Statements

Consolidated Statement of Comprehensive Net Expenditure

For the year ended 31 March 2022

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	Core department & agencies 2021-22 £'000	Departmental group 2021-22 £'000	Core department & agencies 2020-21 £'000	Departmental group 2020-21 £'000
Revenue from contracts with customers	4	(2,708,742)	(2,979,284)	(1,502,070)	(1,725,888)
Other operating income	4	(1,532,851)	(1,532,851)	(519,265)	(519,265)
Total operating income		**(4,241,593)**	**(4,512,135)**	**(2,021,335)**	**(2,245,153)**
Staff costs	3	1,869,637	2,035,813	1,724,407	1,886,912
Main police grants	3	8,680,697	8,680,697	8,197,837	8,197,837
Police pensions top-up grant	3	1,813,947	1,813,947	1,785,735	1,785,735
Fire pensions top-up grant	3	701,595	701,595	519,089	519,089
Other grants	3	3,235,650	3,237,316	3,112,676	3,095,543
Purchase of goods and services	3	2,446,411	2,494,907	1,482,189	1,536,035
Depreciation and impairment charges	3	677,340	692,130	415,212	429,793
Provision expense	3	176,898	176,035	16,644	17,931
Other operating expenditure	3	2,069,105	2,183,259	1,651,757	1,764,296
Grant in aid to ALBs	3	127,125	-	131,460	-
Total operating expenditure		**21,798,405**	**22,015,699**	**19,037,006**	**19,233,171**
Net operating expenditure		**17,556,812**	**17,503,564**	**17,015,671**	**16,988,018**
Finance expense	3	13,322	13,322	29,989	29,989
Net expenditure for the year		**17,570,134**	**17,516,886**	**17,045,660**	**17,018,007**
Other Comprehensive Net Expenditure					
Items which will not be reclassified to net operating costs:					
Net (gain)/loss on revaluation of property, plant and equipment		(192,356)	(192,395)	22,588	22,588
Net (gain)/loss on revaluation of Intangible assets		1,879	1,962	(6,694)	(7,029)
Comprehensive net expenditure for the year		**17,379,657**	**17,326,453**	**17,061,554**	**17,033,566**

All activities are continuing operations

The notes on pages 155 to 191 form part of these accounts

Consolidated Statement of Financial Position

As at 31 March 2022

	Note	Core department & agencies 2021-22 £'000	Departmental group 2021-22 £'000	Core department & agencies 2020-21 £'000	Departmental group 2020-21 £'000
Non-current assets					
Property, plant and equipment	5	1,180,193	1,223,231	1,579,604	1,624,560
Intangible assets	6	619,331	648,920	602,123	630,387
Trade receivables and other non-current assets	9	6,140	6,140	6,640	6,640
Total non-current assets		**1,805,664**	**1,878,291**	**2,188,367**	**2,261,587**
Current assets					
Inventories		7,810	7,810	7,640	7,640
Trade and other receivables	9	809,147	780,248	810,527	803,747
Cash and cash equivalents	8	678,726	816,189	159,781	277,799
Total current assets		**1,495,683**	**1,604,247**	**977,948**	**1,089,186**
Total assets		**3,301,347**	**3,482,538**	**3,166,315**	**3,350,773**
Current liabilities					
Provisions	11	304,885	305,363	139,152	140,185
Trade and other payables	10	3,988,736	4,058,347	3,075,369	3,144,849
Total current liabilities		**4,293,621**	**4,363,710**	**3,214,521**	**3,285,034**
Total assets less current liabilities		**(992,274)**	**(881,172)**	**(48,206)**	**65,739**
Non-current liabilities					
Other payables	10	63,718	65,090	267,900	269,944
Provisions	11	178,733	183,426	208,910	214,718
Pension liability		237	2,707	259	2,729
Total non-current liabilities		**242,688**	**251,223**	**477,069**	**487,391**
Assets less liabilities		**(1,234,962)**	**(1,132,395)**	**(525,275)**	**(421,652)**
Taxpayers' equity and other reserves					
General fund	SoCTE	(1,394,119)	(1,299,759)	(751,655)	(656,283)
Revaluation reserve	SoCTE	159,394	170,071	226,639	237,360
Pension reserve	SoCTE	(237)	(2,707)	(259)	(2,729)
Total equity		**(1,234,962)**	**(1,132,395)**	**(525,275)**	**(421,652)**

The notes on pages 155 to 191 form part of these accounts.

Matthew Rycroft CBE
Accounting Officer

12 July 2022

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Department during the reporting period. The statement shows how the Department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Department's future public service delivery.

	Note		2021-22		2020-21
		Core department & agencies £'000	Departmental group £'000	Core department & agencies £'000	Departmental group £'000
Cash flows from operating activities					
Net expenditure for the year		(17,570,134)	(17,516,886)	(17,045,660)	(17,018,007)
Adjustments for non-cash transactions		868,793	882,672	471,776	488,680
(Increase)/decrease in trade and other receivables	9	1,880	23,999	(28,115)	(13,422)
Less movements in receivables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure		(673)	(673)	(9,057)	(9,464)
(Increase)/decrease in inventories and assets classified as held for sale		(170)	(170)	1,543	1,543
Increase/(decrease) in trade payables	10	709,185	708,644	965,104	962,766
Less movements in payables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure		(254,341)	(310,408)	(382,139)	(403,974)
Use of provisions	11	(41,342)	(42,149)	(44,109)	(44,351)
Increase/(decrease) in pension liability		(22)	(22)	253	357
Net cash outflow from operating activities		**(16,286,824)**	**(16,254,993)**	**(16,070,404)**	**(16,035,872)**
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(196,281)	(201,740)	(379,613)	(387,373)
Less: PPE capital creditors		17,390	17,390	33,155	33,155
Purchase of intangible assets	6	(301,698)	(312,912)	(210,053)	(216,864)
Less: Intangibles capital creditors		(7,670)	(7,670)	13,232	13,232
Proceeds of disposal		396,166	398,641	15,548	15,814
Net cash outflow from investing activities		**(92,093)**	**(106,291)**	**(527,731)**	**(542,036)**
Cash flows from financing activities					
From the Consolidated Fund (Supply) - current year		17,229,197	17,229,197	16,920,450	16,920,450
Consolidated Fund Extra Receipts paid to Consolidated Fund		(84,137)	(84,137)	-	-
Advances from the Contingencies Fund		-	-	1,250,000	1,250,000
Repayments to the Contingencies Fund		-	-	(1,250,000)	(1,250,000)
Movement on PFI, PFI Finance Leases and Finance Leases		(247,198)	(245,386)	(1,685)	(1,685)
Net financing		**16,897,862**	**16,899,674**	**16,918,765**	**16,918,765**
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		603,082	622,527	320,630	340,857
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		518,945	538,390	320,630	340,857
Cash and cash equivalents at the beginning of the period		159,781	277,799	(160,849)	(63,058)
Cash and cash equivalents at the end of the period		**678,726**	**816,189**	**159,781**	**277,799**

Consolidated Statement of Taxpayers’ Equity

This statement shows the movement in the year on the different reserves held by the Home Office analysed into ‘general fund reserves’ (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items

Departmental Group

For the year ended 31 March 2022

	Note	General fund	Revaluation reserve	Pension reserve	Total reserves
		£'000	£'000	£'000	£'000
Balance at 31 March 2020		**(249,980)**	**287,300**	**(2,372)**	**34,948**
Net Parliamentary Funding - drawn down		16,920,450	-	-	16,920,450
Net Parliamentary Funding - deemed		(117,771)	-	-	(117,771)
Supply (payable)/receivable		(93,348)	-	-	(93,348)
Consolidated Fund Extra Receipts		(131,659)	-	-	(131,659)
Comprehensive Net Expenditure for the year		(17,018,007)	-	-	(17,018,007)
Non-cash adjustments					
Net (gain)/loss on revaluation of property, plant and equipment		-	(22,588)	-	(22,588)
Net (gain)/loss on revaluation of Intangible assets		-	7,029	-	7,029
Movements in reserves					
Non-cash charges - auditor's remuneration	3	530	-	-	530
Other		-	(1,236)	-	(1,236)
Transfers between reserves		33,502	(33,145)	(357)	-
Balance at 31 March 2021		**(656,283)**	**237,360**	**(2,729)**	**(421,652)**
Net Parliamentary Funding - drawn down		17,229,197	-	-	17,229,197
Net Parliamentary Funding - deemed		93,348	-	-	93,348
Supply (payable)/receivable		(349,863)	-	-	(349,863)
Consolidated Fund Extra Receipts		(358,808)	-	-	(358,808)
Comprehensive Net Expenditure for the year		(17,516,886)	-	-	(17,516,886)
Non-cash adjustments					
Net (gain)/loss on revaluation of property, plant and equipment		-	192,395	-	192,395
Net (gain)/loss on revaluation of Intangible assets		-	(1,962)	-	(1,962)
Movements in reserves					
Non-cash charges - auditor's remuneration	3	560	-	-	560
Other		-	1,276	-	1,276
Transfers between reserves		258,976	(258,998)	22	-
Balance at 31 March 2022		**(1,299,759)**	**170,071**	**(2,707)**	**(1,132,395)**

Core Department and Agencies

For the year ended 31 March 2022

	Note	General fund	Revaluation reserve	Pension reserve	Total reserves
		£'000	£'000	£'000	£'000
Balance at 31 March 2020		**(335,496)**	**272,672**	**(6)**	**(62,830)**
Net Parliamentary Funding - drawn down		16,920,450	-	-	16,920,450
Net Parliamentary Funding - deemed		(117,771)	-	-	(117,771)
Supply (payable)/receivable		(93,348)	-	-	(93,348)
Consolidated Fund Extra Receipts		(109,516)	-	-	(109,516)
Comprehensive Net Expenditure for the year		(17,045,660)	-	-	(17,045,660)
Non-cash adjustments					
Net (gain)/loss on revaluation of property, plant and equipment		-	(22,588)	-	(22,588)
Net (gain)/loss on revaluation of Intangible assets		-	6,694	-	6,694
Movements in reserves					
Non-cash charges - auditor's remuneration	3	530	-	-	530
Other		-	(1,236)	-	(1,236)
Transfers between reserves		29,156	(28,903)	(253)	-
Balance at 31 March 2021		**(751,655)**	**226,639**	**(259)**	**(525,275)**
Net Parliamentary Funding - drawn down		17,229,197	-	-	17,229,197
Net Parliamentary Funding - deemed		93,348	-	-	93,348
Supply (payable)/receivable		(349,863)	-	-	(349,863)
Consolidated Fund Extra Receipts		(304,548)	-	-	(304,548)
Comprehensive Net Expenditure for the year		(17,570,134)	-	-	(17,570,134)
Non-cash adjustments					
Net (gain)/loss on revaluation of property, plant and equipment		-	192,356	-	192,356
Net (gain)/loss on revaluation of Intangible assets		-	(1,879)	-	(1,879)
Movements in reserves					
Non-cash charges - auditor's remuneration	3	560	-	-	560
Other		-	1,276	-	1,276
Transfers between reserves		258,976	(258,998)	22	-
Balance at 31 March 2022		**(1,394,119)**	**159,394**	**(237)**	**(1,234,962)**

Notes to the accounts

1. Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the 2021-22 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Department for the purpose of giving a true and fair view has been selected. The policies adopted by the Department are described below. They have been applied consistently in dealing with items that are considered material to the financial statements.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare a Statement of Parliamentary Supply and supporting notes to show Outturn against Estimate in terms of the net resource requirement and the net cash requirement.

The accounts have been prepared under the Government Resources and Accounts Act 2000.

1.2 Going Concern

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

1.3 Presentation currency and rounding

The financial statements are presented in British pound sterling (£) and all numbers are rounded to the nearest thousand pounds (£000), other than the related party disclosures in Note 16.

1.4 Accounting convention

These accounts have been prepared on an accruals basis under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

1.5 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements and assumptions that affect the amounts reported for assets and liabilities at the year ending 31 March, and for amounts reported for income and expenses during the year. In the process of applying the Department's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- **Provisions**: judgements and assumptions that affect the value of the major provisions recognised in these accounts are described within the provisions note to these accounts. This narrative notably includes explanation of the judgements and assumptions affecting the provision recognised and movement in 2021-22 in respect of the Windrush Compensation Scheme (refer to Note 11)

- **Police pensions and fire and rescue pension top-up grant accrual**

Details of the accounting policies for each of these areas is set out separately below within this note.

COVID-19, which was declared a ‘global pandemic’ on 11 March 2020, has impacted global financial markets and wider economies. The impact on the value of Home Office land and buildings has been taken into account in the professional valuation of these assets in 2020-21. The pandemic was assessed to not have a further significant impact on these assets in 2021-22.

1.6 Basis of consolidation

These accounts are the consolidation of the Core department, its five executive non-departmental public bodies (NDPBs) and the College of Policing Limited. The NDPBs consolidated within the departmental boundary are:

- Disclosure and Barring Service
- Gangmasters and Labour Abuse Authority
- Independent Office for Police Conduct
- Office of the Immigration Services Commissioner
- Security Industry Authority

The College of Policing Limited is a company limited by guarantee. It is classified as an arm’s length body by the Treasury and is consolidated within the departmental boundary as a NDPB.

The NDPBs and the College of Policing also produce and publish their own annual reports and accounts. Transactions between entities included in the consolidated accounts are eliminated. All consolidated entities have accounting reference dates that align with the Core Department.

Accounting policies are harmonised across the Departmental group, except for the adoption of IFRS 16: Leases by the College of Policing in 2019-20, which is obliged to comply with the requirements of the Companies Act. The impact on the consolidated accounts is not material. Refer to Note 1.20 for further detail on the future requirements for the Departmental group under IFRS 16.

1.7 Property, Plant and equipment

Initial recognition and capitalisation threshold

Property, plant and equipment is recognised initially at cost and thereafter carried at fair value less depreciation and impairment charged subsequent to the date of revaluation.

Cost comprises the amount of cash paid to acquire the asset and includes any costs directly attributable to making the asset capable of operating as intended. The capitalisation threshold for expenditure on property, plant and equipment in prior years was £5,000. In 2021-22 the Department has increased the capitalisation threshold to £15,000 temporarily based on historic information which showed excluding low value capital items would not have a significant impact on the assets balance.

Subsequent valuation method and fair value hierarchy

Fair value of properties is based on professional valuations. Starting in 2021-22, professional valuations are now conducted on a five-year rolling programme, all properties will be professionally valued during this time period. Valuations are undertaken in accordance with the Royal Institute of Chartered Surveyors Appraisal and Evaluation Manual.

The last full valuation was performed by Cushman & Wakefield Plc, which is a registered valuer recognised by the Royal Institute of Chartered Surveyors. The valuation was carried out as at 31 March 2021.

Properties transferred to the Government Property Agency are revalued on date of transfer and accounted for as a capital grant in kind.

Where open market value is obtainable, other operational assets are revalued to open market value. Where open market value is not obtainable, other operational assets are valued using depreciated replacement cost. Published indices appropriate to the category of asset are used to estimate value.

The inputs used to value property, plant and equipment are therefore categorised as level 2 inputs in the IFRS 13 fair value hierarchy.

Revaluation
Any revaluation surplus is credited to the revaluation reserve except to the extent that it reverses a decrease in the carrying value of the same asset previously recognised in the Consolidated Statement of Comprehensive Net Expenditure, in which case the increase is recognised in the Consolidated Statement of Comprehensive Net Expenditure.

A revaluation deficit is recognised in the Consolidated Statement of Comprehensive Net Expenditure, except to the extent of any existing surplus in respect of that asset in the revaluation reserve.

