



National Audit Office

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**Departmental Overview**

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The performance of the  
Home Office 2013-14

**NOVEMBER 2014**

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Our vision is to help the nation spend wisely.

Our public audit perspective helps Parliament hold government to account and improve public services.

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 820 employees. 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 £1.1 billion in 2013.

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# Introduction

## Aim and scope of this briefing

- 1** The primary purpose of this report is to provide the Home Affairs Select Committee with a summary of the Home Office's activity and performance since September 2013, based primarily on published sources, including the Department's own accounts and the work of the National Audit Office (NAO).
- 2** Part One focuses on the Department's activity over the past year. Part Two examines developments in this Parliament. Part Three concentrates on NAO analyses of activity over the last year.
- 3** The content of the report has been shared with the Department to ensure that the evidence presented is factually accurate.

# Part One

## About the Department

### The Department's responsibilities

**1.1** The Home Office (the Department), through its directorates, agency and executive non-departmental public bodies, oversees government policy and delivery of the following:

- countering terrorism in the UK;
- policing and crime reduction;
- border and immigration; and
- identity and passports.

**1.2** The Home Office's Business Plan for 2013–2015 lists the Department's four main priorities as: cutting crime, reducing immigration, preventing terrorism and promoting growth by keeping the UK safe. These priorities have not changed in this Parliament.

### How the Department is organised

**1.3** The Home Office is headed by the Home Secretary, who sets the agenda and goals for the Department and is supported by the Home Office Supervisory Board and the Executive Management Board chaired by the Permanent Secretary (Mark Sedwill). **Figure 1** overleaf summarises the structure of the Department.

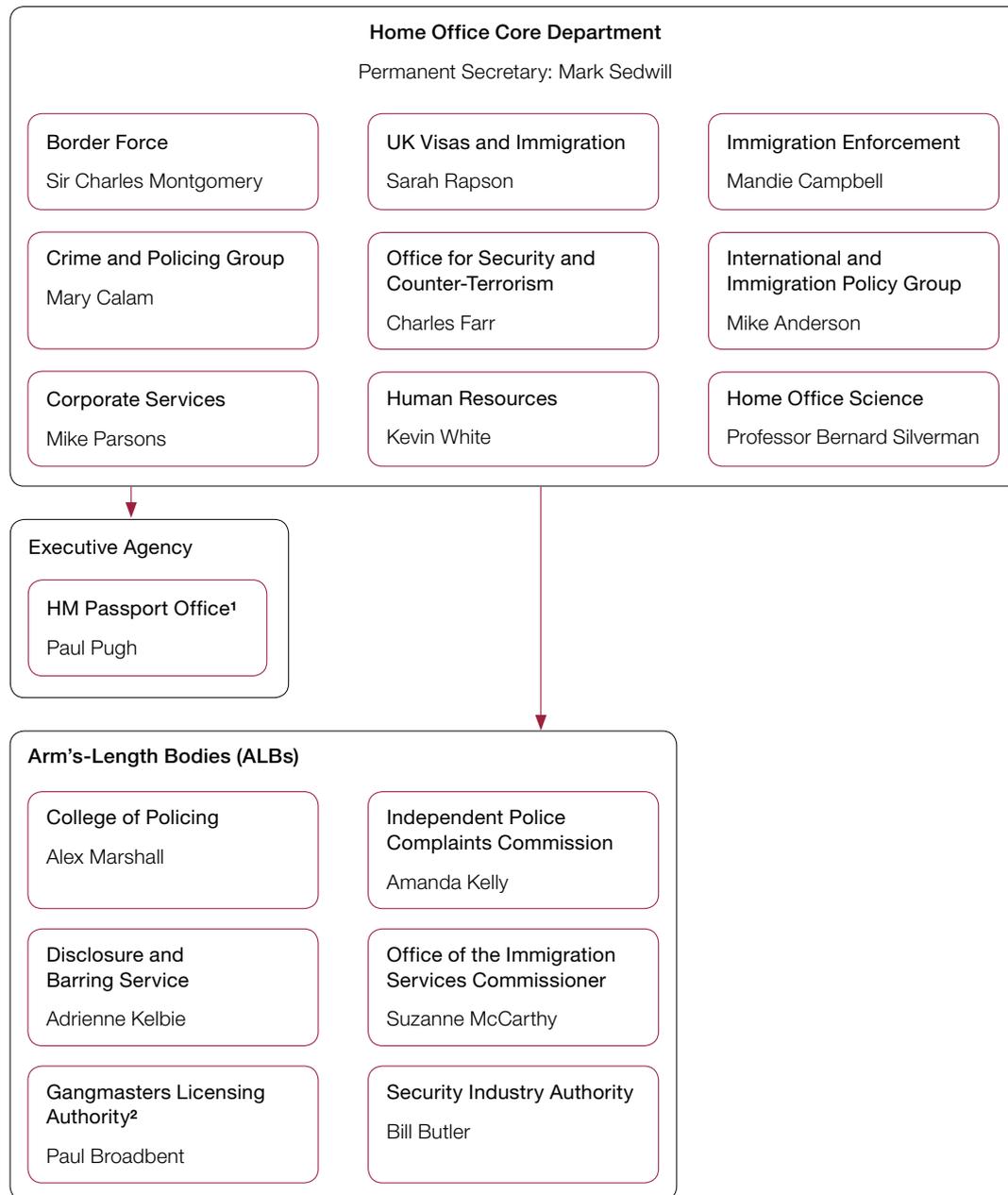
**1.4** Two boards provide strategic oversight and executive leadership to the Department:

