



Home Office

Annual Report and Accounts 2015-16

(For the year ended 31 March 2016)





Home Office

Annual Report and Accounts 2015-16

(For the year ended 31 March 2016)

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

Annual Report presented to the House of Commons
by Command of Her Majesty

Ordered by the House of Commons to be printed on
21 July 2016

This is part of a series of departmental publications which, along with the Main Estimates 2016-17 and the document Public Expenditure: Statistical Analyses 2016, present the Government's outturn for 2015-16 and planned expenditure for 2016-17



© Crown copyright 2016

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

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

This publication is available at www.gov.uk/government/publications

Any enquiries regarding this publication should be sent to us at Direct Communications Unit, 2 Marsham Street, London SW1P 4DF.

Telephone: 020 7035 4848 (09:00-17:00 Mon-Fri) Fax: 020 7035 4745

Print ISBN 9781474135719

Web ISBN 9781474135726

ID 04071603 07/16

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

Contents

1 The Performance Report

Overview

Permanent Secretary – Executive summary	4
Purpose and activities of the Home Office	6
Performance summary	6

Performance Analysis

Development and Performance	8
Sustainable development	30
Better Regulation	35

2 The Accountability Report

Corporate Governance Report	37
Directors' Report	37
Statement of Accounting Officer's Responsibilities	45
Governance Statement	47

Remuneration and Staff Report	71
Staffing	71
Remuneration Policy	88
Remuneration and Pension entitlements	91

Parliamentary accountability and audit report	
Statement of Parliamentary Supply	100
Notes to the Departmental Resource Accounts (Statement of Parliamentary Supply)	101
Losses and Special Payments	107
Fees and charges	109
Remote contingent liabilities	112
Certificate and Report of the Comptroller and Auditor General	114

3 The Financial Statements

Consolidated Statement of Comprehensive Net Expenditure	116
Consolidated Statement of Financial Position	117
Consolidated Statement of Cash Flows	118
Consolidated Statement of Changes in Taxpayers' Equity	119
Notes to the departmental accounts	122

Glossary	160
----------	-----



Performance Report

Overview

Executive summary

The Home Office's mission is to keep our citizens safe and our country secure. Our goals are to cut crime, prevent terrorism, control immigration, protect the vulnerable and respond effectively to crises. We are responsible for borders, immigration and citizenship throughout the United Kingdom, for national security within Great Britain and for public safety in England & Wales, at the heart of an operational community of over 300,000 public servants in over 100 organisations in which the country invests around 1% of our national income.

In 2015-16, the threats and challenges we face evolved fast. As well as its brutality in Iraq and Syria, Da'esh developed the capability to plan, direct and inspire terrorist attacks overseas, resulting in the deaths of dozens of British tourists in Tunisia and hundreds of French citizens in Paris. Meanwhile Al-Qaeda is quietly rebuilding. We are developing the legislative framework and modernising our investigative capabilities to tackle these threats within a strong framework of oversight and accountability. We have continued to strengthen our external border controls and data exchanges with our European and other allies to reduce the risk. Our new counter-extremism strategy will strengthen the partnership between government and communities facing the harmful social consequences of all forms of extremism.

The other big external factor in 2015-16 was the European migration crisis: around one million people from Africa and Asia have made perilous journeys across the central and eastern Mediterranean into mainland Europe. We have worked closely with France to reinforce security in the Calais region to protect the cross-Channel rail and sea routes. Border Force cutters have operated alongside the Royal Navy in the Mediterranean to provide humanitarian relief, saving hundreds of lives. And we met the former Prime Minister's commitment to resettle 1,000 vulnerable Syrian refugees by Christmas, as the first step towards 20,000 by the end of this Parliament. We are also committed to resettling many of the most vulnerable children, mostly from the region but including some who have already made it to the European mainland.

Net migration remains high, driven by the UK's buoyant labour market. We have tightened non-EU routes, tackled the abuse of EU free movement and are working with the private sector and economic departments to improve skills and mobility in the domestic labour market, while continuing to encourage tourism and the brightest and best to come here to work and study. This will be a central issue for the Brexit negotiations. UK Visas & Immigration and HM Passport Office continue to provide world-class and increasingly digital customer services.

The Home Office continues to drive law enforcement reform to tackle falling but fast-evolving crime and to protect the vulnerable, including from online crime and exploitation, and to reduce foreign criminality in the UK. We will continue to build on the reforms of the 2010-15 Parliament: empowerment, accountability and capability. Overseen by Police & Crime Commissioners, police forces will need to stay focused on developing a modern, diverse work-force who embrace technology and have the skills and capabilities to respond to changing demands and expectations, working effectively alongside other emergency services, notably the Fire & Rescue Service, for which the Home Office has regained responsibility in England. The UK led the successful international #WeProtect summit to tackle online child sex exploitation and the Anti-Corruption Summit to tackle money-laundering and criminal finances. Implementing those commitments is a high priority for 2016-17.

The Home Office itself will continue to transform. By 2020, we will be leaner, more flexible and expert, exploiting data and digital capabilities to lead effectively the operational community for which we are responsible across public safety, national security, borders, immigration and citizenship. Much of that programme will need to accelerate as we prepare to help the Government make a success of Brexit. The core Department of State will focus on delivering the Government's priorities through our operational community, through partnerships with central, devolved and local government, with the private and third sectors and overseas, and through influence via legislation, regulation, communications and nudge. The Home Office will also continue to provide many of the strategic national capabilities to the law enforcement and national security agencies.

I am immensely proud of the 300,000 dedicated public servants in policing, fire & rescue, the national security and law enforcement agencies, the border and immigration operations, and in the Home Office itself who keep our citizens safe and our country secure. That entire community will continue to work together to maintain the public's trust.

Mark Sedwill

Permanent Secretary

Purpose and activities

The Home Office leads on counter-terrorism and extremism, immigration and passports, drugs policy, crime policy and works to ensure visible, responsive and accountable policing in the UK.

We are responsible for:

- keeping the United Kingdom safe from the threat of terrorism and extremism
- securing the UK border and controlling immigration, including considering applications to enter and stay in the UK and issuing passports and visas
- reducing and preventing crime, and ensuring people feel safe in their homes and communities
- supporting visible, responsible and accountable policing by empowering the public and freeing up the police to fight crime

Performance Summary

Outturn and the Estimate

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

The Net Estimate for the Resource Departmental Expenditure Limit (DEL) and Outturn is £10.3 billion.

The £22 million under spend in Capital DEL is as a result of programme slippage and in year asset disposals at a loss.

The Estimate for Annually Managed Expenditure was £2 billion, Outturn £1.4 billion. This under spend is due to the following reasons:

- The Pensions Ombudsman ruling in 2015, this resulted in a £346 million provision utilisation and a £114 million provision write back.
- £81 million provision write back as a result of a favourable verdict from the Supreme Court for consequential loss claims relating to the Riot Damages Act in April 2016.

The under spend for Net Cash Requirement is as a result of the above under spends and accruals to cash adjustments.

Going Concern

The Consolidated Statement of Financial Position as 31 March 2016 shows taxpayers' equity of £120.8 million, (as at 31 March 2015 £229.1 million (Restated)).

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 on page 47.

Prevent terrorism

Our law enforcement and security and intelligence agencies have **disrupted seven terrorist plots** to attack Great Britain in the last 18 months

Our priority is to reduce the threat from terrorism to the UK and its interests overseas so that people can go about their lives freely and with confidence. We are delivering this through the **UK's strategy for countering terrorism (CONTEST)**.

CONTEST consists of four strands:

Pursue – the investigation and disruption of terrorist attacks

Prevent – work to stop people becoming terrorists or supporting terrorism

Protect – improving our protective security to stop a terrorist attack

Prepare – working to minimise the impact of an attack and to recover from it as quickly as possible

The principal international terrorist threat to the UK is from militant Islamist terrorism, notably from Syria and Iraq. The **UK threat level from international terrorism has been at SEVERE** (meaning an attack is highly likely and could occur without warning) **since August 2014**. Islamist terrorist groups, and Da'esh in particular, have advocated simple attacks conducted by people acting alone. They have also planned and carried out more complex coordinated attacks intended to cause multiple casualties. The attacks in Sousse, Paris and Brussels have demonstrated this intent and capability. Aviation will remain a target for some terrorist groups.

Da'esh is distributing large quantities of terrorist and extremist propaganda online through social media, intended to radicalise people in the UK and other countries. They have exploited readily accessible encrypted online communications to plan terrorist attacks and recruited thousands of foreign fighters from countries around the world. Approximately 850 people who are of national security concern have travelled to the region since the start of the conflict. Da'esh is not the only group who poses a threat. The Al-Qaeda grouping in Afghanistan and Pakistan, and affiliate groups elsewhere, such as Al-Qaeda in the Arabian Peninsula in Yemen, continue to aspire to attack Western interests.

To ensure that we are able to meet this changing threat we will update CONTEST in 2016 through the National Security Council (NSC) committee on Counter-Terrorism, chaired by the Prime Minister.

The Strategic Defence and Security Review sets out our priorities for counter-terrorism work. We are committed to **ensuring that law enforcement agencies have the powers and capabilities they need** to respond effectively to the changing terrorist threat. The Government has brought forward important and timely **legislation on Investigatory**

Powers to ensure that our law is up to date in a world of evolving internet-enabled communications, as well as providing the public with clarity and reassurance about how those powers are used.

We have **increased the resources for counter-terrorism work**, including resources for the police and security intelligence agencies to pursue terrorists. This means we can continue to tackle terrorism in a tough and comprehensive way.

As part of the SDSR, we agreed to establish a new Joint International Counter Terrorism Unit in April 2016. This will become the strategic centre for UK counter-terrorism work overseas, bringing together the existing expertise of the Foreign and Commonwealth Office, Home Office and other departments. The new unit will oversee expanded funds for support and capacity building work abroad; and will lead our counter-terrorism agenda internationally.

Further details on the terrorist threat and the UK's response are included in the CONTEST Annual Report, published last year. The latest data on counter-terrorism arrests, charges and convictions can be found in the statistical bulletin for the Operation of police powers under the Terrorism Act 2000.

Pursue – the investigation and disruption of terrorist attacks

The Investigatory Powers Bill was introduced to Parliament on 1 March 2016. The **Communications Capabilities Development programme** continues to work with the security, intelligence and law enforcement agencies to obtain communications data and maintain lawful intercept capabilities within the existing legal framework.

The Bill responds to three independent reviews published over the course of this year concerning the use and oversight of investigatory powers:

- the Intelligence and Security Committee of Parliament published its **privacy and security review** in March 2015;
- the Independent Reviewer of Terrorism Legislation, David Anderson QC, published the findings of his **Investigatory Powers Review** in June 2015; and
- the panel convened by the Royal United Services Institute published the findings of the **Independent Surveillance Review** in July 2015

The Bill builds on the recommendations made by all three reviews and brings together all of the powers available to the state to obtain communications and communications data. It significantly strengthens the oversight of these powers and introduces a new 'double lock' for the authorisation of warrants, which will in future need to be authorised by the Secretary of State and approved by a judge.

130 community based projects aimed at reducing vulnerability to radicalisation were delivered in 2015, reaching over **25,000 participants**

The **Counter Terrorism and Security Act 2015** introduced new powers, including to seize and temporarily retain passports at ports, and to relocate Terrorism Prevention and Investigation Measures subjects, both of which we have now implemented.

Prevent – work to stop people becoming terrorists or supporting terrorism

In 2015 we strengthened our **Prevent programme to safeguard vulnerable individuals** in response to the scale of the terrorist threat. We significantly increased our activity online, working with industry to remove more terrorist material and supporting civil society groups to deliver more counter-narrative campaigns. We improved our systems and programmes to protect those at risk of radicalisation. We also introduced the Prevent statutory duty through the Counter-Terrorism and Security Act to establish more consistent delivery across the country and placed the Channel programme on a statutory footing.

The **Prevent statutory duty** has prompted a significant step forward in the delivery of Prevent work in regions. We have significantly increased the number of frontline staff who have received training on radicalisation, with nearly 450,000 people, including frontline public sector workers, receiving awareness training about radicalisation since 2011. In 2015, hundreds of people at risk of being drawn into radicalisation have been successfully provided with support through Channel, and safeguarding actions have been taken to prevent people travelling to Syria.

Following referrals from the **Counter Terrorism Internet Referral Unit**, social media providers removed over 58,000 pieces of illegal terrorist material in 2015–16, and we continue to provide advice, support, production capabilities and social media training to civil society groups to deliver counter-narrative campaigns.

Protect – improving our protective security to stop a terrorist attack

Additional **aviation security screening measures** have been implemented in the highest risk countries to strengthen UK border security and reduce the vulnerability of the transport network. As demonstrated by the Metrojet disaster in October 2015, air transport remains a prominent target for terrorist groups. The UK continues to work on improving aviation security both in the UK and abroad. As part of this effort we are more than doubling our spend on aviation security around the world, with British experts working closely with their counterparts overseas.

We have continued to establish intergovernmental arrangements with European partners to acquire passenger data from carriers registered in their respective countries to identify travel by individuals who may be involved in terrorism-related activity.

The Home Office invested substantially in our **radiological and nuclear screening at the UK Border**, Cyclamen, to ensure our systems remain amongst the best in the world. This has further strengthened our capabilities to identify and intercept illicit materials that may represent a threat to the UK's national security, or pose a public health risk.

We took forward a series of science and technology open research calls, inviting industry and academics to propose novel ways to tackle aspects of terrorism and serious organised crime. This generated interest from over 200 private companies and academics and led to the Home Office investing in initial research contracts for solutions with the highest potential. This work will help **ensure that we continue to use ground-breaking science and technology to improve the UK's ability to detect threats** such as explosives and firearms entering the UK, including in fast parcels. Other projects focus on enhancing capability to analyse digital information linked to terrorist and criminal investigations more quickly and efficiently.

We have created a cross-Whitehall team to deliver a **review of infrastructure policing**. This will help to ensure that the UK has the right capability needed to protect our national infrastructure and address national threats. The scope includes the protection of civil nuclear and some military sites, policing at airports and policing of the strategic roads and rail network.

Prepare – working to minimise the impact of an attack and to recover from it as quickly as possible

Our joint team with the Foreign & Commonwealth Office is **working closely with UK and international partners to strengthen security in key overseas locations**. We are improving our understanding of local capability to protect British interests and respond quickly and effectively to attacks, and reducing risks by working collaboratively with host states.

We keep UK capability to respond to terrorist attacks under constant review. We are providing a **national uplift in armed policing capability and capacity to respond more quickly and effectively to a firearms attack**. We have also improved our ability to respond to attacks in difficult locations, such as moving trains.

Supporting Growth

The Department runs the **Security and Resilience Growth Partnership**, which in collaboration with the UK security industry, establishes a new approach to the innovation, promotion and delivery of UK security capabilities.

Counter extremism in all its forms

We will protect communities from the harm extremism causes (including hate crime) and counter extremist influences by promoting an alternative based on our core shared values and improved integration. Our Extremism Analysis Unit had delivered over 1,700 due diligence checks to inform government engagement and funding decisions, 36 assessments to inform counter-extremism immigration disruptions and 15 pieces of strategic analysis informing Government strategy and policy.

Publication of the Counter-Extremism Strategy

Our new Office for Counter-Extremism was established in June 2015 and will be led by a Director General. In October 2015 we published our counter-extremism strategy.

The strategy challenges all forms of extremism and involves taking action in four areas:

- countering extremist ideology;
- building a partnership with all opposed to extremism;
- building more cohesive communities; and
- disrupting extremists.

We led the significant cross-Government effort to agree and publish the strategy and will continue to lead on the overall implementation of the strategy's commitments as well as delivering parts of this ambitious programme.

Countering the Ideology and Building Partnerships

Countering the ideology and building partnerships is a cornerstone of the strategy. The Home Office, with support from Crown Commercial Service, has begun the tender process for a 4-year delivery programme which has been designed to deliver the Government's ambitions against the first two pillars of the Strategy. The programme, which will launch in the first half of 2016-17, will counter extremist ideologies through a series of national campaigns and build a partnership with those opposed to extremism providing both technical and financial support. The Home Office has piloted this work during 2015-16.

This has included:

- 26 Groups supported as part of the new partnership;
- in-kind support provided to these groups includes online films, website development and extensive social media support;
- first national campaign launched: Building A Stronger Britain together; and
- groups supported to develop campaigns of their own, including the Behind Every Woman campaign in Birmingham that the Home Secretary launched and the How to Talk about Faith campaign launched by Lord Ahmad.

Recognising the importance of acting locally wherever possible, we are also working with local authorities to put in place a new network of Community Coordinators who can support work with communities.

Cohesive Communities

A key pillar of the Counter-Extremism Strategy and the Government's response to the threat we face from extremism is the drive to build cohesive communities. The Office for Counter-Extremism (OCE) is taking forward a number of key deliverables to support this work, including a Hate Crime Action Plan and reporting anti-Muslim hate crime. The Plan will further drive action against all forms of hate crime and will be implemented in partnership with communities to ensure the harm that hate crime causes is effectively targeted. Since the publication of the Counter-Extremism Strategy, the police have introduced a breakdown in recorded religion-based hate crime data. This will increase consistency and provide a broader evidence base for tackling hate crime.

Louise Casey's review into Cohesive Communities, which is due to report to the Home Secretary and Prime Minister later this year, is a cornerstone of the Government's work on building cohesive communities. The review will consider population trends, economic and social integration, and isolation (including equality and harm); and the OCE will work with the Casey Review team to understand the implications of the review's recommendations for Home Office work.

Disrupting Extremists

Everything we do will be evidence based and underpinned by work to understand extremism and its impact on communities. Research and analysis conducted by the Extremism Analysis Unit (EAU) feeds into policy formulation across a number of departments. In 2015-16 the EAU delivered 19 strategic level assessments informing Government strategy and policy. Over the coming year, a number of major deliverables will provide further in-depth analysis of some of the most serious and complex issues we face, including the interim **Sharia and Entryism reviews**, which are due by the end of the year.

We will rigorously measure our impact. A metrics pack is being developed which helps to track the impact of the individual elements of the strategy. This covers the whole strategy but further work is going into developing additional metrics as the different strands of the strategy evolve.

Cut crime and prevent exploitation of vulnerable people

Crime has fallen by more than a quarter since 2010

Police reform is working and crime has fallen by more than a quarter since 2010, according to the [independent crime survey for England and Wales](#). People, communities and property across the country are safer as a result.

Crime is falling and it is also changing. We are committed to tackling the new threats driven by societal and technological change. In March, at the second international crime and policing conference, we launched the Modern Crime Prevention Strategy which focuses on the six key drivers of crime: drugs, alcohol, opportunity, character, the effectiveness of the criminal justice system, and profit. The strategy reflects cutting edge crime and policing research and practice, as well as the latest thinking on how best to analyse, use and share data, and how to utilise new technology in crime prevention

We retain overall leadership of two important cross-government strategies – drugs and alcohol. We have now delivered the vast bulk of a programme of legislative reforms, including banning below cost sales of alcohol and tightening up the restrictions on irresponsible promotions. We have also challenged the alcohol industry to do more on a voluntary basis to tackle alcohol-related harm and in consultation with partners across government, industry, health, enforcement and civil society have published new actions to tackle alcohol-related crime as part of the modern crime prevention strategy.

We are currently developing a new Drug Strategy, working across Government and with key partners. This will continue to build on the 2010 Strategy and take a balanced approach to drugs (reducing

demand, restricting supply and building recovery) and tackle drugs as a key driver of crime.

We continue to see a rise in police recording of violent and sexual crimes. The Office for National Statistics is clear that this rise reflects improvements in Police recording practices and a willingness of victims to come forward – this is something we welcome. Tackling these crimes is a priority, and a new minimum custodial sentence for anyone caught in possession of a knife, for a second time, came into effect in July 2015. In March a roundtable of major retailers, chaired by the Home Secretary, agreed a set of principles for the responsible sale of knives and we are introducing secondary legislation to ban zombie knives.

Following the report of the New Psychoactive Substances Expert Panel last year, the Psychoactive Substances Act received Royal Assent at the end of January. This represents the biggest change to drugs legislation in 40 years, and is a critical weapon in our arsenal against the growing problem of so-called “legal highs”. The challenge ahead is supporting the implementation of the Act with a forensic strategy to assist police action and prosecutions, alongside wider action both domestically and on the international stage to tackle prevention, supply and treatment of new psychoactive substances.

In January we set out a new approach to tackling gang violence and exploitation based both on reducing violence and protecting vulnerable individuals from gang related exploitation. The document sets out six priorities: tackling county lines, protecting vulnerable locations, safeguarding gang associated women and girls, reducing violence including knife crime, early intervention, and alternatives to gangs.

In order to provide victims and the public with greater transparency on crime investigations a new [Crime Outcomes Framework](#) is available online. This data is published quarterly and shows how recorded crime is resolved by the police and reduces any perverse incentives not to record crimes.

Establish strong, effective and collaborative organisations to tackle serious and organised crime

Over 80% of the **National Crime Agency (NCA)** is focused on the most significant criminal threats to the UK, including Child Sexual Exploitation and Abuse, Firearms and Organised Immigration Crime. In May 2015, the NCA gained full powers in Northern Ireland and it is working closely with the Police Service of Northern Ireland and HM Revenue and Customs to tackle organised crime there. The NCA is developing its capability in areas such as cyber and international corruption. We continued to build and enhance cyber-crime capabilities at the international, national and regional levels. The NCA is also working in partnership with us to better use immigration powers against foreign national offenders involved in serious and organised crime. The Home

Office has planned transformational investment of £25 million for 2016-17 for cyber-crime capabilities.

We have invested in a **new multi-agency National Prisons Intelligence Coordination Centre** which will strengthen the ability of law enforcement and National Offender Management Service to monitor and disrupt high risk individuals who continue to offend from behind bars.

We have continued our joint work with the police on the development of **Regional Organised Crime Units (ROCU)**. The ROCUs provide specialist capabilities to investigate serious and organised crime across police force boundaries. They are also the principal interface between the NCA and police forces. Good progress was highlighted in the HM Inspectorate of Constabulary report Regional Organised Crime Units – A review of capability and effectiveness, published on 1 December 2015. The report found that ROCUs now form a ‘critical’ part of the national policing network and that they have grown in to ‘highly specialist’ and ‘capable’ entities.

We have used this year’s Home Office grant to encourage greater consistency across the network - this will remain a key priority. The work done by the **NCA and the ROCUs** to develop a **shared performance framework** has been particularly valuable. We will continue to support this important work, in order to better understand the impact of law enforcement in tackling serious and organised crime.

In 2015-16 we provided advice and support to local partners through a Serious and Organised Crime Frontline Team and the online Serious and Organised Crime Local Partnership Bulletin, in order to strengthen local partnership working to tackle serious and organised crime. The **majority of local areas in England and Wales now have local multi-agency organised crime partnership arrangements in place**, and have produced Local Profiles to set out the threat and response in their area.

Over £2.7 million of cash has already been forfeited using the new powers granted in the Serious Crime Act 2015

Tackle criminal finances in order to disrupt serious and organised crime

The Serious Crime Act 2015 received Royal Assent on 3 March 2015. It amended the Proceeds of Crime Act to close loopholes and facilitate the enforcement of confiscation orders. Most of the new powers, along with others from the Policing and Crime Act 2009 and Crime and Courts Act 2013, were commenced on 1 June 2015, including: tougher prison sentences for those who refuse to pay their order; new powers to seize property prior to conviction so that it can subsequently be used to satisfy a confiscation order; and administrative cash forfeiture powers.

Asset recovery performance in 2015-16 was the best on record, with £255 million recovered from criminals. Over £1.1 billion has now been taken from criminals between April 2010 and March 2016.

The **pilot Joint Money Laundering Intelligence Taskforce**, which brings together law enforcement agencies and the financial sector to share information on money laundering, has directly contributed to law enforcement operations, including eleven arrests and restraint of £558,000 of criminal funds. The success of the pilot has justified the task force continuing on a permanent footing.

Protect National and local government from serious and organised crime

We have carried out **pilots in four local authority areas to identify links between Organised Crime Groups and publicly procured suppliers.** Emerging results have driven a wider work programme to develop interventions to reduce vulnerabilities within the procurement process and specific sectors.

Protect people at risk of becoming the victims of serious and organised crime

We launched the **Joint Fraud Taskforce**, a collaboration between government, law enforcement and financial institutions to deliver a more effective response to fraud against individuals and businesses.

We have published two pieces of guidance on gov.uk to help the public stay safe online. **The Buyers' Guide** informs consumers about key security aspects of mobile devices, and outlines 7 key areas that they should check for when choosing or using their mobile device. **A guide for Consumers: Staying Safe when You Bank or Shop Online** sets out some of the common methods used by fraudsters to target members of the public, and provides advice on how you can protect yourself from these frauds. **Cyber Streetwise** has focussed on driving the adoption of the three simple steps that will best protect against cybercrime. In 2015-16 Cyber Streetwise partnered with over 100 public and private sector organisations to measurably influence the uptake of behaviours amongst key at risk SMEs and consumers.

The Home Office began roll out of an innovative **new risk assessment tool**, which has helped a range of partners to better understand who is most at risk from fraud, cyber and financial-crime and how they can optimise their current crime prevention response.

The Organised Immigration Crime Taskforce is fully operational

Improve our international capabilities and cooperation

Following the Prime Minister's announcement in June 2015 we established the **Organised Immigration Crime (OIC) Taskforce**, bringing together officers from the National Crime Agency, Border Force, Immigration Enforcement and the Crown Prosecution Service to identify and tackle organised crime groups in source and transit countries, as well as in Europe. The Taskforce is working in over 11 countries and has already successfully disrupted organised crime groups involved in immigration crime as well as arrests and prosecutions.

In August 2015, the Home Secretary signed a Joint Declaration with her French counterpart to formalise arrangements to strengthen our collective response to organised immigration crime. As part of the Declaration we have established a **Joint Operational Command and Control Centre in Calais**, which manages and reduces the immediate threat posed by migrant incursions and creates a real time intelligence picture to target the people smugglers. These initiatives have strengthened the existing Immigration Enforcement success in tackling organised immigration crime.

In November 2015 The Immigration Minister signed a **joint declaration with Ministers from Belgium and the Netherlands** to strengthen port security and tackle organised immigration crime. The declaration includes commitments to enhance cooperation, share expertise and work collaboratively in order to tackle smuggling in source and transit countries and improve security at ports.

Police Reform

We continue to develop the role of Police and Crime Commissioners (PCC) to ensure they and Chief Constables have the tools they need to fight crime and safeguard communities. Our Policing and Crime Bill, introduced into Parliament in February, will continue the reform of policing and enhance protections for vulnerable people, including provisions to place a duty on the three emergency services to collaborate and enable a PCC to take on the governance of a fire and rescue authority; reform the police complaints and disciplinary systems, including the governance of the Independent Police Complaints Commission; enable chief officers to designate a wider range of powers on police staff and volunteers; reform pre-charge bail; amend police powers under sections 135 and 136 of the Mental Health Act 1983 in respect of persons who are experiencing mental health problems, but have committed no crime; and reform firearms and alcohol licensing laws to better protect the public by preventing criminals and terrorists from exploiting loopholes in the Firearms Acts and strengthening the ability of licensing authorities to take action against alcohol-driven crime and disorder.

Police Funding

Spending Review 2015 protected police funding until 2019-20. Each force is receiving at least flat cash funding for 2016-17 so long as they maximise precept. A new transformation fund will be launched in 2016-17 to help the police improve capability and meet new types of demand.

Reforming the police funding formula remains our ambition and we are carefully considering the options for how best to take this work forward. We will provide more information on our plans as soon as we are in a position to do so.

The Police Innovation Fund continues to be an important tool to drive innovation and efficiency in policing and investment in technology. This year we invited 'proof of concept' bids as well as 'implementation ready' bids to improve the fund's administration. In March we announced that 56 new bids had been awarded funding, with a total value of £28.4 million, with 20 of these for smaller scale, early stage bids.

In order to improve the transparency of procurement information, we published, in September 2015, the prices paid for 20 items of clothing and equipment across all forces. This information allows the public to see how much their local force spends and has been widely welcomed by PCCs who are using the information to improve collaborative procurement. Preparations are underway for the publication of further information covering additional goods and services.

The Government has also made significant progress on its objective to modernise riot compensation arrangements. The Riot Compensation Act, which will repeal and replace the Riot (Damages) Act 1886, was given Royal Assent by Parliament on 23 March. The intention is to commence the Act alongside laying the Regulations as soon as possible.

Police Workforce

Workforce reform is a key part of the reform programme. The College of Policing's Leadership Review, published in June 2015, made recommendations on reviewing ranks, roles and standards across policing and on linking skills and competence more strongly to pay. This work is being taken forward by Chief Constables and the College, and we are supporting where appropriate.

In September 2015 the Home Secretary launched a consultation into proposed changes to powers held by police staff and volunteers. The consultation, which closed on 31 October 2015, proposes reforming the roles of police staff and volunteers so that they can play a greater role in policing our communities. Provisions to designate a wider range of powers for police staff and volunteers are included in the Policing and Crime Bill.

Ensuring that all police forces in England and Wales are truly representative of the communities they serve is a priority for the Home Secretary. From October 2015, police forces in England and Wales started publishing diversity profiles which give breakdowns by age, gender and ethnicity, compared against the local population, and allows members of the public to see how well or not that local force reflects the community it serves.

The introduction of new schemes like *Direct Entry* and *Police Now* opens up policing to the brightest and the best from a range of backgrounds, and new skills and experience are entering policing as a result. We provided £4.6 million in 2015-16 to the College of Policing to design and deliver Direct Entry schemes; this funding also provided salaries for the superintendents already on the scheme. In July 2015, 69 *Police Now* officers started their training, of these 9% are from a black and minority ethnic background and 43% are women. Though the *Police Now* scheme began in the Metropolitan Police Service, initiated by their own officers, our Police Innovation Fund has provided funding to expand the scheme with many more forces now taking part.