Depreciation
Depreciation is calculated to write down the costs of the assets to their estimated residual value on a straight-line basis over their expected useful lives as follows:

- Buildings – up to 60 years or life of lease
- Improvements to leasehold buildings – the shorter of the duration of lease or anticipated useful life
- Plant and equipment – 2 to 15 years
- Computers – 2 to 15 years
- Transport equipment – 3 to 20 years
- Furniture and fittings – 3 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

Assets under construction
Assets under construction are valued at historical cost within property, plant and equipment and intangible assets, and are not depreciated or amortised until completed and brought into use. On completion, the asset’s carrying value is transferred to the respective asset category. Expenditure is capitalised where it is directly attributable to

bringing an asset into working condition, such as external consultant costs, relevant employee costs and an appropriate portion of relevant overheads.

1.8 Intangible Assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, where an active market exists, intangible assets are carried at fair value at the period ending 31 March. Where no active market exists, the Department uses published indices to assess the depreciated replacement cost.

The inputs used to value intangible assets are therefore categorised as level 2 inputs in the IFRS 13 fair value hierarchy.

Internally generated intangible assets are not capitalised unless it is a development cost. Expenditure is recognised in the Consolidated Statement of Comprehensive Net Expenditure in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. All intangible assets are currently assessed to have a finite life and are assessed for impairment. The amortisation period and the amortisation method are reviewed at least at each financial year end.

Software Licenses

Externally acquired computer software licences are amortised over the shorter of the term of the licence and the useful economic life of three to fifteen years. The capitalisation threshold for software licenses in prior years £5,000. In 2021-22 the Department has increased the capitalisation threshold to £15,000 temporarily based on historic information which showed excluding low value capital items would not have a significant impact on the assets balance.

Internally developed software and websites

This includes software and websites that arises from internal or third-party development for internal or external access. The direct costs associated with the development stage of internally developed software are included in the cost of the asset. These assets are amortised over the useful economic life of three to ten years. Note 5 to the accounts refers to the software assets as Information Technology.

The capitalisation threshold for internally generally software and website costs in prior years was £5,000. In 2021-22 the Department has increased the capitalisation threshold to £15,000 temporarily based on historic information which showed excluding low value capital items would not have a significant impact on the assets balance.

Assets under construction

Assets in the course of construction are not amortised until the point at which they are ready to be brought into use. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred.

1.9 Leases

Finance Leases

Leases of assets where the Department retains substantially all the risks and rewards of ownership are classified as finance leases. The leased item, at the inception of the lease term, is capitalised with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Lease payments are apportioned between the reduction of the lease liability and finance charges in the Consolidated Statement of Comprehensive Net Expenditure to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

All Finance leases held by the Department are in respect of properties. Renewal, purchase options and escalation clauses are in line with market practice.

IFRS 16: Leases
The FreM implements the new standard for leases, IFRS 16 from 1 April 2022, replacing IAS 17. Refer to page 165 for the requirements of the new standard, and the estimated impact to the Department's SoFP on 1 April 2022, and on the SoCNE in the 2022-23 year.

Operating Leases
Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and the rentals payable are charged to the Consolidated Statement of Comprehensive Net Expenditure on a straight-line basis over the lease term.

The majority of operating leases held by Department are in respect of properties.

All finance leases and the majority of operating leases held by the Department are in respect of properties. Renewal, purchase options and escalation clauses are in line with market practice.

1.10 Service Concessions
The Department is party to private finance initiatives (PFIs). The classification of such arrangements as service concession arrangements requires the Department to determine, based on an evaluation of the terms and conditions of the arrangements, whether it controls the infrastructure.

The Department accounts for PFI transactions on a control approach based on the FReM, which uses IFRIC 12 Service Concession Arrangements to inform its treatment. The Department is considered to control the infrastructure in a public-to-private service concession arrangement if:-

- the Department controls or regulates the services that the operator must provide using the infrastructure, to whom it must provide them, and at what price; and
- the Department controls any significant residual interest in the property at the end of the concession term through ownership, beneficial entitlement or otherwise.

Where it is determined that such arrangements are not in scope of IFRIC 12, the Department assesses such arrangements under IFRIC 4 Determining Whether an Arrangement Contains a Lease.

Where it is identified that the arrangement conveys a right to use an asset in return for a payment or series of payments, the lease element is accounted for as either an operating lease or finance lease in accordance with the risk and reward-based approach set out in the section of this note on leases.

Where it is determined that arrangements are in scope of IFRIC 12, the Department recognises the infrastructure as a non-current asset.

Where the contract is separable between the service element, the interest charge and the infrastructure asset, the asset is measured as under IAS 17, with the service element and the interest charge recognised as incurred over the term of the concession arrangement. Where there is a unitary payment stream that includes infrastructure and service elements that cannot be separated, the various elements will be separated using estimation techniques.

In determining the interest rate implicit in the contract, the Department applies the risk-free market rate at the time the contract was signed. The rate is not changed unless the infrastructure element or the whole contract is renegotiated. The risk-free rate is determined by reference to the real rate set by HM Treasury.

The nominal rate is then calculated by adjusting this real term rate by the UK inflation rate.

The Department recognises a liability for the capital value of the contract. That liability does not include the interest charge and service elements, which are expensed annually to the Consolidated Statement of Comprehensive Net Expenditure.

On initial recognition of Public-Private partnership arrangements or PFI contracts under IFRS, the Department measures the non-current asset in the same way as other non-current assets of that generic type. A liability is recognised for the capital value of the contract at its fair value at the period end, which will normally be the outstanding liability in respect of the asset (that is, excluding the interest and service elements), discounted by the interest rate implicit in the contract.

Assets are revalued in accordance with the revaluation policy for property, plant and equipment and intangible assets. Liabilities are measured using the appropriate discount rate.

Revenue received under any revenue sharing provision in the service concession arrangement is recognised when all the conditions set by IFRS 15 Revenue from Contracts with Customers have been satisfied.

1.11 Cash and cash equivalents
Cash in the Statement of Financial Position comprises cash at bank and in hand. For the purpose of the cash flow statement, cash and cash equivalents consist of cash, less any outstanding bank overdrafts.

1.12 Provisions
A provision is recognised when the Department has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of discounting is material, provisions are measured at their present value using the current discount rates set by HM Treasury based on the underlying cash flows, which are currently: 0.47%, 0.70%, and 0.95% for short term (0 – 5 year), medium term (6- 10 years), and long term (greater than 10 years) respectively.

Provisions represent a significant source of estimation uncertainty for the Department.

1.13 Contingent Liabilities
In addition to contingent liabilities disclosed in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Department discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but

which have been reported to Parliament in accordance with the requirements of Managing Public Money.

These comprise:

- items over £300,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to Parliament by Departmental Minute prior to the Department entering into the arrangement; and

- all items (whether or not they arise in the normal course of business) over £300,000 (or lower, where required by specific statute or where material in the context of resource accounts) which are required by the FReM to be noted in the resource accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.14 Income

Income is recognised in accordance with IFRS 15. Revenue is recognised when a performance obligation included within a contract with a customer is satisfied, at the transaction price allocated to that performance obligation.

Income principally comprises fees and charges for services provided on a full cost basis to external customers.

Free passports issued for all British Nationals born on or before 2 September 1929 that was introduced on 18 October 2004 is financed by Parliamentary Supply drawn down by the Home Office.

Passport fees include an element relating to consular protection services provided by the Foreign Commonwealth & Development Office (FCDO) worldwide. These fees are not retained by the Home Office and are remitted to HM Treasury as Consolidated Fund Extra Receipts. These fees are separately reported in the Home Office Trust Statement.

Income which relates directly to the operating activities of the Department is stated net of VAT.

Revenue from contracts with customers

IFRS 15, which became effective from 2018-19, provides a comprehensive standard for revenue recognition.

The Home Office recognises revenue primarily from the provision of immigration-related documentation such as passports and visas as well as certificates for the registration of births, deaths and marriages.

Performance obligations

The table below sets out, for each income stream, when performance obligations are typically satisfied, the significant payment terms, and the nature of the goods or services which the Department supplies.

All income streams usually have a contract of a duration of one year or less, and therefore transaction price allocated to remaining performance obligations is not disclosed, applying the practical expedient in IFRS 15.121.

Income stream	Operating Segment	Description of income stream	Performance obligation	Determination of transaction price	Payment terms
Passport fees	Customer Service (HMPO)	Supply of passports and other services by HM Passport Office	On delivery of the passport to the customer	Set out in legislation	Payment on application
Visa and immigration fees	Customer Service (UKVI)	Supply of visas and immigration documents	On delivery of the visa or immigration decision to the customer	Set out in legislation	Payment on application
Asset recovery income	Borders and Enforcement & Homeland Security	Recovery of proceeds of crime	The Department has powers set out in legislation to recover this income	Value of penalty collected	Penalty payment by court order
Certificate services	Customer Service (UKVI)	Supply of copies of birth, marriage and death certificates	Delivery of the certificate to the customer	Set out in legislation	Payment on application
DBS income	Arms Length Body (Disclosure and Barring Service)	Supply of criminal records checks by the Disclosure and Barring Service	Delivery of the information to the customer	Set out in legislation	Payment on application
EU income	Borders and Enforcement, Corporate Enablers & Science, Technology, Research and Analysis	Grants from the Asylum, Migration and Integration Fund (AMIF)	Work done to meet the criteria for grant payment	Set out in grant agreement	Payment in arrears on satisfaction of grant obligations
Hendon Data Centre Income	Digital, Data and Technology and Science, Technology, Research and Analysis	Supply of IT services to police forces	The supply of IT services over time	Set out in agreement between department and police forces	Payment quarterly in accordance with the agreement

Significant judgements in the application of IFRS 15
The total consideration from contracts with customers is included in the transaction price for each of these income streams. None of these income streams contain variable consideration which may be constrained.

Income Recognition
Identifying when the goods or services are supplied is straightforward for income streams corresponding to performance obligations satisfied at a point in time (passport fees, visa and immigration fees, certificate services, and DBS income).

For **asset recovery income**, income is recognised when HM Courts and Tribunals Service has collected receipts against confiscation orders and those receipts become payable to the Department.

For **EU income,** the performance obligations are set out in the Asylum, Migration and Integration Fund (AMIF) UK National Programme, and whether a performance obligation has been delivered is judged against the expectations set out in the National Programme.

For **Hendon Data Centre Income**, the performance obligations and transaction price are set out in an agreement between the Department and police forces, and revenue is recognised against the terms set out in that agreement.

Immigration Health Surcharge

The Immigration Health Surcharge is not recognised under IFRS 15 as the funds are not retained by the Department. The Immigration Health Surcharge, which the UK government introduced in April 2015, is charged to all non-European Economic Area nationals. This fee is designed to help ensure the National Health Service (NHS) remains sustainable and receives a fair contribution to the cost of healthcare from temporary migrants. The Home Office collects this fee on behalf of the Department of Health and Social Care and it is then transferred via the supply estimate process.

Airwave

Airwave income is not recognised under IFRS 15 as there is no performance obligation corresponding to this income stream. Instead, this is a reduction in the cost of the contract, paid by the supplier.

Contract balances

Most departmental income comes from services for which payment is made in advance, which gives rise to a contract liability. Contract liabilities, reported under IFRS 15, are disclosed separately in the note for trade payables and other current liabilities (Note 9.1). Contract liabilities are recognised on receipt of cash for services and derecognised at the point of provision of those services.

Contract assets (accrued income) primarily relate to the Department's right to consideration for work completed but not yet billed at the reporting date. Contract liabilities (deferred income) primarily relate to the consideration received from customers in advance of transferring a good or service.

1.15 Pensions

Principal Civil Service Pension Scheme (PCSPS)

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

Civil Servants and Others Pension Scheme (CSOPS)

CSOPS, known as Alpha, is an unfunded, defined benefit scheme which started on 1 April 2015. The Department recognises the expected costs on a systematic and rational basis over the period during which it benefits from employees’ services by payments to the CSOPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the CSOPS.

Partnership and Stakeholder Schemes

The employer made a basic contribution of between 3% and 12.5% of pensionable earnings up to 30 September 2015 and between 8% and 14.75% of pensionable earning from 1 October 2015 (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contributed a further 0.8% of pensionable pay up to 30 September 2015 and 0.5% of pensionable pay from 1 October 2015 to cover the cost of centrally-provided risk benefit cover (death in service and ill-health retirement).

Broadly By Analogy (BBA)

The BBA pensions are unfunded, with benefits being paid as they fall due. Liabilities for the scheme rest with the core department and the Independent Office for Police

Conduct, its operators, and provision for these liabilities is reflected in the Statement of Financial Position. The annual cost of the associated pension contribution is recognised in the Statement of Comprehensive Net Expenditure, and amounts relating to changes in the actuarial valuation of scheme liabilities are adjusted via the Statement of Changes in Taxpayers' Equity. The scheme liabilities have been calculated by the Government Actuary's department.

1.16 Home Office Grants

Grant in Aid

Grant-in-aid is recognised on a cash basis. Grant-in-aid is a funding mechanism to finance all or part of the costs of relevant entities within the Home Office group.

Other Grants

Other grants are recognised on an accruals basis: grant expenditure is recognised at the point at which the relevant work is done by the grant recipient.

For most grants, the Department recognises grant expenditure monthly on the assumption of work done, which is confirmed and adjusted quarterly based on evidence from the grant recipient. Grant payments are made quarterly in arrears once in receipt of this evidence.

Significant grants given by the Department and the recognition treatment adopted are as follows:

Main police grant

Main police grants are based on funding levels set out in the Police Grant Report (England and Wales) 2021-22. This includes, among other grant streams, DCLG formula funding and legacy council tax grants. The majority of this grant expenditure is recognised on a straight-line basis across the year.

Counter-terrorism policing grant

The counter-terrorism policing grant is paid quarterly in arrears based on claims submitted by the National Counter Terrorism Security Office. Grant expenditure is recognised evenly across the year based on assumptions of work done in between payments.

Police pensions and fire and rescue pension top-up grant

Police pensions and fire and rescue pension top-up grants are recognised as the best estimates of the difference between outgoing pension expenditure and incoming pension contributions in a single year.

The top-up grant accrual represents a significant source of estimation uncertainty for the Department.

Each police force and fire and rescue service participate in unfunded defined benefit and defined contribution pension schemes. Each authority recognises the associated long-term pension liability for these schemes in its own financial statements.

Because these schemes are unfunded, the Department is required under legislation to make grants to police forces and fire brigades to match the estimated cash deficit in their pension schemes for the year. The grant is based on estimates provided in-year by the police and fire services and adjusted for actual outturns from prior years.

The Department recognises an accrual at the year-end for the element of the grant that has not been paid by the year-end. There are inherent uncertainties involved with the calculation of the pension grant, for example the number of retirees and amounts taken in lump sums, which means that the accrual is the best estimate of the liability at the year-end.

The top-up grant provides the mechanism by which cash funding is provided to the schemes to allow them to meet their liabilities as they fall due. The Department meets these commitments via the supply estimates process each year. Therefore, the Department does not recognise a provision or contingent liability in respect of future years' pension top up grants.

1.17 Value added Tax (VAT)

Most of the activities of the Department are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1.18 Operating Segments

IFRS 8 Operating Segments has been applied in full without interpretation or adaption in line with HM Treasury guidance. Segmental information is included in Note 2 to these accounts.

The Department recognises all revenues from external customers as within the United Kingdom. Similarly, the Department recognises all its non-current assets as within the United Kingdom. Non-current assets based in foreign countries are in aggregate of immaterial value to these accounts.

1.19 Financial Instruments

The majority of the Department's financial instruments are trade receivables and payables.

Receivables are shown net of expected credit loss. The Department holds receivables with customers with low credit risk (mainly central government departments and police forces), and other receivables are simple trade receivables held for collecting cash in the normal course of business.

The Home Office does not operate hedge accounting, so the specific requirements of IFRS 9 for hedging instruments do not apply.