- The Supervisory Board, chaired by the Secretary of State, consists of 6 Home Office ministers, 8 officials (the executive management) including the Permanent Secretary, and 2 non-executive directors appointed by the Home Secretary. This board sets overall strategic and operational objectives and monitors the Department's performance against its business plan.
- The Executive Management Board is chaired by the Permanent Secretary and consists of all the directors general from across the Department and 2 independent non-executive board members from the private sector. The board provides corporate strategic leadership and also oversees the day-to-day running of the Department.

**Figure 1**

How the Home Office group was organised at 1 April 2014

The Department comprises a mixture of policymaking, operational delivery and large-volume transactional services. This figure shows the management structure within the Department and the chief executives of agencies and arm’s-length bodies



**Notes**

- 1 Her Majesty’s Passport Office had its agency status removed from 1 October 2014. Tyson Hepple is the Acting Director General from 10 November 2014.
- 2 Gangmasters Licensing Authority was transferred into the Home Office on 1 April 2014.

**1.5** The central Department is organised into 7 Directorates General:

- **Crime and Policing Group** is responsible for crime and policing policy and sponsors the Disclosure and Barring Service, the Independent Police Complaints Commission, the Security Industry Authority, the Gangmasters Licensing Authority and the College of Policing;
- **Office of Security and Counter-Terrorism** which gives strategic direction to the UK's work to counter the threat from international terrorism. Its primary objective is to protect the public from terrorism by working with others to develop and deliver the UK's counter-terrorism strategy;
- **International and Immigration Policy Group** is responsible for immigration, border and international policy and leads on cross-cutting issues such as international criminality and judicial cooperation, better regulation and devolution;
- **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;
- **Border Force** is a professional law enforcement command within the Department. It is responsible for securing the UK border and controlling migration at 138 ports and airports across the UK and overseas; and
- **Enablers** which includes Communications, Human Resources, Finance and Estates, Technology, Digital, Private Offices, and Home Office Science. A new Chief Operating Officer role for the Department was created in November 2013.