Emergency Services Collaboration

We are leading work to implement the government's manifesto commitment to "enable fire and police services to work more closely together and develop the role of our elected and accountable Police and Crime Commissioners". Working closely with the Department for Communities and Local Government and the Department of Health, in September 2015 we launched a joint public consultation to seek views on proposals to drive greater collaboration between the emergency services in order to deliver significant savings and better services for the public. The proposals include enabling Police and Crime Commissioners to take over governance of fire and rescue services where a local case is made, and a new duty on all three emergency services to collaborate in the interests of efficiency and effectiveness. We published the Government response to the consultation in January and provisions were included in the Policing and Crime Bill.

Stop and Search

All forces are signed up to and operating the Best Use of Stop and Search Scheme. We have launched national mapping of stop and search on www.police.uk and have revised PACE Code of Practice A which governs the use of stop and search. The College of Policing has piloted new stop and search training in six forces and is set to publish a peer review of those pilots in May 2016. The College expect to make the new national training available to all forces in June 2016. Since the introduction of the reforms, the overall use of stop and search has fallen by 40%, the 'no-suspicion' section 60 powers have fallen by 73%, and the arrest rate stands at 14%, up by 5% compared to 2009-10. However, there is more to do and we will continue to work with forces and partners to implement and embed these reforms to make stop and search more targeted, intelligence-led and operated in a way that builds community confidence rather than undermines it.

Police Technology

The Home Office-led Emergency Services Mobile Communications Programme is a cross-departmental Programme to replace the current Airwave system with a new communications system delivering critical voice and broadband data services. The new system will be called the Emergency Services Network (ESN) and will be smarter, better and cheaper than Airwave and enable officers to be properly mobile. In November 2015 the Full Business Case for the programme was approved and the programme successfully awarded the main procurement contracts for Delivery Partner to Kellogg Brown and Root (KBR) Limited in August 2015 and to Motorola for User Services and to EE for Mobile Services in December 2015.

Fire and Resilience Policy

On 5 January, the Prime Minister announced the transfer of fire and resilience policy to the Home Office. Ministerial responsibility transferred immediately but staff supporting this function remained in the Department for Communities and Local Government (DCLG) until 1 April. Following the announcement, a transition programme board was set up, with members from both Home Office and DCLG, to manage the machinery of government change across a range of issues – including Finance, HR, IT, Legal and Commercial – and to agree a Memorandum of Understanding. Accountability for fire and resilience budgets remained with DCLG and accountability will transfer to Home Office at the point when Main Estimates 2016-17 are voted in Parliament. From January to March officials worked with Ministers to agree a fire reform programme for the fire and rescue service structured around the strategic pillars of governance, accountability and transparency, efficiency, workforce reform and preventative activity. Fire and Resilience Directorate developed robust business, risk, and resource management plans to ensure effective stewardship of the functions when the transfer became fully effective.

All police forces across the UK and the National Crime Agency are now connected to the Child Abuse Image Database we established in December 2014.

The database provides tools which can reduce the time taken to identify images and increasing our ability to identify victims.

Child Sexual Exploitation

We lead the cross-Government Child Sexual Abuse Programme which combines the commitments in the March 2015 report on Tackling Child Sexual Exploitation; the work of the National Group on Sexual Violence against Children and Vulnerable People; and work following the WeProtect Children Online Global Summit. The end result will be a vastly improved landscape for the victims and survivors of Child Sexual Abuse (CSA).

We have already recognised CSA as a national threat in the Strategic Policing Requirement, obliging forces to maximise specialist skills and expertise to prevent offending and resolve cases. We have also delivered the £7 million uplift in funding for non-statutory organisations supporting victims and survivors of sexual abuse. In addition £1.5 million has been made available to the National Policing Lead to fund improvements in the police response and better identify organised abuse.

We have also issued improved guidance and training on child sexual exploitation for school nurses, prosecutors, health commissioners and health workers, reinforced safeguarding duties in the guidelines on licensing, and produced guidance for safeguarding professionals.

The Child Abuse Image Database (CAID) has been launched and is now being used by all police forces to reduce the time they take to review child abuse images and investigate suspects' devices. New NCA teams have been established to identify more victims from child abuse images and investigate offenders.

The UK response to online CSE includes law enforcement agencies taking action against online offenders; developing new capabilities to find and safeguard victims and working with the internet industry to remove illegal images.

The NCA Child Exploitation and Online Protection Command leads, supports and coordinates the law enforcement response to child sexual exploitation and abuse and works closely with social media companies, and law enforcement agencies in the UK and overseas, to identify victims and pursue offenders engaged in grooming children on the internet.

All UK police forces and the NCA are now connected to the new **CAID** and a new operational victim identification strategy has been established around the database by the NCA which is helping to identify more victims of online child abuse than in any previous year.

The collaboration between the NCA and GCHQ has been enhanced to now use the latest techniques to target online offenders. This unit is now operational and has already safeguarded young people. New NCA teams have been established to identify more victims from child abuse

images and investigate more offenders as a result of the **additional £10 million funding** announced by the Prime Minister in 2014. The second **WePROTECT Summit** in Abu Dhabi secured an unprecedented global reach for the initiative into the Middle East, Latin America and China. Following the event, 64 countries and international organisations as well as major companies and civil society organisations have signed up to the WePROTECT commitments.

The Government has also funded **a new global programme to tackle online child sexual exploitation in 17 countries** and four regions, working in partnership with UNICEF. Success stories emerging from this programme include a new police unit to investigate crimes against children in Jordan, and the dismantling of two online exploitation networks in Guatemala.

Female Genital Mutilation mandatory reporting

Following a consultation on the draft statutory multi-agency practice guidance on female genital mutilation (FGM), a new duty which requires professionals to report confirmed cases came into force on 31 October 2015. Multi-agency guidance on FGM for those with statutory duties to safeguard children and vulnerable adults was published in April. We have carried out both inbound and outbound operations at the border with the police and social services to identify suspected incidents of FGM and raise public awareness.

Violence against women and girls

To support the Government's commitment to tackling violence against women and girls, we have pledged £80 million in funding to 2020. This will help to deliver our goal to work with local commissioners to deliver a secure future for rape support centres, refuges and FGM and Forced Marriage Units to ensure that victims get the help they need when they need it.

Every police force has published domestic abuse action plans and new guidance and training has been introduced by the College of Policing. For first time, police are now collecting data against a national standard on all domestic abuse recorded crimes. In addition the new domestic abuse offence to capture coercive and controlling behaviour in intimate and familial relationships was introduced into the Serious Crime Act 2015 and came into force in December. In March, an updated Violence Against Women and Girls (VAWG) Strategy was published. The strategy marks a shift from crisis response to early intervention and prevention and will be supported, from 2017, by a dedicated Service Transformation Fund to support, promote and embed the best local practice and drive major change across all services so that early intervention and prevention is the norm.

Modern Slavery

The landmark Modern Slavery Act, which received Royal Assent on 26 March 2015, gives law enforcement the tools to tackle modern slavery, ensures perpetrators can receive suitably severe sentences, enhances support and protection for victims, and ensures large businesses report annually on what they doing to stop slavery occurring in their supply chains.

The Modern Slavery Act 2015 gives law enforcement better tools to tackle modern slavery, including Slavery and Trafficking Prevention and Risk Orders, and ensures perpetrators can receive a maximum life sentence for these appalling crimes. The world leading transparency in supply chains provision from the act has now come into force and requires businesses that operate in the UK, and have a turnover in excess of £36 million, to set out the actions they have taken to ensure that there is no modern slavery in their organisation and their wider supply chain. In March we held a Transparency in Supply Chains Event attended by over 80 businesses and guidance has been published to advise businesses of the requirement. The Act has also strengthened our support for victims by extending the definition of Modern Slavery to ensure that all victims are afforded the support and protection they need. In 2015, 3,266 potential victims of modern slavery were referred to the National Referral Mechanism (a 40% increase from 2014).

Legislation is just one part of the Government's strategy and we are also taking a range of specific non-legislative actions to tackle modern slavery, including piloting an overhaul of the support system for identifying and supporting victims of modern slavery and establishing specialist multi-agency safeguarding and anti-trafficking teams at the border. All of our Border Force officers are trained in both Keeping Children Safe and Human Trafficking. We have run safeguarding and trafficking operations during the year.

The Government launched a public consultation on tackling labour market enforcement on 13 October 2015. This included proposals to reform the Gangmasters Licensing Authority (GLA) and fulfils the statutory requirement to consult on the role of the GLA, required under the Modern Slavery Act. The consultation closed in December 2015 and the Government published its response on 12 January. We will introduce a number of new measures through the Immigration Act 2016 (which received Royal Assent on 12 March 2016) to strengthen our **enforcement strategy to crack down on serious exploitation of workers**. This will include:

- appointing a new Director of Labour Market Enforcement, who will be responsible for overseeing a labour market enforcement strategy **to tackle non-compliance in the labour market**;
- renaming the GLA, the Gangmasters and Labour Abuse Authority (GLAA); and

- extending the remit and strengthening the investigatory powers of the new GLAA, so that it can deal with more serious cases of worker exploitation, including modern slavery offences.

Policing and mental health

The Government is committed to ending the use of police cells for those suffering a mental health crisis who have not committed a criminal offence. To support this commitment, on 20 May 2015 the Home Secretary announced that £15 million of Department of Health funding would be allocated to support the development of additional health-based places of safety in England. On 10 October, we published our [evaluation report](#) of the pilot in Sussex to provide an alternative place of safety for people detained under the Mental Health Act.

The Policing and Crime Bill includes a number of provisions to help improve outcomes for people in mental health crisis, including removing the use of police cells as places of safety for under 18s detained under section 135 or 136 of the Mental Health Act, cutting the use of police cells for adults and reducing the current 72 hour maximum period of detention. These measures will further the Government's aim of ensuring that the police are not inappropriately engaged in dealing with those in mental health crisis who should properly be treated in health based settings, thereby freeing up police resources and ensuring better outcomes for those in need of treatment and support.

Deaths in custody review

On 21 October 2015 the Home Secretary announced that Dame Elish Angiolini DBE QC will chair the independent review into deaths and serious incidents in police custody. The appointment was announced alongside the publication of the review's [terms of reference](#), which include a commitment to examine the procedures and processes surrounding deaths and serious incidents in police custody. The review is expected to conclude in the summer and will report later this year.

Control immigration

Reduce annual net migration

The Home Office has taken a number of steps to reduce net migration. To tackle non-EU migration, we have tightened the legal migration routes into the UK, including changes to the student visa route to crack down on abuse while continuing to encourage the brightest and the best to come to the UK to study at our world class universities. Recently announced reforms to the skilled work route will help ensure that employers look first to the UK resident labour market before recruiting from overseas, while continuing to support growth and productivity in the UK economy. We have also made changes to tighten rules on free movement (within the scope of EU rules) and EU workers' access to benefits.

Clamp down on illegal migration

We are implementing a wide range of measures to make it harder for people to enter or remain in the UK illegally and harder for criminals to profit from illegal migration. We are taking steps to ensure that those with no right to be in the UK are not able to access public services. Landlords will be able to evict illegal migrants more quickly and access to driving licenses and bank accounts will be further protected as services for only the lawfully resident population. We will improve compliance with the immigration rules and compelling those who are here unlawfully to regularise their status or leave the country, voluntarily where possible. Those who do not comply or leave will be pursued, prosecuted and removed.

Our enforcement activity goes wider than tackling individual illegal migrants, we also target those who benefit from illegal migration such as criminal groups, rogue landlords and abusive employers. We are seeking to improve employer compliance by increasing awareness of the right-to-work checking process, strengthening knowledge of the perceived risks of employing illegal migrants and taking focused multi-agency enforcement action where needed. We have identified a number of high-risk employment sectors where illegal working is believed to be prevalent.

Deporting foreign national offenders remains a priority. We are focusing on earlier identification and documentation, working with the Foreign and Commonwealth Office to overcome documentation barriers. We will continue to use the provisions in the Immigration Act 2014 to “deport first appeal later”. Between April 2015 and March 2016 we removed the highest ever number of foreign national offenders.

Enhance Border Security

The UK remained an attractive destination to visit, study, work and invest. The total number of journeys increased by approximately 5% to a record 123.4 million journeys in 2015 (an increase of about 6.3 million). This was accounted for by 5.8 million more journeys by British, other EEA and Swiss nationals and 0.6 million more journeys by non-EEA nationals compared with 2014.

Drawing on lessons learnt, Border Force have worked to put plans in place to maintain robust checks during busy periods and, where necessary, will redeploy resources on a national basis to respond effectively and efficiently to issues at the border at all times.

We continue to roll out state of the art technology to support faster and more secure processing of people and goods. We now process Advance Passenger Information for more passengers than ever before moving in and out of the UK. Following their introduction in April 2015, Exit Checks provide a more complete picture of those leaving the UK, and those who have not left when they should, enabling us to identify those who remain here illegally, and providing valuable information to enable the Government to make targeted changes to tackle this.

In March 2015 the Authority to Carry (ATC) Scheme was introduced. This enables the National Border Targeting Centre (NBTC) to prevent travel of those passengers that have an existing Exclusion Order, Deportation Order or travelling on an invalid document. We have also introduced an Automated Freight Targeting Capability that enhances our ability to intervene in a targeted way in the sea container sector and a process is underway to extend this across ferries, air freight and fast parcels.

There is a considerable amount of joint working and shared policy between Common Travel Area (CTA) members to secure the CTA external border and facilitate the legitimate travel of persons within the CTA. We have increased our activities to tackle CTA abuse including conducting important joint intensification operations at the intra-CTA ports with other UK and Ireland law enforcement agencies, enhancing our criminal investigation capacity in order to more effectively disrupt in-country and upstream organised criminality behind abuse of the CTA and protecting vulnerable individuals. All have served to increase our effectiveness in safeguarding the CTA with further collaborative activity planned for 2016/17.

We continue to work in close partnership with the French Government to reduce the number of illegal attempts to breach the border at Calais and Coquelles including improving the infrastructure and security arrangements around the Channel Tunnel. The UK Government has invested significant amounts to bolster security at the juxtaposed ports in Northern France. UK and French law enforcement organisations have been working at pace to implement actions agreed in the Joint Declaration signed by the Home Secretary and the French Interior Minister in August 2015. Critical new security infrastructure is in place at Calais and Coquelles, along with hundreds of new French Police Officers, Border Force Officers and security guards, co-ordinated from a new joint command and control centre in Calais involving law enforcement staff from both countries.

In the last year nearly 23 million passengers used our electronic passport gates improving the management of passenger flows whilst maintaining 100% checks. We plan to install more gates at a range of locations, including at the international rail terminals in Paris and Brussels. We have extended our Registered Traveller scheme which is open to frequent travellers from designated countries allowing them to use our electronic gates having undergone advanced security checks.

Refugees and Asylum

The UK has been at the forefront of the response to the crisis in Syria. On 4 February 2016, the Prime Minister announced that the UK will more than double our total pledge to the Syria crisis from £1.12 billion to over £2.3 billion. This is our largest ever response to a single humanitarian crisis and means that the UK is one of the largest donors to the Syria crisis.

Our priorities are humanitarian aid and actively seeking an end to the conflict in Syria. We believe this approach is the best way to ensure that the UK's help has the greatest impact for the majority of refugees who remain in the region and their host countries. However we recognise that for some vulnerable people the only solution is to bring them to countries like the UK.

The Prime Minister announced in September that the Syrian Vulnerable Persons Resettlement Scheme would be expanded and 20,000 Syrians in need of protection would be resettled in the UK by the end of this Parliament. Since the crisis began in 2011 we have granted asylum or other forms of leave to nearly 6,000 Syrian nationals and dependants through normal asylum procedures.

The Syrian Vulnerable Persons Resettlement scheme is just one part of the Government's comprehensive approach to the Syrian crisis.

Furthermore, in April we announced a resettlement scheme focused on 'children at risk' from the Middle East and North Africa region who will be resettled to the UK where it is in the child's best interests to do so. The scheme will include children and their families or legal guardians/ carers. The scheme will not be restricted to Syrians but open to any nationalities at risk within the region. In May, we legislated in the Immigration Act 2016 for a national transfer scheme for unaccompanied asylum seeking children in the UK to relieve the pressures felt by a small number of local authorities.

Also in the Immigration Act 2016, we announced that we would accept unaccompanied children from Europe where, again, it is in their best interests to do so. We are looking to accept children who were already registered in Europe before the EU-Turkey deal came into force in March, and will prioritise those with family links to the UK.

HM Passport Office

Bringing Her Majesty's Passport Office into the Home Office has enabled us to work more closely with other parts of the Borders, Immigration and Citizenship system and take advantage of flexible working across the department. Passport output this year has remained high, with 6.8 million passports printed. Average processing times from point of receipt to print date for straightforward UK applications was three days in 2015, down from nine in 2014. Demand within the civil registration operation also remained high and we continue to provide a high level of customer service.

In November 2015, we launched our latest biometric passport. It is the most secure passport ever produced in the UK and contains many new security features. We have further bolstered our public protection function and our new online lost and stolen passport reporting service ensures that we prevent the abuse of passports if they fall into the wrong hands.

We are also modernising the business and using technology to provide better customer service through our new online passport renewal channel and online appointment booking system.

This year we have met all the Greening Government Commitments, further reducing the amount of greenhouse gases we emit, the waste we create, the water we use and the flights we take.

Sustainability

Priorities

Home Office sustainability priorities are to:

- deliver on the Greening Government Commitments (GGC) during 2015-16; and work with Defra to introduce new more stretching targets for 2016-20;
- assess and manage social and environmental impacts and opportunities in policy development and decision making; and
- procure from small businesses; with the Home Office making a proportionate contribution towards achieving the overall, cross-government target of 33% of all spend in contracts that should be with small and medium enterprises (SMEs) by the end 2019-20.

Governance Arrangements

Overall accountability for delivering and mainstreaming sustainability in the Home Office falls to the Permanent Secretary and is championed by the Director of Learning from Experience Team. Day to day delivery is carried out by the Sustainable Operations Team who seek input and advice from the virtual sustainability network which comprises of members from Home Office business units and functional teams. The Sustainable Operations Team acts as a focus and challenge to the Department to ensure sustainability principles are embedded in the business.

GGC Progress

The GGC targets signal the Government's ambition to address key environmental impacts of its operations (i.e. greenhouse gas emissions, water, waste, and domestic flights). They also aim to drive efficiencies and cost savings thereby reflecting the Government's policy agenda.

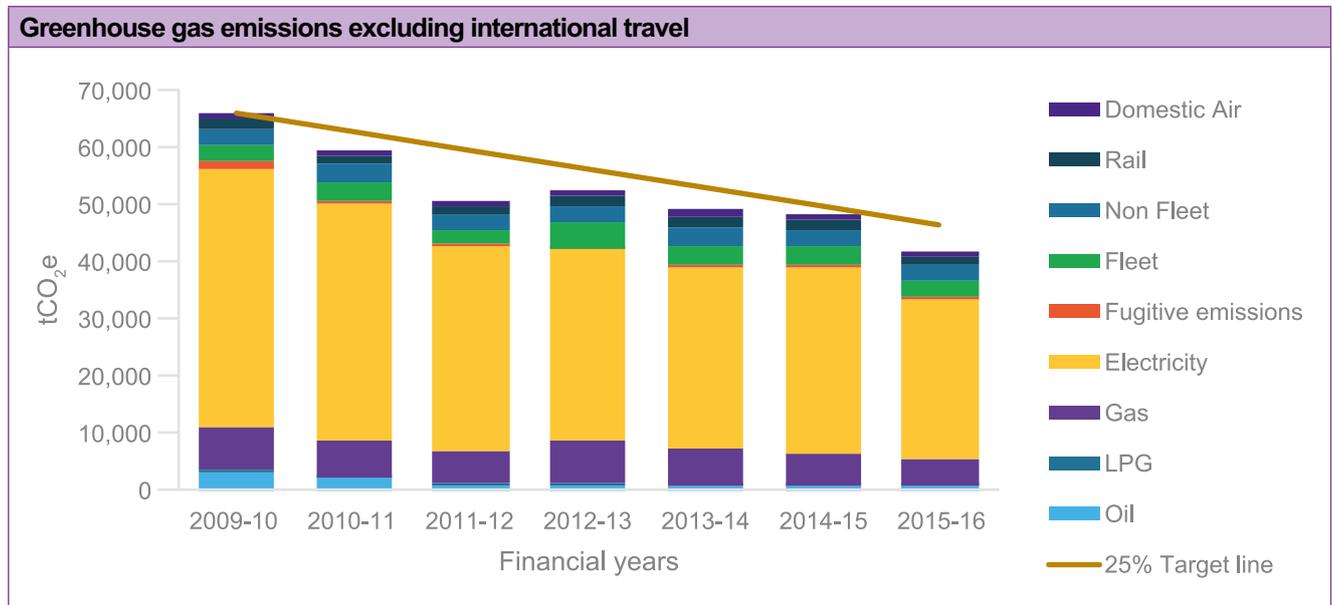
The first GGC reporting target was the period ending 2014-15. For 2015-16 the Government set interim targets for "all Departments to work to maintain performance, based on the 2009-10 baseline and strive to improve on their outturn". Our progress in the last year is detailed below.

Greening Government Commitments	2014-15 target reduction (from 2009-10 baseline)	2015-16 progress (from 2009-10 baseline)
Greenhouse gas emissions	-25%	-34%
Water	To reduce	-43%
Waste	-25%	-47%
Paper	-10% (by 2010-11)	-27%
Domestic Flights	-20%	-31%

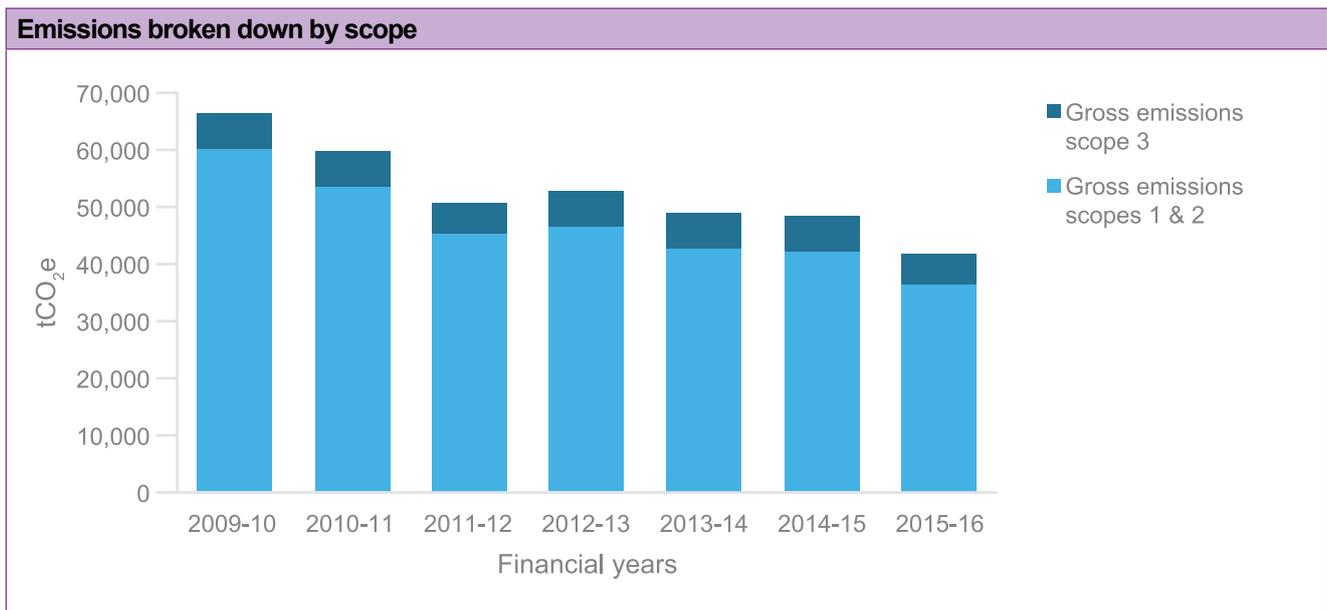
We also continue to increase our expenditure with SMEs – at the end of 2015-16 the proportion of spend with SMEs was 19.6%

Managing greenhouse gas emissions from buildings and travel

Greenhouse gas emissions by scope		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Non-Financial Indicators (tCO ₂ e)	Gross emissions for scopes 1 & 2 (fuel from buildings and our own vehicles)	60,064	53,751	45,387	46,676	42,561	42,333	36,618
	Gross emissions scope 3 (from business travel using public transport, taxis and airlines)	6,109	5,926	5,288	5,976	6,423	6,075	5,047
	Reported greenhouse gas emissions	66,174	59,676	50,675	52,652	48,985	48,408	41,665



We purchase over 84% of electricity from renewable sources



Managing our estate and buildings

During 2015-16 we have worked with the Home Office Smarter Working Unit to identify properties that can be disposed of over the next five years to ensure that our estate more readily meets our requirements.

We continue to identify lease break opportunities to vacate sites, and remodel the estate to facilitate new ways of working.

As part of the Cabinet Office's Functional Leadership Programme, the Home Office Property Group will form part of a Shared Estates Service (SES). Hosted by Ministry of Justice, SES will be responsible for providing property services across the joint estate to include the Home Office and Crown Prosecution Service. SES will deliver property business requirements to 2020 and beyond. It will provide greater opportunities for estate rationalisation and efficiencies. We have formed a single Sustainable Operations Team with staff from the three existing sustainability teams.

Managing travel

Domestic flights	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Number	15,241	11,631	8,917	11,603	15,928	13,963	10,948

We have revised our travel manual to give staff clearer guidance as to when travel is appropriate and to use alternative methods such as video conferencing. Our renegotiated travel contract has encouraged reduced travel costs by providing cheaper ticketing arrangements and better data on spend.

Managing office waste

Office waste		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Non-Financial Indicators (tonnes)	Reused and recycled	4,445	3,569	2,991	2,639	2,297	2,429	2,533
	Composted	Not collected			6	59	99	89
	Incinerated with energy recovery	Not collected			154	82	70	87
	Incinerated without energy recovery	Not collected			3	19	21	4
	Landfill	1,240	1,290	1,504	1,022	989	1,283	665
Total Waste		5,685	4,859	4,495	3,824	3,446	3,902	3,377
Financial Indicators (£ '000 nominal)	Reused, recycled and recovered	626	478	391	365	291	Not available	230
	Landfill	99	103	120	85	83	Not available	68
	Total disposal cost	725	581	511	450	374	Not available	298

All waste costs are estimated from <http://www.letsrecycle.com/prices/efw-landfill-rdf-2/> using an average cost for January 2016 of £101.60 for Landfill and tax, £85 for recycled waste and £82.50 for Energy from Waste.

Managing office paper

Paper (A4 equivalent)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Amount (reams)	398,001	376,832	287,220	251,686	288,304	322,182	290,763
Expenditure (£ '000)	672	739	833	581	686	848	625

Following last year's rise in paper purchased, in part due to the transfer of work from overseas, the amount of paper purchased this year has fallen due to new digital processes (e.g. fast tracking visas from China and Kuwait have reduced the need for paper applications).

The data

All data is UK only. Carbon Smart provides a data gathering and verification service for all GGC reporting requirements. The greenhouse gas conversion factors used can be found in [the Government environmental impact reporting requirements for business](#). All arms-length bodies are represented. We are unable to report in GGC locations where landlords do not provide data.

Sustainable procurement

We ensure that sustainability is factored into how we buy goods and services and ensure that value for money is reflected over the lifetime of the contract. For example the [Government Buying Standards \(GBS\)](#) are incorporated throughout the procurement process.

Our work in reducing food waste and packaging across the estate has been recognised as by the Hospitality and Food Service committee, part of the Waste Reduction Action Plan

Climate Change and Adaptation

The Department ensures that its policies reflect the demands made by the impact of climate change. The Public Order Unit leads on police resilience and the police's critical national infrastructure, in order to react to changing demands. Border Force policy looks at the effects of migration and how to deal with surges caused by events abroad.

We contributed to the Climate Change Risk Assessment.

Ecology

On our estate we are improving our facilities to encourage more birds, bees and flowers. Bee hotels have been installed at Langhurst, and bee friendly plants put in at Hendon and our headquarters building at 2 Marsham Street.

Policy-Making and Rural Proofing

This Department is committed to mainstreaming sustainable development in the policy-making process. A checklist of specific impact tests now forms part of the policy impact assessment template, giving greater assurance that due consideration will be given to impacts often seen as peripheral, such as sustainability and rural proofing.

Stakeholder Engagement

We actively engage with both internal and external stakeholders, using information campaigns on our intranet and the "Save It!" campaign to comment on and encourage staff to raise ideas on sustainability. We participate in Defra's cross-Whitehall Sustainability forum, using this to influence sustainability policies across government, and the new GGC targets for 2016-20. We play a full part in the National Police Environmental Group. We provided guidance to them on the proposal to extend the GGC to the wider public sector.

Transparency and Embedding Sustainability

This year we have worked with Commercial and HR colleagues to ensure sustainability is incorporated into the new travel contract, and the tender specification for two new Facilities Management contracts expected to commence in 2016.

We also report our energy use in real-time for two of our main sites, including our headquarters, and day plus one data from several other locations. Raw data is also provided for use by interested parties: <http://webview2.ecodriver.net/HomeOffice/>

More detailed information on sustainability will be published later this year in our 2015-16 Sustainability Report on GOV.UK.

Better Regulation

The Government's priorities for the Home Office are to prevent terrorism, cut crime, control immigration, promote growth and transform the Home Office to deliver efficiently. In developing its policies, the Home Office has continued to have regard to the Government's Principles of Regulation: regulating business and civil society organisations only where there is a robust and compelling case to do so.

The Home Office's strategic goals make an important contribution to securing economic growth. Cutting crime improves feelings of safety, reduces costs to business and creates a positive investment climate. Counter Terrorism not only protects individuals and their families, but also prevents a fall in net foreign investment and bilateral trade flows.

On 3 March 2015, the Government published its Business Impact Target (BIT) for savings to business and voluntary bodies as required under section 21 of the Small Business, Enterprise and Employment Act 2015. The £10 billion BIT is to be calculated from savings made through regulatory provisions that come into force or cease to be in force during this Parliament.