1.20 International Financial Reporting Standards (IFRS) that have been issued but are not yet effective

IFRS 16: Leases

The International Accounting Standards Board (IASB) 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 2021-22 financial statements.

Requirements of the new lease standard

IFRS 16 provides a single lessee accounting model and removes the distinction between finance and operating leases. Under IFRS 16, the Department will be required to recognise a right of use asset and a lease liability for all leases, unless the lease term is 12 months or less, or the underlying asset is of low value. As a result, former operating leases under IAS 17 will come on to the Statement of Financial Position, and the Statement of Comprehensive Net Expenditure will reflect related charges for the depreciation of the right of use asset and the interest on the lease liability in place of rental expenses.

Transition requirements and initial application
On initial application, IFRS 16 will be implemented using the cumulative catch-up method as required by the FReM, with the net cumulative impact of applying IFRS 16 recognised as an adjustment to the opening balance of Taxpayers' equity as at 1 April 2022. This means that prior year comparatives will not be restated in the Department's 2022-23 accounts. Note that the College of Policing Limited adopted IFRS 16 in 2019-20 because they are a company limited by guarantee, and as such they are obligated to prepare their accounts in this way to comply with the requirements of the Companies Act. The impact on the consolidated Departmental Group accounts is not material.

On transition, the lease liability will be measured at the value of remaining lease payments, discounted either by the interest rate implicit in the lease, or where this is not readily determinable, the incremental rate of borrowing advised by HM Treasury. Where the lease includes extension or termination options, the lease payments will be for the non-cancellable period together with any extensions the Departmental Group is reasonably certain to exercise and any termination options the Departmental Group is reasonably certain not to exercise.

The opening right of use asset at transition will equal lease liabilities, adjusted for any lease prepayments or accruals that exist immediately prior to 1 April 2022.

Preliminary analysis of the impact of IFRS 16
The estimated impact of IFRS 16 as at 1 April 2022 on the Statement of Financial Position is expected to increase right of use assets for the Core Department by £516 million for the Departmental Group by £544 million. Lease liabilities are expected to increase by £516 million for the Core Department and by £543 million for the Departmental Group.

The increase in right of use assets and finance lease liabilities is lower than the value of minimum operating lease commitments held under IAS 17, primarily because IFRS 16 liabilities exclude VAT and any leases with less than 12 months remaining.

The standard is expected to increase total expenditure for Core Department in 2022-23 by £4 million, comprising an increase of £74 million in depreciation and interest costs, offset by a reduction of £70 million in operating rental lease payments. The impact for the Departmental Group in the 2022-23 year is estimated as an increase in expenditure of £4 million, consisting of an increase £79 million in depreciation and interest costs, offset by a reduction of £74 million in operating rental lease payments.

Judgements required in application of IFRS 16
Accounting under IFRS 16 involves key judgements for lessees with respect to the conditions required to recognise the existence of a lease, the valuation of right of use assets and setting the lease term over which cash flows are discounted, including where leases have no fixed end date. Lessors and intermediate lessors must make judgements about the balance of risks and rewards of ownership attached to the underlying asset and the right of use asset respectively.

IFRS 4: Insurance Contracted adapted for IFRS 9

The IASB has adapted IFRS 4 Insurance Contracts as an interim measure between the introduction of IFRS 9 (2018-19) and the new insurance contracts accounting standard IFRS 17 (2022-23 expected). The Financial Reporting Advisory Board agreed to endorse the IFRS 4 amendments without adaptation or interpretation. It is not expected to have a material impact on the financial statements.

2. Statement of Operating costs and Net Assets by Operating Segment

	2021-22			2020-21 Restated		
	Gross expenditure	Income	Net	Gross expenditure	Income	Net
	£000	£000	£000	£000	£000	£000
Reportable Segment						
Science, Technology, Analysis and Research	548,797	(289,536)	259,261	506,865	(241,003)	265,862
Homeland Security	1,457,293	(321,749)	1,135,544	1,362,478	(210,729)	1,151,749
Public Safety	13,282,235	(2,569)	13,279,666	12,635,578	(23,517)	12,612,061
Migration and Borders	88,736	(1,315)	87,421	92,054	(1,290)	90,764
Customer Service (UKVI and HMPO)	3,457,801	(3,386,980)	70,821	2,138,290	(1,550,427)	587,863
Borders and Enforcement	1,218,071	(41,835)	1,176,236	1,124,097	(41,919)	1,082,178
Corporate Enablers	1,387,290	(341,238)	1,046,052	837,159	(83,182)	753,977
Digital, Data and Technology	562,955	(126,913)	436,042	538,987	(93,086)	445,901
Legal	8,312	-	8,312	10,447	-	10,447
Communications	17,531	-	17,531	17,205	-	17,205
Net Expenditure	**22,029,021**	**(4,512,135)**	**17,516,886**	**19,263,160**	**(2,245,153)**	**17,018,007**
Reconciliation between operating segments and SoPS note 1						
Add:						
Income payable to the Consolidated Fund	-	304,548	304,548	-	109,516	109,516
Capital grant income	-	2,480	2,480	-	2,302	2,302
NDPB income (reported as net expenditure in SOPS Note 1)	(270,542)	270,542	-	(223,818)	223,818	-
Less:						
Capital grants	(631,680)	-	(631,680)	(208,291)	-	(208,291)
Capital expenditure	(71,221)	(6,901)	(78,122)	(52,097)	(1,238)	(53,335)
PFI adjustments	-	-	-	(2)	-	(2)
Capital disposal adjustments	-	244,857	244,857	-	803	803
Net resource outturn	**21,055,578**	**(3,696,609)**	**17,358,969**	**18,778,952**	**(1,909,952)**	**16,869,000**

Departmental net assets by operating segment

	Total assets	Total liabilities	Net assets	Total assets	Total liabilities	Net assets
	£000	£000	£000	£000	£000	£000
Reportable Segment						
Science, Technology, Analysis and Research	199,185	(124,920)	74,265	211,085	(121,190)	89,895
Homeland Security	109,340	(346,159)	(236,819)	86,749	(290,895)	(204,146)
Public Safety	556,097	(1,508,286)	(952,189)	493,881	(1,062,064)	(568,183)
Migration and Borders	222,673	(21,934)	200,739	181,868	(26,993)	154,875
Customer Service (UKVI and HMPO)	650,942	(1,179,641)	(528,699)	740,986	(1,100,100)	(359,114)
Borders and Enforcement	438,899	(162,640)	276,259	360,376	(130,136)	230,240
Corporate Enablers	1,147,811	(1,235,662)	(87,851)	1,118,328	(990,829)	127,499
Digital, Data and Technology	157,528	(35,583)	121,945	157,479	(49,246)	108,233
Legal	8	-	8	8	(600)	(592)
Communications	55	(108)	(53)	13	(372)	(359)
Total balance	**3,482,538**	**(4,614,933)**	**(1,132,395)**	**3,350,773**	**(3,772,425)**	**(421,652)**

The Operating segments are reported in a manner that is consistent with the organisational structure of the Department and the with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee (ExCo)

The Home Offices' new organisational structure became effective from 1 April 2021. The new structure is based around:

- Three new **missions** have been established to deliver end-to-end services and ensure we meet the people's priorities. These new missions are:
    - homeland security
    - public safety
    - migration and borders

  These missions work very closely together and also liaise regularly with the capabilities to ensure resolution of cross-cutting issues and risks arising in their respective systems.

  They work together on setting long-term priorities as well as monitoring performance on more day-to-day and business as usual activities.

- **Capabilities** that will perform the role of centres of excellence, delivering high quality and efficient services both to the Department and directly to the customer. The capabilities will support the strategic objectives of the missions.

Strategic Centre
The **Science, Technology, Analysis and Research (STAR)** is a new function that sets and maintains the strategic direction of the Department. The function also has a key role in driving effective use of science, analysis, research and technology to deliver better outcomes for the public, by ensuring limited resources are directed to Home Office priorities in areas that will have the most impact.

Missions
The **Homeland Security Group (HSG)** is responsible for work in the Home Office to counter terrorism and to cut organised crime. HSG's work is built around two cross-government strategies, CONTEST (the counter terrorism strategy) and the serious organised crime strategy, which were developed in HSG with other government departments, the police and other agencies. The HSG delivers parts of these strategies, monitors their overall impact and issues assessments (some of which are public) of the progress made.

The **Public Safety Group** is focused on domestic safety priorities and includes Crime reduction, Policing policy, Public safety COVID-19, Fire, Events and Central Management, Emergency Services Mobile Communications Programme and the Tackling Exploitation and Abuse Directorates.

The **Migration and Borders Group** has a far reaching and comprehensive programme that encompasses policy, legislation and reform to achieve the Group's overall mission of guiding the UK's immigration, border, asylum and citizenship system, to ensure it is run in a coherent, end to end manner, providing great customer service and applying fair but firm controls, in line with ministerial objectives for the New Plan for Immigration. The Group works closely with Customer Service and Borders and Enforcement capabilities (outlined below) to achieve its aims.

Capabilities
Customer Service includes UK Visas and Immigration (UKVI), and Her Majesty's Passport Office (HMPO).

- UKVI is responsible for considering applications from visitors to come to or remain in the UK. It is a high-volume service that aims to become a globally trusted operator delivering excellent customer service and secure decisions.

- HMPO has the main purpose of (i) providing provide passport services for British nationals residing in the UK and, in association with the Foreign, Commonwealth and Development Office (FCDO), to those residing overseas, and (ii) administering civil registration in England and Wales.

Borders and Enforcement is made up by Border Force, which is responsible for securing the UK border and for controlling migration at ports and airports across the UK and overseas, and Immigration Enforcement, which is responsible for enforcing the Governments immigration laws and policies as core part of the Borders, Immigration and Citizenship System.

Corporate Enablers include the Corporate Services, Human Resources, Security Estates and Information, Finance and Commercial Directorates.

Digital, Data, and Technology supports the technology related commercial activity in the Home Office.

Legal supports the delivery of the Home Office's aims and objectives by providing legal advice and services to Ministers and business areas. This includes providing risk based legal services in relation to policy and operational work, supporting the development of statutory instruments, and working with parliamentary counsel ministers and stakeholders on legislation.

The Communications Directorate leads on the development and implementation of the Home Office's communications strategy. The Directorate has cross functional teams covering media engagement, developing an effective communications strategy that is informed by insight and research, executing marketing campaigns that deliver Home Office strategic objectives, and internal communications support employee engagement and business change.

3. Expenditure

	Note	2021-22 Core department & agencies £'000	2021-22 Departmental group £'000	2020-21 Core department & agencies £'000	2020-21 Departmental group £'000
Staff costs					
Wages and salaries		1,415,509	1,542,595	1,294,372	1,419,254
Social security costs		136,411	148,068	123,748	134,913
Other pension costs		317,969	345,839	306,607	333,322
Subtotal		**1,869,889**	**2,036,502**	**1,724,727**	**1,887,489**
Less recoveries in respect of outward secondments		(252)	(689)	(320)	(577)
Total net staff costs		**1,869,637**	**2,035,813**	**1,724,407**	**1,886,912**
Grants					
Grants - current					
Main police grants					
Home Office police core settlement (1)		4,991,774	4,991,774	4,675,829	4,675,829
Department for Levelling Up, Housing and Communities formula funding (2)		3,181,534	3,181,534	3,014,619	3,014,619
Legacy council tax grants (3)		507,389	507,389	507,389	507,389
Total main police grants		**8,680,697**	**8,680,697**	**8,197,837**	**8,197,837**
Other current grants (4)		2,605,636	2,605,636	2,906,039	2,887,252
Grants - capital (5)		630,014	631,680	206,637	208,291
Grants - police pensions grants (6)		1,813,947	1,813,947	1,785,735	1,785,735
Grants - fire and rescue services top-up grants (6)		701,595	701,595	519,089	519,089
Non-cash items					
Depreciation (7)	5	343,204	350,212	200,251	206,972
Amortisation (7)	6	237,123	244,905	204,296	212,156
Impairments - non-current assets		97,013	97,013	10,665	10,665
(Profit)/loss on disposal of non-current assets		-	(48)	344	973
PFI Interest charges		7,910	7,910	24,304	24,304
Finance lease interest charge		5,412	5,412	5,685	5,685
External auditors' remuneration		560	560	530	530
Provision movements		176,898	176,035	16,644	17,931
Bad debt movement		673	673	9,057	9,464
Impairments - inventories		94	94	1,247	1,247
Revaluations		(1,565)	(1,567)	13,189	13,495
Purchase of goods and services					
Publications, stationery, and printing		8,408	8,836	10,180	10,560
Passport printing and stationery		104,140	104,140	72,088	72,088
Facilities management and staff services		120,727	140,657	40,512	63,081
Travel, subsistence, and hospitality		48,158	53,610	33,051	37,637
Professional fees		212,200	222,839	163,575	175,880
External auditors' remuneration		-	325	-	317
Media and IT		210,121	221,843	148,755	162,444
Asylum costs		1,506,686	1,506,686	814,433	814,433
Detention costs		93,633	93,633	95,267	95,267
UK Visas & Immigration commercial partner costs		89,814	89,814	40,584	40,584
FCDO charges		52,524	52,524	63,744	63,744
Other operating expenditure					
Rentals under operating leases		73,007	75,954	67,488	70,366
Other IT and accommodation related service charges		1,443,041	1,499,334	1,219,940	1,278,865
Asset recovery costs		134,087	134,200	94,130	94,130
Other costs		419,208	474,059	245,832	295,226
Grant in aid to ALBs		127,125	-	131,460	-
Total		**21,811,727**	**22,029,021**	**19,066,995**	**19,263,160**

Grants expenditure

Home Office grants reported above include the following:

Home Office Police Core Settlement (1)

Funding to local policing bodies made under Section 46 of the Police Act 1996

Department for Levelling Up, Housing and Communities (2)

Grant funding previously paid to local policing bodies by the Secretary of State for Communities and Local Government under section 78A of the Local Government Finance Act 1988 through the Local Government Finance Report (England). It is now paid by the Home Secretary under Section 46 of the Police Act 1996. This is as a result of the Government decision that local policing bodies should be funded from outside the business rates retention scheme.

Legacy Council Tax Grants (3)

This funding comprises Council Tax Freeze Grant from the 2011-12, 2013-14 and 2014-15 schemes, payable to local policing bodies in England who chose to freeze or lower precept in those years and the Local Council Tax Support Grant, which was paid to local policing bodies in England from 2013-14 following the localisation of council tax support schemes.

It was previously paid by the Secretary of State for Communities and Local Government under Section 31(4) of the Local Government Act 2003. It is now paid by the Home Secretary under Section 46 of the Police Act 1996. This is a result of the Government's ambition to simplify police funding arrangements.

Other (4)

Various other grants are paid by the Home Office to local policing bodies, charities and local councils. The main examples of other grants include Police Uplift Programme grants and Police Special Grants.

In addition, other types of grant include:

Capital Grants (5)

Financial support paid to third parties for the purchase or improvement of assets (including buildings, equipment and land), which are expected to be used for a period of at least one year.

Two property assets, Vulcan House and Stephenson House, were transferred to the Government Property Agency on 31 March 2021. During 2021-22, one further asset, 2 Marsham Street was transferred to the Government Property Agency (GPA) on 1 August 2021. These transactions are recognised in these accounts as a capital grant in kind.

Police Pensions and Fire and Rescue Services top-up Grants (6)

The Department makes a grant to police forces and to the Fire and Rescue Services to match the estimated deficit in their Police and Fire and Rescue pension schemes for the year. The grant is based on estimates provided in-year by the respective forces and adjusted for actual outturns from prior years.

