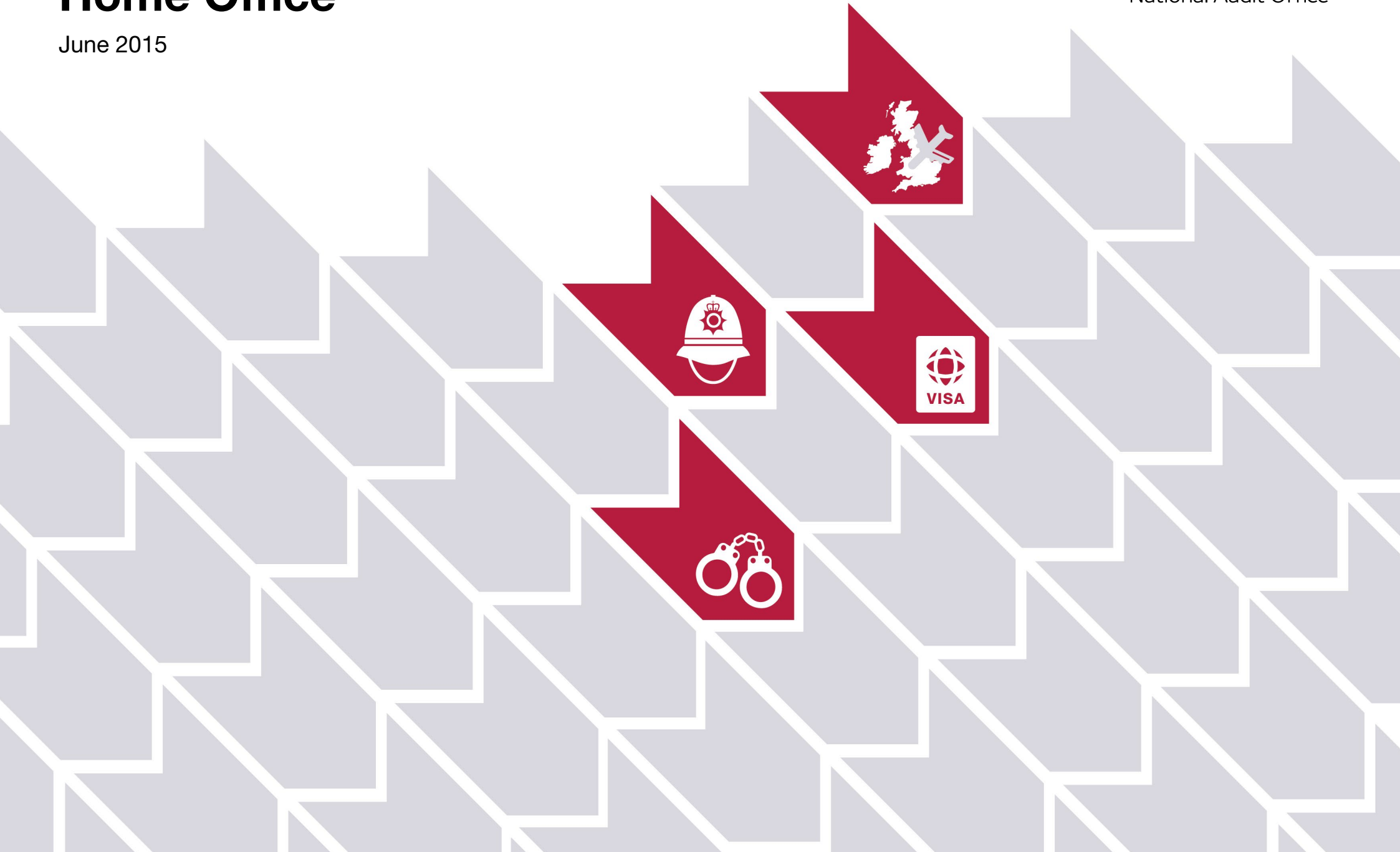


A Short Guide to the **Home Office**

June 2015



National Audit Office



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The National Audit Office scrutinises public spending for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Sir Amyas Morse KCB, is an Officer of the House of Commons and leads the NAO, which employs some 810 people. The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively, and with economy. Our studies evaluate the value for money of public spending, nationally and locally. Our recommendations and reports on good practice help government improve public services, and our work led to audited savings of £1.15 billion in 2014.

This Short Guide summarises what the Home Office does, how much it costs, recent and planned changes and what to look out for across its main business areas and services.

If you would like to know more about the NAO's work on the Home Office, please contact:

Louise Bladen

Director of Home Affairs Value for Money

 louise.bladen@nao.gsi.gov.uk

 020 7798 7587

If you are interested in the NAO's work and support for Parliament more widely, please contact:

Adrian Jenner

Director of Parliamentary Relations

 adrian.jenner@nao.gsi.gov.uk

 020 7798 7461



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£15.0 billion
gross expenditure in 2014-15



32,797
average number of full-time equivalent persons employed in 2014-15



3.8 million
offences recorded in England and Wales in the year ending December 2014



127,075
police officers employed in England and Wales at the end of September 2014



234
persons arrested for terrorism-related offences in the UK from July 2013 to September 2014

201
terrorism-related offenders in custody at the end of February 2015



318,000
net flow of long-term migrants into the UK in the year ending December 2014



387,509
work or study related visas granted to non-European Economic Area nationals in the year ending March 2015



5.6 million
passports issued in 2013-14

Key facts

The Home Office (the Department) is the lead government department for crime, the police, drugs policy, immigration and passports, and counter terrorism. It has four priorities: cut crime; reduce immigration; prevent terrorism; and promote growth by keeping the UK safe.

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Cut crime

Support the police in cutting crime through work to: improve police accountability, transparency and integrity and public trust; improve police efficiency and effectiveness and lead targeted action on key crime types.

Reduce immigration

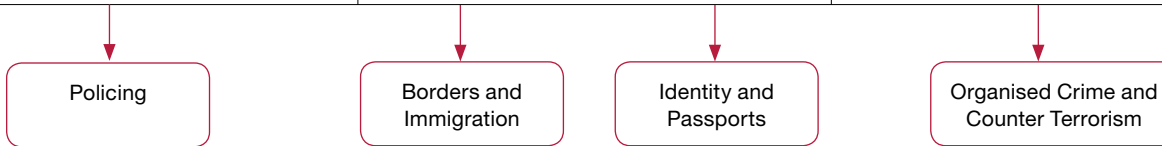
Develop and implement policies to reduce net migration and tackle abuse, while attracting and retaining the brightest and best migrants to work, study or invest in the UK.

Prevent terrorism

Reduce the risk to the UK and its interests overseas, by stopping terrorist attacks; stopping people becoming terrorists or supporting terrorism; strengthening protection against terrorist attacks and mitigating the impact of terrorist attacks.

| | | |
|---|---|---|
| <ul style="list-style-type: none"> ■ Crime and Policing Group ■ Police and Crime Commissioners ■ Police Forces | <ul style="list-style-type: none"> ■ HM Passport Office ■ Border Force ■ UK Visas and Immigration ■ Immigration Enforcement ■ International and Immigration Policy Group | <ul style="list-style-type: none"> ■ Office for Security and Counter Terrorism |
| <ul style="list-style-type: none"> ■ College of Policing ■ Independent Police Complaints Commission ■ Disclosure and Barring Service ■ Security Industry Authority ■ Gangmasters Licensing Authority | <ul style="list-style-type: none"> ■ Office of the Immigration Services Commissioner | <ul style="list-style-type: none"> ■ National Crime Agency (also part of 'cut crime' priority) |

Promote growth by keeping the UK safe



- Directorate within the Home Office
- The Home Office has overall responsibility in central government for police forces but Police and Crime Commissioners set out annual objectives, funds to achieve them and hold police forces accountable on behalf of the local electorate. The College of Policing was established as a limited company in December 2012.
- Non-departmental public body
- Non-Ministerial Government Department (outside Home Office boundary but remains accountable to the Home Secretary)

Note

1 The Home Office departmental boundary encompasses the central government Department and its directorates, five non-departmental public bodies and the College of Policing. Until 2013-14, it also had two executive agencies, HM Passport Office (which was transferred into the Department in October 2014) and the National Fraud Authority (which was closed in March 2014).

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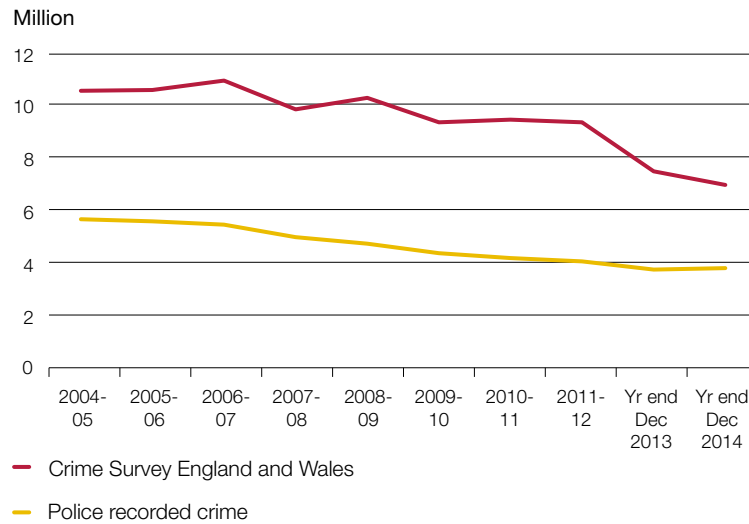
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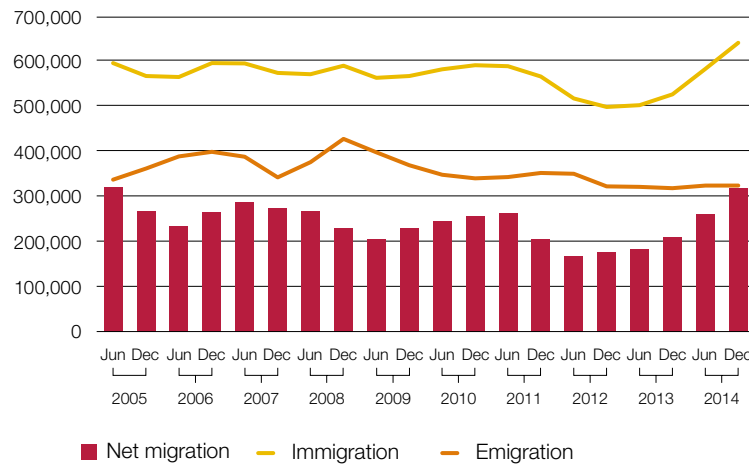
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Number of crimes 2004–2014