The Home Office has, in 2015-16, indicated that it will contribute towards the BIT by aiming to limit, to around £87 million, the direct net cost to business and voluntary bodies through regulation, whilst working to achieve its primary objectives. Achieving this would signal an increase in the Home Office deregulatory ambition. The equivalent annual net direct cost to business and voluntary bodies from Home Office regulation was estimated to be in the region of £94 million. The Home Office has agreed to do this by:

- delivering deregulatory reforms to Home Office legislation to achieve £23 million savings to business and voluntary bodies (a 20% increase compared to the previous Parliament);
- reviewing the Department's business-facing guidance to deliver an estimated £1 million savings to business and voluntary bodies;
- working with Home Office regulators to deliver estimated savings of £2 million to business and voluntary bodies; and
- capping the cost of new regulations to business and voluntary bodies at the same level as the previous Parliament, at £113 million.

The Home Office regulation with the most significant impact towards the BIT that has come into force in 2015-16 is the Psychoactive Substances Act 2016. This Act seeks to reduce the risk to public health through the better control of the new psychoactive substances market, prohibiting the supply of all substances that may be consumed for their psychoactive effect. It is estimated to create a direct net burden to

businesses in the region of £26 million. Estimates of benefits to society of around £21 million from fewer fatalities and benefits to the National Health Service from reduced hospital admissions are not in scope for the BIT.

During the year, the Home Office used its comprehensive audit of its legislative stock of regulations, from 1850 to 2013, to identify further opportunities for deregulation; while ensuring that there would be no risk of compromising the safety and security of the public. The range of efforts taken in the last Parliament however, to reduce burdens on business and voluntary bodies, meant that it was not possible to identify any significant additional opportunities in scope for deregulation, aside from those noted above.

Mark Sedwill
Accounting Officer
14 July 2016

The Accountability Report

Corporate Governance Report

Directors' Report

Lead Non-Executive Board Member's Report

Composition

There were numerous changes in Board membership during the year at Official, Non-Executive and Ministerial levels. This effected some continuity, but also helped complement the Board with further diverse backgrounds and experiences. All four quarterly Departmental Boards were held, well attended and interactive.

Quality

Board agendas have covered several topic areas, including: Performance against Government priorities, key risks, budget challenges and financial planning. Significant focus was also given to Home Office transformation matters including the implementation of transformation 'deep-dive' discussions and decisions.

The meetings were focused, effectively chaired, with challenge encouraged. Agendas were relevant and set appropriately to focus Board scrutiny and consideration. The logistics of meetings and communications were well managed with effective support from the Board Secretariat.

Departmental involvement of Non-Executive Directors (NEDs)

During the year, two new NEDs were appointed to complement the broad ranging aspirations of the Department, with a further NED appointed in April 2016 (taking the team to a total of four). The new team has made significant contributions to: effective management of risk, the Department's diversity strategy, data and digital matters, people and talent management and ambitious transformation programmes. Numerous other activities have involved NEDs such as attendance at staff away days, mentoring of individuals and assisting with recruitment of senior officials within the Department. NEDs also attended the Permanent Secretary's Executive Management Board meetings on an individual basis, which allowed a greater insight into Department issues and objectives.

Conclusion & Evaluation of Board effectiveness recommendations

The Departmental Board is effective and has added value with interactive debate and thematic discussions. The Department has made good use of, and benefited from, the external expertise NEDs provide at and outside the Board environment in a time of significant change and challenge. The Home Office conducted an Evaluation of Board Effectiveness for 2015-16. Conclusions were predominantly positive, but the Board is due to consider the following recommendations to further increase effectiveness:

- 1. The Board should have deep dive discussions with more analysis and decision making, to help get further below the surface of specific topics.**
- 2. There should be more reporting / input regarding Arms Length Bodies.**
- 3. More time for NED interaction with Ministers and senior officials outside of the Board environment.**
- 4. Better timings for Board meetings should be explored to minimise interruptions.**
- 5. The Board should consider if a more informal meeting could be included in the calendar in addition to the quarterly formal Board meetings.**

Sue Langley

Home Office Lead Non-Executive

Our Ministers

The following ministers were responsible for the Department during 2015-16:



Rt Hon Theresa May MP

Secretary of State for the Home Office



Rt Hon Lord Bates

Lords Minister



Rt Hon Mike Penning MP

Minister of State for Policing, Fire and Criminal Justice and Victims (jointly with the Ministry of Justice)



Rt Hon John Hayes MP

Minister of State for Security



Lord Ahmad

Minister for Countering Extremism



Richard Harrington MP

Parliamentary Under Secretary of State (jointly with DCLG and DFID)



James Brokenshire MP

Minister of State for Immigration



Karen Bradley MP

Minister for Preventing Abuse, Exploitation and Crime



Baroness Shields OBE

Minister for Internet Safety and Security (jointly with DCMS)



Lynn Featherstone MP

Minister of State for Crime Prevention

Machinery of Government Changes

There were no machinery of government changes during this financial year. However, there was a transfer of ministerial responsibility for fire and rescue policy to the Home Office from the Department for Communities and Local Government on 5 January 2016. Operational responsibility for fire and rescue policy, along with the relevant staff, transferred to the Home Office on 1 April 2016.

There was a key organisational change during the year following a ruling from the Office for National Statistics (ONS). The Disclosure and Barring Service was reclassified as an Arms Length Body and was no longer a Public Corporation. Hence it has been included within the Home Office departmental boundary as from 1 April 2015.

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 NAO audit fee for the core Department and its agencies was £370,000 (2014-15 £505,000), of which that for the core Department alone was £370,000 (2014-15 £400,000). The audit fee for the Department's non-departmental public bodies was not notional and totalled £285,000 (£364,000, 2014-15 restated for machinery of government changes). No remuneration has been paid to the NAO during 2015-16 for non-audit work (2014-15 £nil).

Political and Charitable Donations

The Home Office has not made any political or charitable donations during 2015-16.

Our Boards

The role and membership of the Departmental Board (formerly Supervisory Board) and the Executive Management Board can be found in the Governance Statement on pages 47 to 70.

Non-executive directors

Independent non-executive directors of the Home Office Board are recruited through fair and open competition. All non-executive directors on the Departmental 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 were as follows:

Non-Executive Director	Start Date	End Date
Sue Langley	1 December 2013	30 November 2016
Alan Brown	11 August 2014	17 December 2015
Suzy Levy	1 September 2015	31 August 2018
Adrian Joseph	1 September 2015	31 August 2018

Sue Langley was appointed Lead non-executive director from 1 May 2014.

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.

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 Management Board 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.

Personal Data Related Incidents

Table 1: SUMMARY OF OTHER PERSONAL DATA INCIDENTS FORMALLY REPORTED TO THE INFORMATION COMMISSIONER'S OFFICE IN 2015-16		
The Department notified the Information Commissioner's Office of two incidents during the 2015-16 reporting period.		
Category	Nature of Incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises.	0
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured government premises	1
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents.	0
IV	Unauthorised disclosure.	1
V	Other	0

Table 2: SUMMARY OF OTHER PERSONAL DATA INCIDENTS RECORDED IN 2015-16		
Incidents reported to Home Office Security and deemed by the data controller not to fall within the criteria for report to the Information Commissioner's Office but recorded centrally within the Department are set out in the table below.		
Category	Nature of Incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises.	6
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured government premises	10
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents.	1
IV	Unauthorised disclosure.	14
V	Other	8

Note:

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

Data losses/Information Assurance

Information Assurance (IA) and managing information risk has continued to be a priority for the Home Office in 2015-16.

Data related incidents involving the loss, theft or inappropriate disclosure of Home Office information are investigated by the Home Office Security unit, supporting business areas who report an incident through the investigation process. This includes establishing the circumstances of an incident and advising on any necessary immediate action, assisting with the completion of assessments to identify risk to both the Department and individuals affected and management of any risks identified. The end of the process involves the Home Office Security Unit working with business areas on lessons learned to avoid re-occurrence.

The enhanced maturity assessment model used by the Department was taken forward by a programme of reviews in 2015-16. Home Office Security and the Knowledge and Information Management Unit reviewed evidence submitted by the relevant business areas and created development plans to support progression through the levels. The model provides the Senior Information Risk Owner and the Home Office Board with assurance of the Department's IA maturity, it also allows for any risks to be identified and addressed.

In line with the Security Policy Framework, the Home Office has an Information Asset Register and Information Asset Owners who are responsible for managing and operating the asset in compliance with Home Office policies and ensuring controls are in place to manage risks appropriately.

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 (inclusive of its executive agencies) and its sponsored Non-Departmental Public Bodies designated by order made under the GRAA by Statutory Instrument 2015 No.632 amended by GRAA Amendment Order 2062 (together known as the 'Departmental group' consisting of the Department and sponsored bodies listed at note 17 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 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;
- Ensure that the Department has in place appropriate and reliable systems and procedures to carry out the consolidation process;
- Confirm that the annual report and accounts as a whole 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;
- Make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by Non-Departmental Public Bodies;
- 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.

Mark Sedwill
Accounting Officer
14 July 2016

Governance Statement

Scope of Responsibility

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

I delegate my responsibility as Accounting Officer to Accounting Officers of the Department's Non-Departmental Public Bodies (NDPBs) and other public bodies. My relationship with these Accounting Officers is set out in statements contained in the respective Framework Arrangements, Financial Memoranda and designatory letters. Each of the Home Office NDPBs produce their own Governance Statement which is published in their Annual Report and Accounts.

The systems in place are designed to manage risk to an acceptable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide high and not absolute assurance of effectiveness.

This Governance Statement covers the year ending 31 March 2016 but will remain open until the Home Office Annual Report and Accounts are signed.

Governance, Control and Risk Management Framework

We continuously review the effectiveness of the Department's governance, control and risk management framework through our corporate governance structures and key controls. The main elements of the governance structure are:

Departmental Board (formerly the Supervisory Board) Chair: Home Secretary

As per the Code of Corporate Governance Guidance, the Home Office Departmental Board forms the collective strategic and operational leadership of the Department, bringing together the ministerial and civil service leaders with senior non-executives from outside government.

Its remit is to advise on, and challenge, the Department's performance and delivery, and to provide the strategic leadership of the Department, including the following:

- major programmes and projects;
- risk;

All Home Office Departmental Board members must uphold the seven principles of public life, also known as the Nolan principles

- finance; and
- Arms Length Bodies.

It has met on four occasions between April 2015 and March 2016. Detailed attendance for 2015-16 can be found in the annex at the end of the Governance Statement.

Executive Management Board (EMB)

Chair: Permanent Secretary

The EMB has responsibility for driving the development of the Department's leadership and wider capability, and setting the strategy for developing all Home Office staff. The EMB maintains oversight of performance and risk and plays a leading role in managing the Home Office's reputation. It also discusses and challenges the development of the Home Office's key policies and programmes, and ensures that all parts of the organisation are working together effectively.

It currently meets the first week of each month, with an additional EMB/ Senior Talent Board the third week of each month.

Membership:

- Second Permanent Secretary and all DGs
- International Director and Senior Director of IIPG, Director Communications and the Chief Scientific Advisor;
- Lead Non Executive Director (NED) and other NEDs as required.

The Home Office Audit and Risk Assurance Committee (ARAC)

The ARAC provides independent advice to the Accounting Officer and Departmental Board members on the adequacy of arrangements for corporate governance, internal control and risk management.

The ARAC comprises two non-executive Home Office Departmental Board members, together with two independent external members.

The Committee provides independent advice and guidance to the Permanent Secretary as Accounting Officer, and to the Departmental Board on corporate governance, internal control and risk management.

The Committee's oversight extends to all NDPBs in the Home Office group. They each have their own audit and risk assurance committee, with arrangements in place for audit assurances and significant issues arising within their remit to be notified to the Home Office ARAC and the Accounting Officer.

Members review the comprehensiveness of the internal audit coverage in meeting the Departmental Board and Accounting Officer's needs, and assess the reliability, quality and integrity of these assurances.

During the period of this report, the ARAC considered the following topics:

- The Chief Internal Auditor's Opinion for 2014-15;
- Approval of the 2014-15 Home Office Annual Report and Accounts;
- The NAO 2014-15 Audit Completion Report;
- The NAO Management Letter for 2014-15, including audit recommendations;
- NAO Planning Report for 2015-16 for the Home Office Annual Report and Accounts;
- The NAO Interim Progress Report;
- A number of NAO value for money reports;
- Analytical Quality Assurance Overview;
- The management and reporting of Departmental risk;
- Internal Audit Plan update reports;
- The draft Internal Audit planning strategy for 2015-16;
- Internal Audit Outstanding Actions Updates; and
- The Audit and Risk Assurance Committee Annual Report for 2014-15

The ARAC met on five occasions between April 2015 and March 2016. Attendance at those meetings is outlined in the annex following this Governance Statement;

The Chair has provided updates for the Departmental Board on the work of the ARAC. The Chair also submits an annual report which includes an assessment of the effectiveness of the Department's control framework

In addition to these governing boards the Department also had the following sub-committees that have met during the year to inform the Boards.

Immigration Strategy and Performance Board **Chair: Second Permanent Secretary**

Meets as a sub-committee of the Departmental Board. Its responsibilities are to provide an overview of progress in delivering the Government's immigration agenda.

Membership:

Border, Immigration and Citizenship DGs, DG Capabilities and Resources, Chief Scientific Advisor. Specific Directors dependent on agenda.

Strategic Capabilities Board (SCB)

Chair: Permanent Secretary

The SCB provides strategic oversight of the development of strategic capabilities across the three systems for which the Home Office has responsibility: law enforcement, homeland security and border, immigration and citizenship.

Membership:

Permanent Secretary (chair), the Second Permanent Secretary, Home Office Directors-General, and law enforcement and security partners. Also, Non-Executive Directors on an ad-hoc basis depending on agenda.

Portfolio & Investment Committee

Chair: DG, Capabilities and Resources

Considers and makes investment approval decisions on programme and project business cases, and reviews the overall Home Office portfolio and regularly scrutinises individual programmes and projects during their lifecycle.

Finance & Workforce Committee

Chair: DG, Capabilities and Resources

Acts as an advisory group for the development of financial and workforce strategies to ensure the Department's current and future budgets are used effectively to deliver strategic aims for submission to the EMB and Departmental Board for decision making. The committee takes decisions with respect to certain procedural issues and agree on strategies for evaluating issues which cut across various functional areas. It provides corporate oversight of the management of budgets and workforce, and also ensures that there is optimal coordination across the Department to deliver business plans.

Senior Leadership Group on Risk & Safety

Chair: Director, Performance & Risk

An executive group that reviews and monitors the main risks to the Home Office and advises the EMB and Departmental Board on what should be included on the corporate register, the effectiveness of mitigation measures, and the maturity of risk management procedures across the Department.

People Board

Chair: DG, Capabilities and Resources

Responsible for the strategic oversight of the people agenda across the Home Office and for all decisions related to it including all Home Office people management and leadership issues.

Senior Talent Board

Chair: Permanent Secretary

Oversee senior talent management in the Department with a focus on individuals. It deals with related policy issues, such as Senior Civil Servants pay, the leadership model and the resilience of succession plans across the organisation, its recommendations are made to the EMB for final agreement.

Nominations and Governance Committee (NGC)

As explained in the Home Office's Annual Report & Accounts for 2014-15, at the last meeting of the NGC in April 2015 it was agreed that the Committee's responsibilities in relation to identifying and developing leadership and high potential, scrutinising the incentive structure and succession planning would be split between the EMB and Senior Talent Board (STB) with appropriate Non-Executive oversight.

The areas of interest previously covered by this Committee are also now firmly embedded in the Home Office People Capability Strategy. The People Board was established with delegated authority from EMB for the strategic oversight of the people agenda across the Home Office. More recently, a combined EMB STB was established with NGC responsibilities now firmly rooted in the agenda for the 2016-17 business year.

The Corporate Governance in Central Government departments: Code of good practice (2011) allows each department a level of pragmatism in the way the principles of the Code are implemented if justifiable for good governance. In view of this, and the above statement, the NGC will be disbanded.

Evaluation of Board Effectiveness

This has been provided with the lead non-executive board member's report on page 37.

Governance Compliance

Government policy on departmental governance is outlined in Corporate Governance in Central Departments: Code of Good Practice (Cabinet Office, July 2011). 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 the Home Office Departmental Board, with one exception. The Chief Internal Auditor (CIA) does not receive an invitation to attend the Departmental Board. However, the CIA does have the facility to provide updates and briefings to the EMB as well as routine sight of the Board agendas and papers. Additionally, the CIA also has a programme of one to one sessions with the Permanent Secretary.

The Departmental Board has oversight of delivery of the Department's Business Plan. Through its operation, it assures sound financial management; 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; and ensures the Department has the capacity to deliver against current and future needs.

Risk Management

Risk management is one of the key processes in the Home Office, and is integral to achieving our mission to keep our citizens safe and our country secure and to deliver our goals to prevent terrorism, cut crime, counter extremism, protect the vulnerable, control immigration and promote economic prosperity.

Our strategy has three elements: ensuring all our people have an awareness and understanding of the risks that affect the public and our business; ensuring that our people are competent at managing risk; and that our management controls assess risks and act to prevent, control or reduce them. Our risk systems are audited each year to test the robustness of our governance.

Our risk management approach is to be clear about what we are trying to achieve; to identify what might stop us from achieving these objectives; to assess the risks identified; to take action to mitigate them to an agreed level and then to review progress through a structured process which is set out in the Home Office Risk Management Policy and Guidance document. We expect our managers to lead by example and ensure risks are identified, assessed and managed. We encourage frontline staff to identify risks and speak out about their concerns to their managers.

Our dedicated Performance and Risk Directorate brings together key control and assurance functions, such as performance reporting and analysis, security vetting and integrity inspections, Internal Audit and the Continuous Improvement Unit. These functions provide objective, clear and timely insights into how effectively the Department is operating and help identify key threats. The Home Office continues to develop tools and techniques to improve its performance and better manage its risks. In the last year this has included a focus on horizon scanning and contingency planning to improve early risk identification and preparedness.

Each month managers across the Home Office, including all of our executive arms length bodies, ensure that their local risk assessments are up to date and have been reviewed. These feed into the Senior Leadership Group on Risk and Safety and then to the Home Office EMB and Departmental Boards. Information from these boards is fed back to the Risk Improvement Forum, so that all risk coordinators, who support the Risk Directors, can cascade the latest intelligence on our top risks, levels of exposure and readiness back down through the networks of risk coordinators embedded in all areas of our business. In addition quality assurance is provided by the main Home Office ARAC, as well as the audit committees that sit in other Home Office bodies. Home Office Internal Audit is closely involved in the management of the risk cycle including an annual audit of the effectiveness of our risk arrangements.

The nature of the Department's business means that it has to manage a range of significant risks across its operational, policy and enabling functions. The Department is currently undergoing significant transformation to modernise and improve efficiency. The main strategic risks to the Department are recorded in the Home Office Corporate Risk Register. A full refresh of the Home Office Corporate Risk Register was undertaken during 2015 and risks are amended as necessary. The primary risks contained in the Corporate Risk Register are currently:

- the volume of immigration threatens the integrity of our controls;
- failure to identify, stop, manage or remove (from the UK) high-risk individuals;
- failure to prevent a terrorist attack against the UK and counter all forms of extremism;

- failure to drive reforms of law enforcement capability to tackle falling but evolving crime;
- failure to co-ordinate the approach to online activity, including internet crime, cyber-crime and terrorism; and
- failure to identify and respond effectively to child sexual exploitation and abuse and exploitation of vulnerable groups within society, including modern slavery.

Policing

Changing nature of crime

Issues around the changing nature of crime, and trends in police recorded crime data, have continued to be a particular challenge. Although the Crime Survey indicates that ‘actual’ crime as self reported by victims has fallen, this year has seen significant rises in certain types of police recorded crime (e.g. violence and sexual offences, including against children). These rises can be explained in part by the ongoing impact of 2014’s HM Inspectorate of Constabulary (HMIC) report of crime recording in every force, as well as by efforts by the police and others to encourage victims to report sexual offences, fraud and domestic abuse. In parallel, we are working closely with colleagues in Office of Security and Counter Terrorism/Strategic Centre for Organised Crime to manage the impact of the Office for National Statistics developing their estimate for the first time of the number of frauds and cyber crimes, which will be added to the Crime Survey total during the course of 2016

Increased reporting of Child Sexual Abuse (CSA)

There continues to be an increase in reported contact and online cases of child sexual abuse. This is for a number of reasons, including high profile cases, the outcomes of proactive investigations by police forces, and improvements in the recording of offences. In the ‘Tackling CSE’ report in March 2015 the Department announced some major steps and funding to improve the police and other agencies response to this crime, including designating CSA as a national threat in the Strategic Policing Requirement, setting up a £7 million fund in 2015-16 for voluntary organisations that support survivors, and putting in place a network of regional coordinators and analysts to improve the national picture of offending. We continue to deliver and oversee a cross-Whitehall programme of work to overhaul the way in which policing, social services and health respond to this crime.

Reform of the Police Funding Formula

Following an error in the figures provided to policing partners during our engagement on the proposed new model in October 2015, Ministers agreed to delay implementation of the new model. We have been clear that what happened was unacceptable, and Ministers have apologised to Parliament and to Police and Crime Commissioners (PCCs) and police forces for it. We have now put in place additional scrutiny processes around the release of further data, including personal sign-off by the Department's Chief Scientific Advisor, to ensure that such a situation does not happen again. In the interim, existing arrangements will continue until a new model is developed. The reform of police funding will be aligned with proposals for the Police Transformation Fund which were announced in November 2015.

Following the Spending Review announcement in November, we are now developing proposals to take forward work on the Police Transformation Fund and reform of the funding model.

Police Efficiency

As recognised by HMIC's first PEEL Efficiency Inspections, forces can do more to deliver greater efficiency. The reports, published in October 2015, conclude that there is scope for further savings to be achieved by the vast majority of forces without affecting the level of service to the public through, for example, greater collaboration across operational and support services, better understanding and managing demand, improved procurement of goods and services, or by improving productivity.

Public Accounts Committee (PAC) Report: Financial Sustainability of Police Forces (published 9 September 2015)

Recommendations covered the work of the College of Policing (the College) and HMIC as well as the Home Office. The accepted recommendations and their implementation status are:

- the Home Office to work with other departments to prevent the police bearing the impact of their spending decisions: this was completed as part of Spending Review work;
- HMIC to identify scope for joint inspections of services where cuts may affect the police: this is already within HMIC's remit;

- the College continues to recognise its role in increasing business skills as part of the recommendation that the College needs to ensure police officers have the requisite business skills to manage police forces effectively. Offerings include business orientated modules within the Senior Leadership programme such as Engaging Leadership, Organisational Change and Strategic Finance and, business skills modules in its Strategic Command Course (SCC). The College says these in particular help delegates to explore ways to lead strategic transformational change, deliver an ethical and value for money service to meet current and future needs. The course is currently delivered by an independent business school (Cass Business School), and passing this is a requirement for anybody looking to progress to Chief Officer level. The SCC course is due to be reviewed later this year, as part of a procurement exercise. This might result in a change of provider and additional business course content. The College continues to discuss its overall business skills offering and plan to provide a further update by July;
- Home Office and the College to ensure a common standard for measuring demand, used to provide comparable and accessible data on all forces: HMIC's new force management statements, to be piloted in 2016, are intended to ensure that information on forces' available resources and the demand they face is produced to an agreed standard and accessible to chief constables, PCCs and the public; and
- Home Office to ensure effective scrutiny of PCC and force outsourcing decisions: this will be accomplished through the extension of HMIC's inspection powers proposed as part of the Policing and Crime Bill which was introduced to Parliament in February 2015.

At the PAC's request, a progress report will be provided by the end of 2016.

Confiscation orders

In December 2013, the NAO published a report which found that the government's administration of confiscation orders was not working well enough and did not provide value for money. Confiscation orders are the main way through which the government carries out its policy to deprive criminals the use of their assets and to disrupt or deter criminality. In January 2014, the PAC held a hearing into confiscation orders and published a report making six recommendations for improvement. Since 2014 the criminal justice bodies have improved how they administer confiscation orders, with greater focus on enforcement and better joint working across the bodies. Nevertheless, a second NAO report, and a further PAC hearing this year, were critical of the rate of progress. A second PAC report is likely to be published shortly making further recommendations.

Borders/Immigration and Visas

Border controls

The NAO published its report on e-Borders and successor programmes on 3 December 2015. The report looked at the reasons for the failure of e-Borders.

We have looked to learn from the lessons of this following publication of this report.

We have allowed sufficient time and implemented improved planning processes within the overall programme timescales to allow for effective procurement and mobilisation. There is also better connectivity with key business partners, allowing for effective use of frameworks and mechanisms. Artificial deadlines no longer get in the way of good governance and correct programme management, and there is a clearer and more robust governance arrangement in place through the establishment of a Portfolio Board with clarity on roles. Engagement with key suppliers is now on a stronger footing, with specific Directors assigned responsibility to manage relationships with suppliers. The previous landscape of a multi-supplier environment has been simplified, with the number of suppliers reduced to those for Semaphore, Warnings Index, and Cyclamen.

Management capability across the portfolio has been reinforced and there has also been a significant investment in ensuring that the individuals appointed into key roles have the right level of experience and skills. In parallel, there has also been a strengthening of capability within the Portfolio Office, which also now manages the short-term and longer-term capability of the Portfolio. Finally, there is a clear transformation narrative and, within this, very clear operating model design statements and a full suite of design products in place for the current scope of Digital Services at the Border Programme (DSAB) priority workstreams.

Published operational instructions and guidance, and officers' record keeping had been identified by the Border Force Operational Assurance Directorate and by the Independent Chief Inspector of Borders & Immigration as matters of concern in last year's Governance Statement. In response Border Force completed a project to modernise and reconcile all existing Border Force guidance where 491 separate documents were reviewed. As a result 64 pieces of unnecessary or outdated guidance have been deleted and a central IT platform has been created making guidance easily accessible for all staff. A new digitised 'End of Shift Report' is being created in order to improve record keeping in relation to the use of arrest and search powers by frontline officers. Further work is ongoing to ensure the right mechanisms are in place to ensure effective future maintenance of guidance and records.

Advance Passenger Information (API) coverage, that is routes connected to Semaphore, across all modes of transport has increased from a total of 81% in December 2014 to 93% in December 2015.

Replacing the Warnings Index and Semaphore systems

The DSAB programme was mentioned in last year's statement as a replacement for the Warnings Index and Semaphore system. New contracts for ongoing support to the Warnings Index (WI) have been signed. These provide for up to four years of business continuity for WI operations; improved service levels; simplification in management and cost reductions for any further WI change; flexibility in the transition to DSAB Border Crossing; and financial savings on annual running costs of around 10%.

The DSAB programme team has worked to ensure that the user requirements are in place for the Southampton pilot of the Border Crossing system, which will ultimately replace the WI. Effort has been expended on error handling and the robustness of each component as well as end to end testing. Good progress has been made on the fingerprint services, the Interpol services and the data ingest services. The current timetable shows the Border Crossing solution being deployed during July 2016.

Semaphore: a three year extension of the existing Semaphore contract with IBM has been signed, the software licensing arrangements have been revised to reduce costs and increase flexibility in the transition to a new set of border applications being developed by the DSAB programme. This provides business operational support and continuity until at least April 2019.

Clandestine Surge

High volumes of new asylum applications increased pressures on all aspects of the asylum process, most immediately on the national asylum intake units. The unit in Kent has been at the forefront of the migration situation, with exploitation of vulnerabilities of the Eurotunnel freight transport route into Folkestone placing additional pressures on detention space and UKVI staff. August 2015 saw the Kent unit deal with a 436% increase in clandestines in comparison with the same time last year. The unit dealt with 7,518 new arrivals in the 2015-16 financial year with 4,816 of these arriving within a four month period (July – October).

On 23 July, Asylum Operations initiated a critical incident (CI), Operation Cowl, implementing a Gold, Silver, Bronze command and control structure and successfully managing the situation. The CI was initially due to the pressure on the local authority, Kent County Council, which impacted their ability to place unaccompanied asylum seeking children into appropriate care. The operator had oversight of far reaching policy work with Department for Education colleagues to implement a national dispersal system and to find other local authorities able to support out of county placements. Working in conjunction with the Children's Commissioner for England, Local Government Agency and internal stakeholders, the CI was reopened by Asylum Operations on 10 October due to increasing volumes of arrivals and was jointly run by UKVI and Immigration Enforcement.

On 31 August the Kent Unit opened a new facility to process a larger number of applicants within the Intake Unit. This has increased capacity and throughput, saves an average of 6 hours detention time per applicant and makes considerable asylum support savings by frontloading the completion of access to support forms.

Detained Fast Track

We were unsuccessful in a legal challenge relating to the application of the Detained Fast Track rules earlier in this financial year. We sought to appeal to the Supreme Court but were unsuccessful in challenging the Court of Appeal's judgment that the 2014 Fast Track Rules were ultra vires. As a result, we suspended the Detained Fast Track process until Ministers were satisfied that a new process and rules were in place. An interim process has been introduced to consider whether asylum applications made by detainees are justified according to the pre-existing general detention criteria.

Two legal challenges remain on-going: one seeks to have the 2005 Fast Track Rules declared ultra vires and the other seeks to challenge the interim procedures as amounting to an expedited asylum process. Litigation also continues around those who had appeals under the 2014 Fast Track Rules challenging their detention whilst in Detained Fast Track.

Educational Testing Services (ETS)

Last year's Governance Statement referred to the widespread fraud in ETS secure English language tests. We are continuing to respond to this and so far this year we have been informed by the ETS of over 33,000 invalid certificates and 22,000 questionable ETS English language certificates.

The latest Home Office transparency data which was published on 26 November 2015, covering the period to the end of September 2015, has shown that over 28,200 individuals linked to ETS have had refusal, curtailment and removal decisions taken. The transparency data also shows that 104 private colleges have had their licences to sponsor international students suspended, from which 87 had been revoked. The first proxy test taker has been convicted, and the first prosecution against organisers was listed for hearing at Southwark Crown Court in April 2016.

Immigration Act

The implementation of the new Immigration Act include the new "single power" process for removal, which will enable an increased volume of returns from detention. Challenges, however, remain in handling non-detained cases, as the majority of these cases remain unsuitable for enforcement.

There were around 5,200 Foreign National Offender removals in 2014-15, and we are on course to exceed that this financial year thereby reducing the size of the Migration Refusal Pool to its lowest level ever.