Depreciation and amortization (7)

Following a significant review of historic PPE and Intangible assets, management identified a portion of balances which had not been depreciated or amortised according to the Department's policy. Total depreciation and amortisation charged in in 2021-22 was £580m. Of this, £206m related to periods on or before 31 March 2021.

4. Income

	2021-22		2020-21	
	Core department & agencies £'000	Departmental group £'000	Core department & agencies £'000	Departmental group £'000
Revenue from contracts with customers				
Passport fees	380,207	380,207	210,946	210,946
Visa and immigration income	1,525,348	1,525,348	800,798	800,798
Hendon data centre income	124,064	124,064	22,460	22,460
Certificate services	22,882	22,882	19,708	19,708
DBS income	-	219,052	(2)	166,959
EU income	78,930	78,930	69,803	69,803
Asset recovery income	239,619	239,619	188,032	188,032
Other revenue from contracts with customers	337,692	389,182	190,325	247,182
Other operating income				
Immigration Health Surcharge	1,188,019	1,188,019	376,809	376,809
Other income	40,284	40,284	32,940	32,940
Total retained Income	**3,937,045**	**4,207,587**	**1,911,819**	**2,135,637**
Payable to consolidated fund				
Immigration Health Surcharge	235,265	235,265	104,013	104,013
Other income	69,283	69,283	5,503	5,503
Total payable to Consolidated Fund	**304,548**	**304,548**	**109,516**	**109,516**
Total	**4,241,593**	**4,512,135**	**2,021,335**	**2,245,153**

5. Property, Plant and Equipment

2021-22 Departmental Group

	Land	Buildings	Transport equipment	Information technology	Plant & machinery	Furniture & fittings	Payments on account & Assets under construction	Departmental group total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
At 1 April 2021	38,060	1,075,550	67,607	499,998	535,687	118,281	883,912	3,219,095
Additions	16	17,167	11,131	84,620	3,668	7,622	77,516	201,740
Disposals	(211,509)	(372,085)	(5,588)	(2,895)	(243,527)	(27,199)	-	(862,803)
Impairments	-	-	-	-	-	-	(50,398)	(50,398)
Reclassifications	96	3,899	4,460	103,615	10,646	2,085	(126,432)	(1,631)
Revaluations	226,688	31,953	915	(5,872)	2,074	570	-	256,328
At 31 March 2022	**53,351**	**756,484**	**78,525**	**679,466**	**308,548**	**101,359**	**784,598**	**2,762,331**
Depreciation								
At 1 April 2021	-	(516,524)	(51,035)	(423,540)	(510,088)	(93,348)	-	(1,594,535)
Charged in year	-	(23,523)	(6,294)	(87,698)	(373)	(12,094)	(220,230)	(350,212)
Disposals	-	205,263	5,493	2,561	228,718	24,198	-	466,233
Impairments	-	-	-	(92)	-	-	-	(92)
Reclassifications	-	66	38	158	(38)	(66)	-	158
Revaluations	-	(63,296)	(455)	4,967	(1,405)	(463)	-	(60,652)
At 31 March 2022	**-**	**(398,014)**	**(52,253)**	**(503,644)**	**(283,186)**	**(81,773)**	**(220,230)**	**(1,539,100)**
Carrying amount at 31 March 2022	**53,351**	**358,470**	**26,272**	**175,822**	**25,362**	**19,586**	**564,368**	**1,223,231**
Carrying amount at 1 April 2021	**38,060**	**559,026**	**16,572**	**76,458**	**25,599**	**24,933**	**883,912**	**1,624,560**
Asset financing:								
Owned	53,351	338,549	26,272	175,817	24,902	19,452	558,245	1,196,588
Finance leased	-	19,875	-	-	459	133	6,252	26,719
On balance sheet PFI/other concession arrangements	-	46	-	5	1	1	(129)	(76)
Carrying amount at 31 March 2022	**53,351**	**358,470**	**26,272**	**175,822**	**25,362**	**19,586**	**564,368**	**1,223,231**
Of the total:								
Core department	52,059	332,482	25,319	169,972	24,421	15,636	560,304	1,180,193
Arm's length bodies	1,292	25,988	953	5,850	941	3,950	4,064	43,038
Carrying amount at 31 March 2022	**53,351**	**358,470**	**26,272**	**175,822**	**25,362**	**19,586**	**564,368**	**1,223,231**

On 1 August 2021 the Department transferred its office at 2 Marsham Street, London to the Government Property Agency (GPA). The transfer was agreed as part of the GPA's strategy of centralizing the ownership and operation of Estate across central government to drive more efficient and effective use of the estate. The carrying value of the assets transferred to the GPA (Land, Buildings, Plant and Machinery, Furniture and Fittings) was £371.5 million. The purchase of the asset was financed by a PFI arrangement, and the remaining liability of £228.4million (current £29.9 million, non-current £198.5 million) was also transferred to the GPA. The Department also moved revaluation reserves associated with the property to general reserves as a result of the transfer

A further nine properties that are currently leased by the Department are expected to be transferred to GPA in 2022-23.

The Department conducted a review of balances classed as Payments on account, concluding that £50.4 million needed to be impaired and estimated £220.2 million depreciation related to the remaining balances.

2020-21 Departmental Group

	Land	Buildings	Transport equipment	Information technology	Plant & machinery	Furniture & fittings	Payments on account & Assets under construction	Departmental group total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
At 1 April 2020	40,101	1,148,504	68,575	504,053	579,288	115,839	591,621	3,047,981
Additions	47	401	767	28,522	2,296	9,109	346,231	387,373
Disposals	(4,261)	(27,683)	(2,613)	(77,240)	(29,034)	(6,630)	(846)	(148,307)
Impairments	-	-	-	(8,707)	-	-	-	(8,707)
Reclassifications	-	727	2,198	46,971	2,762	436	(53,094)	-
Revaluations	2,173	(46,399)	(1,320)	6,399	(19,625)	(473)	-	(59,245)
At 31 March 2021	**38,060**	**1,075,550**	**67,607**	**499,998**	**535,687**	**118,281**	**883,912**	**3,219,095**
Depreciation								
At 1 April 2020	-	(492,564)	(48,322)	(394,912)	(530,407)	(83,259)	-	(1,549,464)
Charged in year	-	(53,729)	(6,231)	(107,906)	(22,038)	(17,068)	-	(206,972)
Disposals	-	17,380	2,600	76,749	28,869	6,551	-	132,149
Impairments	-	-	-	6,604	-	-	-	6,604
Reclassifications	-	(79)	-	-	-	79	-	-
Revaluations	-	12,468	918	(4,075)	13,488	349	-	23,148
At 31 March 2021	**-**	**(516,524)**	**(51,035)**	**(423,540)**	**(510,088)**	**(93,348)**	**-**	**(1,594,535)**
Carrying amount at 31 March 2021	**38,060**	**559,026**	**16,572**	**76,458**	**25,599**	**24,933**	**883,912**	**1,624,560**
Carrying amount at 1 April 2020	**40,101**	**655,940**	**20,253**	**109,141**	**48,881**	**32,580**	**591,621**	**1,498,517**
Asset financing:								
Owned	38,060	288,171	16,572	76,453	10,764	21,976	875,482	1,327,478
Finance leased	-	23,655	-	-	269	-	8,400	32,324
On balance sheet PFI/other concession arrangements	-	247,200	-	5	14,566	2,957	30	264,758
Carrying amount at 31 March 2021	**38,060**	**559,026**	**16,572**	**76,458**	**25,599**	**24,933**	**883,912**	**1,624,560**
Of the total:								
Core department	36,767	534,764	15,867	70,765	24,658	19,947	876,836	1,579,604
Arm's length bodies	1,293	24,262	705	5,693	941	4,986	7,076	44,956
Carrying amount at 31 March 2021	**38,060**	**559,026**	**16,572**	**76,458**	**25,599**	**24,933**	**883,912**	**1,624,560**

6. Intangible Assets

2021-22 Departmental Group

	Information technology	Software licences	Websites	Payments on account & Assets under construction	Departmental group total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2021	1,312,713	67,052	4,308	300,831	1,684,904
Additions	120,872	22	-	192,018	312,912
Disposals	(1,853)	(60)	-	(1,427)	(3,340)
Impairments	(5,752)	-	-	(44,080)	(49,832)
Reclassifications	135,569	(176)	-	(133,763)	1,630
Revaluations	(20,439)	(1,136)	(73)	-	(21,648)
At 31 March 2022	**1,541,110**	**65,702**	**4,235**	**313,579**	**1,924,626**
Amortisation					
At 1 April 2021	(993,001)	(57,360)	(4,156)	-	(1,054,517)
Charged in year	(187,242)	(3,997)	(68)	(53,598)	(244,905)
Disposals	1,076	241	-	-	1,317
Impairments	4,804	(219)	-	-	4,585
Reclassifications	(158)	-	-	-	(158)
Revaluations	16,847	1,053	72	-	17,972
At 31 March 2022	**(1,157,674)**	**(60,282)**	**(4,152)**	**(53,598)**	**(1,275,706)**
Carrying amount at 31 March 2022	**383,436**	**5,420**	**83**	**259,981**	**648,920**
Carrying amount at 1 April 2021	**319,712**	**9,692**	**152**	**300,831**	**630,387**
Asset financing:					
Owned	381,229	3,918	83	259,981	645,211
On balance sheet PFI/other concession arrangements	2,207	1,502	-	-	3,709
Carrying amount at 31 March 2022	**383,436**	**5,420**	**83**	**259,981**	**648,920**
Of the total:					
Core department	370,894	4,547	64	243,826	619,331
Arm's length bodies	12,542	873	19	16,155	29,589
Carrying amount at 31 March 2022	**383,436**	**5,420**	**83**	**259,981**	**648,920**

The Department conducted a review of balances classed as Payments on account, concluding that £44.1 million needed to be impaired and estimated £53.6 million depreciation related to the remaining balances.

2020-21 Departmental Group

	Information technology	Software licences	Websites	Payments on account & Assets under construction	Departmental group total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2020	1,061,067	69,852	4,103	407,542	1,542,564
Additions	190,600	672	199	25,393	216,864
Disposals	(51,449)	(1,186)	-	(263)	(52,898)
Impairments	(34,161)	(6,568)	-	-	(40,729)
Reclassifications	128,827	3,014	-	(131,841)	-
Revaluations	17,829	1,268	6	-	19,103
At 31 March 2021	**1,312,713**	**67,052**	**4,308**	**300,831**	**1,684,904**
Amortisation					
At 1 April 2020	(851,554)	(57,870)	(4,077)	-	(913,501)
Charged in year	(207,726)	(4,353)	(77)	-	(212,156)
Disposals	51,292	977	-	-	52,269
Impairments	26,060	4,871	-	-	30,931
Reclassifications	(9)	9	-	-	-
Revaluations	(11,064)	(994)	(2)	-	(12,060)
At 31 March 2021	**(993,001)**	**(57,360)**	**(4,156)**	**-**	**(1,054,517)**
Carrying amount at 31 March 2021	**319,712**	**9,692**	**152**	**300,831**	**630,387**
Carrying amount at 1 April 2020	**209,513**	**11,982**	**26**	**407,542**	**629,063**
Asset financing:					
Owned	317,269	8,190	152	300,831	626,442
On balance sheet PFI/other concession arrangements	2,443	1,502	-	-	3,945
Carrying amount at 31 March 2021	**319,712**	**9,692**	**152**	**300,831**	**630,387**
Of the total:					
Core department	303,071	8,379	132	290,541	602,123
Arm's length bodies	16,641	1,313	20	10,290	28,264
Carrying amount at 31 March 2021	**319,712**	**9,692**	**152**	**300,831**	**630,387**

7. Financial Instruments

As the cash requirements of the Department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The Department has very limited powers to borrow, invest surpluses, or purchase foreign currency. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risk facing the Department in undertaking its activities.

The majority of financial instruments relate to contracts for goods and services in line with the Department’s expected purchase and usage requirements and the Department is, therefore, exposed to little credit, liquidity or market risk.

8. Cash and Cash Equivalents

		2021-22		2020-21
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£'000	£'000	£'000	£'000
Balance at 1 April	159,781	277,799	(160,849)	(63,058)
Net change in cash and cash equivalent balances	518,945	538,390	320,630	340,857
Balance at 31 March	**678,726**	**816,189**	**159,781**	**277,799**
The following balances at 31 March were held at:				
Government Banking Service	678,677	703,360	159,732	178,481
Commercial banks and cash in hand	49	112,829	49	99,318
Balance at 31 March	**678,726**	**816,189**	**159,781**	**277,799**

9. Trade receivables, financial and other assets

		2021-22		2020-21
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	181,609	148,235	160,495	138,427
VAT receivables net of payables	(390)	(2,326)	58,680	56,691
Staff receivables	1,037	1,130	(1,240)	(1,216)
Receivables - government departments	175,582	175,582	335,014	335,014
Other receivables	10,259	10,258	(46,290)	(46,263)
Prepayments and accrued income	441,050	447,369	303,868	321,094
	809,147	**780,248**	**810,527**	**803,747**
Amounts falling due after more than one year:				
Other receivables	6,140	6,140	6,640	6,640
	6,140	**6,140**	**6,640**	**6,640**

10. Trade payables and other current liabilities

	2021-22 Core department & agencies £'000	2021-22 Departmental group £'000	2020-21 Core department & agencies £'000	2020-21 Departmental group £'000
Amounts falling due within one year:				
Other taxation and social security	15,028	19,314	13,550	17,570
Trade payables	67,511	71,460	59,127	63,309
Other payables	4,631	4,978	10,773	11,867
Staff payables	53,450	54,757	49,924	51,152
Accruals	1,764,914	1,808,038	1,491,437	1,537,201
Accruals - Police Pensions	500,052	500,052	349,872	349,872
Accruals - Fire Pensions	295,143	295,143	119,335	119,335
Contract liabilities	478,804	494,826	473,280	486,472
Payables - government departments	68,769	68,769	255,766	255,766
Current part of finance leases	10,617	11,193	15,448	15,448
Current part of imputed finance lease element of on balance sheet PFI contracts and other service concession arrangements	(1,748)	(1,748)	37,229	37,229
Amounts issued from the Consolidated Fund for supply but not spent at year end	349,863	349,863	93,348	93,348
Consolidated Fund Extra Receipts due to be paid to the Consolidated Fund (received)	327,442	327,442	65,012	65,012
Consolidated Fund Extra Receipts due to be paid to the Consolidated Fund (receivable)	54,260	54,260	41,268	41,268
	3,988,736	**4,058,347**	**3,075,369**	**3,144,849**
Amounts falling due after more than one year:				
Other payables, accruals and deferred income	12,437	12,573	13,229	15,273
Imputed finance lease element of on-balance sheet PFI contracts and other service concession arrangements	2,131	2,131	205,521	205,521
Finance leases	49,150	50,386	49,150	49,150
	63,718	**65,090**	**267,900**	**269,944**

10.1 Contract balances

	Contract liabilities £'000
At 1 April 2021	486,472
Decrease due to revenue recognised in the period	(1,650,658)
Increase due to cash received in advance and not recognised as revenue during the year	1,659,012
At 31 March 2022	**494,826**
Presented within:	
Current	494,826
Non-current	-

11. Provisions for liabilities and charges

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£'000	£'000	£'000	£'000
Balance at 1 April	**348,062**	**354,903**	**375,527**	**381,323**
Provided in the year	294,134	294,437	120,877	122,798
Provisions not required written back	(117,236)	(118,402)	(104,233)	(104,867)
Provisions utilised in the year	(41,342)	(42,149)	(44,109)	(44,351)
Borrowing costs (unwinding of discounts)	-	-	-	-
Balance at 31 March	**483,618**	**488,789**	**348,062**	**354,903**
Comprising				
Not later than one year	304,885	305,363	139,152	140,185
Later than one year and not later than five years	107,470	109,899	85,850	89,953
Later than five years	71,263	73,527	123,060	124,765
Balance at 31 March	**483,618**	**488,789**	**348,062**	**354,903**