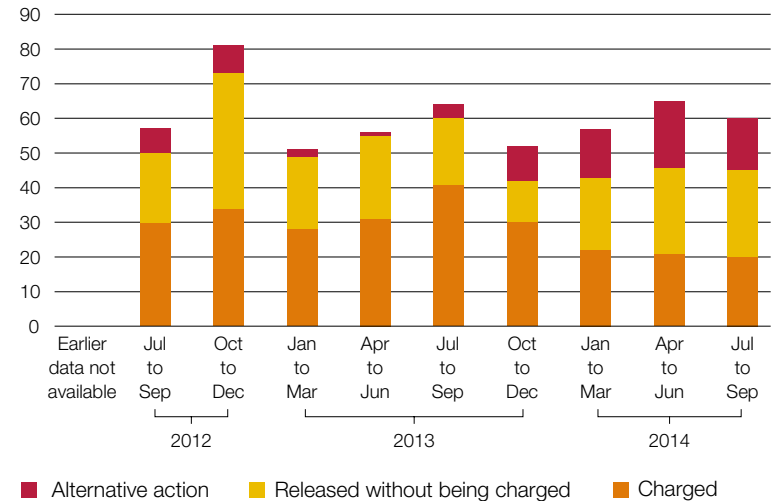
Source: Office for National Statistics

Net migration 2005–2014



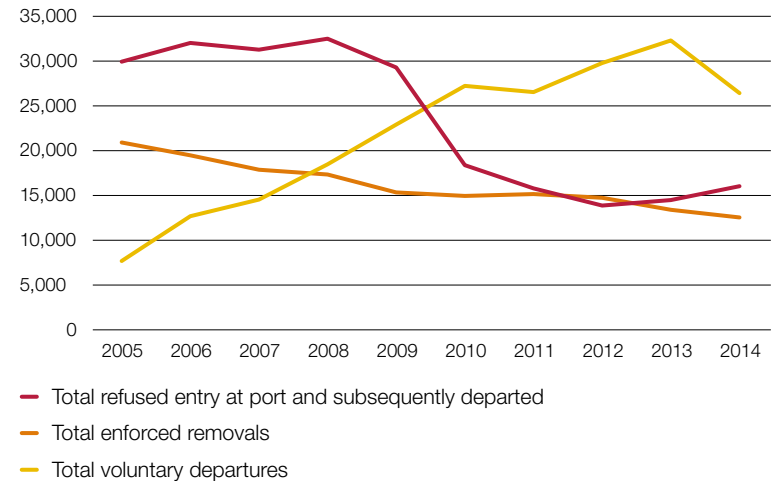
Source: Office for National Statistics

Number of persons arrested for terrorism-related offences in the UK by outcome 2004–2014



Source: Home Office

Number of removals and voluntary departures from the UK 2004–2014



Source: Home Office

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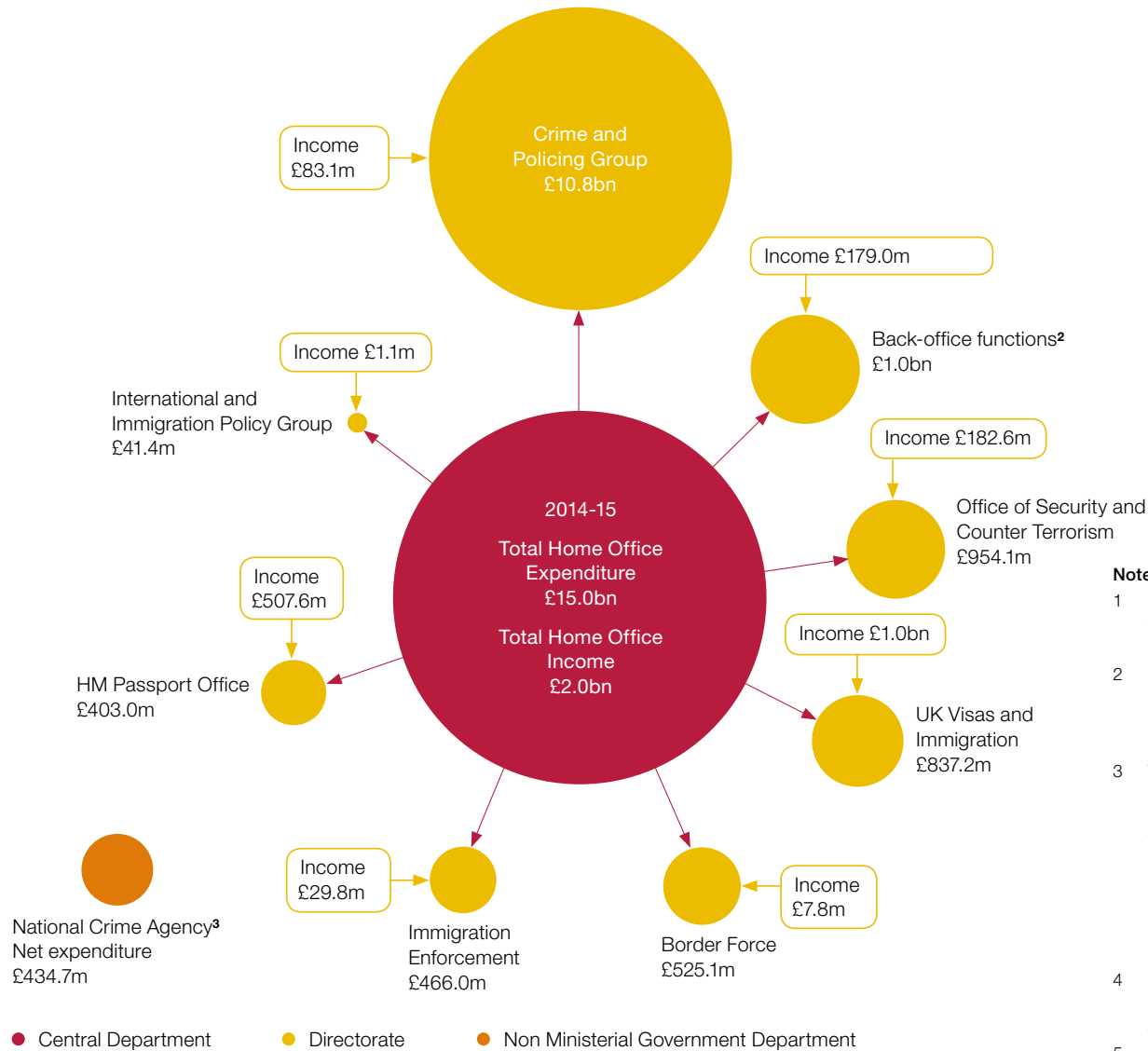
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Notes

- 1 Gross spend in 2014-15 was £15.0 billion, with income of £2.0 billion, reducing the net public expenditure to £13.0 billion.
- 2 Back-office functions includes Corporate Services, Communications Directorate, Human Resources Directorate & Strategy, Delivery and Private Office Group.
- 3 The NCA is a Non Ministerial Government Department and is outside the Home Office's departmental boundary. The finances of the NCA are not consolidated into Home Office accounts. They are presented here to illustrate the extent of public expenditure on the organisations relating to the Home Office which deal with organised crime and counter terrorism.
- 4 Figures for the National Crime Agency are taken from the organisation's 2014-15 Annual Report.
- 5 Figures for the Home Office are taken from Note 2 – Statement of Operating Costs by Segment within the Department's accounts for the year ending 31 March 2015.

Key facts

The Department and the National Crime Agency together spent 10.3%, or £1.54 billion in real terms, less in 2014-15 than spending on like for like functions in 2010-11 (see Note below).


About the Home Office

Savings have been achieved in large part by reducing:

Key trends

- funding to the police;
- staff costs by means of a wage cap and decreasing staff numbers; and
- spending on IT and consultancy.

Department spending

Spending reductions 

If one-off costs in 2014-15 of £610 million (£460 million on meeting higher police pensions costs following a ruling by the Pensions Ombudsman, and £150 million on a settlement with Raytheon Systems Ltd covering the terminated e-borders contract in 2010) are excluded, real terms savings of 14.5% have been made since 2010-11.

Staff and pay

Staff attitudes and engagement

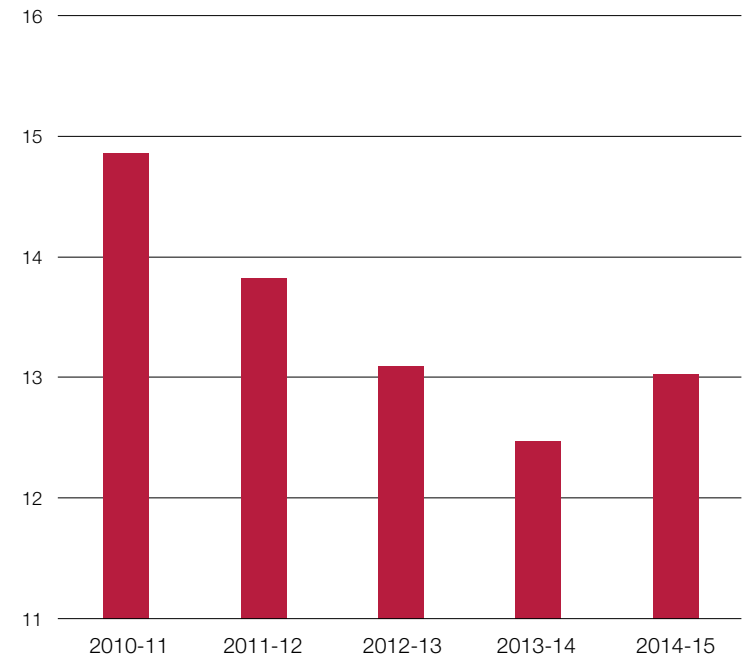
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Home Office Net Expenditure (adjusted) during Spending Review Period

Net Expenditure (£bn)



Notes

- 1 From 1 April 2013, grant funding to local policing bodies transferred from the Department for Communities and Local Government to the Home Office. Also, within the Home Office group, various other organisational restructuring took place between 1 April 2010 and 31 March 2015, such as the abolition of the UK Border Agency in 2013.
- 2 Savings figures are based on the Statement of Comprehensive Net Expenditure within audited accounts, adjusted to ensure only like for like business functions are compared taking account of the organisational changes.
- 3 The figures have also been restated to take account of inflation, using GDP deflator statistics from HM Treasury.