Following the collapse of sham marriage trials in October 2014 and subsequent Independent Police Complaints Commission (IPCC) investigations, we have built upon the initial corrective measures taken and developed a comprehensive assurance regime consisting of a new business standards framework, including reporting processes focused on case reviews and professional best practice as well as an overseeing inspection and review team.

Detention Operations

In relation to the allegations raised around staff conduct at Yarls Wood and Harmondsworth in February 2015, HM Inspectorate of Prisons (HMIP) have since published reports on both removal centres. An action plan for Yarls Wood was published in August 2015 and Immigration Enforcement is currently preparing its response to HMIP's Harmondsworth recommendations. Serco has also accepted recommendations made by Kate Lampard's report, an independent review on culture and staffing at Yarls Wood, which was published in January 2016. The report stressed the challenges of managing the centre but found that there was not a hidden abusive culture among staff.

The Shaw review of the detention estate published in January 2016 has recommended a major programme of operational change over the next 2 years.

Home Office transformation.

A new team has been established to drive and co-ordinate transformation of the Border, Immigration and Citizenship System in line with wider objectives for Home Office transformation by 2020. A work programme has been established overseen by the Immigration Strategy and Performance Board. A key component of transformation is making better use of data and differentiation by risk. Exit checks data is a key enabler for this.

Implementation of Exit Checks Programme

Our current data sharing processes are not sufficiently scalable to meet our future data-sharing ambitions with Other Government Departments and others. Our requirements for a long term digital solution to help address this forms part of our wider IT and digital transformation plans.

In addition, as part of the Department's operational response to Exit Checks a two stage contact management system is being implemented: "Nudge" contact, for those whose visa to stay in the UK is close to expiry date and "Contact Management", for those who have overstayed the expiry of their visa. The former has now gone live with the "Contact Management" strand due to go live April/May 2016.

Recommendations from the Independent Chief Inspector (ICI)

Two IE focused reports have been published over the last 9 months – an Inspection of how the Home Office tackles Illegal working and an Inspection of Removals. Action plans are in place to address the 12 accepted and two partially-accepted recommendations from both reports. Key recommendations from the Illegal Working Inspection related to communication and mechanisms to ensure operational guidance was aligned with legislation, understood, and applied correctly. These are being addressed as part of the relevant action plans.

Reducing net migration

The Reducing Net Migration Board continues to meet regularly and adopt a cross system view of the migration system to identify operational and policy responses to tackle abuse and reduce net migration to the tens of thousands. To tackle non-EU migration, we have tightened the legal migration routes into the UK, including recent changes to the student visa route and we have commissioned and received advice from the Migration Advisory Committee on what further changes are needed on the Tier 2 skilled worker route.

Migratory flows

The Asylum Taskforce continues to meet to take a cross asylum system view on resolving issues, including; accommodation capacity, removals, intake, support and UK Visas and Immigration casework efficiency. It has considered the approach and contingency arrangements for managing current pressures on the asylum system as a result of the increase in migratory flows across Europe and options to reduce pressures on the system in the longer term. Separately, the Syrian resettlement programme has been established to deliver the Prime Minister's pledge to resettle 20,000 of the most vulnerable Syrian refugees over this parliament, through to May 2020.

A UK/France Joint Declaration on enhancing tunnel security, policing co-operation and managing migrants in the camps was agreed between the Home Secretary and the French Interior Minister on 20 August 2015. This included tens of millions of pounds allocated towards joint work to upgrade port infrastructure and improve the security situation at Calais and other juxtaposed ports. Regular bilateral meetings are taking place to monitor implementation of commitments. Policy work is ongoing to increase cross-departmental focus to address irregular migratory flows towards the UK. The Second Permanent Secretary chairs regular cross Government meetings on European migration, which oversees management of key risks and operational issues.

Passports

The majority of incidents that were reported within the UK by the Security Liaison Network related to addressing and labelling errors. These represented a small fraction of overall output. However, all cases were investigated and in most instances they related to human error and/or poor process management which are being addressed at a local level. The central team continue to monitor and report incident data on a monthly basis and where possible highlight any trends to the HM Passport Office Management Board.

Corporate

Undercover Policing Inquiry

On 16 July 2015, the Home Secretary published a written ministerial statement confirming the Undercover Policing Inquiry's terms of reference. The inquiry has been set up under the Inquiries Act 2005, with the power to compel witnesses to give evidence. It will investigate undercover policing units – including the Special Demonstration Squad and National Public Order Intelligence Unit – operating in England and Wales since 1968, including the extent to which they targeted individuals and groups such as political and social justice campaigns.

At the end of October the inquiry sponsorship function transferred to the Corporate Services Delivery Team to preserve independence from Crime and Policing Group in its capacity as a core participant.

Contract performance management

The NAO conducted a VFM review of the government's use of consultants and temporary staff that included the Home Office's approach, the final report was published on 13 January 2016.

The Home Office came out of the study well and was cited for examples of best practice. There were some critical comments particularly around the tenure of some engagements, which are being addressed. As a matter of priority, work has started on reviewing and updating the Governance for Consultancy and Temporary Staff and contingent labour workforce management policy/guidance.

The PAC has published a progress review following the 8 February 2016 hearing on Transforming Contract Management attended by the Home Office, MOJ and Cabinet Office. Six recommendations were made to the Cabinet Office and departments, against which the Home Office are already compliant or partially so with well developed plans to complete the recommendations. Over the past year the Home Office has made considerable progress in improving how contracts are managed within the business.

Contract performance management at an operational level has mostly transferred to the operational business whilst oversight and the application of commercial and contractual levers remain with the Commercial Directorate.

Commercial staff maintain oversight and follow guidance set out in the Supplier Management Policy and Contract Management Manual. A dashboard has been implemented to provide weekly reporting of core requirements for critical and core contracts coupled with recording of provisional savings, achievements, dispute progress and upcoming matters. Reports support upwards reporting on strategic objectives and evidence delivery of corporate and performance appraisal objectives. The dashboard has led to improved visibility of contract management for our strategic and operational contracts and includes a balanced scorecard showing RAG ratings for relationship, performance, payment and risk that was drawn from our lessons learned on previous contracts.

Technology Strategy

We are currently finalising our new technology strategy for the Home Office. This will build on the last published strategy and continue to focus on how we improve and join up our technology deliveries to the Home Office operations. It will explain both our technical principles as well as show how the revised Home Office Technology organisation structure will truly enable the business transformation plans across the Department. We will also show how the move towards building common components, platform and products will both speed up delivery and aid the join up of business processes. A focus on secure but joined up data exploitation will also be a key feature of this new strategy.

Implementation of the Single Operating Platform (SOP) to replace the Home Office's current Oracle system, is a part of the wider Next Generation Shared Services initiative to share services and a system across a number of government departments. The Home Office was expected to go live on the SOP system in July 2015. This did not happen on the expected go live date. The Home Office is in negotiation with the Cabinet Office and the supplier (Shared Services Connected Limited) to address this. The Home Office is also working with the Cabinet Office, as the Framework Authority, on issues as part of the Government wide reset initiative.

Cyber Security

A number of technology delivery programmes are planning to build modern replacements for many of our core legacy systems, and this will include modernisation of many of the security controls making them more appropriate to new types of technology and more flexible usage.

The Department takes a variety of actions to assure itself of the security of its systems. For example, we carry out IT Health Checks (Penetration Tests) of new systems to establish any potential gaps or weaknesses in a system and put in place remediation plans to address these. Actions can also include going through a formal process of accreditation which considers the balance of security measures against data risks.

The Capabilities and Resources Directorate are leading work to assess protections around many core Home Office data sets; this will form the basis of our input to the Cabinet Office Bulk Data Risk Response Programme.

Arm's Length Bodies

The Disclosure and Barring Service (DBS) has come under significant pressure due to delays in obtaining checks from a small number of police forces. This has resulted in heightened interest in its work from Members of Parliament and individuals who are waiting longer than expected for their certificate. Backlogs within the Metropolitan Police Service (MPS) remain high and the Safeguarding Director has held meetings with both the DBS and MPS to stress that it is critical the backlog is reduced and that the checks are provided within the Service level agreement.

The High Court handed down judgments on 22 January and 19 February on challenges to the DBS filtering arrangements. In both cases, the Court found that the current system set out in the Police Act 1997 and the Exceptions Order to the Rehabilitation of Offenders Act 1974 was not in accordance with the law. The judgments said that rules-based legislative schemes (like the criminal records scheme) could result in harsh outcomes at the margins and may well breach Article 8 unless they include an appropriate mechanism for proportionality review in individual cases. These judgments carry risk to the operation of the DBS disclosure regime which supports the objective of protecting the public. In order to mitigate the risk, we are working with the Ministry of Justice and Government Legal Department to respond to this judgment and identify the evidence base to inform possible legislative changes. The Court has granted permission to appeal these judgments and we are expecting a Court of Appeal hearing to be scheduled shortly.

The Independent Police Complaints Commission (IPCC) continues to be in the process of a large and complex change programme to enable the organisation to deliver a greater workload. This combined with legislative change and governance change, neither of which are yet fully specified and therefore unable to be appropriately resourced, creates a significant risk for the IPCC.

The College of Policing made some significant progress during 2015-16, including publishing the Leadership Review. Recommendations to reform the police workforce are now being taken forward. Work remains to fully establish its role in policing. The Assurance Review commissioned by the College in 2015 made a number of recommendations including: the

College should produce a policy document, in collaboration with Home Office sponsors, setting out the various areas of potential misalignment and misperception. This should then form the basis of a discussion between the Home Secretary, the Chair and the Chief Executive to recalibrate the strategic relationship. Membership is key to the College business plan. It is therefore critical that their membership facility is operational and successful. The College will need to set clear priorities that are understood by its stakeholders and use its governance and management systems to ensure that new commissions are processed, with accurate reports to keep its customers informed of progress.

Internal Audit reports

The Internal Audit (IA) unit has undertaken a range of work across Home Office business areas. Summaries of finalised reports are received by the Department's ARAC. The Chief Internal Auditor has indicated that a moderate overall assurance rating is appropriate. This opinion is derived from the findings of the programme of work performed so far, which has included reviews of key areas across a range of component parts of the Home Office. The specific reasons for assurance ratings and recommendations made in separate audits are many and varied. The Chief Internal Auditor's view is that the measures being put in place to develop corporate capacity and capability in risk management, governance and internal control are positive and the direction of travel is still one of improvement. In forming his opinion he has previously highlighted the need to:

1. Improve guidance for staff.
2. Establish effective second line of defence capability in the Department.
3. Implement outstanding agreed internal audit recommendations.

In reaching a moderate opinion this year he has noted the following improvements

1. The programme to improve guidance led by IIPG is advancing albeit with lots still to do. He will be carrying out further specific audit work on this during 2016-17, but considers that the indications so far are promising.
2. Second line of defence arrangements in the operational parts of the business are much more established than 2-3 years ago although the level of maturity varies. He has also recommended increased central co-ordination to drive value for money and ensure coverage of key risks and coverage of the Department's Assurance Framework. The emphasis is on reducing the costs associated with rectifying problems by avoiding them.

3. The number of outstanding Internal Audit actions has declined by a third over the last year. This is good progress and the focus that ARAC, EMB and now the Departmental Board have lent to this is recognised. He emphasises the importance of having a systematic approach to keeping on top of internal audit actions plus those actions that relate in particular to NAO, PAC, Independent Chief Inspector of Borders (ICI), HMIC and HMIP reports.

Whistleblowing

Since April 2004 the Home Office has had a whistleblowing policy in place to address concerns about past, present or imminent wrongdoing that conflict with the Civil Service (CS) Code. At the end of 2014 the Government accepted a series of recommendations made by the PAC which focussed on ensuring whistleblowers are supported and that departments are accountable for the effectiveness of their practices, including collecting and reporting data to the Cabinet Office. In response to the PAC recommendations it was agreed that the Department's whistleblowing arrangements should be reviewed to improve access for staff wishing to raise a concern while also improving reporting options to ensure effective compliance with Cabinet Office reporting requirements.

The revised 'Whistleblowing and Raising a Concern' policy and procedure, which was launched in November along with a hotline and email, transferred responsibility for the whistleblowing process to Corporate Security while retaining the policy in HR. The DG Capabilities and Resources has overall responsibility for whistleblowing at board member level to ensure that whistleblowing obligations are met and to work with the Permanent Secretary to ensure that it is regularly considered by the Board and the ARAC.

No concerns were raised in the year preceding the launch of the revised arrangements. The aim is to encourage staff to report any concerns they have about wrongdoing as soon as possible in the knowledge that it will be dealt with correctly and that, when properly raising the concern under the whistleblowing procedure, they will be protected from any unfair treatment.

Analytical Quality Assurance (AQA)

The Home Office set up an expert working group in early 2015 to develop the programme for analytical quality assurance across the Department. All DGs submitted their analytical models for assessment to identify those that were 'business critical' which has been defined as, anywhere the cost being modelled is greater than £25 million or scores 'High' in four or more of seven criteria. The Home Office have 17 business critical models on a register. These models will be subject to rigorous and challenging quality assurance that is effective and relevant. Each model has a Model Senior Responsible Owner (MSRO) and an SRO who commissioned the analyses/modelling. Every time the model

is modified the MSRO and the SRO must sign off the results stating that appropriate and effective AQA has been undertaken, that there are limitations/caveats to the model and that the results will only be used for the purpose the model was designed for.

The Home Office has set up the AQA Model Board, which met in February, consisting of senior civil servants from across all areas of the Department. The Board has an independent Chair, Professor Mike Pidd, an academic expert in operational research at Lancaster University who is also a member of the Home Office Scientific Advisory Council. The results of business critical model AQA are reported to the Board on a quarterly basis. The Board reports to the Senior Leadership Group on Risk and Safety and to the EMB. The EMB have appointed an AQA Champion who sits on the Board. The Board also receives a report on AQA on all modelling/analyses from all units within the Department on an annual basis.

The AQA scheme was launched at the Home Office Analytical Community Conference in November 2015. The Home Office recognise that although robust and effective procedures and structures are now in place there is still room for improvement. Throughout 2016 the Department will ensure that all analytical and relevant policy/operational staff will undergo familiarisation with the AQA programme and promote a culture across the Department that values AQA.

Financial Management

The way in which the Spending Review 2015 (SR) settlement was agreed demonstrated how well our overarching finance strategy supports the Department. The SR settlement provides the clarity needed to develop transformation plans through to 2020, it also enables us to provide operational areas with their spend allocations and, with these allocations in place, the firm basis for those DGs to set-out their strategic plans.

The Strategic Defence and Security Review, which was published in November set out the Government's key priorities for national security and the SR settlement included a 30% increase in real terms spending over the course of this Parliament to fund additional investment in counter terrorism policing, aviation security, digital passports, and improved technology and intelligence systems to strengthen our border controls.

In year, the Home Office came under significant financial pressure during the first three quarters of the financial year. The in-year financial position has been highlighted, and discussed, at monthly EMB and resulted in having to make some difficult decisions, including reductions to staff voluntary exit schemes and targeted reductions in change spending whilst putting in place measures to maximise income and apply strict restrictions on contract and estates spending. Effective controls are in place to monitor HM Treasury's key control totals.

The 'Finance for the Future' change programme concluded last year resulting in the creation of a strengthened consolidated finance team. This transformation programme continues and the focus is now on further improvements through the launch of the "Finance Excellence" programme, as part of the Home Office "Excellence Campaign". This phase of transformation maturity has already seen the Finance Business Partner function reorganised and strengthened.

The Department has demonstrated effective cash management throughout the financial year. This included managing the cost pressures associated with the Syrian and Northern Europe migrant crisis as well as the Riot Damages Act consequential loss litigation (now resolved with Supreme Court judgment in our favour). In February we successfully transitioned banking arrangements from Citibank to RBS Nat West, as part of a Cabinet Office initiative to rationalise banking arrangements across government.

Localism

A large proportion of Home Office funding is directed through grants to local delivery organisations. Assurance is gained regarding probity 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 financial 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. Grants 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 (PCC) 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 would be directed towards enhancing their policing capabilities and operational policing activities to comply with the Police Act 1996. PCC 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.

Conclusion

The Department continues to undergo significant organisational change, including the transfer of responsibility for fire and rescue policy from the Department of Communities and Local Government (DCLG). We continue to review processes, policies and procedures within a rapidly changing environment.

The Chief Internal Auditor has given a moderate overall assurance rating reflecting the improvements that we have strived to make. This is a marked improvement since this time last year when a low assurance rating was appropriate. I am satisfied that improvements are being made in the areas highlighted in his report, and also that the governance arrangements that are in place are sufficient to continue managing risks effectively. I am confident that based on the review outlined above, the Home Office has a sound system of governance, risk management and internal control that supports its aims and objectives and ensures continuous improvement.

Mark Sedwill
Accounting Officer
14 July 2016

Annex to Governance Statement

Board and Committee attendance during 2015 – 16

Name of Board member	Meeting attendance per board member of meetings eligible to attend		
	Departmental Board	Executive Management Board	Audit and Risk Assurance Committee
Rt Hon Theresa May MP Home Secretary	4/4	N/A	N/A
James Brokenshire MP Minister for Immigration	3/4	N/A	N/A
Karen Bradley MP Minister for Preventing Abuse, Exploitation and Crime	3/4	N/A	N/A
Rt Hon Mike Penning MP Minister for Policing, Fire and Criminal Justice and Victims (Jointly with Ministry of Justice)	2/4	N/A	N/A
Rt Hon Lord Bates Lords Minister	0/3	N/A	N/A
Rt Hon John Hayes MP Minister for Security (From 12 May 2015)	4/4	N/A	N/A
Lord Ahmad Minister for Countering Extremism (From 12 May 2015)	3/4	N/A	N/A
Richard Harrington MP Parliamentary Under Secretary of State (jointly with DCLG and DFID) (From 14 September 2015)	2/3	N/A	N/A
Baroness Shields OBE Minister for Internet Safety and Security (jointly with DCMS) (From 3 December 2015)	1/2	N/A	N/A
Mark Sedwill Permanent Secretary	4/4	15/15	1/5
Oliver Robbins Second Permanent Secretary (From 15 September 2015)	0/3	6/7	N/A
Charles Farr DG Office of Security and Counter-Terrorism (until 15 December 2015)	2/2	9/11	N/A
Paul Lincoln Acting DG Office of Security and Counter-Terrorism (from 15 Dec 2015)	1/2	4/5	N/A
Mary Calam DG Crime and Policing Group	4/4	14/15	N/A
Mandie Campbell DG Immigration Enforcement	3/4	14/15	N/A
Mike Parsons Chief Operating Officer	4/4	15/15	5/5
Julie Taylor DG People and Transformation (from 1 May 2015 until 31 March 2016)	3/4	13/13	1/5
Kevin White DG Human Resources (retired 10 July 2015)	N/A	2/6	N/A
Peter Fish DG Legal	4/4	15/15	N/A
Sarah Rapson DG UK Visas and Immigration	3/3	11/14	N/A
Charles Montgomery DG Border Force	3/3	13/14	N/A
Mark Thomson DG HM Passport Office	4/4	11/15	N/A
Peter Storr Acting DG International and Immigration Policy Group (until September 2015) International Director & Senior Director for International and Immigration Policy Group (from September 2015)	4/4	9/14	N/A
Sue Langley Lead Non-Executive Director and Chair Audit & Risk Assurance Committee	4/4	5/8	5/5
Suzy Levy Non-Executive Director (From August 2015)	2/3	2/2	N/A
Adrian Joseph Non-Executive Director (From August 2015)	3/3	3/3	N/A
Alan Brown Non-Executive Director (Until December 2015)	2/2	3/4	4/4
Anne Tutt Independent member, Audit & Risk Assurance Committee	N/A	N/A	5/5
Terry Price Independent member, Audit & Risk Assurance Committee	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 do so only when they are invited.

Remuneration and Staff Report

Staffing

Our diversity strategy

The Department's vision is to make the most of our diversity by promoting effective and authentic leadership, by seeking behaviour change, and by securing tangible outcomes. Four interlinking strategic aims were set out in the strategy for 2013–16 to help us achieve this:

- Leading a diverse workforce;
- Creating a representative workforce;
- Delivering an inclusive working environment; and
- Improving how we deliver services to the public

The strategy is being renewed and will support our key aims by concentrating on developing our talent, sustaining effective leadership, supporting an inclusive culture and developing inclusive policies.

The Home Office Diversity Strategy Board (DSB) has been responsible for setting and overseeing the delivery of the strategy.

The responsibilities of the DSB are to:

- Define and set the Department's strategic direction on diversity;
- Drive the development of an organisational culture that is inclusive and recognises, respects and values difference; and
- Holds business areas accountable for mainstreaming equality and diversity into their business to deliver their objectives.
- The role of the Home Office, diversity champions is to foster and embed equality for a designated specific protected characteristic within the Department, to improve performance as an employer and in the service we deliver to our customers.

Gender

The Home Office is committed to ensuring that both men and women are able to reach their full potential in the Home Office. We are continuing to look to attract a larger number of female senior civil servants to work in the Department.

The Home Office is a member of 'Opportunity Now' – a business-led organisation that works to highlight the business benefits of gender equality in private, public and education sectors. We are also

Home Office accolades

Gold benchmark in Race for Opportunity (Race); Top 10% of public sector organisations for Opportunity Now (gender);

Stonewall star performer – Top 10 of employers

Times top 50 employers for women

participating, along with other Whitehall departments, in a project run by the Demos consultancy company to look at the benefits of women's networks, especially in the public sector.

In addition we have held focus group discussions, to explore the Women in Whitehall report's findings and recommendations on the barriers to the progression of talented women. These discussions identified four common themes around: leadership and culture; children and ageism; policy and practice and the retention of talent. In January 2015, the DSB agreed priorities to be taken forward, which include focus on supporting women to fulfil their potential, confidence building and improving opportunities by providing better support for parents and pro-actively promoting flexible working opportunities.

Number of male and female employees¹

	Female	Male	Total at 31 March 2016
Directors ²	3	8	11
Senior Managers ³	93	158	251
Employees	16,095	14,939	31,034

Recruitment policy

In May 2010 an external recruitment freeze was announced across the Civil Service. Exceptions to the recruitment freeze continue to be approved in accordance with Cabinet Office Guidelines. During the year, the Home Office filled 1,303 vacancies through external recruitment. The majority of this recruitment was to support the delivery of frontline business objectives. The remaining external recruitment filled specialist posts where the Department was not able to source suitable candidates from within the Civil Service, for example, roles supporting the 'Digital by Default' agenda.

Employment of disabled persons policy

We work to ensure that disability is not regarded as a barrier to recruitment or promotion. The Department is committed to ensuring that disabled staff have access to the same opportunities as other staff, not only when they first join the Department but at all stages in their career. Additionally, we provide internal support to staff with disabilities through the Home Office disability network (ABLE), our disabled staff support network. We also have a number of buddy networks for a variety of disabilities where staff can obtain peer support and advice.

¹ Based on headcount (not full-time equivalent). Includes permanent and temporary employees.

² Members of the Executive Management Board.

³ All managers at Senior Civil Service (SCS) level.

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

Workforce

The Department continues to build flexibility within its workforce to manage changes in demand and deliver business priorities. We have built on the flexibility of deploying resources across UK Visas and Immigration staff and Her Majesty's Passport Office and this has included deploying the HMRC surge team into the Home Office to support seasonal peaks in demand. A key focus of our transformation is on increasing productivity and enhancing flexibility to deliver future savings. To achieve this we will increase the use of technology and data to improve processing and effectiveness.

Distribution of Headcount of Senior Civil Service (SCS) salaries (actual) as at end of March 2016

Salary Bands	SCS within the range as at end of March 2015	Percentage
£60,000 – £70,000	17	7.56%
£70,000 – £75,000	31	13.78%
£75,000 – £80,000	42	18.67%
£80,000 – £85,000	28	12.44%
£85,000 – £90,000	28	12.44%
£90,000 – £95,000	21	9.33%
£95,000 – £100,000	15	6.67%
£100,000 – £105,000	8	3.56%
£105,000 – £115,000	8	3.56%
£115,000 – £125,000	8	3.56%
£125,000 – £130,000	6	2.67%
£130,000 – £142,500	8	3.56%
£142,500 – £150,000	0	0.00%
£150,000 – £155,000	1	0.44%
£155,000 – £160,000	2	0.89%
£160,000 – £165,000	1	0.44%
£200,000 – £205,000	1	0.44%
Grand Total	225	100.00%

This information has been extracted from Data View, the Department's single source of Office for National Statistics compliant monthly snapshot corporate Human Resources data, using actual salaries as at the end of March 2016.

Staff numbers are headcount of SCS, including grade equivalents.

Where individual £5k 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

Capability and skills

Building the capability of our people remains central to our ability to deliver better as an organisation. The Home Office Skills Plan for 2015-16 set out ten priority areas where learning and development can be translated into improved performance and productivity and delivery of Home Office objectives. The priority areas identified were:

- Leadership of Operations and Change;
- Management Skills;
- Operational Skills;
- Working with Ministers;
- Policy Making;
- Commercial and Finance;
- Project Delivery;
- Digital;
- Data Analytics; and
- International

Over two thirds of participants said their performance as a leader improved after attending the Leadership Development Programme.

To date the progress against the Home Office Skills Plan for 2015-16 has seen a:

- “Lead with Confidence Programme”, launch in September 2015 with 280 delegates starting Sept-Nov 2015.
- Civil Service Learning (CSL) face to face activity of leadership and managing change courses: 1,746 learning days CSL online leadership and change activity: 628 participants, in addition to the leadership programmes.
- Commercial skills & behaviours improved through training and innovation workshops, to stimulate new and efficient ways of working and problem solving.

- 1-2-1 training offered to all new budget holders, and to existing budget holders on request.
- Continue to improve finance and value for money awareness for all staff under the “Save it!” banner including promoting uptake of CSL Finance Foundations e-learning through local events.
- Eight G6/7s on the cross-government Project Leadership Programme
- 34 Home Office Project Leaders on the Major Projects Leadership Academy, 17 of whom have graduated.

This 2016-17 plan will position the Home Office for the challenges of future years when demand for services will be larger in a technically more advanced world with a requirement for more highly skilled, more productive and more flexible staff who are capable of driving their own professional development and careers in support of an agile Home Office.

Consultation with employees

The Home Office has in place a consultative framework for engaging trade union representatives. There are four recognised Trade Unions and facility time is provided to allow union representatives to take part in industrial relations duties.

Staff Sickness

The rolling year average working days lost to sick absence for the Home Office as at 31 March 2016 is 7.09 days (6.69 days in 2014-15). This figure is per staff year which is in line with cross-Government guidelines from Cabinet Office.

Health and Wellbeing

The Health and Wellbeing team are embedding the strategic aims of the Wellbeing Strategy into the Home Offices core values by raising awareness of the benefits of good wellbeing practices throughout the Department. This is in addition to delivering awareness training across the Department on mental health awareness, stress management, mindfulness and building resilience with the focus on proactive early interventions rather than reactive ones such as referral to occupational health.

Examples of other wellbeing offerings include the commitment of senior management in Asylum to commission a one day bespoke wellbeing presentation, which will be delivered by this team to approximately 1,000 staff in under three months.

Expenditure for core Home Office on occupational health has continued to fall throughout this year due to promotion of the benefits to Line Managers of putting in early interventions to keep staff in work rather than wait for the referral process to be completed. We are currently reviewing the process for HM Passport Office.

For the first time the Employee Assistance Programme and the Occupational Health providers have committed to working more closely together and we hope to see the benefits in the next financial years.

Community Involvement

The Home Office recognises that staff who undertake voluntary work not only benefit the communities in which they live and work, but also gain skills and experience that may be useful in the workplace.

Staff can apply for special leave with pay of up to five working days a year to work outside the Home Office as a volunteer. More days are available for staff who undertake specific community work such as being a special constable, magistrate or school governor. Links to a wide range of volunteering opportunities are advertised on the Departmental intranet.

Other staff related matters

The Home Office is implementing the Civil Service Talent Action Plan which seeks to understand and address the barriers to progression for women, disabled, Black and Minority Ethnic (BME) and Lesbian, Gay, Bisexual and Transgender (LGBT) staff. Career progression, talent management and succession planning are important aspects of our strategy. A particular focus has been the launch, in December, of a specific programme to support progression of BME staff within the Home Office.

The Department provides resources to specific internal staff support networks – these include Home Office Women, *The Network* covering members of staff from BME communities, ABLE covering staff with disabilities and Spectrum covering LGBT members of staff. There are also several faith groups within the Home Office: Home Office Sikh Association; Home Office Christian Network; Home Office Islamic Network; Home Office Hindu Connection and the Home Office Jewish Network.

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 Consultancy & Contingent Labour (CCL) Board. This control covers the Home Office core, agencies and NDPBs.

The CCL approvals process is owned and managed by the Chief Commercial Officer and was established in October 2010, approvals and engagements are reviewed at least every two weeks. Consultancy requests over £20,000, if approved by the CCL Board, are submitted to the Permanent Secretary for approval and then onwards to the Home Secretary and the relevant minister. Temporary Labour requirements are subject to review and scrutiny against business resource plans and Departmental engagement criteria based on Cabinet Office and CCS guidance and good practice. Additional scrutiny requiring the personal approval of the Chief Operating Officer 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. All Consultancy requests over 9 months or related to procurement support are also submitted to The Cabinet Office Efficiency & Reform Group.

Full year spend in 2015-16 on CCL by the Home Office, including NDPBs, was £60.0 million. The figure represents a reduction of some 32% from 2014-15 spend which was £89.6 million.

The spend on consultancy services of £14 million is the lowest spend by the Department on such services in the last seven years.

The Home Office monitors consultancy/agency staff costs to ensure that the continuing expenditure represents best value for money for the organisation. Of the £46 million spend by the Home Office Group on temporary staff; £20 million is for agency staff predominantly in UK Visas and Immigration. This represents a significant reduction in spend on this category of external resource compared to 2014-15, where the spend was over £41 million.

Agency staff have been retained primarily as a flexible resource to deal with backlogs in migrant casework and asylum applications.