Provisions analysis

	Early departure	Dilapidations	Legal claims	Windrush compensation scheme	Pensions and other	Departmental group total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2021	**333**	**62,085**	**65,124**	**160,000**	**67,361**	**354,903**
Provided in the year	79	3,186	291,148	-	24	294,437
Provisions not required written back	(2)	(3,896)	(25,272)	(37,031)	(52,201)	(118,402)
Provisions utilised in the year	(410)	(363)	(20,977)	(20,378)	(21)	(42,149)
Transfer of provisions	-	-	-	-	-	-
Balance at 31 March 2022	**-**	**61,012**	**310,023**	**102,591**	**15,163**	**488,789**
Comprising:						
Not later than one year	-	55	282,144	23,000	164	305,363
Later than one year and not later than five years	-	2,429	27,879	79,591	-	109,899
Later than five years	-	58,528	-	-	14,999	73,527
Balance at 31 March 2022	**-**	**61,012**	**310,023**	**102,591**	**15,163**	**488,789**
Of the total:						
Core department	-	56,263	309,764	102,591	15,000	483,618
Arm's length bodies	-	4,749	259	-	163	5,171
Balance at 31 March 2022	**-**	**61,012**	**310,023**	**102,591**	**15,163**	**488,789**

	Early departure	Dilapidations	Legal claims	Windrush compensation scheme	Pensions and other	Departmental group total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2020	**176**	**60,130**	**62,397**	**159,603**	**99,017**	**381,323**
Provided in the year	331	5,139	52,342	26,031	38,955	122,798
Provisions not required written back	-	(3,184)	(31,314)	-	(70,369)	(104,867)
Provisions utilised in the year	(174)	-	(18,301)	(25,634)	(242)	(44,351)
Transfer of provisions	-	-	-	-	-	-
Balance at 31 March 2021	**333**	**62,085**	**65,124**	**160,000**	**67,361**	**354,903**
Comprising:						
Not later than one year	331	418	59,274	80,000	162	140,185
Later than one year and not later than five years	-	4,103	5,850	80,000	-	89,953
Later than five years	2	57,564	-	-	67,199	124,765
Balance at 31 March 2021	**333**	**62,085**	**65,124**	**160,000**	**67,361**	**354,903**
Of the total:						
Core department	2	55,858	65,002	160,000	67,200	348,062
Arm's length bodies	331	6,227	122	-	161	6,841
Balance at 31 March 2021	**333**	**62,085**	**65,124**	**160,000**	**67,361**	**354,903**

Early Departure Costs
The Home Office meets the additional costs of benefits beyond the normal Principal Civil Service Pension Scheme (PCSPS) benefits in respect of employees who retire early by paying the required amount to PCSPS to cover the period between early departure and normal retirement date. The Home Office provides for this in full when the early retirement programme becomes binding on the Home Office by establishing a provision or accrual for the estimated payments. Any provision is discounted using the real HM Treasury discount rate outlined in Note 1.12.

Severance costs outstanding at year end under the new Civil Service Compensation Scheme are accrued for rather than provided for in a provision.

Dilapidations
The Home Office makes provisions to cover its obligations for the reinstatement of its leasehold buildings to their original state before its occupation.

Legal Claims
Provision has been made for various legal claims against the Home Office. The provision reflects all known claims where legal advice indicates that it is more than 50% probable that the claim will be successful, and the amount of the claim can be reliably estimated. The amount provided is on a percentage expected probability basis. No reimbursement will be received in respect of any of these claims. Legal claims, which may succeed but are less likely to do so (or cannot be estimated), are disclosed as contingent liabilities in Note 12.

Windrush compensation scheme
On 3 April 2019, the Home Office launched the Windrush Compensation Scheme, which is one of the measures the Government introduced to help right the wrongs experienced by members of the Windrush generation.

The Windrush Compensation Scheme is open to:

- Commonwealth citizens who arrived in the UK before 1 January 1973 and who are lawfully here because they have a right of abode, or settled status, or are now British citizens;
- Commonwealth citizens overseas who settled in the UK before 1 January 1973;
- Any person of any nationality who arrived in the UK before 31 December 1988 and is lawfully here because they have a right of abode, or settled status, or are now a British citizen;
- The children and grandchildren of Commonwealth citizens, in certain circumstances;
- The estates of those who are now deceased but would have otherwise been eligible to claim compensation; and
- Close family members of eligible claimants where there is evidence of certain direct financial losses, or significant impact on their life.

These accounts report a provision of £103 million, being the best estimate of the total value of future compensation scheme payments.

The provision value is based on the likelihood of number of claimants, and the estimated costs for the different areas of loss for which claims may be made. There is a considerable amount of uncertainty in these assumptions, due to incompleteness of data on how many individuals have been impacted, and how they have been impacted.

There is no limit to the amount of compensation available should the claims be accepted.

Pensions and other provisions

The Department has further provisions which do not fall into the above categories, but which satisfies the criteria for provision creation. The most significant of these are outlined below.

Pension provisions

The Department recognises a liability in respect of the pension schemes in which it participates. This includes the unfunded defined benefit schemes Principal Civil Service Pension Scheme (PCSPS) and Civil Servants and Pension Schemes (CSOPS), Partnership and Stakeholder Schemes and Broadly by Analogy (BBA) pensions.

Refer to Note 1.15 for further detail on these schemes and how the associated liability has been measured for inclusion in the accounts.

Other provisions: Forensic Science Service (FSS)

A provision of £15 million relates to the value of the pension liability for FSS (2020-21: £67.2 million) The FSS was a government owned company in the UK which provided forensic science services to the police forces and government agencies of England and Wales, as well as other countries. Upon its closure in December 2005 the pension obligations of the FSS transferred to the Home Office.

The decrease of £52 million in the provision during the year was predominantly due to strong pension scheme asset performance, which exceeded the increase in the value placed on the pension liability during 2021-22.

12. Contingent Liabilities

Contingent liabilities cover all known claims where legal advice indicates that the criteria for recognition of a provision has not been met or where the possibility of economic transfer is remote.

There are a number of legal claims outstanding against the Department including unlawful detention and unlawful dismissal claims that fall under this definition. The nature of these claims is such that it is not possible to predict the outcome with reasonable certainty nor to quantify the financial impact to the Department.

As reported in 2020-21, HMRC launched an enquiry into the Home Office's compliance with the off payroll working (IR35) rules in relation to contingent labour in 2018. That enquiry concluded that there had been instances where contractors were incorrectly assessed as out of scope. HMRC assessed the tax and national insurance lost between 6 April 2017, when the rules came into force, and 31 March 2021 at £29.5 million.

The Home Office are now reviewing their Managed Services contracts against the IR35 rules as part of an over-arching IR35 Compliance Project being rolled out across the Home Office. There are more than 1,000 Managed Service contracts. To date a proportion have been assessed as not compliant with IR35. These accounts include an accrual of £12.3 million for the tax and national insurance impact on the 6 non-compliant contracts. It is recognised that there will most likely be further non-compliant contracts, however, we cannot estimate the value with sufficient reliability, and we are therefore noting that there is a contingent liability. The value will become clear as the Home Office review and discussions with HMRC on the implications of non-compliance progress.

13. Leases

13.1 Finance Leases

		2021-22		2020-21
	Core department & agencies	**Departmental group**	**Core department & agencies**	**Departmental group**
	£'000	**£'000**	**£'000**	**£'000**
Buildings				
Not later than one year	10,218	10,794	10,243	10,243
Later than one year and not later than five years	33,861	35,097	36,685	36,685
Later than five years	51,081	51,081	58,475	58,475
	95,160	**96,972**	**105,403**	**105,403**
Less interest element	(35,393)	(35,393)	(40,805)	(40,805)
Present value of obligations	**59,767**	**61,579**	**64,598**	**64,598**
Total commitment	**59,767**	**61,579**	**64,598**	**64,598**

13.2 Operating Leases

		2021-22		2020-21
	Core department & agencies £000	Departmental group £000	Core department & agencies £000	Departmental group £000
Buildings				
Not later than one year	39,082	42,824	18,494	21,769
Later than one year and not later than five years	175,784	186,653	94,301	106,158
Later than five years	5,045,521	5,054,220	143,827	149,887
	5,260,387	**5,283,697**	**256,622**	**277,814**
Other				
Not later than one year	9	716	46	149
Later than one year and not later than five years	17	2,803	26	26
Later than five years	-	3,642	-	-
	26	**7,161**	**72**	**175**
Total commitment	**5,260,413**	**5,290,858**	**256,694**	**277,989**

14. Commitments under PFI and other service concession arrangements

14.1 Off balance sheet (SoFP)

The total amount charged in the Statement of Comprfehensive Net Expenditure in respect of off-balance sheet (SoFP) PFI or other service concession transactions was £305 million (2020-21: £169 million). Total future minimum payments under off-balance sheet PFI and other service concession arrangements are given in the table below for each of the following periods:

		2021-22		2020-21
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£'000	£'000	£'000	£'000
Not later than one year	252,609	252,609	288,552	288,552
Later than one year and not later than five years	7,761	7,761	212,723	212,723
Later than five years	-	-	-	-
Total commitment	**260,370**	**260,370**	**501,275**	**501,275**

14.2 On balance sheet (SoFP)

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service element of on-balance sheet PFI or other service concession transactions was £8 million (2020-21: £59 million). With the transfer of the 2 Marsham Street property to the Government Property Agency on 1 August 2021, there no future obligations under on-balance sheet PFI and other service concession arrangements. The table below confirms this and shows the 2020-21 comparative details:

		2021-22		2020-21
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£'000	£'000	£'000	£'000
Minimum lease payments				
Not later than one year	-	-	32,750	32,750
Later than one year and not later than five years	-	-	138,083	138,083
Later than five years	-	-	190,033	190,033
	-	**-**	**360,866**	**360,866**
Less interest element	-	-	(204,739)	(204,739)
Present value	**-**	**-**	**156,127**	**156,127**
Service elements due in future periods				
Not later than one year	**-**	-	20,473	20,473
Later than one year and not later than five years	-	-	69,042	69,042
Later than five years	-	-	95,016	95,016
Total service elements due in future periods	**-**	**-**	**184,531**	**184,531**
Total commitment	**-**	**-**	**340,658**	**340,658**

15. Capital and other commitments

15.1 Capital commitments

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Property, plant & equipment	53,651	53,711	33,973	33,973
Intangible assets	50,435	50,435	41,634	41,694
Total commitment	**104,086**	**104,146**	**75,607**	**75,667**

These commitments include:

- £47.3 million of capital commitments at year end relate to the mast build of the Extended Area Service, covering major and minor roads that fall outside of those in the primary coverage area, mostly rural areas including many national parks and areas of outstanding natural beauty. The largest supplier is EE ltd, with capital commitments of £42.7 million for an Air to Ground network providing coverage for the three emergency services' airborne assets with transmission links and equipment for the Extended Area Service sites across England, Scotland and Wales. These extensions of coverage are part of the new Emergency Services Network critical communications system. This will replace the current Airwave service used by the emergency services in Great Britain (England, Wales and Scotland) and transform how they operate.
- £21.4 million for tangible and intangible capital commitments for Cyclamen, a nuclear (radiological) detection capability. The commitments relate to physical assets such as the portals for passengers or goods and various components which are due to upgrade. The commitment also relates to software enhancements to improve detection rates (or reduce false positives). Leonardo MW ltd is the largest supplier with a total commitment of £12.0 million to design, build and implement these capabilities.
- £14.5 million for National Communications Data Service support services. These services will deliver efficiencies during the contract life and enables more efficient future transitions. They include application lifecycle management, DevOps support and security gateway management and licences. The largest supplier is PA Consulting Services ltd with a commitment of £7.7 million.

15.2 Other Financial commitments

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£'000	£'000	£'000	£'000
Not later than one year	2,788,533	2,804,676	2,286,388	2,302,531
Later than one year and not later than five years	6,500,698	6,500,698	3,985,569	3,985,569
Later than five years	2,405,617	2,405,617	1,879,748	1,879,748
Total commitment	**11,694,848**	**11,710,991**	**8,151,705**	**8,167,848**

The Department has entered into non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements). The payments to which the Department are committed are as follows:

- The Public Safety Radio Communications Service contract with Airwave Solutions Ltd for the provision of an emergency telecommunications network for the police services of England, Scotland and Wales commenced in February 2000 and is due to expire at the end of December 2026. The total contract value is £6.7 billion.
- The Home Office's Asylum Accommodation Support Contracts are scheduled to run for 10 years from 2019 with a total value of approximately £4.6 billion. The last 12 months of these contracts with Clearsprings, Ready Homes Ltd, Serco Ltd and Mears Ltd have been subject to a significant increase in demand over the COVID-19 pandemic, coupled with an increase in arrivals from mainland Europe by small boats. Demand remains high and as such a commercial review of the contracts is underway.
- The HM Passport Office Digital Future Services contracts provide support of digital applications and services. The four main contracts for this support were awarded to Kainos (two contracts), ATOS and DXC–Entserv during 2021. These contracts were for an initial period of 24 months with up to three 12-month extension options available. The maximum contract value over the 5-year term for these four contracts is £118.5 million, however spend will be via short, specific work packages for the support, maintenance and development of the applications and services.
- DDaT Software Engineering Partner Services is a centrally held contract available to the whole of the Home Office to call off 'statements of work' for the delivery of software engineering services for internal and external facing systems. The services can be delivered against a range of pricing options and delivery is managed by the requirements owners. The supplier delivers extensive, structured software engineering content and provides added value and social value to Home Office and the DDaT Head of Software Engineering as well as feeding data into recruitment activities that will replace supplier resources as they are on-boarded. The contract has less than one year of the term remaining and a procurement strategy for its replacement is being developed. The current total contract value is £80 million.
- In April 2021, the Home Office entered into a 5-year contract with CGI IT UK Ltd for the service provision of the Police National Database (PND), a national data store of operational policing information and intelligence provided by individual forces. CGI have been the incumbent supplier for PND since April 2009, when they were awarded a 10-year contract, competed via an OJEU procurement. An additional 2-year extension to CGI was approved by the Permanent Secretary and awarded via Single Tender Action in April 2019. The new contract to CGI runs from 1 April 2021 to 31 March 2026 and was a direct award following approval from the Permanent Secretary and the Minister of State of the Cabinet Office. Following a detailed technical assessment, CGI appear as the only supplier capable of delivering the proposed contract. Based on this assessment, the direct award falls within the scope and is lawful under Reg 32 of PCR 2015. The contract includes a break clause after 3.5 years to exit the contract. The Home Office intend to run a full competition at either the contract break point or contract expiry; the commercial strategy for which is currently under development. For the first year of the contract, the total spend to date from 1 April 2021 to 31 March 2022 is £18.6 million, which includes £7.4 million for service charges and £11.1 million for change requests.

16. Related party transactions

The Department is the parent of its agencies and other designated bodies, and the sponsor of the Non-Departmental Public Bodies (NDPBs) outlined in Note 17. These bodies are regarded as related parties with which the Department has had material transactions during the year. Details of related party of NPPBs are disclosed in their audited accounts.

In addition, the Department has had transactions with other government departments and other central government bodies. In particular there have been transactions with:

- **The Cabinet Office**: Civil Superannuation relating to the employees' pension scheme. The employer's contribution to this pension scheme can be found in the Staff Report within the accountability section
- The **Foreign, Commonwealth and Development Office** relating to the overseas collection of both Visa income and the Immigration Health Surcharge.
- The **Forensic Archive Ltd** is considered a related party operating under the 'guardianship' of the Home Office with Home Office senior management sitting on the board.

No minister, board member, key manager or other related parties has undertaken any material transactions with the Department during the year.