Source: Ministry of Justice *Annual Report and Accounts*

Key facts

In 2014-15, the Department employed 32,797 staff at a cost of £1.3 billion, the largest numbers of which worked within Border Force, UK Visas & Immigration and Immigration Enforcement.

About the Home Office

As at September 2014, the police workforce was 207,843 including 127,075 police officers. These are not employed by the Home Office but by their respective police forces.

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The composition of the Home Office's workforce broadly matches that of the civil service as a whole. It employs a slightly smaller proportion of women and those aged 50–59 years or over 60 years old than the civil service average, but a larger proportion of those aged 20–29 years or aged 30–39 years.

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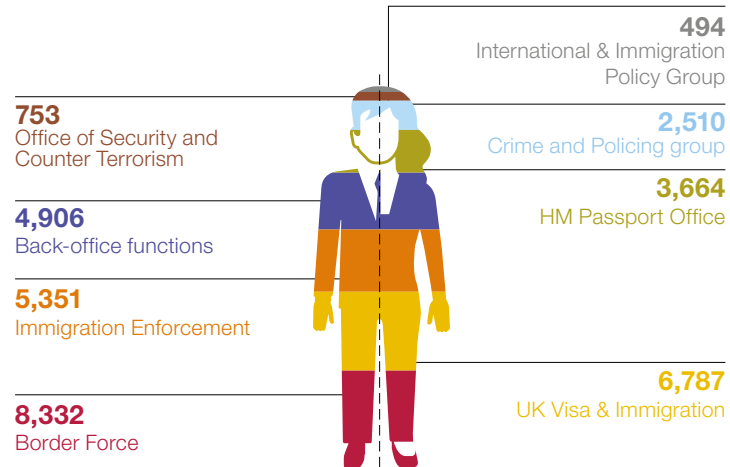
The ratio of Director's pay to median staff pay within the core Department was 5.8.

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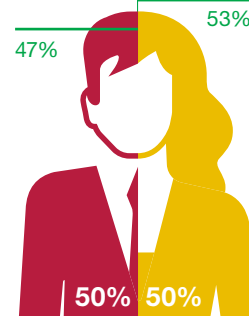
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Staff breakdown 2014-15



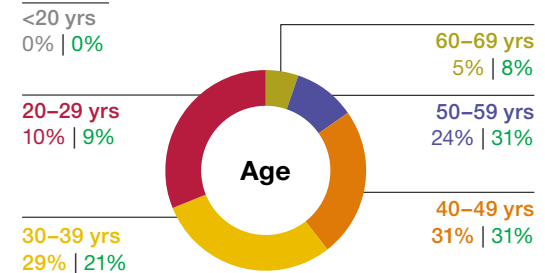
Workforce in the Home Office 2013-14

Gender

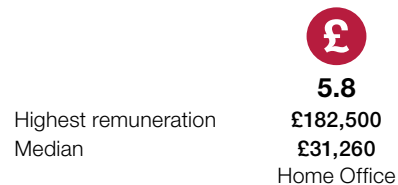


Age

Civil Service average



Pay median of directors 2014-15



Sources: Home Office Annual Report and Accounts 2013-14 and 2014-15

Key facts

The Government has conducted its Civil Service People Survey annually for the past five years. The most recent survey was carried out during October 2014.

About the Home Office

The central Home Office (excluding HM Passport Office, Border Force, Immigration Enforcement, UK Visas & Immigration or Policy and enablers – see figure) scored less than the civil service average for all key themes within the survey, although its scores have increased slightly in four categories since 2013.

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The main measure from the People Survey is the employee engagement index, which measures an employee's emotional response to working for their organisation.

The central Home Office and its constituent bodies each scored below the civil service average for employee engagement (59%), with the exception of HM Passport Office. The engagement index is notably lower for staff working within the Border Force (44%).

The survey results for different organisations within the group are dealt with in more detail in the appropriate sections.

Attitudes of staff in 2014 compared with 2013 – Home Office group



Engagement index 2014



Sources: Civil Service People Survey 2013 and 2014

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Organisational changes, capital spending and future strategy

Organisational structure and reform

Since 2010, the Home Office has radically changed its organisational structure, bringing functions on borders, immigration and passports, previously undertaken by arm's-length bodies, back into the core Department, and setting up new directorates and governance in-house. It has introduced police reform both in accountability (introducing Police and Crime Commissioners), in setting operational standards (establishing the College of Policing) and in improving transparency (through police crime maps). It has put a much greater focus on counter terrorism and organised crime, for the latter setting up the National Crime Agency in 2013.

Major projects and programmes

The Home Office is investing in a number of longer-term projects which are designed to improve critical capabilities. These include, for example:

- the Communications Capabilities Development programme, which aims to ensure that the police, wider law enforcement, security and intelligence agencies can lawfully obtain, manage and use communications, data and intercepted content to prevent and disrupt crime and protect the public;
- the Border Systems portfolio, aiming to improve the secure and efficient flow of people and goods through the border; and
- the Immigration Platform Technologies programme, aiming to improve the efficiency and effectiveness of its visa and other immigration transactions with the public.

The Home Office has recognised that too many of its major projects are, however, off track and its management capability is not strong enough to deliver its current change plans. It therefore launched in 2013 a seven year Improvement Plan to improve its operational performance, through strengthening its contracting and project management skills, and developing its capability in data analytics and business intelligence. The plan's aim is that by 2020, the Home Office will be "a world-class organisation, recognised internationally for expertise and innovative delivery and strong public trust".

Legislative changes

The Home Office introduced 17 new Acts of Parliament between 2010 and 2015 covering all areas of its activities. Among them were the following major pieces of legislation:

| Act | Summary |
|--|--|
| Police (Detention & Bail) Act 2011 | Allows for a suspect to be detained in a police station for a maximum of 5 days. |
| Protection of Freedoms Act 2012 | Brings in a new framework for police retention of fingerprints and DNA data, and introduces a code of practice for surveillance camera systems and provides for judicial approval of certain surveillance activities by local authorities. It also introduces a new regime for police stops and searches under the Terrorism Act 2000 and reduces the maximum pre-charge detention period under that Act from 28 to 14 days. |
| Immigration Act 2014 | Limits access to services, facilities and employment by reference to immigration status. |
| Terrorism Prevention & Investigation Measures Act 2011 | Abolishes the system of control orders, established under the Prevention of Terrorism Act 2005, and replaces it with a new regime designed to protect the public from terrorism, called Terrorism Prevention and Investigation Measures. |
| Counter Terrorism and Security Act 2015 | Sets a framework for retention of communications data and use of information in maintaining security in relation to air, sea and rail transport. It also sets out the powers of the Special Immigration Appeals Commission against refusals to issue certificates of naturalisation. |
| Serious Crime Act 2015 | Toughens sanctions on involvement in organised crime groups and child sex abuse. |
| Modern Slavery Act 2015 | Consolidates the current offences relating to trafficking and slavery. It creates two new civil orders to prevent modern slavery, establishes an Anti-Slavery Commissioner, and makes provision for the protection of modern slavery victims. |

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Our reports over recent years have highlighted good performance in some areas, particularly around improvement in some aspects of financial management ([Financial management in the Home Office](#)) and oversight of parts of immigration ([Reforming the UK Borders and Immigration System](#)). However, we have reported continuing problems with the Department's governance, operational management, contract management, and use of information.

Governance

- Overcomplicated governance structures (eg [Reforming the UK Borders and Immigration System](#), [Managing and removing foreign national offenders](#))
- Lack of strategy and priorities (eg [Confiscation Orders](#), [Managing and removing foreign national offenders](#))
- Weaknesses in accountability (eg [Police accountability: Landscape review](#), [Confiscation Orders](#))

Operational management

- Inefficient processes and systems, and continuing large backlogs of cases (eg [UK Border Agency and Border Force: Progress in cutting costs and improving performance](#), [Reforming the UK Borders and Immigration System](#))
- Lack of staff capacity and a culture of fear preventing staff from reporting honestly (eg [Border Force: securing the border](#))

Contract management

- Poor senior management involvement and lack of integration of contract management with business processes (eg [Transforming Contract Management: Home Office and Ministry of Justice](#))
- Poor management of suppliers (eg [COMPASS contracts for provision of accommodation for asylum seekers](#))

Use of information

- Poor data quality (a consistent finding across our reports)
- Lack of cost awareness and of cost-effectiveness assessments (a consistent finding across our reports)