Consultancy Services	2015-16 total expenditure (£000)	2014-15 total expenditure (£000)
Home Office core Department	10,574	12,714
Independent Police Complaints Commission	0	677
College of Policing	456	152
Security Industry Authority	2,935	1,077
TOTAL	13,965	14,620

Contingent Labour/Agency Costs	2015-16 total expenditure (£000)	2014-15 total expenditure (£000)
Home Office core Department	38,320	65,402
Independent Police Complaints Commission	3,223	2,291
College of Policing	3,110	5,374
Security Industry Authority	1,342	1,902
Gangmasters Licensing Authority	0	7
TOTAL	45,995	74,976

Total Consultancy Services and Contingent Labour/ Agency Costs	2015-16 total expenditure (£000)	2014-15 total expenditure (£000)
Home Office core Department	48,894	78,116
Independent Police Complaints Commission	3,223	2,968
College of Policing	3,566	5,526
Security Industry Authority	4,278	2,979
Gangmasters Licensing Authority	0	7
TOTAL	59,961	89,596

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 below provides the total number of off-payroll engagements, who are earning in excess of £220 per day plus new engagements during the year and also a table showing 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 2016, for more than £220 per day and that last for longer than six months.

	Main Department	Agencies	ALBs
Number of existing engagements as of 31 March 2016	77	–	35
Of which:			
Number that have existed for less than one year at time of reporting	13	–	7
Number that have existed for between one and two years at time of reporting	25	–	15
Number that have existed for between two and three years at time of reporting	19	–	7
Number that have existed for between three and four years at time of reporting	10	–	6
Number that have existed for four or more years at time of reporting	10	–	–

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 2015 and 31 March 2016, for more than £220 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 2015 and 31 March 2016	26	–	14
Number of the above which include contractual clauses giving the Department the right to request assurance in relation to income tax and National Insurance obligations	26	–	14
Number for whom assurance has been requested	26	–	14
Of which:			
Number for whom assurance has been received	26	–	13
Number that have been terminated as a result of assurance not being received	–	–	1

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2015 and 31 March 2016.

	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 engagements.	15	–	11

Complaints to the Parliamentary Ombudsman

The Parliamentary and Health Service Ombudsman (PHSO) received a total of 851 complaints against the Home Office during 2014-15. This report was published in November 2015 and is the period for which the most recently published Parliamentary Ombudsman's report is available.

Organisation	Enquiries received	Complaints assessed	Complaints resolved through intervention	Complaints accepted for investigation	Investigations upheld or partly upheld	Investigations not upheld
Government Equalities Office	1	0	0	0	0	0
HM Passport Office	123	11	1	6	4	4
Home Office	66	3	0	1	3	0
Office of the Immigration Services	8	3	0	0	0	1
Commissioner Police (Under Victims' Code)	8	3	0	0	1	0
Security Industry Authority	11	0	0	0	0	0
The Disclosure and Barring Service	44	1	0	1	1	1
Learn Direct	1	0	0	0	0	0
UK Border Agency	62	1	0	0	0	0
UK Border Force	89	20	0	15	17	10
UK Immigration Enforcement	16	9	1	4	4	5
UK Visas and Immigration	422	94	7	41	79	24
TOTAL Home Office	851	145	9	68	109	45

All recommendations made by the Ombudsman were complied with.

The Home Office is committed to providing a high quality service to both internal and external customers. Inevitably however, things do sometimes go wrong. When this happens 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;
- 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 2015-16, Home Office Headquarters received 11,170 letters and emails from the public which required our response. We replied to 94% of this correspondence within the target of 20 working days.

The rest of this report is audited information

Staff Costs

	Permanently employed staff	Others	Ministers	Special advisers	2015-16 £000 Departmental Group Total	Restated 2014-15 £000 Departmental Group Total
Wages and salaries	987,520	94,174	213	370	1,082,277	1,103,592
Social security costs	73,624	10	170	30	73,834	75,227
Other pension costs	198,771	–	–	43	198,814	178,551
Sub Total	1,259,915	94,184	383	443	1,354,925	1,357,370
Less recoveries in respect of outward secondments	(1,083)	–	–	–	(1,083)	(1,889)
Total net costs	1,258,832	94,184	383	443	1,353,842	1,355,481
Of which:						
Core Department	1,159,570	71,646	383	443	1,232,042	1,176,222
Core Department and Agencies	1,159,570	71,646	383	443	1,232,042	1,234,616
Departmental Group	1,258,832	94,184	383	443	1,353,842	1,355,481

The total amount of capitalised staff costs not included in the figures above is £1.2 million (£1.2 million in 2014-15).

Staff Costs by Business Segment

Business Segment	Permanently employed staff	Others	Ministers	Special advisers	2015-16 £000 Departmental Group Total	Restated 2014-15 £000 Departmental Group Total
Crime and Policing Group	159,862	37,790	–	–	197,652	170,407
Office for Security and Counter-Terrorism	36,462	1,998	–	–	38,460	38,206
Border Force	360,768	2,392	–	–	363,160	368,325
UK Visas & Immigration	200,055	29,624	–	–	229,679	248,999
Immigration Enforcement	195,789	7,572	–	–	203,361	203,533
International and Immigration Policy	24,721	157	–	–	24,878	23,074
HM Passport Office	120,644	4,975	–	–	125,619	114,184
Counter Extremism	1,421	–	–	–	1,421	–
Enablers	159,110	9,676	383	443	169,612	188,753
Total Staff Costs	1,258,832	94,184	383	443	1,353,842	1,355,481

The 2014-15 results have been restated to take account of Group Designation Changes (see Note 18 for details).

(a) Defined Benefit Schemes

i) Principal Civil Service Pension Scheme

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Home Office is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/pensions). The PCSPS is now closed to new members.

ii) Civil Servants and Others Pension Scheme

The Civil Servants and Others Pension Scheme (CSOPS) known as Alpha is a new unfunded, defined benefit scheme. The Home Office is unable to identify its share of the underlying assets and liabilities. The Alpha scheme started from 1 April 2015. Many PCSPS members transferred into Alpha on that date, while others will transfer into it over the next few years. Those members who were less than 10 years from retirement on 1 April 2012 are not required to move to Alpha.

For 2015-16, employers' contributions of £195.3 million were payable to PCSPS and CSOPS (2014-15 £175.6 million PCSPS only, Restated) at one of four rates in the range 20.0% to 24.5% (2014-15 16.7% to 24.3%) 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 2015-16 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

(b) Partnership and Stakeholder Schemes

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £1.4 million (£1 million in 2014-15 Restated) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable earnings up to 30 September 2015 and from 8% to 14.75% of pensionable earning from 1 October 2015. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £143,800 (2014-15 £23,400 Restated) 0.8% of pensionable pay up to 30 September 2015 and 0.5% of pensionable pay from 1 October 2015, 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 at 31 March 2016 were £14.9 million (£13.9 million in 2014-15). Contributions prepaid were £nil (£nil in 2014-15).

51 persons (23 in 2014-15) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £142,100 (£51,900 in 2014-15).

(c) By Analogy Pension Scheme

The Home Office also operates a 'Broadly by Analogy' (BBA) Pension Scheme. This scheme is analogous with the PCSPS. The BBA pensions are unfunded, with benefits being paid as they fall due. 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 Principal Civil Service Pension Scheme (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	2015-16					Restated 2014-15
	Permanently employed staff	Others	Ministers	Special advisers	Total	Total
Crime and Policing Group	2,923	438	–	–	3,361	3,255
Office for Security and Counter-Terrorism	677	42	–	–	719	753
Border Force	7,864	47	–	–	7,911	8,332
UK Visas & Immigration	6,051	490	–	–	6,541	6,787
Immigration Enforcement	5,014	157	–	–	5,171	5,351
International and Immigration Policy	450	7	–	–	457	494
HM Passport Office	4,199	-	–	–	4,199	3,664
Counter Extremism	22	-	–	–	22	–
Enablers	3,681	432	9	3	4,125	4,906
Total	30,881	1,613	9	3	32,506	33,542
Of which:						
Core Department	28,613	1,254	9	3	29,879	29,005
Core Department and Agencies	28,613	1,254	9	3	29,879	30,974
Departmental Group	30,881	1,613	9	3	32,506	33,542

Included within the staff numbers above are 11 members of staff who were engaged in capital projects (15 in 2014-15).

The 2014-15 results have been restated to take account of Group Designation Changes (see Note 18 for details).

Reporting of Civil Service and other compensation schemes – exit packages

Exit Package cost band	Number of compulsory redundancies	Number of other departures agreed	Core Department & Agencies	Number of compulsory redundancies	Number of other departures agreed	Restated Departmental Group
			Total number of exit packages by cost band			Total number of exit packages by cost band
Less than £10,000	– (–)	56 (51)	56 (51)	– (–)	56 (52)	56 (52)
£10,000 – £25,000	3 (–)	108 (79)	111 (79)	3 (2)	111 (88)	114 (90)
£25,000 – £50,000	– (1)	146 (99)	146 (100)	– (3)	154 (121)	154 (124)
£50,000 – £100,000	– (1)	86 (72)	86 (73)	– (3)	87 (83)	87 (86)
£100,000 – £150,000	– (–)	3 (14)	3 (14)	– (–)	4 (17)	4 (17)
Total number of exit packages by type	3 (2)	399 (315)	402 (317)	3 (8)	412 (361)	415 (369)
Total resource cost (£000)	48 (109)	14,039 (11,895)	14,087 (12,004)	48 (374)	14,664 (14,028)	14,712 (14,402)

Comparative figures for the prior year are shown in brackets. These comparative figures have been restated to take account of Group Designation changes (See Note 18 for details).

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.

Remuneration Report

The disclosures within this Remuneration Report are subject to audit.

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.

The Review Body sometimes advise the Prime Minister on the pay and pensions of Members of Parliament and their allowances, on Peers' allowances and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

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

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

In making recommendations, the Review Body considers any factors that the Government and other witnesses may draw to its attention. In particular:

- 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;

- job weight in differentiating the remuneration for particular posts;
- the need to maintain broad linkage between the remuneration of the three main remit groups, while allowing sufficient flexibility to take account of the circumstances of each group; and
- the relevant legal obligations, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability.

The Review Body sometimes make other recommendations to relate reward to performance where appropriate; ensuring that it maintains the confidence of those covered by the Review Body's remit and that its recommendations have been fairly and properly determined and the remuneration of those covered by the remit is consistent with the Government's equal opportunities policy.

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 2015-16 are reported on pages 39-40.

Membership of the Home Office Departmental Board (previously the Supervisory Board)

The membership of the Departmental Board during 2015-16 can be found in the annex to the Governance Statement on page 70.

Executive Management Board (EMB)

The membership of the Executive Management Board during 2015-16 is found in the annex to the Governance Statement on page 70.

Non-executive directors

The information details relating to the non-executive directors is reported on page 42.

Remuneration Committees

The Home Office Remuneration 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 2014-15 performance year the committees comprised:

Pay Band 3 Remuneration Committee
Mark Sedwill (Chair), Sue Langley, Paula Leach
Pay Band 2 Remuneration Committee
Mark Sedwill (Chair), Mary Calam, Mandie Campbell, Charles Farr, Sir Charles Montgomery, Mike Parsons, Sarah Rapson, Peter Storr and Kevin White
Pay Band 1 Remuneration Committee
Mark Sedwill (Chair), Mary Calam, Mandie Campbell, Charles Farr, Sir Charles Montgomery, Mike Parsons, Sarah Rapson, Peter Storr and Kevin White

The assessment and review of performance for senior civil servants is based on individual performance. Individuals were ranked in three performance groups in each pay band:

- Group 1 – top 25% of performers
- Group 2 – achieving 65% of performers
- Group 3 – low 10% of performers

For the 2014-15 performance year, only Group 1 was eligible for a non-consolidated performance payment.

Arrangements for senior civil service pay and reward are determined centrally by the Cabinet Office following recommendations from the independent Senior Salaries Review Body.

For the 2014-15 performance year Cabinet Office guidelines continued to allow for consolidated pay increases limited to an average award of 1%, and up to 3.3% of the SCS pay bill to be used for non-consolidated performance payments.

The Home Office awarded staff in Groups 1 & 2 a pay increase limited to an average award of 1% if their salary fell below the median of their respective pay range. The Home Office paid out 1.6% of the SCS pay bill on non-consolidated performance payments to staff in Group 1; this equates to £355,309.

Bonus payments for the 2014-15 performance year were paid in August 2015. These were up to £12,000 (Pay Band 3); £10,000 (Pay Band 2) and £7,000 (Pay Band 1).

The assessment and review of performance for the 2015-16 performance year will be undertaken shortly.

Remuneration (including salary) 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

Ministers ⁴	Salary (£)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £000) ⁵		Total (to nearest £000)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Rt Hon Theresa May MP	67,505	67,505	–	–	33,000	22,000	101,000	89,000
Rt Hon John Hayes MP (from 12 May 2015)	28,103 (31,680)	–	–	–	18,000	–	46,000	–
Rt Hon Lord Bates ⁶	8,182 (68,710)	47,339 (72,470)	–	–	8,000	16,000	16,000	63,000
Richard Harrington MP ⁷ (from 14 September 2015)	12,244 (22,375)	–	–	–	3,000	–	15,000	–
Rt Hon Mike Penning MP ⁸ (from 15 July 2014)	31,680	22,568 (31,680)	–	–	16,000	8,000	48,000	31,000
James Brokenshire MP	31,680	31,680	–	–	15,000	11,000	47,000	43,000
Karen Bradley MP	22,375	22,375	–	–	11,000	7,000	33,000	29,000
Baroness Shields OBE ⁹ (from 3 December 2015)	–	–	–	–	–	–	–	–
Lynne Featherstone MP ¹⁰ (until 8 May 2015)	11,241 (31,680)	12,936 (31,680)	–	–	1,000	4,000	13,000	17,000

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 House of Parliament and not the Home Office.

4 Lord Ahmad of Wimbledon is also a minister with the Department of Transport where he is the Parliamentary Under Secretary of State for Transport and is on their payroll. Lord Ahmad of Wimbledon's salary will be included in Department of Transport's Annual Report.

5 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 a transfer of pension rights.

6 Lord Bates sits in the House of Lords and is not in receipt of an MP's salary; therefore, his full ministers salary is reported here. From 12 May 2015 Lord Bates role was unpaid. Lord Bates received the Lords nightly allowance of £424.51 (£3,760 for the period).

7 Richard Harrington MP is a joint minister with DCLG and DFID.

8 Mike Penning is a joint minister with the Ministry of Justice.

9 Baroness Shields is an unpaid minister jointly with DCMS.

10 Lynne Featherstone MP's salary includes £7,920 compensation in lieu of notice.

Single total figure of remuneration

Board members ¹¹	Salary (£000)		Bonus payments (£000)		Benefits in kind (to nearest £100)		Pension benefits (£000) ¹²		Total (£000)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Mark Sedwill ¹³ Permanent Secretary	180-185	180-185	15-20	–	1,400	1,400	102	62	300-305	245-250
Oliver Robbins Second Permanent Secretary (from 15 September 2015)	70-75 (140-145)	–	–	–	–	–	70	–	140-145	–
Peter Storr ¹⁴ Acting Director General, International and Immigration Policy Group	120-125	5-10 (120-125)	5-10	–	–	–	110	12	240-245	20-25
Charles Farr Director General, Office for Security and Counter-Terrorism (until 13 December 2015)	100-105 (140-145)	165-170	10-15	10-15	–	–	42	38	150-155	215-220
Mike Parsons Chief Operating Officer	150-155	150-155	–	–	–	–	60	57	210-215	210-215
Sir Charles Montgomery Director General, Border Force	140-145	140-145	10-15	10-15	2,400	–	56	53	210-215	200-205
Sarah Rapson ¹⁵ Director General, UK Visas and Immigration	135-140	130-135	–	–	–	–	66	98	200-205	230-235
Mary Calam Director General, Crime and Policing Group	125-130	125-130	–	5-10	–	–	92	150	220-225	280-285
Kevin White ¹⁶ Director General, Human Resources (until 10 July 2015)	45-50 (140-145)	140-145	–	–	–	–	8	22	55-60	160-165
Mandie Campbell Director General, Immigration Enforcement	135-140	130-135	–	5-10	–	–	70	107	205-210	245-250
Mark Thomson ¹⁷ Director General, Her Majesty's Passport Office (from 1 April 2015)	160-165	–	–	–	–	–	–	–	160-165	–
Julie Taylor ¹⁸ Director General, People and Transformation (from 5 May 2015)	130-135 (130-135)	–	5-10 ¹⁸	–	–	–	47	–	175-180	–
Paul Lincoln Acting Director General, Office for Security and Counter-Terrorism (from 14 December 2015)	30-35 (100-105)	–	–	–	–	–	29	–	55-60	–

- 11 Peter Fish is the Home Office legal advisor. Peter remains on the Government Legal Department payroll (previously called Treasury Solicitors). Peter is not a formal member of the EMB. His remuneration is therefore included in the Government Legal Department annual report.
- 12 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 a transfer of pension rights.
- 13 Mark Sedwill made a salary sacrifice of £330.
- 14 Peter Storr's salary includes £4,905.44 in compensation for untaken annual leave.
- 15 Sarah Rapson made a salary sacrifice of £2,196.
- 16 Kevin White's salary includes £7,489.27 in compensation for untaken annual leave.
- 17 Mark Thomson chose not to be covered by the Civil Service pension arrangements during the reporting year.
- 18 Included in Julie Taylor's remuneration is a performance related bonus of £10,000 for her previous role.

Single total figure of remuneration

Non Executive Directors	Salary (£000)		Bonus payments (£000)		Benefits in kind (to nearest £100)		Pension benefits (£000)		Total (£000)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Sue Langley	15-20	15-20 (20-25)	–	–	–	–	–	–	15-20	15-20
Alan Brown (until 17 December 2015)	10-15 (10-15)	5-10 (15-20)	–	–	–	–	–	–	10-15	5-10
Suzy Levy (from 1 September 2015)	5-10 (10-15)	–	–	–	–	–	–	–	5-10	–
Adrian Joseph (from 1 September 2015)	5-10 (10-15)	–	–	–	–	–	–	–	5-10	–

The non-executive directors listed above are those who sat on the Home Office Board, the Home Office Departmental Board and the Executive Management Board. 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 (£67,060 from 1 April 2014, £74,000 from 8 May 2015) 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 2015-16 relate to performance in 2014-15 and the comparative bonuses reported for 2014-15 relate to the performance in 2013-14.

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 banded remuneration of the highest paid director in the Home Office in the financial year 2015-16 was £200,000 – £205,000 (2014-15, £180,000 – £185,000). This was 6.5 times (2014-15, 5.8 times) the median remuneration of the workforce, which was £31,052 (2014-15, £31,260).

In 2015-16, no (2014-15, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £15,000 – £20,000 to £200,000 – £205,000 (2014-15, £10,000 – £15,000 to £180,000 – £185,000).

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.

The following table shows the median earnings of the Department's workforce and the ratio between this and the earning of the highest paid director. Mark Sedwill has been the highest paid director in both financial years.

	2015-16	2014-15
Band of Highest Paid Director's Total Remuneration (£'000)	200-205	180-185
Median Total (£)	31,052	31,260
Remuneration Ratio	6.5	5.8

During 2015-16 the highest paid director received a bonus payment of £17,500, moving them into a higher Remuneration band. During 2014-15 no bonus was received. The median total for staff has also decreased by just over £200. This can be explained by new staff joining on lower salaries. These differences explain the increase in the Remuneration Ratio of 0.7.

Pension Benefits

	Accrued pension at age 65 as at 31/3/16	Real increase in pension at age 65	CETV at 31/3/16	CETV at 31/3/15	Real increase in CETV
Ministers	£000	£000	£000	£000	£000
Rt Hon Theresa May MP Home Secretary	10-15	0-2.5	169	133	25
Rt Hon John Hayes MP (from 12 May 2015)	5-10	0-2.5	93	75	13
Rt Hon Lord Bates	0-5	0-2.5	44	36	5
Richard Harrington MP (from 14 September 2015)	0-5	0-2.5	4	–	2
Rt Hon Mike Penning MP	0-5	0-2.5	79	62	12
James Brokenshire MP	0-5	0-2.5	59	46	8
Karen Bradley MP	0-5	0-2.5	24	16	5
Baroness Shields (from 3 December 2015)	–	–	–	–	–
Lynne Featherstone MP (until 8 May 2015)	0-5	0-2.5	64	60	1

Ministerial pensions

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 [Rules of the Parliamentary Contributory Pension Fund \(The Ministers' etc Pension Scheme 2015\)](#)

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 aged 55 or older on 1st April 2013 have transitional protection to remain in the previous 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.

Board members	Accrued pension at pension age as at 31 March 2016 and related lump sum	Real increase / (decrease) in pension and related lump sum at pension age	CETV at 31 March 2016 ¹⁹	CETV at 31 March 2015	Real increase / (decrease) in CETV	Employer contributions to partnership pension account
	£'000	£'000	£'000	£'000	£'000	£'000
Mark Sedwill Permanent Secretary	65-70	5-7.5	1,095	941	59	–
Oliver Robbins Second Permanent Secretary (from 15 September 2015)	35-40 plus lump sum 90-95	2.5-5 plus lump sum 5-7.5	476	412	36	–
Peter Storr Acting Director General, International and Immigration Policy Group	60-65 plus lump sum 180-185	5-7.5 plus lump sum 15-17.5	1,322	1,252	102	–
Charles Farr Director General, Office for Security and Counter-Terrorism (until 13 December 2015)	0-5	0-2.5	66	31	25	–
Mike Parsons Chief Operating Officer	5-10	2.5-5	134	86	26	–
Sir Charles Montgomery Director General, Border Force	10-15	2.5-5	159	102	37	–
Sarah Rapson Director General, UK Visas and Immigration	35-40	2.5-5	517	425	30	–
Mary Calam Director General, Crime and Policing Group	40-45 plus lump sum 115-120	2.5-5 plus lump sum 5-7.5	675	565	50	–
Kevin White Director General, Human Resources (until 10 July 2015)	65-70 plus lump sum 205-210	0-2.5 plus lump sum 0-2.5	1,472	1,486	8	–
Mandie Campbell Director General, Immigration Enforcement	50-55 plus lump sum 150-155	2.5-5 plus lump sum 0-2.5	950	832	39	–
Mark Thomson Director General, Her Majesty's Passport Office (from 1 April 2015)	–	–	–	–	–	–
Julie Taylor Director General, People and Transformation (from 5 May 2015)	5-10	2.5-5	104	69	21	–
Paul Lincoln Acting Director General, Office for Security and Counter- Terrorism (from 14 December 2015)	20-25	0-2.5	269	238	16	–

¹⁹ The factors used to calculate the CETV were reviewed by the scheme actuary in 2015, so the tables of factors used to calculate the CETV in 2015 are not the same as those used to calculate the CETV in 2016.

Civil Service Pensions

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 3% and 8.05% of pensionable earnings for members of **classic** (and members of **alpha** who were members of **classic** immediately before joining **alpha**) and between 4.6% and 8.05% for members of **premium**, **classic plus**, nuvos and all other members of **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 his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is 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 3% and 12.5% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (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 0.8% of pensionable salary up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 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.

Mark Sedwill
Accounting Officer
14 July 2016

Parliamentary accountability and audit report

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRoM) requires the Home Office to prepare a Statement of Parliamentary Supply (SoPS) and supporting notes to show resource outturn against the Supply Estimate presented to Parliament, in respect of each budgetary control limit. The SoPS and related notes are subject to audit.

Summary of Resource and Capital Outturn 2015-16

	SoPS Note	Estimate			Outturn			2015-16 £000	Restated 2014-15 £000
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted outturn compared with Estimate: saving/ (excess)	Total
Departmental Expenditure Limit									
– Resource	1.1	10,279,837	–	10,279,837	10,261,809	–	10,261,809	18,028	10,972,191
– Capital	1.2	359,376	–	359,376	337,862	–	337,862	21,514	384,665
Annually Managed Expenditure									
– Resource	1.1	1,616,001	–	1,616,001	1,093,608	–	1,093,068	522,393	1,842,049
– Capital	1.2	360,000	–	360,000	345,589	–	345,589	14,411	–
Total Budget		12,615,214	–	12,615,214	12,038,868	–	12,038,868	576,346	13,198,905
Non-Budget									
– Resource		–	–	–	–	–	–	–	–
Total		12,615,214	–	12,615,214	12,038,868	–	12,038,868	576,346	13,198,905
Total Resource		11,895,838	–	11,895,838	11,355,417	–	11,355,417	540,421	12,814,240
Total Capital		719,376	–	719,376	683,451	–	683,451	35,925	384,665
Total		12,615,214	–	12,615,214	12,038,868	–	12,038,868	576,346	13,198,905

Net Cash Requirement 2015-16

	SoPS Note	2015-16 £000	2015-16 £000	Restated 2014-15 £000
		Estimate	Outturn	Outturn
Net Cash Requirement	3	13,115,027	12,243,288	12,617,057

Administration Costs 2015-16

	2015-16 Estimate	2015-16 Outturn	Restated 2014-15 Outturn
	375,574	364,021	504,774

The 2014-15 results have been restated to take account of Group Designation Changes (see Note 18 for details).

Figures in the areas outlined in bold are voted totals subject to Parliamentary control. In addition, although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

Explanations of variances between Estimate and outturn are given in the Performance summary within the Performance Report. Core tables can be found online at: <https://www.gov.uk/government/publications/home-office-annual-report-and-accounts-2015-to-2016>.

Notes to the Statement of Parliamentary Supply

SOPS 1. Net outturn

SOPS 1.1 Analysis of net resource outturn by section

	Administration						Programme			Outturn	2015-16 Estimate			Restated 2014-15
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Total £000	Net total compared to Estimate, adjusted for virements			Total £000			
								Net Total £000	to Estimate £000	£000				
Spending in Departmental Expenditure Limit														
Voted:														
A – Crime and Policing Group	46,303	(8,627)	37,676	8,104,750	(36,141)	8,068,609	8,106,285	8,152,857	46,572	9,111		8,602,371		
B – Office for Security and Counter-Terrorism	44,014	(2)	44,012	868,644	(200,974)	667,670	711,682	741,246	29,564	3,308		701,265		
C – Counter Extremism	1,606	–	1,606	2,116	–	2,116	3,722	630	(3,092)	–		–		
D – Immigration Enforcement	6,989	–	6,989	436,822	(30,652)	406,170	413,159	427,258	14,099	832		437,487		
E – UK Visas & Immigration	21,412	–	21,412	879,111	(1,234,941)	(355,830)	(334,418)	(378,102)	43,684	–		(187,800)		
F – International and Immigration Policy Group	21,249	(31)	21,218	7,745	(1,195)	6,550	27,768	30,356	2,588	2,588		34,793		
G – Border Force	1,487	(114)	1,373	587,273	(11,994)	575,279	576,652	560,334	(16,318)	927		518,987		
H – HM Passport Office	25,898	(34,487)	(8,589)	344,822	(473,137)	(128,315)	(136,904)	(138,421)	(1,517)	1,261		(59,075)		
I – Enablers	296,755	(88,715)	208,040	615,221	(14,777)	600,444	808,484	769,221	(39,263)	–		825,643		
J – Arms Length Bodies (Net)	30,284	–	30,284	55,095	–	55,095	85,379	114,457	29,078	–		98,520		
K – European solidarity mechanism (Net)	–	–	–	–	–	–	–	1	1	1		–		
	495,997	(131,976)	364,021	11,901,599	(2,003,811)	9,897,788	10,261,809	10,279,837	18,028	18,028		10,972,191		
Annually Managed Expenditure														
Voted:														
L – AME charges	–	–	–	(542,431)	–	(542,431)	(542,431)	1	542,432	522,392		(41,709)		
M – Police superannuation	–	–	–	1,636,039	–	1,636,039	1,636,039	1,615,999	(20,040)	–		1,883,758		
N – AME Charges Arms Length Bodies (Net)	–	–	–	–	–	–	–	1	1	1		–		
	–	–	–	1,093,608	–	1,093,608	1,093,068	1,616,001	522,393	522,393		1,842,049		
Total	495,997	(131,976)	364,021	12,995,207	(2,003,811)	10,991,396	11,355,417	11,895,838	540,421	540,421		12,814,240		

SOPS 1.2 Analysis of net capital outturn by section

	Outturn			2015-16 Estimate			Restated 2014-15
	Gross £000	Income £000	Net £000	Net Total £000	Net total compared to Estimate £000	Net total compared to Estimate, adjusted for virements £000	Outturn
							Net
Spending in Departmental Expenditure Limit							
Voted:							
A – Crime and Policing Group	120,637	(21)	120,616	112,300	(8,316)	–	145,892
B – Office for Security and Counter-Terrorism	62,577	(2,150)	60,427	72,206	11,779	11,779	78,375
C – Counter Extremism	–	–	–	–	–	–	–
D – Immigration Enforcement	1,250	–	1,250	500	(750)	–	2,685
E – UK Visas & Immigration	3,765	–	3,765	3,000	(765)	–	1,688
F – International and Immigration Policy Group	249	–	249	800	551	551	4,706
G – Border Force	33,850	(705)	33,145	40,054	6,909	6,909	43,562
H – HM Passport Office	15,173	(388)	14,785	16,000	1,215	1,251	24,715
I – Enablers	106,315	(21,899)	84,416	99,416	15,000	1,060	59,568
J – Arms Length Bodies (Net)	19,209	–	19,209	15,100	(4,109)	–	23,474
K – European Solidarity Mechanism (Net)	–	–	–	–	–	–	–
	363,025	(25,163)	337,862	359,376	21,514	21,514	384,665
Annually Managed Expenditure							
Voted:							
L – AME charges	–	–	–	–	–	–	–
M – Police superannuation	345,589	–	345,589	360,000	14,411	14,411	–
N – AME Charges Arms Length Bodies (Net)	–	–	–	–	–	–	–
	345,589	–	345,589	360,000	14,411	14,411	–
Total	708,614	(25,163)	683,451	719,376	35,925	35,925	384,665

SOPS 2. Reconciliation of outturn to net operating expenditure

SOPS 2.1 Reconciliation of net resource outturn to net operating expenditure

		2015-16	Restated
		£000	2014-15
	SoPS	Outturn	Outturn
	Note		
Total resource outturn in Statement of Parliamentary Supply			
Budget	1.1	11,355,417	12,814,240
Non-Budget	1.1	–	–
		11,355,417	12,814,240
Add:			
Capital Grants		169,317	215,920
Capital AME*		345,589	–
PFI adjustments		39,570	67,300
Capital Disposal adjustments		23,196	–
		11,933,089	13,097,460
Less:			
Income payable to the Consolidated Fund		110,740	86,401
Capital Grant Income		25,163	3,624
		135,903	90,025
Net Operating Expenditure in Consolidated Statement of Comprehensive Net Expenditure		11,797,186	13,007,435

*This represents the total lump sum settlements to eligible retired police officers as a result of the Pensions Ombudsmen ruling which found GAD guilty of maladministration in 2015.