**1.6** In March 2013, the Home Secretary abolished the UK Border Agency (UKBA) in response to its poor performance. UKBA was subsequently brought back into the Department. The Department created two operational directorates (Immigration Enforcement and UK Visas and Immigration) to undertake UKBA's functions upon its abolition on 1 April 2013. Border Force had previously transferred from UKBA to the Department on 1 March 2012.

**1.7** On 26 September 2014, the Department announced that Her Majesty's Passport Office would lose its agency status and, from 1 October 2014, its operations would be under the direct control of the Department. This change follows the difficulties the Passport Office experienced in handling the exceptional demand for passport applications and renewals earlier in the year.

**1.8** To deliver its responsibilities, the Department works with partners including the police, Police and Crime Commissioners, intelligence agencies, local authorities, voluntary bodies, other departments and other countries' governments.

**1.9** In 2013-14, the average number of full-time equivalent persons employed during the year by the Department and its agencies was 29,042. Its arm's-length bodies employed a further 2,162 staff, bringing the overall total for the Department (including arm's-length bodies) to 31,204, compared to 31,819 in 2012-13.<sup>1</sup> This figure does not include police and civilian staff working for police forces.

### **Changes to the Home Office group in 2013-14**

**1.10** The National Crime Agency was created on 7 October 2013. It is a crime-fighting agency with national and international reach and the mandate and powers to work in partnership with other law enforcement organisations against serious and organised crime. The National Crime Agency is a non-ministerial department outside of the Home Office departmental boundary but remains accountable to the Home Secretary and, through her, to Parliament.

**1.11** The National Crime Agency effectively replaced the Serious and Organised Crime Agency which was dissolved on 6 October 2013. The National Policing Improvement Agency was dissolved on the same day having ceased operational activity earlier in the year, with responsibilities largely transferring to the Department, the College of Policing and the National Crime Agency.

**1.12** The National Fraud Authority was dissolved on 31 March 2014. It was an executive agency and ran Action Fraud, the national reporting centre for fraud and internet crime. The National Fraud Authority worked with a wide range of partners across government, law enforcement, industry and the voluntary and charity sectors to focus and coordinate the fight against fraud in the UK. Its functions have largely transferred to the Department, the National Crime Agency and the City of London Police.

**1.13** A list of bodies sponsored by the Home Office as at 1 April 2014 is at Appendix One.

### **Where the Department spends its money**

**1.14** In 2013-14, the Department spent £12.3 billion (net of income) against a budget set by Parliament of £12.5 billion.<sup>2</sup> Given the restructuring and consolidation of agencies and arm's-length bodies into the central Department over the past 2 years, the central Department forms the largest element of expenditure, totalling £12.1 billion. **Figure 2** shows expenditure by the Department and its main spending bodies.