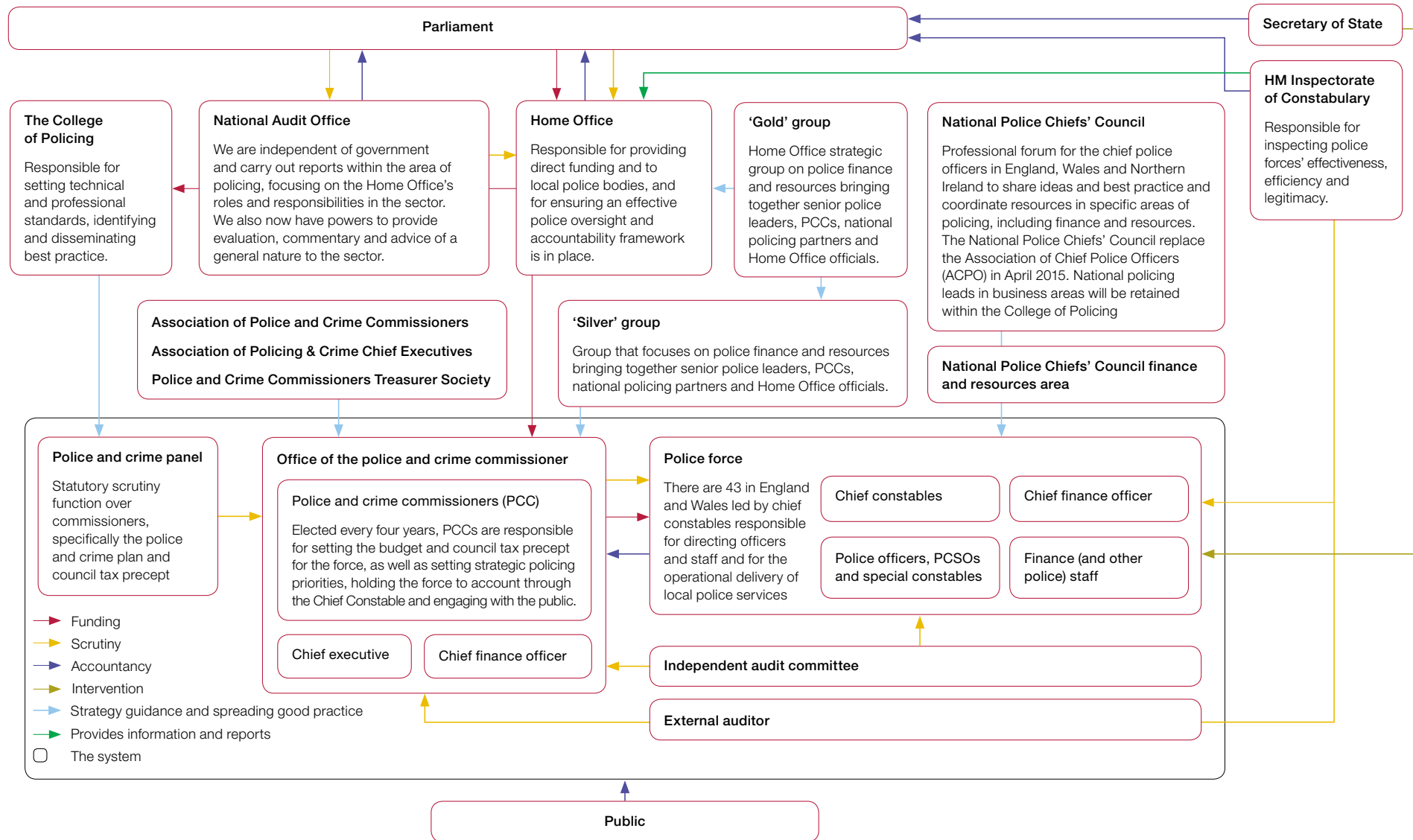
Reports from other audit, inspection and oversight bodies, such as Home Office internal audit, the relevant independent inspectorates and the Home Affairs Select Committee, have also highlighted similar problems to those outlined above.

Overall the Department must speed up progress in tackling its long-standing problems if it is to meet its Improvement Plan aim to become a world class organisation by 2020.

Police

Who is involved?

The police landscape has changed considerably since 2012. The system encourages local variation and reduces intervention from central government.



Police

How much does it cost?

There are 43 territorial police forces in England and Wales. Funding from central government and from the council tax precept is given to 41 Police and Crime Commissioners (commissioners), the Mayor of London and Corporation of the City of London. Forces also receive income from activities such as policing major sporting events.

Commissioners, in consultation with their Chief Constables, set the annual objectives for their police force and allocate the funds needed.

The Home Office primarily distributes funding to police forces through a formula grant. It is reviewing the funding formula as currently the formula does not take account of all demands on police time, proportion of central to local funding, or relative efficiency.

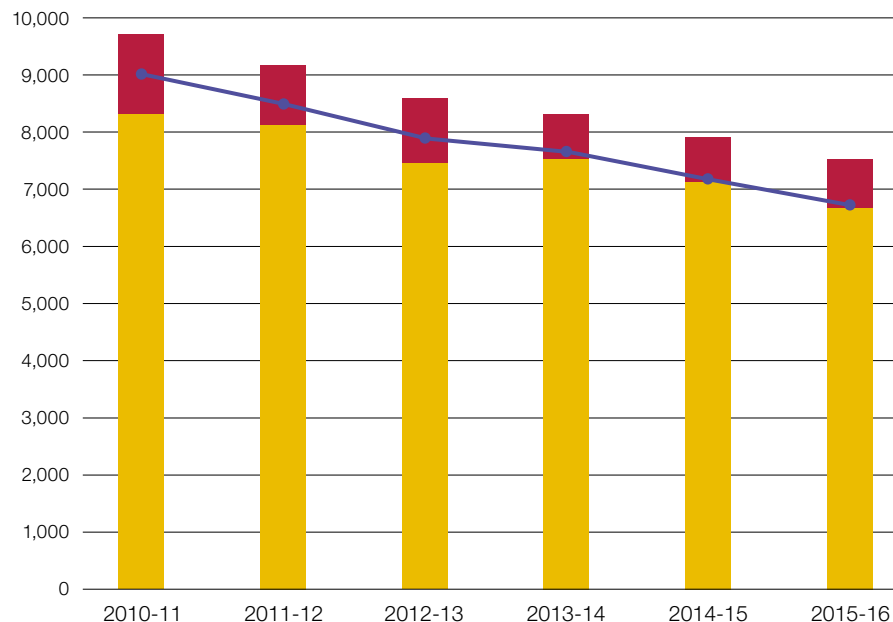
The Home Office spent **£10.8 billion** on its Crime and Policing Group in 2014-15, **£8.7 billion** of which was part of the Police Core Settlement and Formula Funding and other specific grants such as the Counter Terrorism Police Grant, and **£1.4 billion** for police officer pensions.

Central government funding to police forces fell 25% between 2010-11 and 2015-16, down £2.3 billion in real-terms, from £9 billion to £6.7 billion.

Central government revenue funding for the police, 2010-11 to 2015-16

Direct funding to forces has decreased by 25% in real terms since 2010-11

Real-terms figures deflated to 2010-11 levels (£m)



| | | | | | | | |
|---|---|-------|-------|-------|-------|-------|-------|
| ■ | Specific grants (resource departmental expenditure limit) | 1,384 | 1,037 | 1,124 | 775 | 778 | 853 |
| ■ | Formula grant (resource departmental expenditure limit) | 8,325 | 8,139 | 7,473 | 7,528 | 7,131 | 6,673 |
| ● | Government funding direct to forces | 9,022 | 8,498 | 7,888 | 7,651 | 7,177 | 6,727 |

Note

1 Figures in this graphic have been adjusted for inflation and so will not match the 2014-15 expenditure figures in the commentary (left)

Source: National Audit Office analysis of Home Office data and the Police Grant Report (England and Wales) 2015-16, written statement, February 2015

Police

In your area

The police workforce in England and Wales has **reduced by over 36,600** between March 2010 and September 2014. There were **127,075 police officers** in England and Wales on 30 September 2014, the lowest since 2001.

Police forces vary significantly in size and profile. For example, at the end of September 2014:

- The number of police officers varied from 31,583 (Metropolitan Police) to 788 and 744 (Warwickshire Police and the City of London Police respectively)
- The number of Police Community Support Officers varied from 1,946 (Metropolitan Police) to 86 and 10 (Warwickshire Police and the City of London Police respectively)

Comparative profiles on a range of policing activities can be found in HM Inspectorate of Constabulary's (HMIC) value-for-money profiles. HMIC also carries out assessments of police effectiveness, efficiency and legitimacy (PEEL) which includes graded assessments of the performance of each police force. Its first full annual assessment was under way in Spring 2015, and a report is due later in 2015.

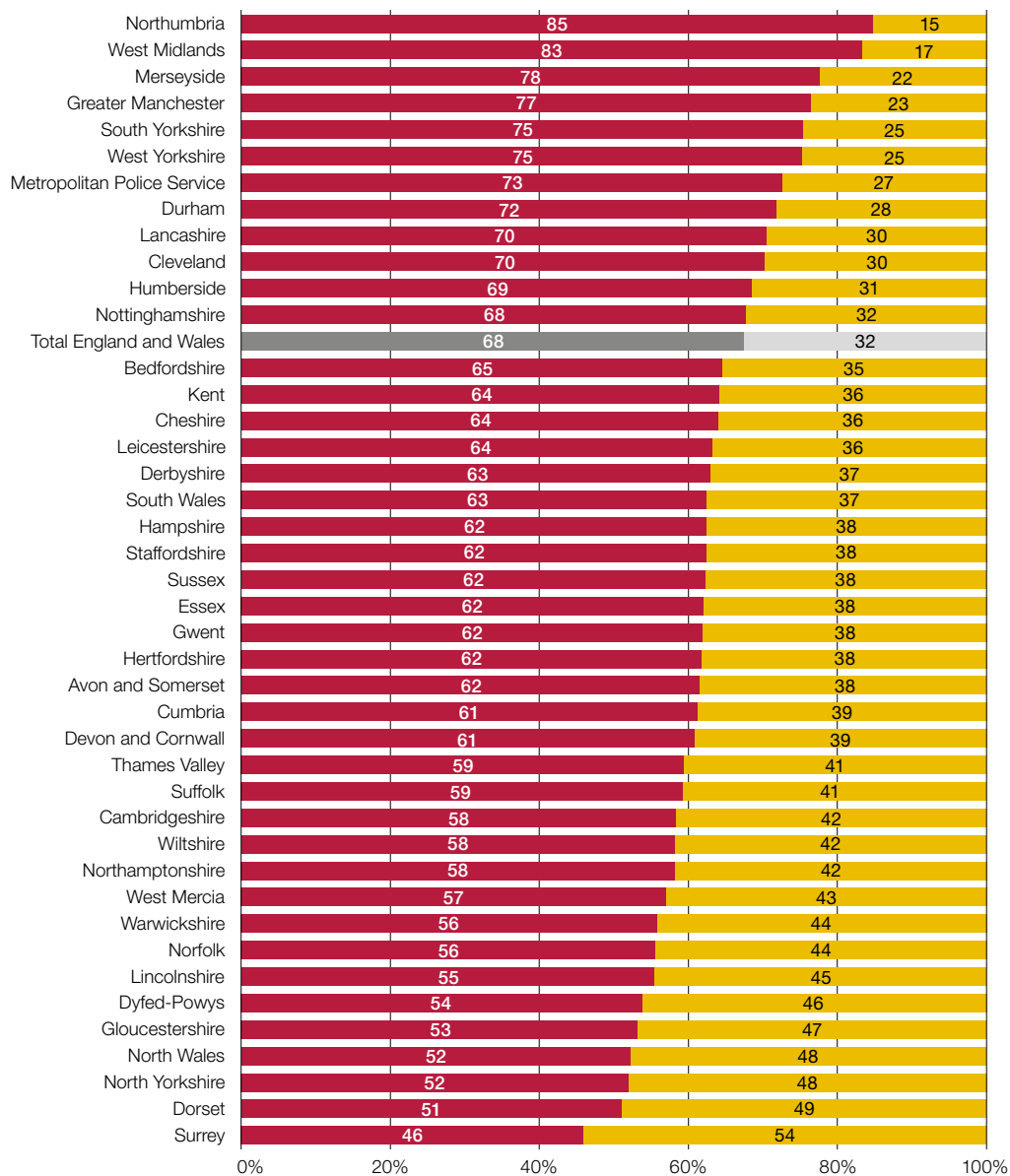
The extent of spending reductions varies between forces. Our report on the Financial sustainability of police forces in England and Wales in June 2015 found that:

- Almost all commissioners receive most of their funding from central government, but the local capacity to general council tax income means that they receive different levels of central government funding as a proportion of their overall funding. For example in 2015-16:
 - Eighty five percent of Northumbria Police's funding came from central government, compared to 46% for Surrey Police.
- Total funding to commissioners reduced by 18% in real terms between 2010-11 and 2015-16. The funding reduction required varied by force as a result of the above difference in the proportion of central government funding to council tax funding that commissioners receive.



Police

Central versus local government funding by force area in 2015-16



■ Central government ■ Precept (and local council tax support grants)

Notes

- 1 The base year for the real-terms change is 2010-11.
- 2 City of London Police do receive precept income; however, it is not possible to split out an amount that goes to the police as the City of London Corporation receives its precept.
- 3 Precept figures include local council tax support grants.
- 4 Central funding excludes counter terrorism, Private Finance Initiatives and Police Innovation funding, as well as other reallocated funds. Also see Figure 1, note 5.
- 5 Precept figures exclude any distribution of previous year's council tax surplus.

Source: National Audit Office analysis of Home Office data

Police

Recent and future developments

Police and Crime Commissioners

There are 41 locally elected Police and Crime Commissioners, which were first elected in 2012 for a four-year term. The next election is due in May 2016. In addition to their responsibilities described within [Policing – Who is involved](#), Police and Crime Commissioners took responsibility for commissioning services to support victims in the aftermath of a crime from 2014 and 2015. Funding for support services for victims transferred to Police and Crime Commissioners with the aim of creating more locally driven services.

College of Policing

Established in 2012, the College of Policing is the first professional body for all of those who work in policing. The College is responsible for:

- setting standards of professional practice, including codes of practice and certain regulations;
- identifying, developing and promoting good practice based on evidence;
- supporting the professional development of those working in policing;
- helping police forces and other organisations to work together to protect the public and prevent crime; and
- identifying, developing and promoting ethics, values and standards of integrity.

A long-term ambition of the College, as laid out in its Five-Year Strategy, is to achieve chartered status. The Home Affairs Select Committee report: *Evaluating the new architecture of policing: the College of Policing and the National Crime Agency*, published 3 February 2015, found that, although the College had done some good work, as a consequence of how it was

originally set up there remains much to be done before the College becomes the type of institution originally hoped for. The Committee identified the steps needed to address the issues created as part of the College's establishment, but recognised that it had the potential to have the most lasting effect of the new organisations being considered as part of its enquiry.

Forensic Science Service

Closed in 2012. A national forensics framework agreement exists, through which police forces can purchase forensics services from the private sector. Forces may also purchase forensics services independently or provide them through their own in-house facilities.

The Development of a national forensics strategy is still in progress. See [NAO briefing The Home Office's oversight of forensic services](#).

Police pension scheme

A new pension scheme for police officer pensions started in April 2015. The new scheme is based on a career average (CARE) instead of final salary scheme model and raises the Normal Pension Age for police officers to 60. Other members of police staff continue to use the Local Government Pension Scheme outside London, or the Civil Service Scheme within London.

Emergency services network (ESN)

The emergency services mobile communications programme (ESMCP) will replace the existing emergency services systems provided by Airwave Solutions Limited and will provide the next generation communication system for the three emergency services (police, fire and rescue, and ambulance). The new system will be introduced over four years, between 2016 and 2020.



Police

What are the things to look out for?

Debate over the future of policing

The police sector has come together to debate and develop a strategic vision for policing in England and Wales, given further likely funding reductions, both in policing and in local government, and the need to provide better services to the public. The results are due to publish in Summer 2015.

Increasing collaboration between police forces and other public sector partners

Key to the debate is the need for increased collaboration across forces and with other public sector partners, such as fire or ambulance services and local authorities. The Home Office and HM Inspectorate of Constabulary (HMIC) consider that increasing collaboration could help forces achieve higher levels of savings. Collaboration could also help forces to be more resilient in the longer-term, and provide better services to the public. There are increasing levels of collaboration, however, spending on, and savings from, collaboration vary significantly and there is limited analysis on why this is. The variation in how forces have collaborated indicates that without further support or impetus, it will not be possible for all forces to make significant savings from collaboration.

Changing nature of crime

Crime statistics indicate that crime fell between 2010-11 and December 2014. However, this may not be an accurate picture. Police recorded crime only captures crimes reported by victims and those reported by the police and has decreased by 9% nationally. Crime recorded in the Crime Survey for England and Wales decreased by 26%, but it excludes some crime types, such as fraud and murder, and some groups, such as those living in institutions.

Recorded crime increased by 2% between the years ending December 2013 and December 2014. Some crime types, such as child sexual abuse, cyber-enabled crime or human trafficking, that have been previously under-reported, are now increasing and place substantial demands on police resources and capability.

In addition, in 2013-14 only an estimated 22% of emergency and priority incidents that police responded to were crime related, see our report [Financial sustainability of police forces in England and Wales](#).

Review of the funding formula

The funding formula does not incentivise value for money or strong financial management as all forces have faced the same percentage reduction in their funding from central government – regardless of their financial position or service performance. All the police forces and commissioners we spoke to as part of our report on the [Financial sustainability of police forces in England and Wales](#) referred to a 'broken' or 'unequal' system of funding. The Department is aware of these concerns and is reviewing the funding formula.

Borders and Immigration

Who is involved?

Before 2013, the **UK Border Agency (UKBA)** managed the Department's immigration and asylum work.

In March 2012, the Home Secretary separated border operations from the Agency, setting up **Border Force** as a directorate within the Department.

In March 2013, the Home Secretary abolished the remaining **UK Border Agency** in response to its continued poor performance. UKBA was brought back into the Department and two directorates (UK Visas and Immigration and Immigration Enforcement) were created to undertake UKBA's remaining functions.

The three directorates had a total of **20,470 staff** in 2014-15 at a cost of **£820.8 million**.

Results for the three directorates continue to be below the civil service average for almost all of the key themes in the 2014 Civil Service People survey.

The efficiency and effectiveness of the Home Office's borders and immigration functions is assessed by the Independent Chief Inspector of Borders and Immigration, who reports to the Home Secretary.

For more information, see our report [Inspection: a comparative study](#).

| Directorate | Responsibility | Average number of staff in 2014-15 | Staff costs 2014-15 (£m) |
|--------------------------|--|------------------------------------|--------------------------|
| Border Force | Securing the UK border and controlling migration at 138 ports and airports across the UK and overseas | 8,332 | 368.3 |
| UK Visas and Immigration | Considering applications from visitors to come or remain in the UK | 6,787 | 249.0 |
| Immigration Enforcement | Preventing abuse, pursuing and removing immigration offenders and increasing compliance with immigration law | 5,351 | 203.5 |

Attitudes of staff in 2014 – Borders and Immigration Directorates



Sources: Civil Service People Survey 2014



Borders and Immigration

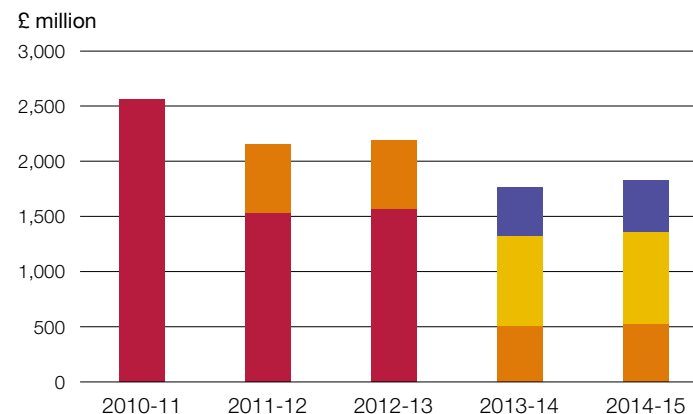
How much does it cost?

The Home Office spent **£1.8 billion** within its three Border and Immigration Directorates in 2014-15, down from £2.6 billion in 2010-11, when the UK Border Agency was responsible for this area of work.