SOPS 3. Reconciliation of Net Resource Outturn to Net Cash Requirement

	SoPS Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate: saving/ (excess) £000
Resource Outturn	1.1	11,895,838	11,355,417	540,421
Capital Outturn	1.2	719,376	683,451	35,925
Accruals to cash adjustments		499,813	204,420	295,393
<i>Adjustments for NDPBs:</i>				
Remove voted resource and capital		(129,558)	(104,588)	(24,970)
Add cash grant-in-aid		127,589	114,315	13,274
<i>Adjustments to remove non-cash items:</i>				
Depreciation and Amortisation		(207,649)	(198,375)	(9,274)
New provisions and adjustments to previous provisions		–	185,890	(185,890)
Other non-cash items		(569)	(7,309)	6,740
<i>Adjustments to reflect movements in working balances:</i>				
Increase/(decrease) in inventories		–	(4,348)	4,348
Increase/(decrease) in receivables		–	38,095	(38,095)
(Increase)/decrease in payables		350,000	(182,726)	532,726
(Increase)/decrease in pension liability		–	(15)	15
Use of provisions		360,000	363,481	(3,481)
		13,115,027	12,243,288	871,739
Removal of non-voted budget items:				
Consolidated Fund Standing Services		–	–	–
Other adjustments		–	–	–
Net cash requirement		13,115,027	12,243,288	871,739

SOPS 4. Income payable 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 (*cash receipts being shown in italics*).

	Outturn 2015-16		Restated Outturn 2014-15	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Income outside the ambit of the Estimate	110,740	<i>101,155</i>	86,401	<i>85,846</i>
Excess cash surrenderable to the Consolidated Fund	–	–	–	–
Total income payable to the Consolidated Fund	110,740	<i>101,155</i>	86,401	<i>85,846</i>

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.

The Home Office collects Immigration Penalties and Civil Penalties. The Department is not permitted to retain this income without HM Treasury approval. In 2015-16, HM Treasury allowed the Department to retain £9 million of this income (£3 million in 2014-15), the remaining income is surrendered to the Consolidated Fund. In accordance with HM Treasury guidelines, the non-retainable income generated is not recognised in the Financial Statements. The amounts collected as agent for the Consolidated Fund were:

SOPS 4.2.1 Penalties raised

	2015-16 £000	2014-15 £000
Immigration Penalties Raised	(3,714)	(3,666)
Civil Penalties Raised	(43,902)	(32,342)
Total Penalties Raised	(47,616)	(36,008)
Less: Element retained by the Home Office	9,000	3,000
	(38,616)	(33,008)

SOPS 4.2.2 Write-offs

	2015-16 £000	2014-15 £000
Immigration Penalties	–	–
Civil Penalties	21,490	14,471
	21,490	14,471

SOPS 4.2.3 Receivables

	2015-16	2014-15
	£000	£000
Immigration Penalties	844	766
Civil Penalties	73,637	47,202
	74,481	47,968
Accrued Income	–	–
Less: Provision for Doubtful Receivables	(43,320)	(26,393)
	31,161	21,575

SOPS 4.2.4 Payable to the Consolidated Fund

	2015-16	2014-15
	£000	£000
Total Payable to the Consolidated Fund	31,161	21,575

3. Parliamentary Accountability Disclosures

The 2014-15 results have been restated to take account of Group Designation Changes.

3.1 Losses and special payments

3.1.1 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. The prior year figures have been restated accordingly.

	2015-16				Restated 2014-15			
	Core Department & Agencies		Departmental Group		Core Department & Agencies		Departmental Group	
	Number of cases	£000	Number of cases	£000	Number of cases	£000	Number of cases	£000
Losses under £300,000	479	721	482	722	456	1,547	464	1,597
Losses over £300,000	1	1,894	1	1,894	2	3,935	2	3,935
Total	480	2,615	483	2,616	458	5,482	466	5,532
Cases over £300,000 comprise:								
Constructive Losses	1	1,894	1	1,894	1	1,581	1	1,581
Exchange rate fluctuations	–	–	–	–	1	2,354	1	2,354
Total	1	1,894	1	1,894	2	3,935	2	3,935

A constructive loss of £1.9 million was incurred by the Home Office as a result of the cancellations of scheduled flights intended to remove ineligible asylum seekers, due to them being granted the right to appeal.

3.1.2 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 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.

	2015-16				Restated 2014-15			
	Core Department & Agencies		Departmental Group		Core Department & Agencies		Departmental Group	
	Number of cases	£000	Number of cases	£000	Number of cases	£000	Number of cases	£000
Special Payments under £300,000	4,969	27,577	4,970	27,662	5,503	30,527	5,725	30,696
Special Payments over £300,000	6	4,653	6	4,653	5	151,764	6	152,154
Total	4,975	32,230	4,976	32,315	5,508	182,291	5,731	182,850

The Home Office paid an exemplary fine of £20,000 after securing retrospective approval from the Chief Secretary to the Treasury in relation to breaching the control process in negotiating the salary of the Director General of the Office for Security and Counter-Terrorism in financial year 2014-15.

Payments totalling £21.9 million were made by the Home Office in relation to 3,543 legal claims. These include 3,447 adverse legal cost payments totalling £17.1 million, 18 ex-gratia cases totalling £1.7 million, 50 compensation payments totalling £900,000 and 28 cases of unlawful detention totalling £2.2 million.

A payment of £320,000 for adverse legal costs was made by the Home Office relating to the overturning of a decision to exclude two individuals from entering the UK.

An interim payment of £420,000 for adverse legal costs was made by the Home Office in relation to a spousal right to enter the UK.

A payment of £305,000 for adverse legal costs was made by the Home Office as a result of the quashing of a previous tribunal decision at the Court of Appeal.

A payment of £330,000 was made for legal costs incurred by claimants in relation to the Lynette White Judicial Review.

A part settlement of £778,000 was made for an ongoing legal claim relating to a contract termination dispute.

A payment of £2,500,000 was made by the Home Office to settle a contractual claim, in order to avoid legal and other costs.

3.2 Fees and Charges

This note has been revised to satisfy the Fees and Charges requirements of HM Treasury rather than *IFRS 8 Operating Segments*. Categories of income and costs below £10 million have been excluded from this analysis. The prior year figures have been restated accordingly.

Immigration Health Surcharge income has not been included in the table below as the service is provided by the Department of Health.

Segment	Note	2015-16					
		Income	Full Cost	Surplus / (deficit)	Fee recovery actual	Fee recovery target	
		£000	£000	£000	%	%	
Crime and Policing Group	College of Policing - People Development	1	14,581	53,357	(38,776)	27	-
Crime and Policing Group	SIA - Licensing and ACS Income	2	29,567	25,536	4,031	116	100
Crime and Policing Group	DBS Disclosures and Update Service	3	146,646	126,937	19,709	116	100
UK Visas & Immigration	International Group - Visas	4	637,112	379,810	257,302	168	169
UK Visas & Immigration	Immigration Group - In country	5	449,633	271,290	178,343	166	201
HM Passport Office	Passports	6	476,548	411,971	64,577	116	100
HM Passport Office	Certificate Services	7	14,451	12,705	1,746	114	100
Enablers	Information Services	8	145,665	366,660	(220,995)	40	-
			1,914,203	1,648,266	265,937		

Some income streams are charged below the cost of delivery where the Department has to maintain its international competitiveness. To compensate for this, some fees are set above the cost of delivery. In particular, the income for certain in-country applications is set at a level that allows for a contribution towards immigration related activities, in addition to covering the cost of processing applications. The overall aim is to ensure that income contributes to the end-to-end costs of the immigration system.

DBS income above does not reconcile with the Income note because intra-group DBS fees have not been eliminated in the fees and charges note.

Notes:

1. People Development includes exams and assessments, learning and development services and leadership development services.
2. The Security Industry Authority (SIA) 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.

The SIA 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. An Enhanced DBS Check provides details of all Cautions, Warnings, Reprimands and Convictions held on an individual's criminal record. It will also search whether the applicant is on the children / vulnerable adults Barred Lists. The Barred Lists are a list of the names of individuals that are barred by law from working with children or vulnerable adults. The Enhanced DBS Check also has a section for 'Other Relevant Police Information' where the applicant's local police force can add any further notes should they deem it relevant.

A Standard DBS Disclosure 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.

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 International Group is responsible for issuing Visas. The Group's cost recovery target is 169% with the additional income from fees contributing to the overhead costs within the Department.
5. UKVI Immigration Group deals with UK based applications for permanent settlement and Nationality applications. The Group's cost recovery target is 201% with the additional income from fees contributing to the overhead costs within the Department.
6. 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. 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. Information Services includes the Airwave radio service, fingerprint identification, Hendon Data Centre, police science and forensics as well as project support and IT systems.

Restated
2014-15

Segment	Note	Income	Full Cost	Surplus / (deficit)	Fee recovery actual	Fee recovery target	
		£000	£000	£000	%	%	
Crime and Policing Group	College of Policing - People Development	1	12,391	25,918	(13,527)	48	-
Crime and Policing Group	SIA - Licensing and ACS Income	2	30,218	27,502	2,716	110	100
Crime and Policing Group	DBS Disclosures and Update Service	3	144,696	137,826	6,870	105	100
UK Visas & Immigration	International Group - Visas	4	585,500	393,216	192,284	149	148
UK Visas & Immigration	Immigration Group - In country	5	429,300	198,936	230,364	216	239
HM Passport Office	Passports	6	478,819	422,285	56,534	113	100
HM Passport Office	Certificate Services	7	14,482	12,748	1,734	114	100
Enablers	Information Services	8	97,318	335,419	(238,101)	29	-
			1,792,724	1,553,850	238,874		

3.3 Remote Contingent Liabilities

The Department has entered into the following unquantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort. These are considered unquantifiable because either a potential liability cannot be estimated with a degree of certainty at the current time or because there is no stated maximum exposure. 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.

Indemnities

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

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

Border Force New Detection Technology (NDT)

The following minutes have been used to notify Parliament of the contingent liability relating to the BF NDT, dated:

10 September 2003, 18 December 2003, 18 March 2004 and 2 July 2004

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

- 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.
- 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 BF in the juxtaposed control zone.
- 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.
- iv) **Ostend:** Heartbeat shelters.
- v) **St. Malo:** CO2 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 BF 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).

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.

The Home Office use of Foreign & Commonwealth Office premises

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

Forensic Science Service

The Home Office has made a commitment to the solvent wind-down costs of the Forensic Science Service.

3.4 Financial Guarantees, Indemnities and Letter of Comfort

The Department has entered into the following quantifiable guarantees, indemnities or provided letters of comfort. None of these is a contingent liability within the meaning of IAS 37 since the likelihood of a transfer of economic benefit in settlement is too remote.

Managing Public Money requires that the full potential costs of such contracts be reported to Parliament.

These costs are reproduced in the table below.

	1 April 2015	Increase in year	Liabilities crystallised in year	Obligation expired in year	31 March 2016
	£000	£000	£000	£000	£000
<i>Indemnities</i>					
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.	50,000	–	–	–	50,000
Claims arising from the Simplifying Passenger Travel Interest Group (SPT) not exceeding £5 million. Minute dated 8 July 2008.	5,000	–	–	–	5,000
Indemnities were given to various port and airport authorities during installation stage of Cyclamen. The maximum exposure is £115 million with no individual indemnity being above £10 million. Minute dated 29 May 2009.	115,000	–	–	–	115,000
	170,000	–	–	–	170,000

In addition to the above mentioned indemnities, there is a €10 million; £7.9 million indemnity relating to Cyclamen with Eurotunnel converted at the rate at 31 March 2016 from the European Central Bank website. This indemnity is 'live' until 31 March 2017 under the Hosting Agreement.

Mark Sedwill

Accounting Officer
14 July 2016

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

I certify that I have audited the financial statements of the Home Office and of its Departmental Group for the year ended 31 March 2016 under the Government Resources and Accounts Act 2000. The Department consists of 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 2016. The financial statements comprise: the Department's and Departmental Group's Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the Statement of Parliamentary Supply and the related notes, and the information within the Remuneration and Staff Report and the Parliamentary Accountability and Audit Report that is described in those reports as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Department's and the Departmental Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of 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.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2016 and shows that those totals have not been exceeded; and
- 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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's and the Departmental Group's affairs as at 31 March 2016 and of the Department's net operating cost and Departmental Group's net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Parliamentary Accountability and Audit Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or 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 Remuneration and Staff Report and the Parliamentary Accountability and Audit Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse

15 July 2016

Comptroller and Auditor General

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

Consolidated Statement of Comprehensive Net Expenditure

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.

for the year ended 31 March 2016

	Note	2015-16 £000		Restated 2014-15 £000	
		Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Income from sale of goods and services	5	(1,809,914)	(1,955,114)	(1,568,857)	(1,714,630)
Other operating income	5	(480,518)	(518,908)	(395,230)	(442,127)
Total operating Income		(2,290,432)	(2,474,022)	(1,964,087)	(2,156,757)
Staff costs	3	1,232,042	1,353,842	1,234,616	1,355,481
Grants					
Main Police Grants	4	7,630,720	7,630,720	8,007,359	8,007,359
Police Pensions top-up Grant	4	1,636,876	1,636,876	1,423,715	1,423,715
Other	4	1,292,349	1,294,620	1,342,637	1,345,908
Purchase of goods and services	4	1,108,367	1,156,608	985,320	1,036,649
Depreciation and impairment charges	4	245,175	257,424	311,871	334,509
Provision expense	4	(185,890)	(185,780)	491,254	491,850
Other operating expenditure	4	1,010,260	1,094,066	1,043,257	1,134,871
Grant in Aid to NDPBs		114,315	–	110,357	–
Total operating expenditure		14,084,214	14,238,376	14,950,386	15,130,342
Finance expense	4	32,340	32,832	32,128	33,850
Net expenditure for the year		11,826,122	11,797,186	13,018,427	13,007,435

Other Comprehensive Net Expenditure

	Note	2015-16 £000		Restated 2014-15 £000	
		Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Items which will not be reclassified to net operating costs:					
– Net (gain)/loss on revaluation of property plant & equipment	6	(12,053)	(14,169)	(77,128)	(77,041)
– Net (gain)/loss on revaluation of Intangible assets	7	(24)	(11)	(2,018)	(1,825)
– Actuarial (gain)/loss on pension scheme liabilities		36	36	42	484
Comprehensive net expenditure for the year		11,814,081	11,783,042	12,939,323	12,929,053

All activities are continuing operations.

The 2014-15 results have been restated to take account of Group Designation Changes (see Note 18 for details).

The notes on pages 122 to 159 form part of these accounts.

Consolidated Statement of Financial Position

This statement presents the financial position of the Home Office. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

as at 31 March 2016

		2015-16 £000		Restated 2014-15 £000		Restated 2013-14 £000	
	Note	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Non-current assets:							
Property, plant and equipment	6	1,038,475	1,072,975	1,057,926	1,088,498	1,089,425	1,123,131
Intangible assets	7	406,413	460,991	458,579	508,022	487,538	533,357
Trade receivables and other non-current assets	12	–	1,168	–	1,648	42	1,497
Total non-current assets		1,444,888	1,535,134	1,516,505	1,598,168	1,577,005	1,657,985
Current assets:							
Assets classified as held for sale		2,356	2,356	6,991	6,991	22,961	22,961
Inventories		8,365	8,365	12,713	12,713	11,043	11,043
Trade and other receivables	12	420,798	438,784	385,884	390,547	321,243	324,303
Cash and cash equivalents	11	167,569	242,751	140,971	209,711	206,173	248,332
Total current assets		599,088	692,256	546,559	619,962	561,420	606,639
Total assets		2,043,976	2,227,390	2,063,064	2,218,130	2,138,425	2,264,624
Current liabilities:							
Provisions	14	37,950	39,193	504,808	505,592	136,829	138,903
Trade and other payables	13	1,619,441	1,683,288	1,403,624	1,465,708	1,472,678	1,507,480
Total current liabilities		1,657,391	1,722,481	1,908,432	1,971,300	1,609,507	1,646,383
Non-current assets plus/less net current assets/ liabilities		386,585	504,909	154,632	246,830	528,918	618,241
Non-current liabilities:							
Other payables	13	284,683	286,930	289,200	295,678	293,173	307,529
Provisions	14	93,138	94,771	175,651	177,876	137,120	139,335
Pensions liability		368	2,410	353	2,395	332	1,916
Total non-current liabilities		378,189	384,111	465,204	475,949	430,625	448,780
Assets less liabilities		8,396	120,798	(310,572)	(229,119)	98,293	169,461
Taxpayers' equity and other reserves:							
General fund		(232,438)	(122,843)	(564,748)	(484,154)	(100,978)	(31,648)
Revaluation reserve		241,202	246,051	254,529	257,430	199,603	203,025
Pensions reserve		(368)	(2,410)	(353)	(2,395)	(332)	(1,916)
Total equity		8,396	120,798	(310,572)	(229,119)	98,293	169,461

The 2014-15 results have been restated to take account of Group Designation Changes (see Note 18 for details).

The notes on pages 122 to 159 form part of these accounts.

Mark Sedwill
Accounting Officer
14 July 2016

Consolidated Statement of Cash Flows

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Home Office during the reporting period. The statement shows how the Home Office 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 Departments' future public service delivery.

for the year ended 31 March 2016

	Note	2015-16		Restated 2014-15	
		Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Cash flows from operating activities					
Net operating cost		(11,826,122)	(11,797,186)	(13,018,427)	(13,007,435)
Adjustments for non-cash transactions		112,667	125,760	835,782	859,824
(Increase)/decrease in trade and other receivables	12	(34,914)	(47,757)	(64,599)	(66,395)
<i>less movements in receivables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure</i>		(3,181)	(3,206)	377	790
(Increase)/decrease in inventories		4,348	4,348	(1,670)	(1,670)
Increase/(decrease) in trade payables	13	211,300	208,832	(73,027)	(53,623)
<i>less movements in payables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure</i>		(28,574)	(18,272)	58,799	62,444
Use of provisions	14	(363,481)	(363,724)	(84,745)	(86,621)
Increase/(decrease) in pension liability		15	15	21	479
Net cash outflow from operating activities		(11,927,942)	(11,891,190)	(12,347,489)	(12,292,207)
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(89,857)	(97,397)	(71,368)	(77,093)
Purchase of intangible assets	7	(90,751)	(103,224)	(111,076)	(128,825)
Proceeds of disposal		6,366	6,863	25,775	25,916
Net cash outflow from investing activities		(174,242)	(193,758)	(156,669)	(180,002)
Cash flows from financing activities					
From the Consolidated Fund (Supply) – current year		12,217,055	12,217,055	12,571,585	12,571,585
Advances from the Contingencies Fund		555,000	555,000	275,000	275,000
Repayments to the Contingencies Fund		(555,000)	(555,000)	(275,000)	(275,000)
Capital element of payments in respect of finance leases and on balance sheet (SoFP) PFI contracts		(36,764)	(47,558)	(35,042)	(40,409)
Net financing		12,180,291	12,169,497	12,536,543	12,531,176
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		78,107	84,549	32,385	58,967
Payments of amounts due to the Consolidated Fund		(51,509)	(51,509)	(97,587)	(97,588)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		26,598	33,040	(65,202)	(38,621)
Cash and cash equivalents at the beginning of the period		140,971	209,711	206,173	248,332
Cash and cash equivalents at the end of the period		167,569	242,751	140,971	209,711

The 2014-15 results have been restated to take account of Group Designation Changes (see Note 18 for details).

The notes on pages 122 to 159 form part of these accounts.

Consolidated Statement of Changes in 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.

for the year ended 31 March 2016

	Note	General Fund £000	Revaluation Reserve £000	Pension Reserve £000	Total Reserves £000
Balance at 31 March 2014		(31,648)	203,025	(1,916)	169,461
Opening balance adjustment		16	–	–	16
Restated balance at 1 April 2014		(31,632)	203,025	(1,916)	169,477
Net Parliamentary Funding – drawn down		12,571,585	–	–	12,571,585
Net Parliamentary Funding – deemed		169,473	–	–	169,473
Supply (payable)/receivable adjustment		(124,775)	–	–	(124,775)
Amounts payable to the Consolidated Fund		(86,401)	–	–	(86,401)
Comprehensive Net Expenditure for the year		(13,007,435)	–	–	(13,007,435)
Non-Cash Adjustments:					
Net gain/(loss) on revaluation of property, plant and equipment	6	–	77,041	–	77,041
Net gain/(loss) on revaluation of intangible assets	7	–	1,825	–	1,825
Movements in Reserves:					
Non-cash charges – auditor's remuneration	4	505	–	–	505
External transfers		26	2	–	28
Actuarial gain/(loss) in year		–	–	(484)	(484)
Release of reserves to the Statement of Comprehensive Net Expenditure		42	–	–	42
Transfers between reserves		24,458	(24,463)	5	–
Balance at 31 March 2015		(484,154)	257,430	(2,395)	(229,119)
Of which:					
Core Department		(564,748)	254,529	(353)	(310,572)
Agencies		–	–	–	–
NDPBs		80,594	2,901	(2,042)	81,453
		(484,154)	257,430	(2,395)	(229,119)

	Note	General Fund £000	Revaluation Reserve £000	Pension Reserve £000	Total Reserves £000
Restated balance at 1 April 2015		(484,154)	257,430	(2,395)	(229,119)
Net Parliamentary Funding – drawn down		12,217,055	–	–	12,217,055
Net Parliamentary Funding – deemed		124,775	–	–	124,775
Supply (payable)/receivable adjustment		(98,542)	–	–	(98,542)
Amounts payable to the Consolidated Fund		(110,740)	–	–	(110,740)
Comprehensive Net Expenditure for the year		(11,797,186)	–	–	(11,797,186)
Non-Cash Adjustments:					
Net gain/(loss) on revaluation of property, plant and equipment	6	–	14,619	–	14,169
Net gain/(loss) on revaluation of intangible assets	7	–	11	–	11
Movements in Reserves:					
Non-cash charges – auditor’s remuneration	4	370	–	–	370
Notional charges and income		(4)	–	–	(4)
External transfers		9	–	–	9
Actuarial gain/(loss) in year		–	–	(36)	(36)
Release of reserves to the Statement of Comprehensive Net Expenditure		36	–	–	36
Transfers between reserves		25,538	(25,559)	21	–
Balance at 31 March 2016		(122,843)	246,051	(2,410)	120,798
Of which:					
Core Department		(232,438)	241,202	(368)	8,396
Agencies		–	–	–	–
NDPBs		109,595	4,849	(2,042)	112,402
		(122,843)	246,051	(2,410)	120,798

Statement of Changes in Taxpayers' Equity (Core Department and Agencies)

for the year ended 31 March 2016

	Note	General Fund £000	Revaluation Reserve £000	Pension Reserve £000	Restated Total Reserves £000
Balance at 31 March 2014		(100,978)	199,603	(332)	98,293
Net Parliamentary Funding – drawn down		12,571,585	–	–	12,571,585
Net Parliamentary Funding – deemed		169,473	–	–	169,473
Supply (payable)/receivable adjustment		(124,775)	–	–	(124,775)
Amounts payable to the Consolidated Fund		(86,400)	–	–	(86,400)
Comprehensive Net Expenditure for the year		(13,018,427)	–	–	(13,018,427)
Non-Cash Adjustments:					
Net gain/(loss) on revaluation of property, plant and equipment	6	–	77,128	–	77,128
Net gain/(loss) on revaluation of intangible assets	7	–	2,018	–	2,018
Movements in Reserves:					
Non-cash charges – auditor's remuneration	4	505	–	–	505
External transfers		26	2	–	28
Actuarial gain/(loss) in year		–	–	(42)	(42)
Release of reserves to the Statement of Comprehensive Net Expenditure		42	–	–	42
Transfers between reserves		24,201	(24,222)	21	–
Balance at 31 March 2015		(564,748)	254,529	(353)	(310,572)

	Note	General Fund £000	Revaluation Reserve £000	Pension Reserve £000	Total Reserves £000
Balance at 1 April 2015		(564,748)	254,529	(353)	(310,572)
Net Parliamentary Funding – drawn down		12,217,055	–	–	12,217,055
Net Parliamentary Funding – deemed		124,775	–	–	124,775
Supply (payable)/receivable adjustment		(98,542)	–	–	(98,542)
Amounts payable to the Consolidated Fund		(110,740)	–	–	(110,740)
Comprehensive Net Expenditure for the year		(11,826,122)	–	–	(11,826,122)
Non-Cash Adjustments:					
Net gain/(loss) on revaluation of property, plant and equipment	6	–	12,053	–	12,053
Net gain/(loss) on revaluation of intangible assets	7	–	24	–	24
Movements in Reserves:					
Non-cash charges – auditor's remuneration	4	370	–	–	370
Notional charges and income		86	–	–	86
External transfers		9	–	–	9
Actuarial gain/(loss) in year		–	–	(36)	(36)
Release of reserves to the Statement of Comprehensive Net Expenditure		36	–	–	36
Transfers between reserves		25,383	(25,404)	21	–
Balance at 31 March 2016		(232,438)	241,202	(368)	8,396

The notes on pages 122 to 159 form part of these accounts.

Notes to the Departmental Resource Accounts

1. Statement of accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the 2015-16 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Department for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Department are described below. They have been applied consistently in dealing with items that are considered material to the financial statements.

In 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.

The accounts have been prepared under the Government Resources and Accounts Act 2000.

1.1 Accounting convention

These accounts have been prepared on an accruals basis under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

1.2 Restatement of 2014-15 Results

The results for 2014-15 have been restated to include the financial data of the Disclosure and Barring Service (DBS), which has been reclassified as a Non-Departmental Public Body of the Home Office by the Office for National Statistics.

1.3 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. The NDPBs consolidated within the departmental boundary are: Disclosure and Barring Service (DBS), Independent Police Complaints Commission (IPCC), Office of the Immigration Services Commissioner (OISC), Security Industry Authority (SIA) and the Gangmasters Licensing Authority (GLA). The College of Policing is a company limited by guarantee. It is classified as an Arms Length Body by HM Treasury, and is consolidated within the departmental boundary as a NDPB.

The NDPBs also produce and publish their own Annual Report and Accounts. Transactions between entities included in the consolidated accounts are eliminated.

Group designation changes which involve the reclassification of an entity outside departmental boundaries to within are accounted for using merger accounting rules in accordance with the FReM. DBS, which was previously a Public Corporation was reclassified by the Office for National Statistics in November 2015 to a NDPB of the Home Office.

The impact of the group designation change to the accounts is detailed in Note 18.

1.4 Judgments 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

A provision is recognised when the Department has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using the real rate set by HM Treasury.

Service concession arrangements

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.

Police Pensions top-up grant accrual

The Department makes a grant to police forces to match the estimated deficit in their police pension schemes for the year. The grant is based on estimates provided in-year by the police forces 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 value of the accrual as at 31 March 2016 was £406 million.

1.5 Property, plant and equipment

Property, plant and equipment is recognised initially at cost and thereafter at current value in existing use.

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 is £5,000.

Current value in existing use of land and buildings is based on professional valuations every five years and in the intervening years by the use of published indices appropriate to the type of property. Valuations are undertaken in accordance with the Royal Institute of Chartered Surveyors Appraisal and Evaluation Manual. These valuations are carried out by Cushman and Wakefield who uses registered MRICS valuers recognised by the Royal Institute of Chartered Surveyors. The valuation was carried out as of 31 March 2016.

Other operational assets are revalued to open market value where obtainable, or on the basis of depreciated replacement cost where market value is not obtainable. Published indices appropriate to the category of asset are normally used to estimate value.

Any revaluation surplus is credited to the revaluation reserve except to the extent that it reverses a decrease in the carrying value of the same asset previously recognised in the 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 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 – 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

Assets in the course of construction are not depreciated until the point at which they are ready to be brought into use. No depreciation is provided on freehold land and non-current assets held for sale.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

1.6 Intangible assets

Intangible assets are measured on initial recognition at cost, following initial recognition at current value in existing use. Where an active market exists, intangible assets are carried at value at the period ending 31 March. Where no active market exists the Department uses published indices to assess the depreciated replacement cost. 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 licences

Externally acquired computer software licences are amortised over their useful economic life i.e. rights to use. Amortisation 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 which could be anything from 3 to 15 years.

Internally developed software

This includes software 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 7 to the accounts refers to these assets as Information Technology.

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.

1.7 Leases

Assets held under finance leases, which transfer to the Department substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease, with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the Consolidated Statement of Comprehensive Net Expenditure so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and the rentals payable are charged to the Consolidated Statement of Comprehensive Net Expenditure on a straight line basis over the lease term.

1.8 Service concessions

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 at section 1.7 Leases.

Where it is determined that arrangements are in scope of IFRIC 12, the Department recognises the infrastructure as a non-current asset.

Where the contract is separable between the service element, the interest charge and the infrastructure asset, the asset is measured as under IAS 17, with the service element and the interest charge recognised as incurred over the term of the concession arrangement. Where there is a unitary payment stream that includes infrastructure and service elements that cannot be separated, the various elements will be separated using estimation techniques.

In determining the interest rate implicit in the contract, the Department applies the risk-free market rate at the time the contract was signed. The rate is not changed unless the infrastructure element or the whole contract is renegotiated. The risk-free rate is determined by reference to the real rate set by HM Treasury, currently 3.5%.

The nominal rate is then calculated by adjusting this real term rate by the UK inflation rate.

The Department recognises a liability for the capital value of the contract. That liability does not include the interest charge and service elements, which are expensed annually to the Consolidated Statement of Comprehensive Net Expenditure.

On initial recognition of existing PPP arrangements or PFI contracts under IFRS, the Department measures the non-current asset in the same way as other non-current assets of that generic type. A liability is recognised for the capital value of the contract at its fair value at the 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 laid down in *IAS 18 Revenue* have been satisfied.