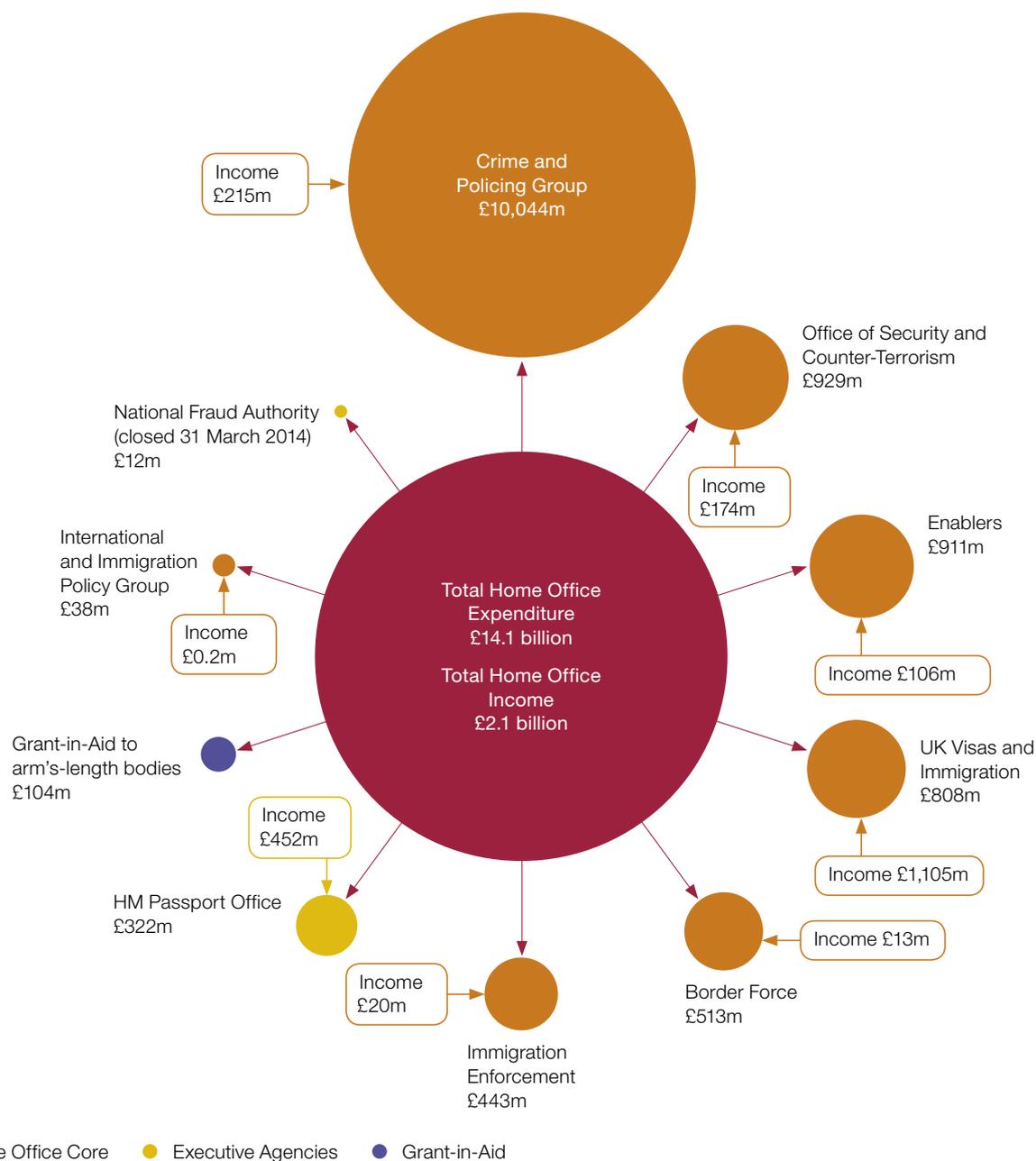
#### **Analysis by expenditure type**

**1.15** Grant payments, totalling, £10.3 billion in 2013-14, represented a majority of the Department's expenditure in 2013-14. The Police Core Settlement and Formula Funding previously allocated to the police by the Department for Communities and Local Government accounts for £7.8 billion with an additional grant contribution of £1.3 billion for police officer pensions. The remainder of grant expenditure relates to specific grants, for example to support counter-terrorism activities.

<sup>1</sup> Staff numbers from the Home Office *Annual Report and Accounts 2013-14*.

<sup>2</sup> Source: Statement of Parliamentary Supply of Home Office *Annual Report and Accounts 2013-14*

**Figure 2**  
Expenditure by the Home Office and its agencies



**Notes**

- 1 HM Passport Office expenditure in Figure 2 excludes the Consular Protection element of each passport fee which is paid by the Department, via HM Treasury, to the Foreign and Commonwealth Office.
- 2 Enablers includes: Corporate Services, Human Resources and Home Office Science.
- 3 UK Visas and Immigration Income represents fees for visa/migration applications.
- 4 HM Passport Office Income represents fees for passport applications and copies of civil registration certificates.

Source: Note 2 of Home Office Annual Report and Accounts 2013-14.