The Home Office's income from border and immigration work increased from £858 million in 2010-11 to £1,057 million in 2014-15 (including £1,020 million for visas and immigration programmes), meaning that the Department's overall net expenditure on borders and immigration was £770.9 million in 2014-15.

| Directorate | Expenditure in 2014-15 (£m) | Of which: Programme costs (£m) | Administration (£m) | Income in 2014-15 (£m) | Net (£m) |
|--------------------------|-----------------------------|--------------------------------|---------------------|------------------------|----------|
| Border Force | 525.1 | 522.7 | 2.4 | (7.8) | 517.3 |
| UK Visas and Immigration | 837.2 | 807.7 | 29.6 | (1,019.8) | (182.5) |
| Immigration Enforcement | 466.0 | 457.4 | 8.6 | (29.8) | 436.1 |

Expenditure within Borders and Immigration



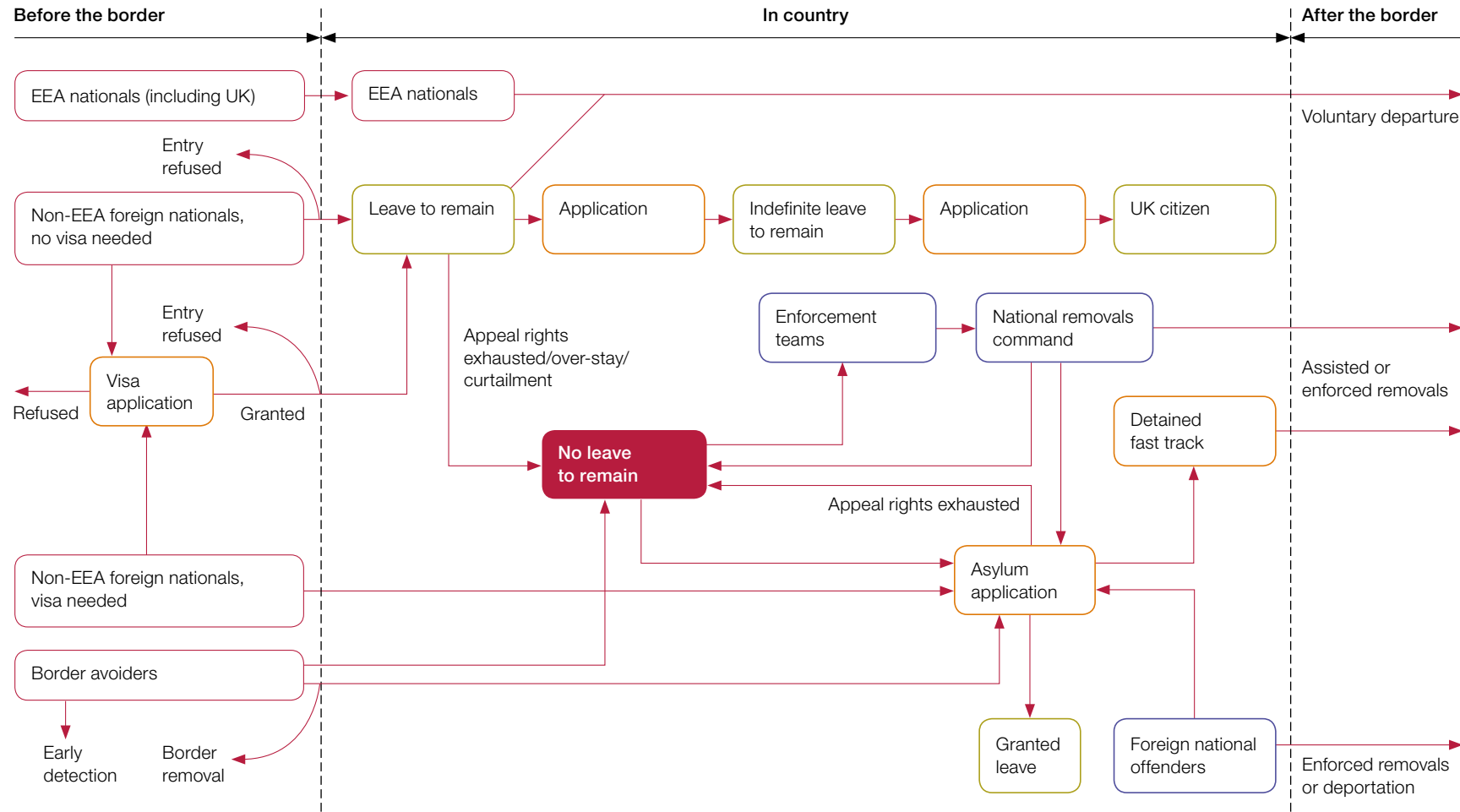
- UK Border Agency
- Border Force
- UK Visas and Immigration
- Immigration Enforcement

Note

1 Spending figures do not include the International and Immigration Policy Group within the Home Office.

Borders and Immigration

Flow of people through the border and immigration system



□ UK Visas and Immigration
 □ Legal status
 ■ Illegal status
 □ Immigration Enforcement
 □ Border Force

Notes

- 1 UK Visas and Immigration operations span the UK and abroad. Border Force operates mainly at ports of entry to the UK and Immigration Enforcement predominantly operates within the UK.
- 2 EEA is European economic area nationals.

Borders and Immigration

Flow of people through the border and immigration system (year to end March 2015)

118.4 million total number of journeys (up 6% from 2013-14)



18,373
passengers refused entry at port (up 11% from 2013-14)

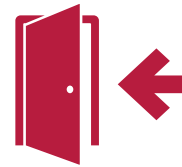


25,020
asylum applications (up 5% from 2013-14)

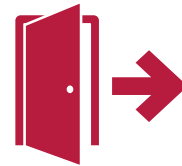


21,651
of the applications for asylum received since April 2006 from main applicants were **pending a decision** – 10% more than at the end of March 2014 (19,685)

30,902
people entering immigration detention (slight increase)



30,313
people leaving detention (up 2%), 51% of which were removed from the UK



3,483
people in detention (up 10%)



5,051
foreign national offenders removed from the UK



12,498
enforced removals (down 3%)



16,255
refused entry at port and subsequently departed (up 12%)



The Department granted:

- **171,043 work-related visas** (up 9% from 2013-14)
- **216,466 study-related visas** (down 1%)
- **68,794 student-visitor visas** (down 13%)
- **34,713 family visas** (down 1%)
- **1.85 million visitor visas** (down 2%)



29,307
voluntary departures, of which:

- 1,820 were assisted voluntary returns, (where financial assistance is provided);
- 11,218 were notified voluntary departures (where a person notifies the Home Office that they have departed); and
- 13,292 were other confirmed voluntary departures (where a person has been identified as leaving when they no longer had the right to remain in the UK by data-matching on the Home Office's systems).

Borders and Immigration

Recent and future developments

In addition to structural changes, the Home Office has faced several significant challenges since 2010:

- IT systems remain largely unchanged – teams rely on multiple and complicated legacy systems with limited integration or data sharing.
- The Immigration Case Work (ICW) system was closed in August 2013, having achieved much less than planned, at a cost of £347 million, meaning caseworkers still use a legacy system.
- A new Immigration Platform Technologies programme is due to replace ICW and is expected to cost £208 million over four years. Support contracts for vital legacy systems are due to expire in 2016, but the new programme will not roll out fully until 2017.

Border Systems – the e-Borders programme started in 2003 and was designed to deliver greater border security by collecting advanced passenger information on individuals travelling in and out of the UK. The Department terminated its £750 million contract with Raytheon Systems Ltd (RSL) in 2010 due to delays in delivery of key milestones. RSL disputed the contract termination and after almost a five-year legal dispute, both parties agreed to a settlement of £150 million payment to RSL in March 2015.

The Department has incorporated the aims of the e-borders contract into its wider Border Systems Portfolio, which includes other initiatives such as exit checks (see paragraph following slide), and expects to spend £1.3 billion up to 2024 on the procurement and development of border systems.



5/6



Borders and Immigration

What are the things to look out for?

Impact of the Immigration Act 2014 on the borders and immigration system

The Immigration Act 2014 reduced the number of immigration decisions that can be appealed from 17 to 4. It gave new powers to enforcement officers, introduced a fee for using the NHS for temporary migrants and amended removal processes. Most of the new Act came into force in October 2014. Our reports on [Reforming the UK border and immigration system](#) and [Managing and removing foreign national offenders in July and October 2014](#) recognised that the Act had the potential to make a substantial difference, but it was too early to determine whether this had been the case.

Introduction of exit checks

The Home Office introduced exit checks for passengers leaving the UK in April 2015 (aiming to check 100% of passports against immigration databases by the summer). This aims to improve the Department's ability to identify those who have overstayed, target action against those abusing the law and identify and tighten the immigration routes and visas which are most vulnerable to abuse, as well as helping the police and security services track the movements of known criminals and terrorists. Critics raised concerns about the implementation of the checks (how effectively the data collected will be used by the Home Office) and their possible impact (risk of significant queues developing at the border due to the new requirements).

Getting the basics right

While there has been measurable progress in some areas, the previous **Independent Chief Inspector of Borders and Immigration** concluded in his [Annual Report \(2013-14\)](#) in December 2014 that there is still "too much evidence that the Home Office does not get the basics right... [including] the quality and consistency of decision-making, but also having the right skills in place, aligning resources to the right priorities and having high quality management information that provides a sound basis on which to make decisions on future strategy and resourcing."

The previous Independent Chief Inspector stepped down at the end of December 2014. The new Independent Chief Inspector was appointed in February 2015 and took up his post on 1 May 2015.



Identity and Passports

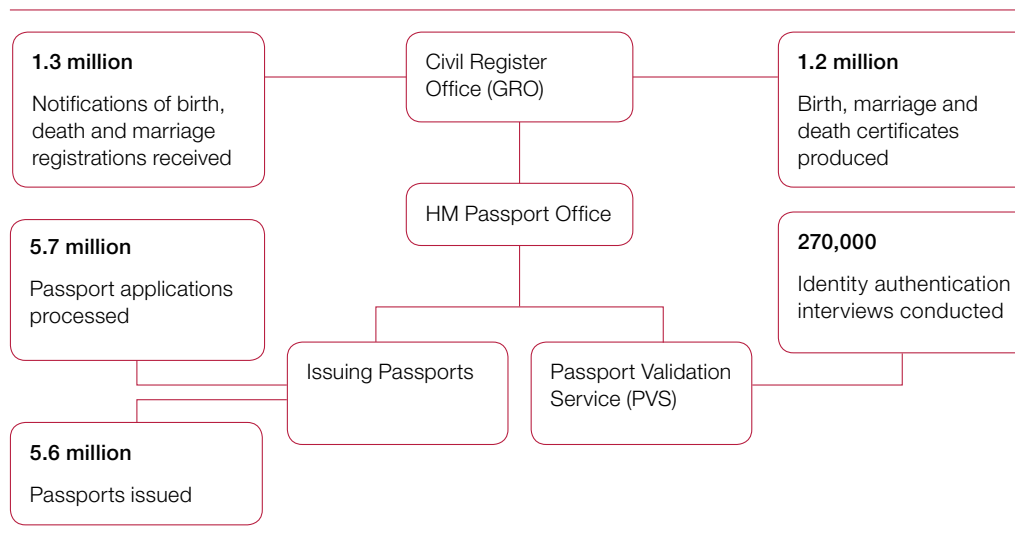
Who is involved?