1.9 Cash and cash equivalents

Cash in the Statement of Financial Position comprises cash at bank and in hand.

1.10 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.

1.11 Income

Income which relates directly to the operating activities of the Department is stated net of VAT. These principally comprise fees and charges for services provided on a full cost basis to external customers.

Income receivable for Passport fees is recognised when services and goods are issued. 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 FCO worldwide. These costs are not retained by the Home Office and are remitted to HM Treasury as Consolidated Fund Extra Receipts (CFERs).

Income receivable for fees charged in respect of applications for visas and immigration documents is not recognised until the application process has been completed and a decision is made.

Income relating to the Immigration Health Surcharge is not recognised until a decision on the visa application has been made in favour of the applicant.

EU expenditure is recognised in the Consolidated Statement of Comprehensive Net Expenditure on a pro-rata basis as the projects progress, the income receivable from the EU is recognised to match this expenditure.

1.12 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 a new 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). This contribution is paid into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also 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:

Broadly By Analogy pensions are unfunded, with benefits being paid as they fall due. Liabilities for the scheme rest with the core Department and the IPCC, 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.

1.13 Home Office grants

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

Main Police Grants

Police grants paid by the Department to Police and Crime Commissioners are based on funding levels agreed in the Police Grant Report (England and Wales) 2015-16.

Police Pensions top-up grant

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

1.14 Value Added Tax

Most of the activities of the Department are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1.15 Segmental Reporting

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.

1.16 Deferred Income

Income is recognised at the point at which any conditions attached to the grant have been met or, if there were no such conditions, on receipt. The grants, or elements of them, are shown as deferred income if at the year-end monies have been received, but where the conditions relating to the grant have not yet been met.

A large element of the Department's deferred income relates to visa income, where the Department receives payment in advance with the visa application, but where the income is not recognised until the application process is completed.

Lease incentives are deferred on a straight line basis over the life of the lease.

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

IFRS 9 Financial Instruments was issued in July 2014, effective for periods beginning on or after 1 January 2018. It is not yet adopted by the EU. HM Treasury is working towards implementing the standard in the FReM from 2018-19.

It is not expected to have a material impact on the financial statements.

IFRS 15 Revenue from Contracts with Customers was issued in May 2014, effective for periods beginning on or after 1 January 2018. It is not yet endorsed by the EU but is expected to be in late 2016. HM Treasury is working towards implementing the standard in the FReM from 2018-19.

It is not expected to have a material impact on the financial statements.

IFRS 16 Leases was issued in January 2016, effective for periods beginning on or after 1 January 2019. The introduction of IFRS 16 is subject to analysis and review by HM Treasury and the other Relevant Authorities. HM Treasury will issue an Exposure Draft on IFRS 16 in advance of the effective date.

2. Statement of Operating Costs by Operating Segment

for the year ended 31 March 2016

Reportable Segment	Gross Expenditure	Income	2015-16 Net
	£000	£000	£000
Crime and Policing Group	9,994,063	(249,267)	9,744,796
Office for Security and Counter-Terrorism	962,447	(201,054)	761,393
Counter Extremism	3,722	–	3,722
Immigration Enforcement	463,535	(63,900)	399,635
UK Visas & Immigration	906,428	(1,256,982)	(350,554)
International and Immigration Policy Group	32,431	(1,236)	31,195
Border Force	590,022	(19,014)	571,008
HM Passport Office	369,690	(507,624)	(137,934)
Enablers	948,870	(174,945)	773,925
Net Expenditure	14,271,208	(2,474,022)	11,797,186

Reconciliation between Operating Segments and SOPS Note 1

Capital Grants	(169,317)	–	(169,317)
Capital Income	–	25,163	25,163
PFI adjustments	(39,570)	–	(39,570)
Consolidated Fund Extra Receipts	–	110,740	110,740
Capital AME*	(345,589)	–	(345,589)
NDPB income (reported as net expenditure in SOPS Note 1)	(183,590)	183,590	–
EU Income (reported as net expenditure in SOPS Note 1)	(41,938)	41,938	–
Capital Disposal adjustments	–	(23,196)	(23,196)
Net Resource Outturn	13,491,204	(2,135,787)	11,355,417

*This represents the total lump sum settlements to eligible retired police officers as a result of the Pensions Ombudsman ruling which found GAD guilty of maladministration in 2015.

Departmental Net Assets by Operating Segment (as at 31 March 2016)

Reportable Segment	Total Assets £000	Total Liabilities £000	Net Assets £000
Crime and Policing Group	327,597	(657,574)	(329,977)
Office for Security and Counter-Terrorism	71,889	(171,660)	(99,771)
Counter Extremism	7	(731)	(724)
Immigration Enforcement	282,942	(49,305)	233,637
UK Visas & Immigration	(55,240)	(176,143)	(231,383)
International and Immigration Policy Group	23,783	(2,967)	20,816
Border Force	207,632	(66,689)	140,943
HM Passport Office	176,644	(68,288)	108,356
Enablers	1,192,136	(913,235)	278,901
Total balance	2,227,390	(2,106,592)	120,798

The fluctuation in UKVI and Enablers Net Assets between 2014-15 and 2015-16 is due to the centralisation of estate assets, which include detention centres, in advance of the transfer of Home Office Estate Management to the Shared Estates Service Cluster organisation on 1 April 2016.

for the year ended 31 March 2015

Reportable Segment	Gross Expenditure £000	Income £000	Restated 2014-15 Net £000
Crime and Policing Group	10,914,196	(229,033)	10,685,163
Office for Security and Counter-Terrorism	954,117	(182,649)	771,468
Immigration Enforcement	465,992	(29,843)	436,149
UK Visas & Immigration	837,246	(1,019,791)	(182,545)
International and Immigration Policy Group	41,398	(1,059)	40,339
Border Force	525,082	(7,775)	517,307
HM Passport Office	402,993	(507,606)	(104,613)
Enablers	1,023,168	(179,001)	844,167
Net Expenditure	15,164,192	(2,156,757)	13,007,435

Reconciliation between Operating Segments and SOPS Note 1

Capital Grants	(215,920)	–	(215,920)
Capital Income	–	3,624	3,624
PFI adjustments	(67,300)	–	(67,300)
Consolidated Fund Extra Receipts	–	86,401	86,401
NDPB income (reported as net expenditure in SOPS Note 1)	(201,852)	201,852	–
EU Income (reported as net expenditure in SOPS Note 1)	(49,931)	49,931	–
Net Resource Outturn	14,629,189	(1,814,949)	12,814,240

Departmental Net Assets by Operating Segment (as at 31 March 2015)

Reportable Segment	Total Assets	Total Liabilities	Net Assets
	£000	£000	£000
Crime and Policing Group	382,454	(1,238,172)	(855,718)
Office for Security and Counter-Terrorism	67,207	(186,559)	(119,352)
Immigration Enforcement	268,298	(39,445)	228,853
UK Visas & Immigration	408,127	(340,820)	67,307
International and Immigration Policy Group	35,648	(8,993)	26,655
Border Force	236,337	(54,995)	181,342
HM Passport Office	186,720	(75,124)	111,596
Enablers	633,339	(503,141)	130,198
Total balance	2,218,130	(2,447,249)	(229,119)

This segmental analysis is consistent with how financial performance is reported to the Home Office Departmental Board.

The underlying factors in identifying the reportable segments are driven by the budget allocations, departmental priorities and financial risks. This provides the board with decision making information based upon sound financial reporting. It enables the determination of resource spend by entity, departmental priority and operational activity.

Home Office Business Segments

The Crime and Policing Group (CPG), and the services the group oversee, play vital roles in achieving the Home Office's core purpose of protecting the public. CPG are responsible for the implementation of crime and policing policy and sponsor the Disclosure and Barring Service (DBS), the Independent Police Complaints Commission, the Security Industry Authority, the Gangmasters Licensing Authority and the College of Policing.

The Office for Security and Counter-Terrorism (OSCT) gives strategic direction to the UK's work to counter the threat from international terrorism and reduce serious and organised crime. Its primary objectives are to protect the public from terrorism by reducing the risk to the UK and its interests overseas, so that people can go about their lives freely and with confidence and to substantially reduce the level of serious and organised crime affecting the UK and its interests.

The new Office for Counter Extremism is responsible for coordinating government's implementation of the Counter Extremism Strategy, taking forward key elements, and assessing the impact of its approach.

This includes action in four areas:

- countering extremist ideology – continuing to confront and challenge extremist propaganda, ensuring no space goes uncontested, including online, promoting a better alternative, and supporting those at risk of radicalisation.
- building and supporting a partnership with all those opposed to extremism – going further to stand with and build the capacity of mainstream individuals, community organisations and others in society who work every day to challenge extremists and protect vulnerable individuals.
- disrupting extremists – introducing new, carefully targeted powers to challenge the most active and persistent individuals and groups.
- building cohesive communities – reviewing, understanding and addressing the reasons why some people living here do not identify with Britain.

Immigration Enforcement is responsible for preventing abuse, pursuing immigration offenders and increasing compliance with immigration law. It works with partners to regulate migration in line with the law and government policy and supports economic growth.

UK Visas and Immigration 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.

The International and Immigration Policy Group (IIPG) was established to provide the Department with a focused cross-cutting capability to help it meet the government's agenda. This is done through a mixture of strategy and policy work, casework, management of external programmes, and coordinating and liaising with colleagues across the Department and externally. IIPG sponsor the Office of the Immigration Services Commissioner.

Border Force is a professional law enforcement command within the Home Office. It has approximately 8,000 officers, responsible for securing the UK border and controlling migration at 138 ports and airports across the UK and overseas.

HM Passport Office provides accurate and secure records of key events and has responsibility for producing passports. HM Passport Office delivers the following services:

- it provides passport services for British nationals residing in the UK and, in association with the Foreign and Commonwealth Office, to those residing overseas; and
- it administers civil registration in England and Wales.

Enablers includes Corporate Services, Communications Directorate, Human Resources Directorate and Strategy, Delivery and Private Office Group.

3. Staff Costs

	2015-16 £000		Restated 2014-15 £000	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Wages and salaries	981,732	1,082,277	1,000,888	1,103,592
Social security costs	67,703	73,834	69,470	75,227
Other pension costs	183,690	198,814	166,147	178,551
Sub Total	1,233,125	1,354,925	1,236,505	1,357,370
Less recoveries in respect of outward secondments	(1,083)	(1,083)	(1,889)	(1,889)
Total net costs	1,232,042	1,353,842	1,234,616	1,355,481

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

4. Expenditure

	Note	2015-16		Restated 2014-15	
		Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Grants					
Grants – current					
Main Police Grants					
Home Office Police Core Settlement (1)		4,309,221	4,309,221	4,583,345	4,583,345
Department for Communities and Local Government (DCLG) Formula funding (2)		2,818,300	2,818,300	2,923,548	2,923,548
Legacy Council tax grants (3)		503,199	503,199	500,466	500,466
Other (4)		1,081,094	1,083,365	1,076,787	1,080,058
Grants – capital (5)		169,317	169,317	215,919	215,919
Grants – EU (6)		41,938	41,938	49,931	49,931
Grants – Police Pensions top-up Grant (7)		1,636,876	1,636,876	1,423,715	1,423,715
Non-cash items					
Depreciation	6	116,802	122,412	129,138	133,578
Amortisation	7	125,927	132,535	168,149	178,764
Impairment	8	2,446	2,477	14,584	22,167
(Profit)/loss on disposal of property, plant and equipment		17,270	17,577	403	329
PFI Interest charges		25,590	26,082	24,912	26,633
Finance lease interest charge		6,750	6,750	7,216	7,217
Auditor's remuneration and expenses		370	370	505	505
Provision movements		(185,890)	(185,780)	491,254	491,850
Bad debt movement		3,181	3,206	(377)	(790)
Goods and services					
Publication stationery and printing		6,350	7,458	8,140	9,244
Passport printing and stationery		115,401	115,401	117,244	117,244
Facilities management and staff services		170,772	185,605	195,998	224,681
Travel, subsistence and hospitality		40,857	54,762	47,930	55,963
Professional fees		109,288	113,613	99,724	105,546
Auditor's remuneration and expenses		–	285	–	364
Media and IT		57,421	71,206	22,373	29,696
Asylum costs		301,565	301,565	234,880	234,880
Detention costs		125,027	125,027	136,926	136,926
UK Visas & Immigration commercial partner costs		82,573	82,573	84,259	84,259
FCO Charges		99,113	99,113	37,846	37,846
Other operating expenditure					
Rentals under operating leases		43,015	47,358	50,802	53,389
PFI and other service concession arrangements service charges	9.2	309,840	350,299	312,719	369,683
Other IT and accommodation related service charges		388,529	402,392	415,441	452,967
Early retirement costs		14,980	15,474	12,193	12,833
Asset recovery costs		87,363	87,363	84,949	84,949
e-Borders Settlement		–	–	100,138	100,138
Other costs		145,712	170,027	66,484	60,868
Total		12,770,197	12,917,366	13,637,541	13,808,711

No remuneration has been paid to the National Audit Office for non-audit work by the Departmental Group (2014-15 £Nil)

Home Office grants reported above include the following:

Funding for police purposes, comprising of:

- Home Office Police Core Settlement (1)

Funding to local policing bodies made under Section 46 of the Police Act 1996.

- Department for Communities and Local Government (DCLG) Formula funding (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 paid by the Home Office to local policing bodies, charities and local councils.

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.

European (EU) Grants (6)

1. The European Return Fund supports the efforts of EU Member States to improve the management of return in all its dimensions through the use of the concept of integrated management.
2. The European Integration Fund supports the efforts of EU member states in enabling third-country nationals of different economic, social, cultural, religious, linguistic and ethnic backgrounds to fulfil the conditions of residence and to facilitate their integration into European Societies.
3. The European Refugee Fund supports and encourages efforts made by the EU Member States in receiving, and in bearing the consequences of receiving refugees and displaced persons, taking account of Community legislation on those matters, by co-financing the actions provided for in the corresponding decision.
4. The Asylum, Migration and Integration Fund supports the efforts of EU member states in actions addressing all aspects of migration, including asylum, legal migration, integration and the return of irregularly staying non-EU nationals.

Police Pensions top-up Grant (7)

The Department makes a grant to police forces to match the estimated deficit in their police pension schemes for the year. The grant is based on estimates provided in-year by the police forces and adjusted for actual outturns from prior years.

5. Income

	2015-16 £000		Restated 2014-15 £000	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Retained Income				
Income from sale of goods and services				
Passport fees	392,825	392,825	395,424	395,424
Visa and Immigration income	1,086,745	1,086,745	1,014,768	1,014,768
Immigration Health Surcharge	145,192	145,192	-	-
Hendon data centre income	106,561	106,561	74,174	74,174
Airwave	22,202	22,202	20,426	20,426
Certificate Services	14,451	14,451	14,134	14,134
DBS income	-	145,200	-	145,773
EU income	41,938	41,938	49,931	49,931
Other operating income				
Asset recovery income	186,420	186,420	169,632	169,632
Other administration income	50,799	53,461	38,601	42,945
Other programme income	132,559	168,287	100,597	143,149
Total Retained Income	2,179,692	2,363,282	1,877,687	2,070,356
Payable to Consolidated Fund				
Passport fees	83,723	83,723	83,395	83,395
Immigration Health Surcharge	23,920	23,920	-	-
Other administration income	1	1	48	49
Other programme income	3,096	3,096	2,957	2,957
Total payable to Consolidated Fund	110,740	110,740	86,400	86,401
Total	2,290,432	2,474,022	1,964,087	2,156,757

A regional analysis of overseas income generated by UK Visas and Immigration is given below. The 2014-15 figures have been restated to include Central to provide a complete picture of overseas income generated. Central represents a combination of commercial partner income and visas processed across the network.

	2015-16 £000		Restated 2014-15 £000	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Africa	63,738	63,738	71,251	71,251
Americas	40,733	40,733	44,503	44,503
Euro-Med	60,676	60,676	70,023	70,023
Pacific	121,393	121,393	125,123	125,123
South Asia	124,184	124,184	112,160	112,160
The Gulf	100,027	100,027	101,039	101,039
Central	126,361	126,361	52,000	52,000
	637,112	637,112	576,099	576,099

Home Office income includes:

- income for HM Passport Office from their continuing activities, representing the sale value of all services provided during the year;
- income receivable for fees charged in respect of applications for visas and immigration documents.
- income for DBS from their activities performing criminal record checks for employers and licensing bodies.

In April 2015 the UK Government introduced an Immigration Health Surcharge 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 is transferred via the supply estimate process.

Passport fees include an element relating to consular protection services provided by the FCO worldwide. These costs are not retained by the Home Office and are remitted to HM Treasury as Consolidated Fund Extra Receipts.

6. Property, plant and equipment

	2015-16 Departmental Group							
	Land £000	Buildings £000	Transport Equipment £000	Information Technology £000	Plant & Machinery £000	Furniture & Fittings £000	Payments on Account & Assets under Construction £000	Total £000
Cost or valuation								
At 1 April 2015	43,161	955,121	56,631	336,281	513,761	64,679	89,358	2,058,992
Additions	–	214	3,107	12,234	5,294	7,716	68,832	97,397
Disposals	–	(3,389)	(3,344)	(14,339)	(12,129)	(8,452)	(47)	(41,700)
Impairment	(1,238)	(161)	–	(5)	–	–	(25)	(1,429)
Reclassifications	2,885	1,332	113	12,263	1,644	1,273	(20,240)	(730)
Revaluations	(8,149)	25,044	369	43	6,612	216	(134)	24,001
At 31 March 2016	36,659	978,161	56,876	346,477	515,182	65,432	137,744	2,136,531
Depreciation								
At 1 April 2015	–	(317,164)	(39,180)	(240,802)	(324,269)	(49,079)	–	(970,494)
Charged in year	–	(33,556)	(5,024)	(36,351)	(41,780)	(5,701)	–	(122,412)
Disposals	–	1,844	3,114	14,069	11,898	8,450	–	39,375
Reclassifications	–	–	–	(58)	–	–	–	(58)
Revaluations	–	(5,243)	(182)	(1)	(4,366)	(175)	–	(9,967)
At 31 March 2016	–	(354,119)	(41,272)	(263,143)	(358,517)	(46,505)	–	(1,063,556)
Carrying amount at 31 March 2016	36,659	624,042	15,604	83,334	156,665	18,927	137,744	1,072,975
Carrying amount at 1 April 2015	43,161	637,957	17,451	95,479	189,492	15,600	89,358	1,088,498
Asset financing:								
Owned	36,659	331,129	15,604	65,401	135,614	16,824	137,744	738,975
Finance leased	–	30,142	–	7	–	–	–	30,149
On balance sheet PFI/other concession arrangements	–	262,771	–	17,926	21,051	2,103	–	303,851
Carrying amount at 31 March 2016	36,659	624,042	15,604	83,334	156,665	18,927	137,744	1,072,975
Analysis of property, plant and equipment at 31 March 2016								
Of the total:								
Core Department	35,786	606,457	14,637	78,552	156,540	12,677	133,826	1,038,475
Agencies	–	–	–	–	–	–	–	–
Non-Departmental Public Bodies	873	17,585	967	4,782	125	6,250	3,918	34,500
Carrying amount at 31 March 2016	36,659	624,042	15,604	83,334	156,665	18,927	137,744	1,072,975

	Land £000	Buildings £000	Transport Equipment £000	Information Technology £000	Plant & Machinery £000	Furniture & Fittings £000	Payments on Account & Assets under Construction £000	Total £000
Cost or valuation								
At 1 April 2014	46,465	852,809	54,484	383,492	491,838	62,743	125,315	2,017,146
Additions	1	4,546	2,032	4,389	3,564	3,909	58,652	77,093
Disposals	(670)	(10,857)	(1,658)	(71,909)	(885)	(4,998)	(122)	(91,099)
Impairment	–	(9,571)	(85)	(416)	(699)	(449)	(8,384)	(19,604)
External transfers	–	–	(432)	–	–	–	–	(432)
Transfers to assets held for sale	(4,500)	–	–	–	–	–	–	(4,500)
Reclassifications	402	23,576	1,975	19,055	11,367	3,458	(87,232)	(27,399)
Revaluations	1,463	94,618	315	1,670	8,576	16	1,129	107,787
At 31 March 2015	43,161	955,121	56,631	336,281	513,761	64,679	89,358	2,058,992
Depreciation								
At 1 April 2014	–	(271,754)	(36,493)	(260,893)	(277,441)	(47,434)	–	(894,015)
Charged in year	–	(29,474)	(5,403)	(47,840)	(43,792)	(7,069)	–	(133,578)
Disposals	–	10,758	1,552	68,351	878	4,697	–	86,236
Impairment	–	(638)	28	35	–	–	–	(575)
External transfers	–	–	403	–	–	–	–	403
Reclassifications	–	(661)	562	586	361	732	–	1,580
Revaluations	–	(25,395)	171	(1,041)	(4,275)	(5)	–	(30,545)
At 31 March 2015	–	(317,164)	(39,180)	(240,802)	(324,269)	(49,079)	–	(970,494)
Carrying amount at 31 March 2015	43,161	637,957	17,451	95,479	189,492	15,600	89,358	1,088,498
Carrying amount at 1 April 2014	46,465	581,055	17,991	122,599	214,397	15,309	125,315	1,123,131
Asset financing:								
Owned	43,161	339,590	17,451	71,169	176,277	13,921	86,493	748,062
Finance leased	–	32,638	–	–	–	–	–	32,638
On balance sheet PFI/other concession arrangements	–	265,729	–	24,310	13,215	1,679	2,865	307,798
Carrying amount at 31 March 2015	43,161	637,957	17,451	95,479	189,492	15,600	89,358	1,088,498
Analysis of property, plant and equipment at 31 March 2015								
Of the total:								
Core Department	42,288	621,512	16,996	89,683	189,319	9,948	88,180	1,057,926
Agencies	–	–	–	–	–	–	–	–
Non-Departmental Public Bodies	873	16,445	455	5,796	173	5,652	1,178	30,572
Carrying amount at 31 March 2015	43,161	637,957	17,451	95,479	189,492	15,600	89,358	1,088,498

7. Intangible assets

	2015-16 Departmental Group				
	Information Technology £000	Software Licenses £000	Websites £000	Payments on Account & Assets under Construction £000	Total £000
Cost or valuation					
At 1 April 2015	929,954	98,211	525	123,753	1,152,443
Additions	30,474	1,473	60	71,217	103,224
Disposals	(79,044)	(13,054)	–	(880)	(92,978)
Impairments	–	–	–	222	222
Transfers	–	9	–	–	9
Reclassifications	63,013	691	368	(63,342)	730
Revaluations	22	98	–	–	120
At 31 March 2016	944,419	87,428	953	130,970	1,163,770
Amortisation					
At 1 April 2015	(599,612)	(44,407)	(402)	–	(644,421)
Charged in year	(118,652)	(13,829)	(54)	–	(132,535)
Disposals	62,508	12,990	–	–	75,498
Impairments	(1,270)	–	–	–	(1,270)
Reclassifications	(2,831)	2,889	–	–	58
Revaluations	–	(109)	–	–	(109)
At 31 March 2016	(659,857)	(42,466)	(456)	–	(702,779)
Carrying amount at 31 March 2016	284,562	44,962	497	130,970	460,991
Carrying amount at 1 April 2015	330,342	53,804	123	123,753	508,022
Asset financing:					
Owned	263,532	42,596	497	102,194	408,819
Finance leased	–	160	–	–	160
On balance sheet PFI/other concession arrangements	21,030	2,206	–	28,776	52,012
Carrying amount at 31 March 2016	284,562	44,962	497	130,970	460,991
Analysis of intangible assets at 31 March 2016					
Of the total:					
Core Department	275,913	40,220	497	89,783	406,413
Agencies	–	–	–	–	–
Non-Departmental Public Bodies	8,649	4,742	–	41,187	54,578
Carrying amount at 31 March 2016	284,562	44,962	497	130,970	460,991

The positive impairments total above results from the application of a more stringent approach towards aged Asset Clearing Account (ACA) balances. This resulted in the write off of prior year ACA balances that contained a number of credit notes.

	Information Technology £000	Software Licenses £000	Websites £000	Payments on Account & Assets under Construction £000	Total £000
Cost or valuation					
At 1 April 2014	893,421	96,354	897	68,202	1,058,874
Additions	18,624	1,824	4	108,373	128,825
Disposals	(53,725)	(7,454)	–	(267)	(61,446)
Impairments	(3,201)	(61)	–	–	(3,262)
Reclassifications	70,762	7,196	(1)	(52,491)	25,466
Transfers	5	203	(379)	(64)	(235)
Revaluations	4,068	149	4	–	4,221
At 31 March 2015	929,954	98,211	525	123,753	1,152,443
Amortisation					
At 1 April 2014	(486,437)	(38,593)	(487)	–	(525,517)
Charged in year	(165,833)	(12,886)	(45)	–	(178,764)
Disposals	53,094	7,440	–	–	60,534
Impairments	1,212	61	–	–	1,273
Reclassifications	786	(264)	(169)	–	353
Transfers	(2)	(2)	302	–	298
Revaluations	(2,432)	(163)	(3)	–	(2,598)
At 31 March 2015	(599,612)	(44,407)	(402)	–	(644,421)
Carrying amount at 31 March 2015	330,342	53,804	123	123,753	508,022
Carrying amount at 1 April 2014	406,984	57,761	410	68,202	533,357
Asset financing:					
Owned	284,950	47,931	123	99,110	432,114
On balance sheet PFI/other concession arrangements	45,392	5,873	–	24,643	75,908
Carrying amount at 31 March 2015	330,342	53,804	123	123,753	508,022
Analysis of intangible assets at 31 March 2015					
Of the total:					
Core Department	324,523	40,794	123	94,418	459,858
Agencies	–	–	–	–	–
Non-Departmental Public Bodies	5,819	13,010	–	29,335	48,164
Carrying amount at 31 March 2015	330,342	53,804	123	123,753	508,022

8. Impairments

The Home Office has incurred the following impairments to non current assets during the financial year:

	Note	2015-16 Departmental Group £000	Restated 2014-15 Departmental Group £000
Charged to the Consolidated Statement of Comprehensive Net Expenditure	4	2,477	22,129
Charged to the Revaluation Reserve		–	(3)
		2,477	22,126

An analysis of these impairments by asset class are as follows:

		2015-16 Departmental Group £000	Restated 2014-15 Departmental Group £000
Property, plant and equipment – Land	6	1,238	–
Property, plant and equipment – Buildings	6	161	10,208
Property, plant and equipment – Transport Equipment	6	–	57
Property, plant and equipment – Information Technology	6	5	378
Property, plant and equipment – Plant and Machinery	6	–	699
Property, plant and equipment – Furniture and Fittings	6	–	411
Property, plant and equipment – Assets under construction	6	25	8,384
Intangible assets – Information Technology	7	1,270	1,989
Intangible assets – Assets under Construction	7	(222)	–
		2,477	22,126

9. Capital and other commitments

9.1. Commitments under leases

9.1.1 Operating Leases

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

	2015-16		Restated 2014-15	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Land				
Not later than one year	882	882	882	882
Later than one year and not later than five years	3,527	3,527	3,527	3,527
Later than five years	92,094	92,094	92,978	92,978
	96,503	96,503	97,387	97,387
Buildings				
Not later than one year	38,361	44,036	31,968	37,126
Later than one year and not later than five years	102,998	109,716	91,415	100,176
Later than five years	137,101	137,583	133,696	134,467
	278,460	291,335	257,079	271,769
Other				
Not later than one year	294	409	324	422
Later than one year and not later than five years	115	232	279	445
Later than five years	1	1	–	–
	410	642	603	867
Total Commitment	375,373	388,480	355,069	370,023

The 2014-15 results have been restated for the following reasons:

- a review of Core Department and Agencies operating leases carried out during the year identified new information relating to existing operating leases.
- to take account of Group Designation Changes (see Note 18 for details).
- to correct a classification of Office of the Immigration Services Commissioner Building operating lease previously classified as Land.
- to restate College of Policing figures to match their published 2014-15 accounts.

9.1.2 Finance Leases

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

	2015-16		2014-15	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Buildings				
Not later than one year	9,605	9,605	9,487	9,487
Later than one year and not later than five years	38,960	38,960	39,160	39,160
Later than five years	88,303	88,303	97,707	97,707
	136,868	136,868	146,354	146,354
Less interest element	67,018	67,018	73,768	73,768
Present value of obligations	69,850	69,850	72,586	72,586
Total Commitment	69,850	69,850	72,586	72,586

9.2. Commitments under PFI and other service concession arrangements

9.2.1 "Off balance sheet" (SoFP)

Airwave

In 2000, the Police Information Technology Organisation, which later became part of the NPIA and is now part of the National Crime Agency, entered into a 19 year Public Finance Initiative (PFI) arrangement with Airwaves Solutions LTD to design, build and operate a digital radio system providing national secure voice and data coverage for UK Policing. Responsibility for this transferred to the Home Office in 2013.

The cost consists of (a) core service charge and (b) menu service charge. The core service charge was estimated to cost £1.2 billion over the entire 19 year life of the initiative with payments being made on a monthly basis.

This portion of the contract is determined to be an "off balance sheet" deal under IFRIC 12 Service Concession Arrangements, as the Department does not control access to the service and uses an insignificant amount of the output. Airwave is increasingly being used by other public sector organisations.

The menu service charge was estimated to cost £290 million over the 19 year life of the initiative and is paid by the Police Forces; it has therefore been excluded from the "off balance sheet" table.

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of off balance sheet (SoFP) PFI or other service concession transactions was £206 million (2014-15 £205 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.

	2015-16		2014-15	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Not later than one year	207,932	207,932	206,292	206,292
Later than one year and not later than five years	622,556	622,556	785,321	785,321
Later than five years	–	–	31,445	31,445
	830,488	830,488	1,023,058	1,023,058

9.2.2 “On balance sheet” (SoFP)

Home Office IT Systems

In January 2016 the Home Office signed an extension to the contracts with Fujitsu and ATOS Origin to provide IT services to the Home Office. This extension allows for business continuity whilst new IT service contracts are being reviewed.