Ministers' interests are declared and maintained through the Register of Members' Interests at the House of Commons and the Register of Lords' Interest at the House of Lords.

Board members and key senior management staff are subject to a standard annual interests review, stating whether they, their spouses or close family members have been in a position of influence or control in organisations with which the Home Office has transactions.

The Remuneration Report provides information on key management compensation. No minister, board member, key manager or other related parties has undertaken any material transactions with the Department during the year

17. Entities within the departmental boundary

The entities within the boundary during 2021-22 comprise supply financed agencies and those entities listed in the Designation and Amendment Orders presented to Parliament. They are:

Entities consolidated
The Home Office departmental boundary encompassed the central Government Department and five Non-Departmental Public Bodies (NDPBs). The accounts of these entities form part of the Home Office's consolidated financial statements.

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

- Disclosure and Barring Service
- Gangmasters and Labour Abuse Authority
- Immigration Services Commissioner
- Independent Office for Police Conduct
- Security Industry Authority

The accounts of the above NDPBs can be found at http://www.official-documents.gov.uk.

Other Entities
College of Policing Limited

The College of Policing is a company limited by guarantee. It is classified as an Arm's Length Body by HM Treasury, and is consolidated within the Departmental boundary as a NDPB.

Entities within the Core Department
Advisory, tribunal and other NDPBs do not publish accounts as they do not have any money delegated to them. Where there are costs, these are met from Home Office budgets.

Advisory non-departmental public bodies: provide independent, expert advice to ministers on a wide range of issues.

- The Advisory Council on the Misuse of Drugs
- Biometrics and Forensics Ethics Group
- The Committee for the Protection of Animals Used for Scientific Purposes
- Firefighters' Pension Scheme Advisory Board
- Migration Advisory Committee
- Police Advisory Board for England and Wales
- Police Remuneration Review Body
- Technical Advisory Board

Tribunal non-departmental public bodies: have jurisdiction in a specialised field of law.

- Investigatory Powers Tribunal
- Police Appeals Tribunal

Other

- Commission for Countering Extremism
- Forensic Archive Ltd
- Her Majesty's Inspectors of Constabulary
- Independent Family Returns Panel
- Investigatory Powers Commissioner's Office
- Office for Communications Data Authorisations
- Office of the Chief Inspector of the UK Border Agency
- The Office of the Commissioner for the Retention and Use of Biometric Material
- Office of the Director of Labour Market Enforcement
- Office of the Domestic Abuse Commissioner
- The Office of the Forensic Science Regulator
- The Office of the Independent Anti-Slavery Commissioner
- The Office of the Independent Monitor for the purposes of Part 5 of the Police Act 1997
- The Office of the Independent Reviewer of Terrorism Legislation
- The Office of the person appointed under sections 47H(4), 127H(4), 195H(4), 290(8) and 303E(9) of the Proceeds of Crime Act 2002
- The Office of the Surveillance Camera Commissioner
- National Crime Agency Remuneration Review Body
- The National Crime Agency is outside the departmental boundary and is not consolidated in this Report, but its operations are mentioned because the Home Office has a policy remit for the Agency.

18. Events after the reporting period date

In accordance with the requirements of IAS 10 Events After the Reporting Period, events are considered up to the date on which the accounts are authorised for issue.

There were no significant events after the reporting period that require disclosure.

The date the Accounts are authorised for issue by Matthew Rycroft (Accounting Officer) is interpreted as the same date the Accounts are certified by the Comptroller and Auditor General

Annexes – not subject to Audit

A. Financial information by Arm's Length Body

For the year ended 31 March 2022

Arm's length body	Total operating income £'000	Total operating expenditure £'000	Net expenditure for the year (including financing) £'000	Permanently employed staff Number of employees	Permanently employed staff Staff costs £'000	Other staff Number of employees	Other staff Staff costs £'000
College of Policing Limited	(19,568)	68,149	48,581	636	32,543	84	11,643
Disclosure and Barring Service	(219,096)	164,411	(54,685)	1,170	43,332	66	3,671
Gangmasters and Labour Abuse Authority	(1,177)	8,744	7,567	11	4,121	5	1,015
Immigration Services Commissioner	-	4,061	4,061	-	3,001	-	-
Independent Office for Police Conduct	(105)	70,379	70,274	959	51,525	7	399
Security Industry Authority	(30,596)	27,385	(3,211)	285	13,865	5	573
	(270,542)	**343,129**	**72,587**	**3,061**	**148,387**	**167**	**17,301**

For the year ended 31 March 2021

Arm's length body	Total operating income £'000	Total operating expenditure £'000	Net expenditure for the year (including financing) £'000	Permanently employed staff Number of employees	Permanently employed staff Staff costs £'000	Other staff Number of employees	Other staff Staff costs £'000
College of Policing Limited	(24,135)	70,031	45,896	583	30,717	91	10,912
Disclosure and Barring Service	(185,808)	163,159	(22,649)	1,075	39,225	72	3,824
Gangmasters and Labour Abuse Authority	(1,149)	7,607	6,458	113	5,137	2	190
Immigration Services Commissioner	-	4,124	4,124	61	3,046	-	-
Independent Office for Police Conduct	(91)	74,037	73,946	979	52,776	8	1,174
Security Industry Authority	(31,422)	27,453	(3,969)	249	14,091	9	1,413
	(242,605)	**346,411**	**103,806**	**3,060**	**144,992**	**182**	**17,513**

B. COVID-19 Costs

For the year ended 31 March 2022

Business Area	Resource DEL (Programme) Net Outturn £000	Resource DEL (Programme) Budget £000	Resource DEL (Programme) Variance £000	Capital DEL Net Outturn £000	Capital DEL Budget £000	Capital DEL Variance £000
Science, Technology, Analysis and Research	(11,913)	(5,018)	(6,895)	-	-	-
Homeland Security	144	-	144	-	-	-
Public Safety	96,956	116,000	(19,044)	1	-	1
Migration and Borders	1,024,558	417,385	607,173	(15)	-	(15)
Customer Service (UKVI and HMPO)	432,119	560,098	(127,979)	(62)	-	(62)
Borders and Enforcement	55,294	61,496	(6,202)	5,691	10,000	(4,309)
Corporate Enablers	3,901	42,652	(38,751)	-	-	-
Digital, Data and Technology	4,361	369	3,992	-	-	-
Legal	-	-	-	-	-	-
Communications	9	-	9	-	-	-
Total	**1,605,429**	**1,192,982**	**412,447**	**5,616**	**10,000**	**(4,384)**

For the year ended 31 March 2021 (restated)[53]

Business Area	Resource DEL (Programme) Net Outturn £000	Resource DEL (Programme) Budget £000	Resource DEL (Programme) Variance £000	Capital DEL Net Outturn £000	Capital DEL Budget £000	Capital DEL Variance £000
Science, Technology, Analysis and Research	-	-	-	-	-	-
Homeland Security	-	-	-	-	-	-
Public Safety	266,460	292,826	(26,366)	-	-	-
Migration and Borders	7,800	16,500	(8,700)	-	-	-
Customer Service (UKVI and HMPO)	1,474,913	1,427,851	47,062	-	-	-
Borders and Enforcement	18,650	16,648	2,002	-	-	-
Corporate Enablers	4,354	3,735	619	-	-	-
Digital, Data and Technology	12,700	9,590	3,110	-	-	-
Legal	-	-	-	-	-	-
Communications	-	-	-	-	-	-
Total	**1,784,877**	**1,767,150**	**17,727**	**-**	**-**	**-**

[53] The Home Office's new organisational structure became effective from 1 April 2021, and the prior year comparatives have been restated to align with the new structure.

C. EU-Exit costs

For the year ended 31 March 2022

	Resource DEL			Capital DEL		
	Outturn	Budget	Variance	Outturn	Budget	Variance
Business Area	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Science, Technology, Analysis and Research	1,739	-	(1,739)	447	-	(447)
Homeland Security	0	-	(0)	-	-	0
Public Safety	15,000	11,451	(3,549)	8,262	-	(8,262)
Migration and Borders	7,218	13,424	6,205	150	-	(150)
Customer Service (UKVI and HMPO)	75,110	39,700	(35,410)	12,471	-	(12,471)
Borders and Enforcement	159,092	163,102	4,010	3,334	-	(3,334)
Corporate Enablers	36,641	31,631	(5,010)	-	-	0
Digital, Data and Technology	66,318	87,770	21,452	(5)	-	5
Legal	1,400	2,800	1,400	-	-	0
Communications	3,170	4,159	989	-	-	0
Total	**365,689**	**354,037**	**(11,652)**	**24,660**	**-**	**(24,660)**

For the year ended 31 March 2021(restated)[54]

	Resource DEL			Capital DEL		
	Outturn	Budget	Variance	Outturn	Budget	Variance
Business Area	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Science, Technology, Analysis and Research	34,400	(27,670)	(62,070)	72,700	117,860	45,160
Homeland Security	15	-	(15)	(9)	-	9
Public Safety	1,009	2,200	1,191	-	-	-
Migration and Borders	98,005	98,634	629	112,238	111,500	(738)
Customer Service (UKVI and HMPO)	76,684	72,600	(4,084)	3,409	12,000	8,591
Borders and Enforcement	153,934	153,276	(658)	15,800	18,000	2,200
Corporate Enablers	50,215	54,313	4,098	(700)	14,100	14,800
Digital, Data and Technology	84,796	99,657	14,861	10,957	19,050	8,093
Legal	-	-	-	-	-	-
Communications	214	-	(214)	-	1,000	1,000
Total	**499,272**	**453,010**	**(46,262)**	**214,395**	**293,510**	**79,115**

[54] The Home Office's new organisational structure became effective from 1 April 2021, and the prior year comparatives have been restated to align with the new structure.

4
Trust Statement

Introduction to the Trust Statement

Accounting Officer's Foreword to the Trust Statement

I am pleased to present the Foreword to the Home Office Trust Statement.

This Statement provides an account of revenues collected which by statute or convention are due to the Consolidated Fund[1] where the Home Office undertakes the collection acting as agent rather than principal. The legislative requirement for the Statement is set out in the Exchequer and Audit Departments Act 1921.

We fully acknowledge our responsibility to administer these revenues efficiently and fairly, and to pursue the amounts due so as to minimise the loss of revenue to the Exchequer where debt cannot be collected.

Matthew Rycroft CBE
Accounting Officer

[1] The Consolidated Fund is the central account administered by HM Treasury, which receives the proceeds of taxation and makes issues to fund Supply Services

Scope of the Trust Statement

An Accounts direction, issued by HM Treasury on 16 December 2021, requires the Home Office to prepare a Trust Statement for the financial year ended 31 March 2022.

The Trust Statement must report the revenue and other income collected by the Department and payable into the Consolidated Fund (other than the Immigration Health Charge as explained below).

For the Home Office, this revenue comprises the Immigration Skills Charge, consular fees associated with the issuing of passports and visas as well as fines for breaches of immigration law.

Immigration charges

Immigration Skills Charge
The Immigration Skills Charge Regulation 2017 came into force in April 2017 and requires persons licenced by the Secretary of State to assign certificates of sponsorship to skilled workers to pay a charge (the Immigration Skills Charge) to the Secretary of State. The charge was put in place to encourage employers to recruit more talent from the UK labour market rather than relying on workers from abroad.

The amount of the charge depends on the size of the organisation, if the sponsor is a small or charitable organisation, the charge is at a lower rate. The amount of the charge also varies depending on the period of employment, with set rates of charge applying for the period of prospective employment ranging from 12 months or less and up to 60 months. A refund of all or part of the charge may be made where, for example, a worker leaves their job early, is refused a visa, or withdraws their application.

The Department, as part of its Visa process, collects the Immigration Skills Charge. The Charge is payable by people who are sponsoring applications for a visa to work in the UK for 6 months or more under a Tier 2 visa for skilled workers. This can be either as a General visa or as an Intra-company Transfer visa.

Operational costs incurred by the Department in the collection of this charge, as agreed with HM Treasury, are attributed to and reported in the Trust Statement.

Immigration Health Surcharge
The Immigration Health Surcharge was introduced by the government in 2015. It is intended to fund healthcare from the National Health Service that migrants requiring a UK Visa will have access to. HM Treasury has directed that the revenue received for the collection of the Immigration Health Surcharge is reported in the Home Office Resource Accounts, and not in the Trust Statement.

Consular fees
Consular fees are an element of UK passport fees relating to consular protection services provided by the Foreign, Commonwealth & Development Office (FCDO) worldwide. These fees are not retained by the Home Office and are remitted to HM Treasury as Consolidated Fund Extra Receipts.

The part of the UK passport fee for these consular services are £15.62 per adult standard passport, £4.28 per child passport and £23.18 per jumbo passport (for passports issued both in the UK and overseas).

Civil Penalties
There are a range of Civil Penalties levied by the Home Office that when collected are payable into the Consolidated Fund. These are principally:

- Civil and Immigration penalties levied where investigations establish that individuals have been found to be working in breach of employment restrictions.

- Civil penalties levied where investigations establish that landlords have let a property to a person unqualified to rent in breach of the Immigration Act 2014.

- Under Section 40 of the Immigration and Asylum Act 1999, carriers are liable to charges if they carry a passenger to the UK who is not properly documented.

The Trust Statement is prepared in compliance with all relevant accounting and disclosure requirements given in Managing Public Money and other guidance issued by HM Treasury. This includes the Government Financial Reporting Manual and the principles underlying it as well as International Financial Reporting Standards as adapted or interpreted for the public sector.

Matthew Rycroft CBE
Accounting Officer

Our Performance

This Trust Statement shows that gross revenues for the Consolidated Fund have increased from £198 million in 2020-21 to £436 million in 2021-22. The most significant factor in causing this increase has been the economic recovery, from the COVID-19 pandemic and with and with it an increase in people entering the UK and their need for Visas and associated Immigration Skills charges. There has been a substantial increase in revenue from products, which are demand-led: the Immigration Skills Charge, and the Passport Consular Fees shown under "Other Income". In the case of Civil Penalties, operational activity has not resumed to the same extent, with volumes remaining basically flat.

The expenditure that the Home Office set-off against revenues was £16 million in 2021-22, compared to £34 million in 2020-21. The D epartment undertook a review of its debtors in 2021-22, as in 2020-21, to consider debts that are irrecoverable. Accordingly, there has been a further increase in the debtors provision (see note 3.3 in the Notes to the accounts) of £1 million in 2021-22, whereas in 2020-21 the provision increased by £26 million, (reflecting the introduction of a new provision model in that year). Debts amounting to £20 million were written off during the year (in 2020-21 £20 million were written off, contra the provision). Other expenditure has increased from £8 million in 2020-21 to £15 million in 2021-22, reflecting a partial economic recovery from the COVID-19 pandemic.

The cash position has increased from £94 million to £146 million, reflecting a partial economic recovery from the COVID-19 pandemic, and the corresponding increase in activity therefrom. Since 2020-21 regular monthly remittances are being made to HM Treasury of amounts due to the Consolidated Fund, and the balance at the year-end represents the last two months' activity (payable early in 2022-23), plus an allowance for unpaid debtors, which are not payable until received in cash.

Managing the policies and processes that minimise the need to impose immigration civil penalties is a key part of the Home Office's remit. The online right-to-work checking service, implemented in 2019, allowing employers easily to check a person's right to work and then evidence this, enables our caseworkers quickly to verify employer compliance, when considering civil penalties. During 2020-21 the reduction in operational enforcement activity due to the COVID-19 pandemic caused a significant drop in Illegal Working and Landlord civil penalty referrals, and subsequent output of fines. On 24 March 2020, Ministers agreed to pause the issuing of new employer and landlord civil penalties. Since the decision to restart issuing fines in September 2020, operational activity has remained limited, into 2021-22, due to the continued COVID-19 situation resulting in few referrals for civil penalty consideration. The remaining two classes of civil penalty (Hauliers and Carriers) have been similarly affected. For Hauliers, an additional factor reducing income, in 2021-22, was an exercise to clear a previous backlog of cases, which completed in July 2021; (clearing the backlog had created a temporary hike in income, thus the end of this exercise reduced income to its current baseline level).