HM Passport Office (HMPO) is responsible for providing passport services for British nationals residing in the UK and overseas, and for administering civil registration in England and Wales.

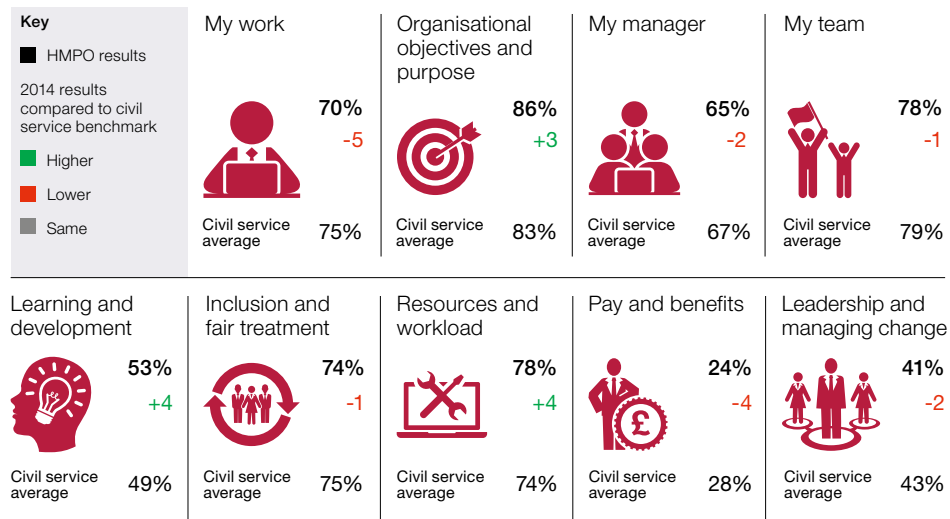
HMPO operates seven regional passport offices and over 50 passport interview offices across the UK. It also administers the marriage laws and provides a system for the registration of important events (eg births, adoptions, marriages, deaths).

HMPO had 3,664 full-time equivalent staff in 2014-15, up from 3,352 in 2013-14.

The results of the People Survey within HMPO were broadly comparable to the civil service average in 2014.



Attitudes of staff in 2014 – HM Passport Office



Sources: Civil Service People Survey 2014



Identity and Passports

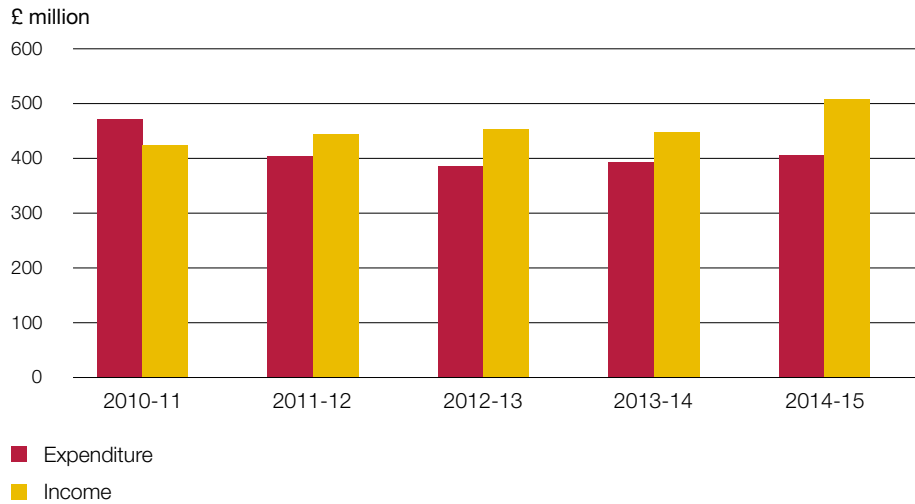
How much does it cost?

HMPO is primarily funded through the fees it charges, which are set by legislation.

The fees aim to recover the costs to HMPO of processing and producing the passport, certificate or other registration. The Home Office funds statutory services ie maintaining registers of key life events and all capital expenditure by HMPO.

In 2014-15, HMPO made an overall **surplus of £105 million** which was paid to the Consolidated Fund held by HM Treasury.

Expenditure and income within HM Passport Office



Source: HM Passport Office Annual Report and Accounts 2010-11, 2011-12, 2012-13 and 2013-14. Home Office Annual Report and Accounts 2013-14 and 2014-15

In 2014-15 the average unit cost for UK passports was £62.93, up from £57.71 in 2013-14.

From April 2014, the passport fee for customers applying for a UK passport from overseas was reduced by £45.00 for adults to £83.00, and by £28.50 for children to £53.00.



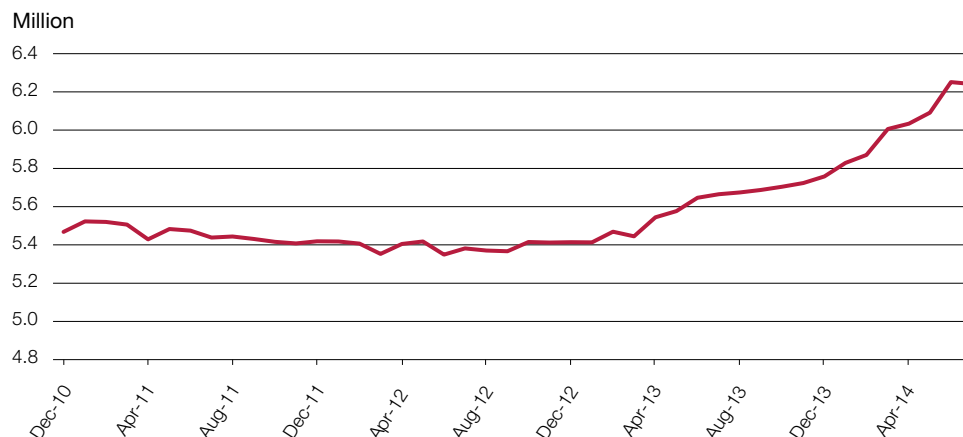
Identity and Passports

Recent and future developments

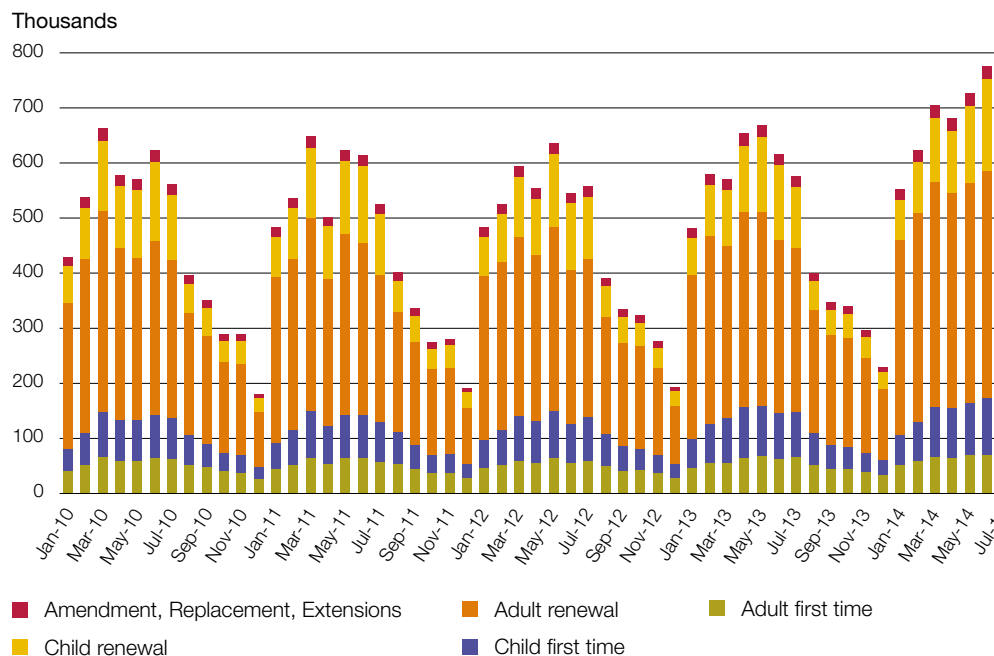
In January to May 2014, HM Passport Office experienced difficulties in handling the exceptional demand for passport applications and renewals which led to a substantial backlog of cases. The forecast model used by HM Passport Office to match and deploy its resources against demand was subsequently found to be inaccurate. HMPO was under-resourced and unable to respond to the high volume of applications.

Following a review of the issues encountered earlier in the year, on 26 September 2014 the then Home Secretary announced that HM Passport Office would cease to be an agency of the Department and would become part of the central department, in line with other parts of the immigration system. As a result, HMPO ceased to be an executive agency from 1 October 2014. Its operations are now under the direct control of the Department.

Passport applications (cumulative, previous 12 months)



Passport applications since January 2010



Source: Statistical update, letter from Paul Pugh, Chief Executive, HM Passport Office, to the Chair of the Home Affairs Select Committee, 26 August 2014

Identity and Passports

What are the things to look out for?

Ensuring that the Passport Office works effectively

Part of the review in 2014, and the decision to bring HM Passport Office under the direct control of the Department, was to ensure that HMPO works as efficiently as possible with better processes, customer services and outcomes, including a review of HMPO's forecasting model. It will be important to ensure that the issues which caused or contributed to the backlog are resolved regardless of how HMPO is organised or who it is controlled by.

Making sure that the Passport Office has the capacity to predict and meet demand

HMPO expects passport demand to continue to increase over the next year, with 6.7 million domestic and overseas applications forecast in 2015. Overseas passport applications have now also been fully transferred to HMPO from the Foreign and Commonwealth Office, meaning that HMPO now serves an additional 390,000 overseas customers annually.