The contract with Fujitsu has been extended until January 2017 and ATOS Origin until April 2017.

Under IFRIC 12, this arrangement is deemed as an “on balance sheet” (SOFP) service concession, the assets being treated as the assets of the Home Office.

Computer Sciences Corporation

Under the terms of the 10 year contract signed in 2009, Computer Sciences Corporation works with the Home Office in supporting and upgrading its passport IT systems. This included the upgrade of the passport application and enrolment system, which incorporates new capabilities to process applications for passports, enabling customers to apply online; and the upgrade of the existing Omnibase application, which is a secure database used across government that stores historic passport records.

Under IFRIC 12, this arrangement is deemed as an “on balance sheet” (SoFP) service concession, the assets being treated as the assets of the Home Office.

De La Rue

Under the Passport Design and Production contract, the Home Office has outsourced an element of its passport printing to De La Rue (DLR). Under the terms of the contract, which was signed in 2009, DLR builds infrastructure on behalf of the Home Office and uses this infrastructure in the production of passports. DLR is also responsible for ongoing support and maintenance of the infrastructure.

The commitment with DLR includes assets which are not exclusively used in the service delivery to the Home Office. These assets have been included in the “on balance sheet” commitment as the proportion of the net book values of the non-exclusive assets is not material.

Home Office Central London Accommodation

On 26 March 2002, a 29 year public private partnership contract was signed for the construction and maintenance of a new central London headquarters building at 2 Marsham Street. The building houses the majority of staff in the Home Office based in Central London. Under IFRIC 12, 2 Marsham Street is recorded as an “on balance sheet” (SoFP) asset of the Home Office. The operational and variable payment streams to the contractor for building services are charged to the Statement of Comprehensive Net Expenditure.

The contract contains an option for the Home Office to purchase the building at the end of the contract.

The Department for Communities and Local Government (DCLG) has staff based at 2 Marsham Street and occupy a portion of the building. In 2015-16 they paid £13.6 million to the Home Office for the use of the building.

Airwave

The “on balance sheet” (SoFP) portion of the Airwave commitment represents assets for the London Underground and the resilience network which have been paid for. Airwave Solutions Ltd will transfer some assets deemed transferable to the Home Office at the end of its contract period upon receipt of payment for the assets at fair market value. The “on balance sheet” value represents the current assessment of these assets’ fair value and they are treated as if they were a finance lease.

IBM

The Department for Environment, Food and Rural Affairs (DEFRA) has a contract with IBM for the provision of IT services and infrastructure assets, which is being used by the Gangmasters Licensing Authority (GLA). This contract was reframed on 1 February 2010. The contract involves the IT contractor (IBM) supplying an end-to-end outsourced IT service to DEFRA and its Network Bodies, including the provision of the physical IT equipment.

During the life of the contract, DEFRA has the right to use assets owned by IBM and IBM are obliged to provide a consistent level of performance as set out in the contract. This includes underlying IT product developments commissioned by the Department.

The assets are treated as assets of the GLA and the substance of the contract is a finance lease, comprising two elements – imputed finance charges and service charges.

Independent Police Complaints Commission (IPCC) IT and Telephony Service

On 25 August 2009, a 10 year fixed price contract was signed for the provision of IT and telephony services to the IPCC from Steria Limited. The contract was effective from 20 December 2009, with a break point at seven years. The assets acquired under the contract are under the control of the IPCC.

Under IFRIC 12 the contract is a service concession arrangement with the IPCC as the grantor and Steria Limited as the operator.

Tata Consulting Service (TCS)

A five year PFI contract was signed with TCS in March 2014. This is to provide a solution to DBS in order to provide electronic applications and improve the online experience of the end user. TCS will provide an end-to-end process, technology and operations support during the five year period of the contract.

The overall value of the contact is £169 million.

Under IFRIC 12 the contract is deemed to be a service concession with the assets being those of DBS.

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 £144 million (2014-15: £164 million Restated). Total future obligations under on-balance sheet PFI and other service concession arrangements are given in the table below for each of the following periods:

	2015-16		Restated 2014-15	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Minimum lease payments				
Not later than one year	33,086	34,046	41,989	43,363
Later than one year and not later than five years	130,917	131,371	130,673	132,223
Later than five years	360,866	360,866	392,877	392,877
Total	524,869	526,283	565,539	568,463
Less interest element	331,076	331,098	355,807	355,885
Present value	193,793	195,185	209,732	212,578
Service elements due in future periods				
Not later than one year	135,925	172,806	146,978	187,475
Later than one year and not later than five years	207,148	250,364	287,779	360,467
Later than five years	180,433	180,433	196,438	196,438
Total service elements due in future periods	523,506	603,603	631,195	744,380
Total Commitment	717,299	798,788	840,927	956,958

9.3 Capital commitments

	2015-16		Restated 2014-15	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Contracted capital commitments of over £100,000 as at 31 March not otherwise included in these financial statements				
Property, plant & equipment	7,231	11,735	20,451	20,451
Intangible assets	36,406	41,131	7,982	17,999
	43,637	52,866	28,433	38,450

The Border Systems Programme (BSP) encompasses various projects including: Cyclamen Operations, Digital Systems at Borders, Exit Checks & Border Systems Transformation Projects. BSP is responsible for the IT systems and its support at the UK borders. The remaining commitment is approximately £1.7 million.

A commitment of approximately £4.1 million, to provide replacement hardware for the Police National Computer (PNC) live and Disaster Recovery mainframe; and the Automatic Number Plate Recognition for Police National database continuity.

The Home Office has a £1.3 million commitment for the enhancement of Hercules; a piece of software used for an existing correspondence tracking system.

The Home Office has a total commitment of £3.3 million to IBM for IT milestone development in the Biometrics Programme and to Vodafone for Cloud hosting of the Biometrics Services Gateway for facial recognition.

A commitment of £3.1 million with Fujitsu and Vision Box for the building and installation of eGates at airports.

The Home Office entered into a contract with Motorola Solutions to develop and operate public safety communication that included telecommunication support and service management towards delivering the Emergency Services Network, a replacement for Airwave. Current commitment is £25 million.

The SIA is building a new IT system to replace the existing licensing system with a current commitment of £4.7 million.

College of Policing has a £2.2 million commitment for the Ryton bedroom conversion with Ashe Construction Limited.

9.4 Other financial commitments

The Home Office has entered into non-cancellable contracts (which are not leases or PFI contracts):

The Home Office has entered into a number of contracts with various providers to manage and maintain several immigration removal centres and short term holding facilities with a total commitment of £242 million. The main contracts are with MITIE Care to manage and maintain the Colnbrook and Harmondsworth Immigration Removal Centres near Heathrow with a current commitment of £150.2 million with an option for a further 3 years extension after August 2022. The other contract is with Serco to manage and maintain the Yarl's Wood detention centre with expected end date of 25 April 2023. The value of the current commitment is £64.5 million.

The Home Office launched the COMPASS project in July 2009 to procure new accommodation and transport services contracts for asylum applicants. In 2012, the Home Office entered into six 5 year contracts with Clearel, G4S and Serco for the provision of accommodation, transport and associated services. The remaining commitments to the three providers are: Clearel £42.8 million, G4S £81.6 million and Serco £79.1 million.

In October 2014 the Home Office entered into a 7 year contract with Shared Services Connected Limited (SSCL) to provide the transactional processing services alongside the hosting of a cross government Enterprise Resource Planning system. At the end of the contract there is an option for a 3 year extension. The remaining commitment is £50 million.

The Department entered into two 5 year contracts with VF Worldwide Holdings and Teleperformance Limited for the management of Visa applications globally. The contracts commenced on 1 April 2014, with the option to extend twice for a further two years each time. The fixed element of the commitment to the two suppliers are VF Worldwide Holdings £39.6 million and Teleperformance Limited £28.7 million.

The Home Office extended its contract with Fujitsu (an extension of IT 2000) and ATOS IPIDS from 1 February 2016 for 1 and 2 years respectively. The current commitment is £33.5 million and £28.9 million respectively. The Department is also committed to Fujitsu WI support agreement starting May 2016, covering central infrastructure, port infrastructure and application and services support for £30.6 million. There is currently a commitment of £47.5 million on an existing contract with IBM for the Immigration & Asylum Biometric System, to deliver a business critical identity assurance service to Home Office and FCO through provision of an automated biometric matching capability involving several different services.

The Home Office entered a contract with Serco on 4 October 2005 for the provision of technical support for the Fixed Radiation Detection Systems and Radionuclide Identification Systems. The remaining commitment is £9.9 million and the contract will complete by 31 March 2017.

The Department entered into a 5 year contract with BT and Xerox to provide a Wide Area Network (WAN) and managed print services. The contracts commenced on 27 April 2015 and 17 August 2015 and the remaining commitments are £12.3 million and £7.9 million respectively.

The Home Office has entered into non-cancellable contracts for the provision of contracted out services for telephone appointment booking service and passport back room services with both Sopra Steria and Teleperformance UK. The remaining commitment is £8.8 million.

The Home Office entered into a 3 year contract with Sodexo for cash subsistence payments to asylum seekers, which started on 28 May 2013 with a possible two 12 months and one 6 months extension. The remaining commitment is £11.7 million. The Department also has total commitments of £15.9 million with Tascor for the management of escorting services and the holding rooms. Wagtail UK Ltd provided search dog teams at ports on behalf of the Department with a commitment of £11.1 million, and the contract ends 28 February 2020.

The Department has been in discussion with HMRC on determining costs for desktops, applications, voice, WAN and security services and is committed to £19.6 million from 31 March 2016 for a year.

The Home Office has a contract with IBM for the Border Systems Programme (BSP) which is responsible for IT systems at the UK borders. This contract has now been extended until 30 April 2019, and the remaining commitment is £6.5 million.

The Home Office has a remaining commitment of £6.2 million on Airwave Licence, and £4.1 million on Oracle Licence.

The payments to which the Department is committed, analysed by the period during which the commitment expires are as follows:

	2015-16		Restated 2014-15	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Not later than one year	414,272	414,872	301,827	301,827
Later than one year and not later than five years	429,405	429,405	476,571	485,271
Later than five years	57,508	57,508	71,201	71,201
Total commitments	901,185	901,785	849,599	858,299

10. 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.

11. Cash and cash equivalents

	2015-16		Restated 2014-15	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Balance at 1 April	140,971	209,711	206,173	248,332
Net change in cash and cash equivalent balances	26,598	33,040	(65,202)	(38,621)
Balance at 31 March	167,569	242,751	140,971	209,711
The following balances at 31 March were held at:				
Government Banking Service (GBS)	167,529	226,804	140,931	191,857
Commercial banks and cash in hand	40	15,947	40	17,854
Balance at 31 March	167,569	242,751	140,971	209,711

12. Trade receivables, financial and other assets

	2015-16		Restated 2014-15		Restated 2013-14	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Amounts falling due within one year:						
Trade receivables	92,610	111,704	136,660	157,067	112,036	122,178
VAT receivables net of payables	5,647	5,694	–	(585)	28,514	28,077
Staff receivables	3,215	3,354	3,408	3,542	1,624	1,726
Receivables – government departments*	71,649	62,576	29,705	6,149	9,229	(5,971)
Other receivables	2,171	2,636	1,220	1,534	1,620	2,448
Prepayments and accrued income	245,506	251,790	214,891	222,145	168,220	175,150
Current part of PFI and other service concession arrangements prepayment	–	1,030	–	695	–	695
Amounts due from Consolidated Fund in respect of supply	–	–	–	–	–	–
	420,798	438,784	385,884	390,547	321,243	324,303

	2015-16		Restated 2014-15		Restated 2013-14	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Amounts falling due after more than one year:						
Other receivables	–	1,168	–	193	42	42
Prepayments and accrued income	–	–	–	1,455	–	1,455
	–	1,168	–	1,648	42	1,497

* Included within Receivables – government departments within one year for the core Department are CFER receivables of £34.3 million (£24.7 million in 2014-15).

As a result of the Group Designation Change, we are required to restate the accounts. Three years worth of Statements of Financial Position have been included as required by IAS 1 Presentation of Financial Statements. We have also included the 2013-14 comparatives in this note to better support this requirement.

13. Trade payables and other current liabilities

	2015-16		Restated 2014-15		Restated 2013-14	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Amounts falling due within one year:						
Other taxation and social security	–	2,511	12,716	14,234	(1,327)	862
Trade payables	172,969	181,030	46,982	50,386	41,049	37,267
Other payables	–	7,021	10	211	2,844	6,607
Staff payables	–	685	–	604	–	450
Accruals and deferred income	1,193,821	1,233,551	1,126,308	1,170,009	1,147,462	1,177,643
Unpaid pension contributions	–	370	–	792	–	–
Payables – government departments	–	–	61	579	9,604	4,529
Current part of finance leases	9,605	10,635	9,487	9,487	9,006	9,006
Current part of imputed finance lease element of on balance sheet (SoFP) PFI contracts and other service concession arrangements	28,979	33,418	26,991	38,337	27,086	34,162
Amounts issued from the Consolidated Fund for supply but not spent at year end	98,542	98,542	124,775	124,775	169,473	169,473
Consolidated Fund Extra Receipts due to be paid to the Consolidated Fund						
– received	81,204	81,204	31,558	31,558	49,896	49,896
– receivable	34,321	34,321	24,736	24,736	17,585	17,585
	1,619,441	1,683,288	1,403,624	1,465,708	1,472,678	1,507,480

	2015-16		Restated 2014-15		Restated 2013-14	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Amounts falling due after more than one year:						
Other payables, accruals and deferred income	4,151	4,809	2,138	2,602	2,811	3,238
Imputed finance lease element of on balance sheet (SoFP) PFI contracts and other service concession arrangements	220,288	220,902	223,962	229,976	224,248	238,177
Finance leases	60,244	61,219	63,100	63,100	66,114	66,114
	284,683	286,930	289,200	295,678	293,173	307,529

As a result of the Group Designation Change, we are required to restate the accounts. Three years worth of Statements of Financial Position have been included as required by IAS 1 Presentation of Financial Statements. We have also included the 2013-14 comparatives in this note to better support this requirement.

14. Provisions for liabilities and charges

	2015-16		Restated 2014-15	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Balance at 1 April	680,459	683,468	273,949	278,238
Provided in the year	43,718	44,091	550,367	552,749
Provisions not required written back	(229,608)	(229,880)	(58,973)	(60,773)
Provisions utilised in the year	(363,481)	(363,724)	(84,745)	(86,621)
Borrowing costs (unwinding of discounts)	–	9	(139)	(125)
Balance at 31 March	131,088	133,964	680,459	683,468
Comprising:				
Not later than one year	37,950	39,193	504,808	505,592
Later than one year and not later than five years	66,313	67,946	157,431	159,536
Later than five years	26,825	26,825	18,220	18,340
Balance at 31 March	131,088	133,964	680,459	683,468

	Early Departure	Dilapidations	Legal Claims	Pensions and Other	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2015	17,851	38,617	113,478	513,522	683,468
Provided in the year	96	1,990	40,007	1,998	44,091
Provisions not required written back	(493)	(988)	(108,025)	(120,374)	(229,880)
Provisions utilised in the year	(5,686)	(1,234)	(10,340)	(346,464)	(363,724)
Borrowing costs (unwinding of discounts)	9	–	–	–	9
Balance at 31 March 2016	11,777	38,385	35,120	48,682	133,964
Comprising:					
Not later than one year	4,868	4,043	28,798	1,484	39,193
Later than one year and not later than five years	6,903	7,523	6,322	47,198	67,946
Later than five years	6	26,819	–	–	26,825
Balance at 31 March 2016	11,777	38,385	35,120	48,682	133,964
Of the total:					
Core Department & Agencies	11,488	35,961	34,957	48,682	131,088
Departmental Group	11,777	38,385	35,120	48,682	133,964

	Early Departure	Dilapidations	Legal Claims	Pensions and Other	Restated Total
	£000	£000	£000	£000	£000
Balance at 1 April 2014	27,407	45,674	186,135	19,022	278,238
Provided in the year	65	2,337	40,302	50,045	92,749
Police Pension Provision provided in the year	–	–	–	460,000	460,000
Provisions not required written back	(2,203)	(5,930)	(40,153)	(12,487)	(60,773)
Provisions utilised in the year	(7,500)	(3,257)	(72,955)	(2,909)	(86,621)
Transfer of provisions	–	–	149	(149)	–
Borrowing costs (unwinding of discounts)	82	(207)	–	–	(125)
Balance at 31 March 2015	17,851	38,617	113,478	513,522	683,468
Comprising:					
Not later than one year	6,461	3,652	29,237	466,242	505,592
Later than one year and not later than five years	11,188	16,827	84,241	47,280	159,536
Later than five years	202	18,138	–	–	18,340
Balance at 31 March 2015	17,851	38,617	113,478	513,522	683,468
Of the total:					
Core Department & Agencies	17,450	36,387	113,100	513,522	680,459
Departmental Group	17,851	38,617	113,478	513,522	683,468

Early Departure Costs

The Home Office meets the additional costs of benefits beyond the normal 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.

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 15.

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 following is a list of significant provisions making this figure:

Forensic Science Service (FSS)

A provision of £42 million relates to the value of the pension liability for FSS.

Confiscation Orders

A provision of £5.1 million relates to payments made against three Confiscation orders to the Nigerian Authorities in relation to the assets of a Nigerian Official being restrained in the UK. Under a UN convention on corruption (UNCAC) the UK has to repatriate the funds paid against the Confiscation orders.

15. Contingent liabilities

The liabilities described cover all known claims where legal advice indicated that the criteria for recognition of a provision have not been met but where the possibility of economic transfer is not remote.

There are a number of legal claims outstanding against the Department including unlawful detention and unlawful dismissal claims. Contingent liabilities of £6 million relate to ongoing Home Office litigation.

16. Related-party transactions

The Home Office is the sponsor of the Non-Departmental Public Bodies listed in Note 17. These bodies are regarded as related parties, with which the Home Office has had various material transactions during the year.

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 Staff Report within the accountability section; and
- The Foreign and Commonwealth Office relating to the overseas collection of 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.

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.

Michael Charles Wells, the Chief Operating Officer in UKVI, is married to Deirdre Wells, the CEO of UKInbound, a trade association promoting travel to the UK. No monetary transactions have been recorded between the Home Office and UKInbound, but the association has been involved in a Visa Steering Group with the Home Office.

The Remuneration Report provides information on key management compensation.

Details of related party transactions of NDPBs are disclosed in their audited accounts.

17. Entities within the departmental boundary

The entities within the departmental boundary during 2015-16 were as follows:

Entities consolidated

The Home Office departmental boundary encompassed the central Government Department and five Non-Departmental Public Bodies. The accounts of these entities form part of the Home Office's consolidated financial statements.

The GRAA by Statutory Instrument 2015 No.632 amended by GRAA Amendment Order 2062 instructed the Home Office to include the Police ICT Company within its accounts. The Home Office relinquished its interests in the Police ICT Company in April 2015 and no longer has an investment or any supervisory role in that body. The 2015-16 results of the Police ICT Company have not been consolidated on the grounds that their financial position is immaterial in relation to the Home Office position.

Non-Departmental Public Bodies (NDPBs)

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

Disclosure and Barring Service

Independent Police Complaints Commission

Office of the Immigration Services Commissioner

Security Industry Authority

Gangmasters Licensing Authority

The accounts of the above NDPBs can be found at <http://www.official-documents.gov.uk>.

Other Entities

College of Policing

The College of Policing is a company limited by guarantee. It is classified as an Arms 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

Animals in Science Committee

Migration Advisory Committee

National DNA Database Ethics Group

Police Advisory Board for England and Wales

National Crime Agency Remuneration Review Body

Technical Advisory Board

Tribunal non-departmental public bodies: have jurisdiction in a specialised field of law.

Investigatory Powers Tribunal

Office of Surveillance Commissioners

Police Discipline Appeals Tribunal

Other

The Office of the Independent Anti-Slavery Commissioner

The Office of the Person appointed under sections of the Proceeds of Crime Act 2002

The Office of the Commissioner for the Retention and Use of Biometric Material

The Office of the Forensic Science Regulator

HM Inspectorate of Constabulary

Office of the Chief Inspector of the UK Border Agency

Independent Family Returns Panel

The Office of the Independent Reviewer of Terrorism Legislation

The Office of the Surveillance Camera Commissioner

The Office of the Independent Monitor for the purposes of Part 5 of the Police Act 1997

Office of the Intelligence Services Commissioner

Office of the Interception of Communications Commissioner

Police Remuneration Review Body

18. Group designation changes

In 2015-16, the Office of National Statistics carried out a review of the designation of the Disclosure and Barring Service (DBS), a Public Corporation. This review determined that DBS should instead be classified as a Non-Departmental Public Body of the Home Office and that this should be applied retrospectively to transactions made and balances held by DBS.

	2014-15 Impact on Core Department & Agencies £000	2014-15 DBS £000	2014-15 Impact on Departmental Group £000
Statement of Comprehensive Net Expenditure:			
Income from sale of goods and services	–	(145,773)	(145,773)
Other operating income	–	(174)	(174)
Total operating income	–	(145,947)	(145,947)
Staff costs	–	27,681	27,681
Purchase of goods and services	–	8,547	8,547
Depreciation and impairment charges	–	9,891	9,891
Provision expense	–	200	200
Other operating expenditure	–	92,024	92,024
Total operating expenditure	–	138,343	138,343
Net expenditure for the year	–	(7,604)	(7,604)
Statement of Financial Position:			
Property, plant and equipment	–	1,266	1,266
Intangible assets	–	36,152	36,152
Trade and other receivables	–	14,453	14,453
Cash and cash equivalents	–	43,934	43,934
Trade and other payables	–	(35,887)	(35,887)
Provisions	–	(1,187)	(1,187)
Long term trade and other payables	–	(3,223)	(3,223)
Total Assets Less Liabilities	–	55,508	55,508
General fund	–	55,199	55,199
Revaluation reserve	–	309	309
Total	–	55,508	55,508

	2013-14 Impact on Core Department & Agencies £000	2013-14 DBS £000	2013-14 Impact on Departmental Group £000
Statement of Financial Position:			
Property, plant and equipment	–	1,712	1,712
Intangible assets	–	34,273	34,273
Trade and other receivables	–	13,727	13,727
Cash and cash equivalents	–	23,015	23,015
Trade and other payables	–	(17,995)	(17,995)
Provisions	–	(1,038)	(1,038)
Long term trade and other payables	–	(11,135)	(11,135)
Total Assets Less Liabilities	–	42,559	42,559
General fund	–	42,193	42,193
Revaluation reserve	–	366	366
Total	–	42,559	42,559

2014-15 Statement of Parliamentary Supply

The 2014-15 numbers reported in the Statement of Parliamentary Supply have been restated to take account of the group designation change mentioned above.

	2014-15 DBS £000	2014-15 Impact on Departmental Group £000
Resource DEL		
Administration costs	–	–
Programme costs	(7,603)	(7,603)
Total Resource DEL	(7,603)	(7,603)
Resource AME	–	–
Total Resource	(7,603)	(7,603)
Net cash requirement	–	–
Capital DEL	11,914	11,914
Capital AME	–	–
Total Capital	11,914	11,914

19. Events after the reporting period date

On 1 April 2016 staff working on fire and resilience policy and programmes, analysts supporting the policy work and the Chief Fire and Rescue Adviser's team have formally moved to the Home Office Crime and Policing Group (CPG) from the Department for Communities and Local Government (DCLG). This follows the Prime Minister's announcement on 5 January 2016, that Ministerial responsibility would move to Home Office. This move is a milestone in the long running work to encourage greater collaboration between the police and fire and rescue services. It supports the government's manifesto commitment to deliver greater joint working between the police and fire and rescue services. Closer collaboration is expected to deliver better local accountability, an improved service for communities and significant savings for taxpayers.

On 23 June, the EU referendum took place and the people of the United Kingdom voted to leave the European Union. Until exit negotiations are concluded, the UK remains a full member of the European Union and all the rights and obligations of EU membership remain in force. During this period the Government will continue to negotiate, implement and apply EU legislation. It will be for the Government, under the new Prime Minister to begin negotiations to exit the EU. The outcome of these negotiations will determine what arrangements apply in relation to EU legislation and funding in future once the UK has left the EU. This is therefore a non-adjusting event for which no estimate of its financial effect on the reporting entity can be made.

On 13 July 2016, Amber Rudd was appointed as Home Secretary.

The Accounting Officer authorised these financial statements for issue on the same date the Comptroller and Auditor General signed his certificate.

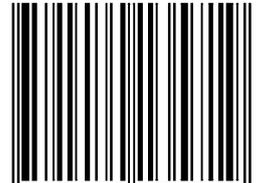
Glossary

ACA	Asset Clearing Account
ACMD	Advisory Council on the Misuse of Drugs
ACS	Approved Contractor Scheme
ALBs	Arm's Length Bodies
AME	Annually Managed Expenditure
AQA	Analytical Quality Assurance
ARAC	Audit and Risk Assurance Committee
BBA	Broadly by Analogy
BF	Border Force
BME	Black and Minority Ethnic
BSP	Border Systems Programme
CAESER	Corporate Assessment of Environmental, Social & Economic Responsibility
CBI	Confederation of British Industry's
CCL	Consultancy & Contingent Labour
CETV	Cash Equivalent Transfer Value
CFER	Consolidated Fund Extra Receipt
CIA	Chief Internal Auditor
CIFAS	Credit Industry Fraud Avoidance Service
CJS	Criminal Justice System
CMIP	Contract Management Improvement Plan
CPG	Crime and Policing Group
CPS	Crown Prosecution Service
CS	Corporate Security
CSA	Chief Scientific Adviser
CSA	Child Sexual Abuse
CSL	Civil Service Learning
CSOPS	Civil Servants and Others Pension Scheme
CTIRU	Counter-Terrorism Internet referral Unit
DBS	Disclosure and Barring Service
DCLG	Department for Communities and Local Government
DCMS	Department for Culture, Media & Sports
DEL	Departmental Expenditure Limit
DEFRA	Department for Environment, Food and Rural Affairs
DFID	Department for International Development
DLR	De La Rue
DRD	Data Retention Directive
DRIPA	Data Retention and Investigatory Powers Act
DSAB	Digital Services at the Border'
DSB	Diversity Strategy Board
DVLA	Driver and Vehicle Licensing Agency
EEA	European Economic Area
EMB	Executive Management Board
ESA	European System of Accounts
ETS	Educational Testing Service
FNOs	Foreign National Offenders
FOI	Freedom of Information
FReM	Financial Reporting Manual
FSS	Forensic Science Service
FTE	Full Time Equivalent
GAD	Government Actuary's Department
GBS	Government Banking Service
GGC	Greening Government Commitments
GLA	Gangmasters Licensing Authority
GRAA	Government Resources and Accounts Act 2000
HMIC	HM Inspectorate of Constabulary
HMIP	HM Inspectorate of Prisons

HMPO	Her Majesty's Passport Office
HMRC	HM Revenue and Customs
HO	Home Office
HODS	Home Office Disability Support Network
HOCLAS	Home Office Central London Accommodation Strategy
IA	Information Assurance
IA	Internal Audit
IAOs	Information Asset Owners
IAS	International Accounting Standard
IAU	Internal Audit Unit
ICI	Independent Chief Inspector
ICIBI	Independent Chief Inspector of Borders & Immigration
ICT	Information Communications Technology
IE	Immigration Enforcement
IFRS	International Financial Reporting Standards
IFRIC	International Financial Reporting Interpretations Committee
IIPG	International and Immigration Policy Group
IPCC	Independent Police Complaints Commission
ISC	Intelligence and Security Committee
ISIL	Islamic State in Iraq and the Levant
ITTs	Invitations To Tender
JESIP	Joint Emergency Services Interoperability Programme
LGBT	Lesbian, Gay, Bisexual and Transgender
MoG	Machinery of Government
MoJ	Ministry of Justice
MPS	Metropolitan Police Service
MSRO	Model Senior Responsible Owner
NAO	National Audit Office
NCA	National Crime Agency
NDPBs	Non-Departmental Public Bodies
NDT	New Detection Technology
NED	Non-Executive Director
NGC	Nominations and Governance Committee
NGO	Non-governmental Organisation
NGSVCV	National Group on Sexual Violence against Children and Vulnerable People
NHS	National Health Service
NPIA	National Policing Improvement Agency
OCPA	Office of Commissioner for Public Appointments
OISC	Office of the Immigration Services Commissioner
ONS	Office for National Statistics
OSCE	Organisation for Security and Co-operation in Europe
OSCT	Office for Security and Counter-Terrorism
PAC	Public Accounts Committee
PCC	Police and Crime Commissioners
PCC	Police Complaints Commission
PCN	Police National Computer
PCPF	Parliamentary Contributory Pension Fund
PCSPS	Principal Civil Service Pension Scheme
PFI	Private Finance Initiative
PHSO	Parliamentary and Health Service Ombudsman
PIC	Portfolio and Investment Committee
PIF	Police Innovation Fund
PIPU	Police Integrity and Powers Unit
PNC	Police National Computer
PPP	Public Private Partnership
PSRU	Police Strategy and Reform Unit
PSTU	Police Science and Technology Unit
QDS	Quarterly Data Summary

RICS	Royal Institute of Chartered Surveyors
SB	Supervisory Board
SCC	Strategic Command Course
SCS	Senior Civil Servant
SELT	Secure English Language Test
SIA	Security Industry Authority
SIO	Specified Information Order
SIRO	Senior Information Risk Owner
SLGRS	Senior Leadership Group on Risk and Safety
SMEs	Small and Medium Enterprises
SoFP	Statement of Financial Position
SOP	Single Operating Platform
SOPS	Statement of Parliamentary Supply
SPL	Shared Parental Leave
SPT	Simplifying Passenger Travel
SR13	Spending Round 2013
SRO	Senior Responsible Officer
SSCL	Shared Services Connected Limited
SSRB	Senior Salaries Review Body
tCO ₂ e	tonnes of carbon dioxide
TCS	Tata Consultancy Service
TPIMS	Terrorism Prevention and Investigation Measures
UKVI	UK Visas and Immigration
UNCAC	United Nations Convention Against Corruption
UNHCR	United Nations High Commissioner for Refugees
VFM	Value for Money
WI	Warnings Index

ISBN 978-1-4741-3571-9



9 781474 135719