Matthew Rycroft CBE
Accounting Officer

12 July 2022

Our controls and governance

Statement of Accounting Officer's Responsibilities

Under the Exchequer and Audit Departments Act 1921, HM Treasury has directed the Home Office to prepare, for each financial year, a Trust Statement ("the Statement") in the form and on the basis set out in the Accounts Direction. The Statement is to be prepared on an accruals basis and must give a true and fair view of the state of affairs of the duties, fees and taxes, and of the collection of fines and penalties and of the related expenditure and cash flows for the financial year.

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

- observe the Accounts Direction issued by Treasury, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- have taken all steps that ought to have been taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information, and that they are not aware of any relevant information of which the entity's auditors are unaware of;
- state whether applicable accounting standards, as set out in the FReM have been followed, and disclose and explain any material departures in the accounts;
- prepare the Statement on a going concern basis; and
- confirm that the Statement, as a whole, is fair, balanced and understandable and take personal responsibility for the Statement and the judgments required for determining that it is fair, balanced and understandable.

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

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

Governance Statement

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

The Home Office operates and follows the principles of good governance in accordance with HM Treasury guidance. The Governance Statement, which covers all aspects of the Home Office, including those reported here in this Trust Statement, is provided in the Accountability Report (section 2 on pages 60 to 94).

Auditors

The Statement is audited by the Comptroller and Auditor General under the Exchequer and Audit Departments Act 1921. The notional fee for this audit service is £100,000 (2020-21: £90,000), which is included in the Home Office Resource accounts. No non-audit work was carried out by the auditors.

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

Matthew Rycroft CBE
Accounting Officer

12 July 2022

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

Opinion on financial statements

I certify that I have audited the financial statements of the Home Office Trust Statement for the year ended 31 March 2022 under the Exchequer and Audit Departments Act 1921.

The financial statements comprise the Home Office Trust Statement's

- Statement of Financial Position as at 31 March 2022;
- Statement of Revenue, Other Income and Expenditure and Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Home Office Trust Statement's affairs as at 31 March 2022 and its net revenue for the year then ended; and
- have been properly prepared in accordance with the Exchequer and Audit Departments Act 1921 and HM Treasury directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (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 have also elected to apply the ethical standards relevant to listed entities. I am independent of the Home Office in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

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

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

Other Information

The other information comprises information included in the Foreword to the Trust Statement, Our Performance and Our Controls and Governance section but does not include the financial statements nor my auditor’s certificate and report. 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 the part of the Annual Report to be audited has been properly prepared in accordance with directions made under the Exchequer and Audit Departments Act 1921.

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

- the information given in the Accounting Officer’s Foreword to the Trust Statement, Our Performance and Our Controls and Governance sections for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Home Office and its environment obtained in the course of the audit, I have not identified material misstatements in the Our Performance and Our Controls and Governance sections.

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

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Home Office or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- 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:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Home Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Home Office will not continue to be provided in the future.

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 Exchequer and Audit Departments Act 1921.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud.

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Home Office's accounting policies.

- Inquiring of management, the Home Office's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Home Office's policies and procedures relating to:

    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and

    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Home Office's controls relating to the Home Office's compliance with Exchequer and Audit Departments Act 1921, Managing Public Money and relevant legislation relating to levies, fines and penalties issued by Home Office.

- discussing among the engagement team and involving relevant internal specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Home Office for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates and the significant accounting estimate on the impairment of civil and immigration penalty debts. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Home Office's framework of authority as well as other legal and regulatory frameworks in which the Home Office operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Home Office. The key laws and regulations I considered in this context included Exchequer and Audit Departments Act 1921, Managing Public Money and relevant legislation relating to levies, fines and penalties charged by the Home Office.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;

reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;

in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;

for revenue recognition, we have extended our substantive testing on the Immigration Skills Charge as the income stream most susceptible to fraud;

for management override of controls, we have undertaken substantive testing of manual journals including journals with fraud characteristics; and

for the impairment of civil penalty debt, we have substantively tested the key assumptions including completing sensitivity analysis to identify any management bias or indication of fraud.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and 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. This description forms part of my certificate.

Other auditor's responsibilities

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 | Date 12 July 2022

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Our income and expenditure

Statement of Revenue, Other Income and Expenditure

for the year ended 31 March 2022

	Note	2021-22 £000	2020-21 £000
Levies and similar revenue			
Immigration Skills Charge	2.1	349,062	139,325
Total levies and similar revenue		**349,062**	**139,325**
Fines and penalties			
Immigration Civil Penalties	2.2	14,199	14,735
Total fines and penalties		**14,199**	**14,735**
Other income			
Duties and Fees	2.3	72,723	44,143
Total other income		**72,723**	**44,143**
Total revenue and other income		**435,984**	**198,203**
Expenditure			
Discounts		460	143
Credit losses - increase / (decrease) in impairment of receivables	3.2	1,289	26,485
Element retained		6,587	3,984
Costs of collection		7,657	3,676
Administration costs		155	-
Total expenditure		**16,148**	**34,288**
Net revenue for the Consolidated Fund	6	**419,836**	**163,915**

There were no recognised gains or losses accounted for outside the above Statement of Revenue, Other Income and Expenditure.

The notes on pages 211 to 223 form part of this statement.

Statement of Financial Position

As at 31 March 2022

	Note	2021-22 £000	2020-21 £000
Current assets			
Current assets receivables	3.1	7,625	9,121
Cash and cash equivalents	4	146,429	93,605
Total current assets		**154,054**	**102,726**
Current liabilities			
Payables	5	(5,532)	(3,539)
Contract liabilities	5	(50,772)	(24,671)
Total current liabilities		**(56,304)**	**(28,210)**
Net current assets		**97,750**	**74,516**
Total net assets		**97,750**	**74,516**
Represented by:			
Balance on Consolidated Fund Account	6	**97,750**	**74,516**

The notes on pages 211 to 223 form part of this statement.

Matthew Rycroft CBE
Accounting Officer
12 July 2022

Statement of Cash Flows

for the year ended 31 March 2022

	Note	2021-22 £000	2020-21 £000
Net cash flows from operating activities	A	449,426	202,327
Cash paid to the Consolidated Fund	6	(396,602)	(375,036)
Increase/(decrease) in cash in this period	B	**52,824**	**(172,709)**
Notes to the Statement of Cash Flows			
A: Reconciliation of net cash flow to movement in net funds			
Net revenue for the Consolidated Fund	6	419,836	163,915
(Increase) / decrease in receivables	3.1	1,496	23,014
Increase / (decrease) in payables	5	28,094	15,398
Net cash flows from operating activities		**449,426**	**202,327**
B: Analysis of changes in net funds			
Increase / (decrease) in cash in this period	4	52,824	(172,709)
Net funds at 1 April (Net cash at bank)	4	93,605	266,314
Net funds at 31 March (closing balance)		**146,429**	**93,605**
The following balances as at 31 March were held at:			
Government Banking Services	4	146,429	93,605
Total cash balances		**146,429**	**93,605**

The notes on pages 211 to 223 form part of this statement.

Notes to the Trust Statement

1. Statement of Accounting Policies

1.1 Basis of accounting

The Trust Statement is prepared in accordance with:

- the 2021-22 Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as interpreted for the public sector.
- the Accounts Direction issued by HM Treasury on 16 December 2021 under Section 2 of the Exchequer and Audit Departments Act 1921, specifying the three income streams which are in-scope, for this Trust Statement:

Sponsoring Department	**Income Stream**
Home Office	i) **Immigration Skills Charge** (ISC)
	ii) The consular element of **Passport Fees**
	iii) **Civil Penalties** collected in respect of five "Profile Classes", namely: Illegal Workers, Hauliers, Carriers, Landlords, and Biometric Residence Permits, net of discounts for prompt payment as appropriate, any allowance for uncollectible amounts measured in accordance with IFRS 9.
	iv) The indirect costs attributable to administering the above and incurred in preparing the Trust Statement.

The accounting policies described below have been applied consistently in dealing with items considered material in relation to the accounts.

The income and associated expenditure contained in these statements are those flows of funds which Home Office handles on behalf of the Consolidated Fund, and where it is acting as agent, rather than as principal.

The financial information contained in the statements and in the notes is rounded to the nearest £'000.

1.2 Changes in accounting policies and disclosures

There has been no change in accounting policy in the reporting period.

1.3 Accounting convention

The Trust Statement has been prepared under the historical cost convention.

The preparation of the accounts in conformity with IFRS requires the use of certain critical accounting estimates (see note 1.9). It also requires management to exercise its judgement in the process of applying the accounting policies.

The income and associated expenditure recognised in these statements reflects those flows of funds which the Home Office receives and surrenders, in its capacity as agent, on behalf of the Consolidated Fund and other entities. As directed by HM Treasury, the income and associated expenditure relating to the Immigration Health Surcharge continues to be reported in the Home Office Resource Accounts even though these funds are also received by the Home Office and surrendered, in its capacity as agent, on behalf of the Consolidated Fund.

1.4 Revenue recognition

Levies and penalties are measured in accordance with IFRS 15 Revenue from Contracts with Customers. They are measured at the fair value of amounts received or receivable net of repayments. Revenue is recognised when:

- An event to which a levy or similar charge has occurred (i.e. the supply of a visa or passport).
- A penalty is validly imposed and an obligation to pay arises.

The Home Office, in its Trust Statement, recognises revenue from three main forms of Income: Levies and similar revenue, Fines and penalties and Duties and fees.

The table below sets out, for each income stream reported within the Trust Statement, when performance obligations are typically satisfied, the significant payment terms, and the nature of the goods or services supplied. All income streams usually have a contract duration of one year or less, and therefore the transaction price allocated to remaining performance obligations is not disclosed, applying the practical expedient in IFRS 15.121.

Income Stream	Description of Income Stream	Performance Obligation	Payment Terms
Immigration Skills Charge	Supply of visa documents	On delivery of the visa or application decision to the customer	Payment in advance
Consular Fees	Fee for the supply of passports and other services by HM Passport Office	On delivery of the passport to the customer	Payment in advance
Civil Penalties	Recovery of civil penalty	The powers of the Home Office to recover this income is set out in legislation. Income is recognised when a penalty is issued	Penalty payment by legislation

Contract liabilities (deferred revenue) primarily relate to the consideration received from customers in advance of transferring a good or service.

There are no contract assets held within the Trust Statement. Of the three revenue streams within the Trust Statement, only immigration charges have contract liabilities. Civil penalties and consular fees have no contract liabilities. The following table provides an analysis on significant changes to contract liabilities during the year.

CONTRACT LIABILITIES	31 March 2022	31 March 2021
	£000	£000
Balance at 1 April	(24,671)	(12,200)
Decrease due to revenue recognised in year	349,062	139,325
Increase due to cash received in advance and not recognised as revenue in year	(375,163)	(151,796)
Balance at 31 March	**(50,772)**	**(24,671)**
Presented within:		
Current	(50,772)	(24,671)
Non-current	-	-

1.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Home Office becomes a party to the contractual provisions of an instrument.

1.6 Financial assets

For the purposes of this Trust Statement, the Home Office holds financial assets (see note 7) in the following categories:

- Receivables held at amortised cost;
- Cash and cash equivalent.

Both receivables and cash and cash equivalents are held at amortised cost following the adoption of IFRS 9 'Financial Instruments'. Amortised costs entail valuing Statement of Financial Position items based on expected cash flows, adjusted for impairment in accordance with the requirements of the FReM and IFRS 9. IFRS 9 allows a practical expedient called a provision matrix to be used to measure impairment losses, (see 1.10 below).

Receivables held at amortised cost comprise:

- illegal workers civil penalties, the amounts due from individuals and companies in breach of employment restrictions for which, at the financial year end, payments had not been received:
- civil penalties levied against landlords in breach of the Immigration Act 2014, amounts for which payments have not been received at the financial year end;
- other civil penalties levied against carriers in breach of the Immigration and Asylum Act 1999, amounts for which payments have not been received at the financial year end.

The present value of receivables is determined by making an assessment to reduce the carrying value of receivables to the estimated future flow of repayments, using our judgement on likely debt collection rates, discounted at HM Treasury's discount rate currently at 1.9% (2020-21: 3.7%). IFRS 9 as applied in the public sector (in accordance with the FReM), requires that the higher of the effective interest rate (0% in this case) and 1.9% be used for 2021-22, for non-indexed linked financial instruments.

HM Treasury have mandated that balances with core central government departments (including their executive agencies) are excluded from recognising stage 1 and 2 impairments, with the liabilities being assessed as having zero ‘own credit risk’ by entities holding these liabilities.

Cash and cash equivalents comprise current balances with banks and other financial institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

1.7 Financial liabilities

For the purposes of this Trust Statement, the Home Office holds financial liabilities (see note 7) in the following categories:

- Payables
- Contract Liabilities (see note 1.4).

Payables comprise:

- Payables in the Statement of Financial Position. Payables are amounts established as due at the reporting date, but where payment is made subsequently. Since these balances are expected to be settled within 12 months of the reporting date there is no material difference between fair value, amortised cost and historical cost.
- Contract liabilities in the Statement of Financial Position. Contract liabilities are amounts relating to Immigration Skills Charges recorded as payments in advance at the reporting date, until such time when either a visa is delivered or an application decision is made to the customer.

1.8 Receivables

Receivables are shown net of impairments in accordance with the requirements of IFRS 9.

Each class of debt has been assessed separately, using performance reports to provide data concerning recoverability, and the time for debt to be repaid.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on any market. Receivables are derecognised when the rights to receive cash flows from the assets have expired.

1.9 Critical accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. When preparing the Trust Statement, the Home Office makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The only key estimate in the Trust Statement is the impairment of immigration civil penalty debt addressed in Note 1.10 below.

1.10 Impairment of debt and credit losses

Receivables are shown net of impairments, in accordance with the requirements of the FReM and IFRS 9.

Under IFRS 9, allowances are made for credit losses on an ‘expected loss’ basis. The amortised cost of receivables is determined by making an impairment to reduce the carrying value of receivables to the estimated future flow of repayments.

The amortised cost of receivables is dependent on ongoing collection rates. The current year’s impairment has been calculated based on a provision matrix. This provision matrix uses ‘lifetime expected credit losses’ to measure impairment losses for each class of civil penalty debt.

1.11 Cash

All income, except for that relating to civil penalties, is recorded at the same time as cash is received. For civil penalties, the determination of cash received is calculated by the increase or decrease in the Receivable balance, adjusted by the in-year income. Expenses incurred in the production of the Trust Statement are deemed paid in cash. Surrendering of Consolidated Fund Receipts to HM Treasury are made in cash at regular intervals throughout the year.

1.12 Trust Statement Expenses

Discounts

The amount of a Civil penalty imposed can be reduced by 30% where payment is received in full within 21 days. There are also circumstances where the Penalty imposed is reduced on appeal. The amount paid into the Consolidated Fund is net of any prompt payment discount and net of any reduction decision made on appeal.

Costs of Collection

Costs of collection relate to the operation and reporting of the Trust Statement. These costs include bank charges relating to the payment handling charges associated with collecting the Immigration Skills Charge and recharge of cost of staff involved directly in producing the Trust Statement and supporting the associated audit.

Payment handling charges associated with the Immigration Skills Charge are estimated based on the proportional split between the Visa sponsorship fee and the Immigration Skills Charge. The cost of staff reported as part of Costs of collection relates to those staff involved in administering the Immigration Skills Charge and to those involved in preparing the Trust Statement.