HMPO has reviewed its passport demand forecasting model and revised its workforce plan to set its capacity at a level which can cope with the expected continued increase in demand for passports in future. It is developing its capacity planning to allow for a greater variation from the forecast and allow it to function normally for longer without having to implement contingency measures. How effective these arrangements will be is not yet clear.

Reducing the surplus

HMPO's income exceeded its expenditure every year in the last Parliament and its overall surplus has increased. This enabled a fee reduction of £45 for its overseas customers, following a similar reduction for domestic applicants, but has led to accusations of profiteering.

Progress with making digital changes

HMPO is working towards the government's digital agenda by ensuring the services provided are as modern and flexible as possible. So far this has included the modernisation of systems, processes and work, for example by introducing online passport applications, enabling online payment and tracking of applications. Projects involving introducing new ICT, systems or processes can be particularly complicated and prone to difficulties or failure. Progress will need to be maintained to ensure that HM Passport Office delivers its objectives in this area.



Organised Crime and Counter Terrorism

Who is involved

The **National Crime Agency (NCA)** is an Non-Ministerial Department created in 2013 under the Crime and Courts Act. It brought together officers and responsibilities from the Serious Organised Crime Agency, Police Central e-crime Unit, the Child Exploitation and Online Protection Centre, the Criminal and Financial Investigation Border function of the Home Office and the National Fraud Authority.

The **Office for Security and Counter Terrorism** was created in 2007 and is a directorate within the Home Office.

The results of the Civil Service People Survey for NCA staff were consistently well below the civil service average in 2014 for all themes included in the survey, most noticeably within the 'learning and development' theme.

| Directorate | Responsibility | Average number of staff in 2014-15 | Staff costs 2014-15 (£m) |
|---|--|------------------------------------|--------------------------|
| National Crime Agency (NCA) | The NCA has responsibility to lead the UK's overall effort to tackle serious and organised crime. It coordinates, leads and supports activity to identify and disrupt serious and organised crime, by investigating and enabling prosecution of those responsible across five main areas: organised crime; cyber crime; economic crime; child sexual exploitation and serious and organised crime at, and crossing, our borders. | 4,290 | 282.9 |
| Office for Security and Counter Terrorism | Responsible for leading work on counter terrorism in the UK, working closely with the police and security services, and for developing and implementing the government's strategic approach to reducing the risk to the UK from organised crime. | 753 | 38.2 |

Source: National Crime Agency 2014-15 Annual Reports & Accounts, Home Office 2014-15 Annual Reports & Accounts

Attitudes of staff in 2014 – National Crime Agency



Note

1 There are no staff survey results for the Office for Security and Counter Terrorism as these are included within the core Department's figures.

Sources: Civil Service People Survey 2014



Organised Crime and Counter Terrorism

How much does it cost

At the end of December 2014, UK law enforcement bodies estimated that there were around **5,800 organised crime groups** – comprising some 40,600 individuals – and that the cost to the UK of serious and organised crime was at least **£24 billion** a year.

At the end of March 2015, **67 organisations** were proscribed by the UK as terrorist organisations under the Terrorism Act 2000, plus **14 organisations in Northern Ireland** under previous legislation. It is a criminal offence to belong to (or profess to belong to), invite support for, or otherwise arrange, maintain or assist one of these organisations.

In response to the increased threat level (see Recent and future developments: Counter Terrorism), particularly in relation to Syria and Iraq, in 2014, Parliament announced an additional £130 million of counter-terrorism funding, primarily for 2015-16 and for further investigative resources for the security and intelligence agencies and police.

| Directorate | Expenditure in 2014-15 (£m) | Of which: Programme costs (£m) | Administration (£m) | Income in 2014-15 (£m) | Net (£m) |
|--|-----------------------------|--------------------------------|---------------------|------------------------|----------|
| National Crime Agency | 482.4 | 454.0 | 28.0 | 47.8 | 434.7 |
| Office of Security and Counter Terrorism | 954.1 | 906.1 | 48.0 | 182.6 | 771.5 |

Note

- The NCA is a Non Ministerial Government Department and is outside the Home Office's departmental boundary. The finances of the NCA are not consolidated into Home Office accounts. They are presented here to illustrate the extent of public expenditure on the organisations relating to the Home Office which deal with organised crime and counter terrorism.

Source: National Crime Agency 2014-15 *Annual Reports & Accounts*, Home Office 2014-15 *Annual Reports & Accounts*



Organised Crime and Counter Terrorism

Recent and future developments: Organised Crime

Creation of the National Crime Agency: The National Crime Agency (NCA) began operating on 7 October 2013. Functions from the Serious Organised Crime Agency, which was abolished on 6 October 2013, and the National Fraud Agency, which was abolished on 31 March 2014, were transferred to the NCA. The NCA is a non-ministerial department outside of the Home Office's departmental boundary but remains accountable to the Home Secretary and to Parliament.

The government published a new Serious and Organised Crime Strategy to coincide with the launch of the National Crime Agency. The Strategy was modelled on the Department's approach to countering terrorism, and is based around the four principles of pursue, prevent, protect and prepare.

Parliament introduced the **Serious Crime Act** in March 2015 to bring into effect a number of legislative proposals in the strategy, including ensuring that the National Crime Agency, the police and other law enforcement agencies have the powers they need to pursue, disrupt and bring to justice those engaged in serious and organised crime, introducing measures to enhance the protection of vulnerable children, and strengthening the law to tackle female genital mutilation and domestic abuse.

In its Annual Report on the Strategy in March 2015, the Home Office reported that the NCA and its partners had:

- **arrested 2,048 people in the UK and 1,181 overseas**, achieving 415 convictions;
- **seized over 200 tonnes of illegal drugs** and more than **700 firearms**; and
- **refused 575 visas** for criminal reasons.



Organised Crime and Counter Terrorism

Recent and future developments: Counter Terrorism

In October 2010, the government published a new National Security Strategy which identified terrorism as one of the four highest risks faced within the UK.

Counter terrorism strategy

In July 2011, the Home Office published the third version of the UK's counter terrorism strategy (CONTEST) which set out the threats faced, and priorities for dealing with them, through to 2015.

In its Annual Report setting out progress against the strategy's objectives, the Home Office reported that:

- the threat level, which is set by the independent Joint Terrorism Analysis Centre, was raised from substantial to **severe** in August, mainly as a result of developments in Syria and Iraq;
- at least **three major terrorist plots** in the UK were disrupted in 2014;
- there were **239 terrorism-related arrests** in Great Britain in the 12 months to June 2014 – 83 people were charged with terrorism-related offences and 29 with other offences; and
- there were **201 terrorism-related offenders in custody** and a further 53 under probation supervision at the end of February.

Following the increase in the terrorist threat level in August 2014, Parliament approved the **Counter Terrorism and Security Act 2015** which added to existing powers by: disrupting the ability of people to travel abroad to fight, and to return to the UK; enhancing the Department's ability to monitor and control the actions of those in the UK that pose a threat; and combating the underlying ideology that feeds, supports and sanctions terrorism.



Organised Crime and Counter Terrorism

What are the things to look out for

Determining responsibility for the National Counter Terrorism Command

The National Counter Terrorism Command is a specialist operations branch within the London Metropolitan Police Service. It is responsible for gathering intelligence on terrorism and extremism as part of efforts by the security and intelligence agencies and regional police units to protect London and the UK from the threat of terrorism.

Internationally the counter terrorism function is usually held by a central, national (rather than regional) organisation. In 2014, the Home Affairs Select Committee recommended that responsibility for counter terrorism should move from the Metropolitan Police Service to the National Crime Agency based on concerns surrounding existing levels of oversight and accountability and the desire to allow the Metropolitan Police Service to focus on the basics of policing London. In 2015, the Government responded that there were no plans to review counter terrorism policing during the remainder of the Parliament.

Identifying, and having the capability to deal with, electronic crime and fraud

Levels of electronic crime and fraud are rising, but many of the larger financial institutions deal with these issues in-house rather than reporting it to the police because of the reputational risk of losing people's money, and local police forces often do not have the technical capabilities to deal with cyber crime.

Focusing counter terrorism efforts

The Department's view is that the principal terrorist threat to Great Britain continues to be from Islamist terrorism. In February 2014, there were several attempted postal attacks by dissident republicans on army recruitment centres in England. There is also a threat from far-right terrorism across the UK, though it remains low in comparison with the other principal threats.

Appendix One

Arm's-length bodies

College of Policing

Established as a limited company on 1 December 2012, assuming responsibility for raising the professional status of police officers and police staff. It operates at arm's length from the Home Office.

Gangmasters Licensing Authority

An executive NDPB regulating businesses who provide workers to the fresh produce supply chain and horticulture industry, to make sure they meet the employment standards required by law.

Independent Police Complaints Commission

An executive NDPB overseeing the police complaints system in England and Wales and setting the standards by which the police should handle complaints.

Office of the Immigration Service Commissioner

An executive NDPB regulating immigration advisers, ensuring they are fit and competent and act in the best interest of their clients.

Security Industry Authority

An executive NDPB regulating the private security industry in the UK.

Advisory Council on the Misuse of Drugs

An advisory NDPB making recommendations to government on the control of dangerous or otherwise harmful drugs, including classification and regulations.

Animal in Science Committee

An advisory NDPB providing impartial, balanced and objective advice to the Secretary of State, to animal welfare bodies and within the EU on issues relating to the Animals Act 1986.

Migration Advisory Committee

An advisory NDPB advising the government on migration issues.

National DNA Database Ethics Group

An advisory NDPB providing independent advice on ethical issues surrounding the operations of the National DNA Database to Home Office ministers and the National DNA Database Strategy Board.

Police Advisory Board for England and Wales

An advisory NDPB considering draft regulations under the Police Act 1996 with respect to matters such as recruitment, diversity and collaboration between forces.

Technical Advisory Board

An advisory NDPB advising the Home Secretary on whether the obligations imposed on communications service providers (CSPs) under the terms of Regulation of Investigatory Powers Act (RIPA) are reasonable.

Investigatory Powers Tribunal

A tribunal NDPB investigating human rights claims and interference complaints against public authorities).

Office of Surveillance Commissioners

A tribunal NDPB overseeing the use of covert surveillance by designated public authorities.