**1.16** This funding is provided to the 41 locally elected Police and Crime Commissioners, and the Mayor of London and the Corporation of the City of London,<sup>3</sup> who were given responsibility for overseeing and funding the 43 local police forces in England and Wales in November 2012. These Local Policing Bodies (41 Police and Crime Commissioners plus London equivalents) are responsible for funding all activities undertaken by police forces and they raise some funding through local council tax precepts (about a quarter of overall funding). The Department's grant contribution to the Police and Crime Commissioners is calculated based on agreed funding levels which are set out in the Police Grant Report (England and Wales) 2013-14.<sup>4</sup> Police and Crime Commissioners have full responsibility for the use of grant funding, including how much of the grant is provided to their local police force to spend on police salaries or equipment.

**1.17** The annual Police Grant Report is prepared by the Secretary of State and is laid in the House of Commons for approval by Parliament. The report sets out the aggregate grant to be provided for police purposes and the funding allocated to each local police area in England and Wales.

**1.18** For 2014-15, the aggregate amount of grants for police purposes has been determined as £8.0 billion (comprising £4.6 billion in Home Office Police Core Settlement, £0.5 billion in Legacy Council Tax Grants and £2.9 billion in Department for Communities and Local Government (DCLG) Formula Funding). For 2013-14, the aggregate amount of grants for police purposes was £7.8 billion (comprising £4.7 billion in Home Office Police Core Settlement and £3.1 billion in DCLG Formula Funding).

**1.19** The Department also makes a grant to police forces to match the estimated deficit in their police officer pension schemes for the year (the difference between employer/employee contributions paid in and the pensions paid out). The grant is based on estimates provided in-year by the police forces and adjusted for actual outturn from prior years. The total pension grant for 2013-14 was £1.3 billion and is expected to be £1.4 billion in 2014-15.

## **Staff attitudes**

**1.20** The government has conducted its Civil Service People Survey annually for the past 5 years. The most recent available survey was carried out during October 2013.<sup>5</sup> Continuing our practice in past briefings, we summarise here the views of the Department's staff on a number of key issues, and compare them to benchmarks for the civil service as a whole. Detailed results for all departments are reproduced at Appendix Two.<sup>6</sup> **Figure 3** shows Home Office staff survey results for employee engagement compared to civil service benchmark for 2013 and 2012.

3 The Mayor of London and the Corporation of the City of London act as equivalents of Police and Crime Commissioners for the Metropolitan Police and City of London Police. They had responsibility for the respective police forces prior to November 2012.