1.13 Retained Income

£6.6 million Civil Penalty costs of collection, (2020-21 £4.0 million), have been offset against Civil Penalty income, by agreement with HMT, and in accordance with arrangements in place from previous years.

1.14 Contract Liabilities

A cash component for the Immigration Skills Charge is received as part of the sponsorship visa application being lodged. The revenue for the Immigration Skills Charge is deferred until a decision is made regarding the outcome of the visa application. At this point, a transfer is made from deferred income to earned income, or alternatively, a refund is given to the applicant removing the amount of the refund from deferred income.

2. Revenue and other income

2.1 Levies and similar revenues

The Immigration Skills Charge was introduced in April 2017 as a result of changes under the Immigration Act, 2016. The Immigration Skills Charge levies employers who employ migrants in skilled areas and is collected as part of the Tier 2 visa applications. This income is not retained by the Home Office and is remitted to HM Treasury as Consolidated Fund Extra Receipts.

	2021-22 £000	2020-21 £000
Immigration Skills Charge	349,062	139,325

The Immigration Skills Charge is levied as part of the process to apply for Tier 2 visas and accounted for as deferred income until the visa application has been properly considered by the Home Office. If that consideration determines that the visa application is declined, the Immigration Skills Charge levy is refunded and removed from deferred income. If the consideration approves the visa application, the income is recognised as earned.

2.2 Fines and penalties

Immigration Civil Penalties are levied on businesses who employ those who do not have the permission to enter or remain in the UK; penalties are also levied on individuals who enter or remain illegally in the UK. In 2021-22, the Department retained £6.6 million of this income (£4.0 million in 2020-21), the remaining income being surrendered to the Consolidated Fund; (see also note 1.13).

	2021-22 £000	2020-21 £000
Immigration Civil Penalties	14,199	14,735
Total fines and penalties	**14,199**	**14,735**

2.3 Other Income

Consular fees are an element of Passport fees relating to consular protection services provided by the Foreign, Commonwealth and Development Office (FCDO) worldwide. These fees are not retained by the Home Office and are remitted to HM Treasury as Consolidated Fund Extra Receipts.

	2021-22 £000	2020-21 £000
Consular fees	72,723	44,143
Total other income	**72,723**	**44,143**

The amount of the consular services element of the Passport fee is set within the Passport (fees) Regulations. The Consular services element is recognised in the same way and as part of the same process as the Passport fee income – recognised when services and goods are issued. The monies collected for Consular Services are paid over periodically to the Consolidated Fund, but not at the time of collecting each fee.

3. Receivables

3.1 Amounts due at 31 March 2022

	2021-22 £000	2020-21 £000
Receivable before Impairment	71,802	92,405
Less: Estimated impairments (see 3.3 below)	(64,177)	(83,284)
Receivables Net book value at 31 March	**7,625**	**9,121**

Receivables represent the amount due from individuals and businesses where invoices or other demands for payment have been issued but not paid for at 31 March 2022, and also the amounts due from those on whom financial penalties have been imposed prior to 31 March 2022, but not paid at that date.

Receivables on the Statement of Financial Position are reported after the deduction of the estimated value of Impairments, using an Expected Credit Loss model (see Note 3.3).

3.2 Credit losses

	2021-22 £000	2020-21 £000
Debts written off	-	-
Increase / (decrease) in the value of impairments (see 3.3 below)	1,289	26,485
Total Credit Losses / (Gains)	**1,289**	**26,485**

3.3 Change to impairment of receivables

	2021-22 £000	2020-21 £000
Balance at 1 April	83,284	77,126
Net remeasurement	(20,396)	(20,327)
Write-off	1,289	26,485
Balance at 31 March	**64,177**	**83,284**

Debts are only written off when the debtor is dissolved, bankrupt or in liquidation and the debt is deemed irrecoverable through any further means.

A full review of debtors to determine write-offs is conducted on an annual basis. Following the 2021-22 review, an amount of £20.4 million was written off during the year, contra the provision (£20.3 million in 2020-21).

The table below sets out the series of actions that the Home Office undertakes as part of its debt management procedures before considering that a debt has become irrecoverable:

Income Stream	Initial Activity	Further Action	Final Action
Illegal Workers Civil Penalties (IWCP) and Landlords (75%)	Home Office Shared Services undertake initial debt collection activities with cases then flowing through the Debt Market Integrator (DMI) for recovery action where repayments have not been successful.	Where Shared Services have been unsuccessful in collecting debts, cases are placed with a debt recovery agent (as part of the Home Office DMI contract) for pre-legal and then legal debt recovery action. This consists of calls, texts, and letters to debtors in attempt to obtain either full repayment or repayment plans. Uncollected debt, once all pre-legal, legal, and potential litigation action has been considered, is returned to us to consider further action via our aged debt process or write-off.	Aged debt process - we share our rested debt book with our DMI provider who conducts a cleanse, additional checks, and advise on which cases would benefit from further recovery attempts. Write off consideration – a check is performed on the company to confirm if still trading. Then a decision is reached regarding write-offs.
Hauliers (25%)	Debt collection activity is performed by the Clandestine Entrants Civil Penalty Team (CECPT). As soon as debt passes the due date, it is placed on the Vehicle Action List (VAL). CECPT run BAU targeting activities 6 days a week, intercepting companies and vehicles on the VAL and holding the vehicles until payment is made. If payment is not made the vehicle will be detained and sold.	Targeted lists of repeat offenders and large unpaid debts are shared with specialist teams and targeted via joint Border Force/ Police operations, detaining vehicles and obtaining payment.	Aged debt process – once a debt is approaching six years since issue a review is performed, with checks where possible to confirm if the company is still trading/travelling and a decision is then reached regarding write-offs.
Carriers Liaison (>1%)	Home Office Shared Services undertake all debt collection activity, up to the 90-day stage.	If debt collection is unsuccessful the debt is returned to the business area after 90 days for additional recovery attempts, for which there is an established process. If all stages are exhausted, referral to the Government Legal Department (GLD) is considered.	If referral to the GLD is not appropriate, the debt is considered by the business area for write-off.

Note re COVID-19 pandemic:

On 20 March 2020, as part of the operational response to Coronavirus, and to support businesses and landlords, Home Office temporarily paused all active debt recovery of outstanding penalties. This was resumed later in 2020, via a phased approach.

For IWCP and Landlords, there has been a full resumption of all debt recovery activities. since November 2020, continuing into 2021-22.

For Hauliers, Operational Debt recovery recommenced on 20 November 2020, continuing into 2021-22. Furthermore, the Clandestine Entrants Civil Penalty Team has undergone a significant transformation programme and these debt recovery activities are now business-as-usual, with between 3 and 5 operations (which take a multi-agency approach) per week. Work is underway to commence administrative debt recovery efforts, with a contract secured and a pilot project in development.

The Debt impairment or provision balance has decreased from £83.3 million in 2020-21 to £64.2 million in 2021-22. The provision model estimates "expected credit losses", based on the average of individual historical debtor performance over 7 years.

Under IFRS 9, this impairment loss estimation can be measured using a practical expedient called a provision matrix. The provision matrix calculates the expected credit loss for each segment of civil debt using the historical loss experience for each segment. Debt collection data for 7 years, for both Illegal Workers and Hauliers Civil Penalties, prior to the balance sheet date has been used, to estimate the expected future flow of repayments.

The estimated future flow of repayments is discounted at HM Treasury's discount rate currently at 1.9% (2020-21: 3.7%).

In accordance with IFRS 9, the net receivable at the balance sheet date is further adjusted, by using a macroeconomic overlay calculation, to allow for consideration of future economic conditions, which may affect repayment of Civil Penalty debt.

The Home Office had previously researched data on key macroeconomic determinants notably on inflation, unemployment, GDP and insolvencies, and performed an analysis to assess whether there is a correlation between those macroeconomic factors and the level of payment of penalties. We could not find evidence that a relationship exists between the macroeconomic environment and the payment of fines. The non-payment rate for civil penalties was high, despite a period of relative economic stability, before the recent COVID pandemic, suggesting that non-payment of these debts is driven by willingness to pay rather than the economic environment.

From 2020-21, the Home Office Central Economics Unit investigated macro-economic relationships, and the extent to which the future macro-economic environment may impact the propensity to settle unpaid fines.

The output of this macroeconomic analysis is an estimated additional percentage adjustment, to the impairment calculated by extrapolation of past performance. This may be termed the "Macroeconomic Overlay" and is outlined further below.

Using log linear regression models, Home Office economists produce a macroeconomic overlay figure, which has been applied to the Home Office accounts receivables, as revised by reference to historical debtor performance. This macroeconomic overlay figure adjusts the 'revised balance', according to how changes to the macroeconomy affect variables such as credit card repayments, which are used as proxies to represent Home Office debt repayment.

The regression modelling in this report for 2021-22 found significant evidence that a 1% change in GDP is correlated with a central estimated change in debt repayments of 1.130%, with high and low estimates of 1.695 % and 0.565% respectively. The Home Office has used figures from the Office of Budget Responsibility (OBR) which reflect the future forecast in the macroeconomy. The figures from the OBR include the forecast impact of COVID-19 in future periods.

Using the central estimated change percentages, these "Macroeconomic Overlay" figures are applied to the Accounts receivables 'revised balance' using GDP forecasts from financial years 2022-23 to 2027-28.

The value of the overlay adjustment is a £0.1m decrease in provision.

The resulting estimated future flow of repayments is then deducted from the debt outstanding at the balance sheet date, to calculate the estimated impairment provision.

Because of the degree of uncertainty in developing these estimates, we have used sensitivity analysis to show a range of potential outcomes. Further detail is included in note 7.2 (a).

An independent report on the ECL Model has been completed by Veracity, which concluded that the approach taken by the Home Office is broadly compliant with IFRS 9. The report confirms some data differences, between the reports used as a source, and action is in progress, to produce data reports that are more mutually compatible. The report makes some recommendations about further improvements to the ECL Model, which are being acted on.

4. Cash and cash equivalents

	2021-22 £000	2020-21 £000
Balance at 1 April	93,605	266,314
Net change in cash and cash equivalent balances	52,824	(172,709)
Balance at 31 March	**146,429**	**93,605**
The following balances at 31 March were held at:		
Government Banking Service	146,429	93,605
Total	**146,429**	**93,605**

5. Payables and contract liabilities

	2021-22 £000	2020-21 £000
Payables	5,532	3,539
Contract Liabilities	50,772	24,671
Total Payables and Contract Liabilities at 31 March	**56,304**	**28,210**

Contract liabilities represent revenue for the Immigration Skills Charge as deferred until a decision is made regarding the outcome of the visa application.

Payables represent refunds plus any other debts which are due but not yet paid.

6. Balance on the consolidated fund account

	2021-22 £000	2020-21 £000
Balance on the Consolidated Fund at 1 April	74,516	285,637

Net Revenue for the Consolidated Fund	419,836	163,915
Less amounts paid to the Consolidated Fund	(396,602)	(375,036)
Balance on the Consolidated Fund at 31 March	**97,750**	**74,516**

7. Financial instruments

7.1 Classification and categorisation of financial instruments

	Note	2021-22 £000	2020-21 £000
Financial assets			
Cash	4	146,429	93,605
Civil penalties receivables	3	7,625	9,121
Total financial assets		**154,054**	**102,726**
Financial liabilities			
Payables and contract liabilities	5	(56,304)	(28,210)
Total financial liabilities		**(56,304)**	**(28,210)**

On behalf of the Consolidated Fund, the Home Office is party to financial instrument arrangements as part of its normal operations. These financial instruments include bank accounts, receivables and payables.

IFRS 7, 'Financial Instruments: Disclosures', requires disclosure of the role that financial instruments have had during the year in creating or changing risks an entity faces in the course of its operations. As the Home Office is acting as agent on behalf of the Consolidated Fund in collecting levies, fines and penalties and similar revenues and surrendering these funds when received, it cannot incur losses through the Trust Statement. Write-offs and impairment charges disclosed in the Income and Expenditure Statement reflect the non-recoverability of gross debt since the Home Office obligation to surrender financial penalties is limited to the amount it is able to collect in revenue. The Home Office, on behalf of the Consolidated Fund and other parties, has no requirement to borrow or invest surplus funds. As such, the Home Office, in its capacity as agent, is not exposed to the degrees of financial or market risk facing a business entity acting as principal.

7.2 Risk exposure to financial instruments

a) Carrying amount and fair values

The fair value of cash balances approximates their carrying amount, largely owing to the short-term maturity of this financial instrument (less than three months).

The amortised cost of receivables is determined by making an impairment to reduce the carrying value of receivables, to the net present value of the estimated future flow of repayments, discounted at the Treasury rate of 1.9% (2020-21: 3.7%).

The impact of a change in the discount rate is reflected in the table below:

	Change in Discount Rate	2021-22 £000	2020-21 £000
Projected Cash Collections	+1%	(182)	(215)

Projected Cash Collections	-1%	190	225

The key assumption behind the impairment provision is that the estimated future flow of repayments reflects historical trends.

The table below is a sensitivity analysis showing the impact on trade receivables across alternative assumptions:

		Increase / (decrease) in net receivables	
		2021-22	2020-21
Projected Cash Collections	Change in Assumption	£000	£000
	+40%	3,048	3,646
	+30%	2,286	2,736
	+20%	1,542	1,824
	+10%	762	912
	+5%	381	456
	-5%	(381)	(456)
	-10%	(762)	(912)
	-20%	(1,542)	(1,824)
	-30%	(2,286)	(2,736)
	-40%	(3,048)	(3,646)

b) Liquidity risk

Liquidity risk is the risk that the Home Office, on behalf of the Consolidated Fund and other parties, will encounter difficulty raising liquid funds to meet commitments as they fall due. The Home Office is obliged to surrender only those funds that it has collected and banked and, as such, in its capacity as agent, does not have significant liquidity risk.

c) Credit risk

Credit risk is the risk that a third party will default on its obligation to the Home Office on behalf of the Consolidated Fund and other parties, thereby causing the Consolidated Fund and other parties, for whom the Home Office acts as agent, to incur a loss. Credit risk arises from deposits with banks and receivables. The maximum exposure to credit risk at the balance sheet date is:

	2021-22	2020-21
	£000	£000
Cash at bank	146,429	93,605
Receivables	7,625	9,121
Total	**154,054**	**102,726**

Cash at bank comprises liquid bank balances held with commercial banks, which are all administered through the Government Banking Service.

The size of the risk inherent within the trade receivables balance (shown net of impairment above) is reflected in the receivables impairment which totals £64.2 million in 2021-22 (£83.3 million in 2020-21). The Home Office, through the Governance and Risk management structures outlined in the Governance Statement, continues to assess and implement programmes to increase collection of receivables.

d) Currency risk and interest rate risk

There is no exposure to currency risk as all fees, charges and penalties are imposed, collected and payable in sterling. The Home Office Trust Statement has no exposure to interest rate risk.

8. Related party transactions

In relation to this Trust Statement, the Home Office has had transactions with HM Treasury and the Exchequer relating to payments made into the Consolidated Fund.

Ministers' interests are declared and maintained through the Register of Members' Interests at the House of Commons and the Register of Lords' Interest at the House of Lords.

Board members and key senior management staff are subject to a standard annual interests' review, stating whether they, their spouses or close family members have been in a position of influence or control in organisations with which the Home Office has transactions. Further detail is included in the Home Office Resource Accounts in Note 16.

9. Events after the reporting period

There were no significant events after the reporting period that require disclosure.

In accordance with the requirements of IAS 10 Events After the Reporting Period, events are considered up to the date on which the accounts are authorised for issue.

The date the Accounts are authorised for issue is interpreted as the same date the Accounts are certified by the Comptroller and Auditor General.

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