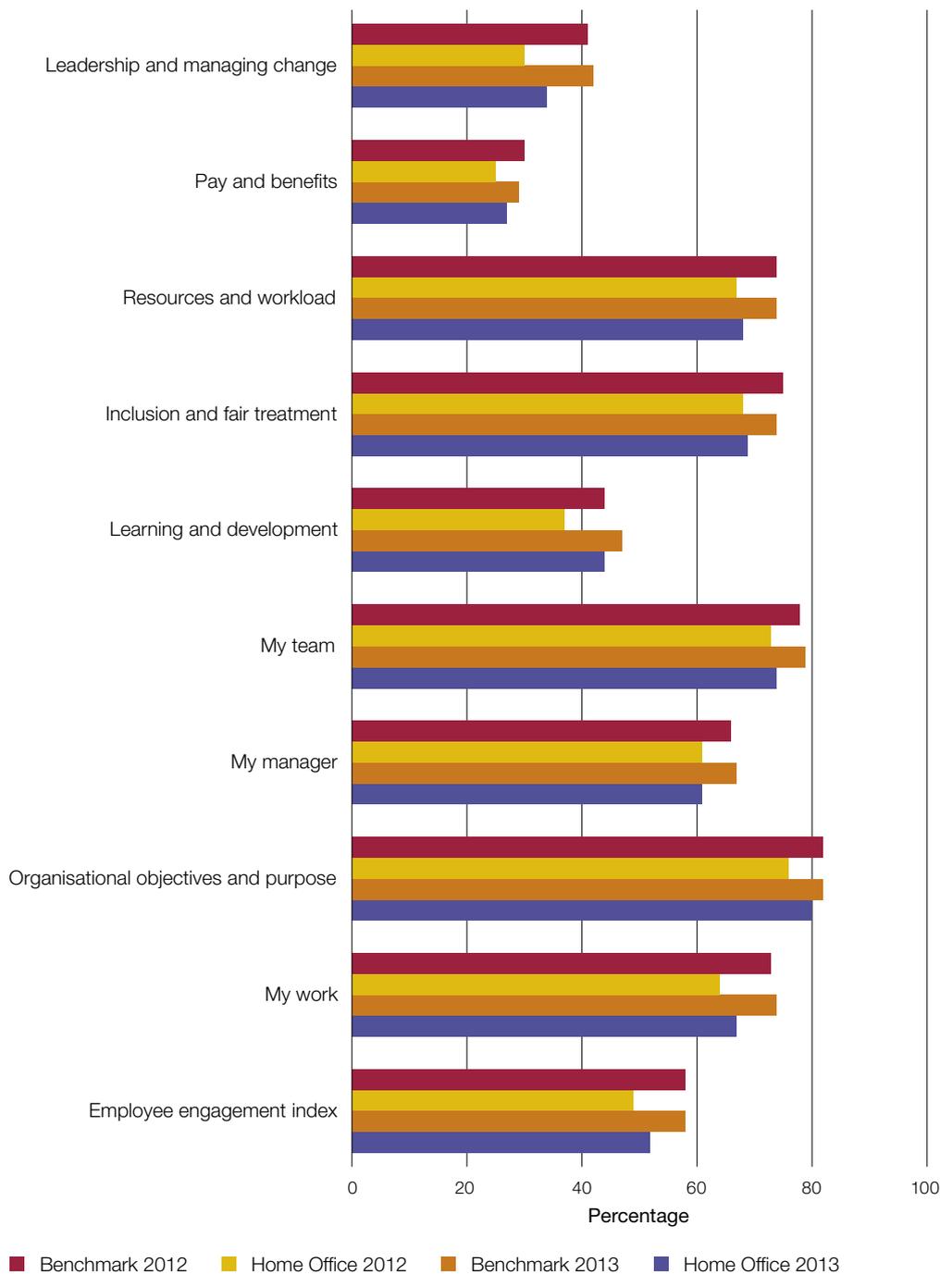
4 Home Office, *The Police Grant Report (England and Wales) 2013-14*, Session 2012-13, HC 876, February 2013.

5 Available at: [http://resources.civilservice.gov.uk/wp-content/uploads/2014/02/csps2013\\_summary\\_of\\_findings.pdf](http://resources.civilservice.gov.uk/wp-content/uploads/2014/02/csps2013_summary_of_findings.pdf)

6 Appendix Two shows the survey results for Home Office Headquarters (Crime and Policing Group, Office for Security and Counter-Terrorism, Immigration and International Policy Group and Enablers) only. Enablers includes Corporate Services, Human Resources and Home Office Science. The majority of Home Office staff work in Border Force, UK Visas and Immigration, Immigration Enforcement, and HM Passport Office.

**Figure 3**

Home Office staff survey results showing percentage positive results for engagement compared to civil service benchmark



**Note**

1 Benchmark data available at: [http://resources.civilservice.gov.uk/wp-content/uploads/2013/11/csps2013\\_benchmark\\_report\\_20121125.pdf](http://resources.civilservice.gov.uk/wp-content/uploads/2013/11/csps2013_benchmark_report_20121125.pdf)

Source: Home Office data available at: <https://www.gov.uk/government/publications/people-survey-results-2013> and <https://www.gov.uk/government/publications/people-survey-results-2012>

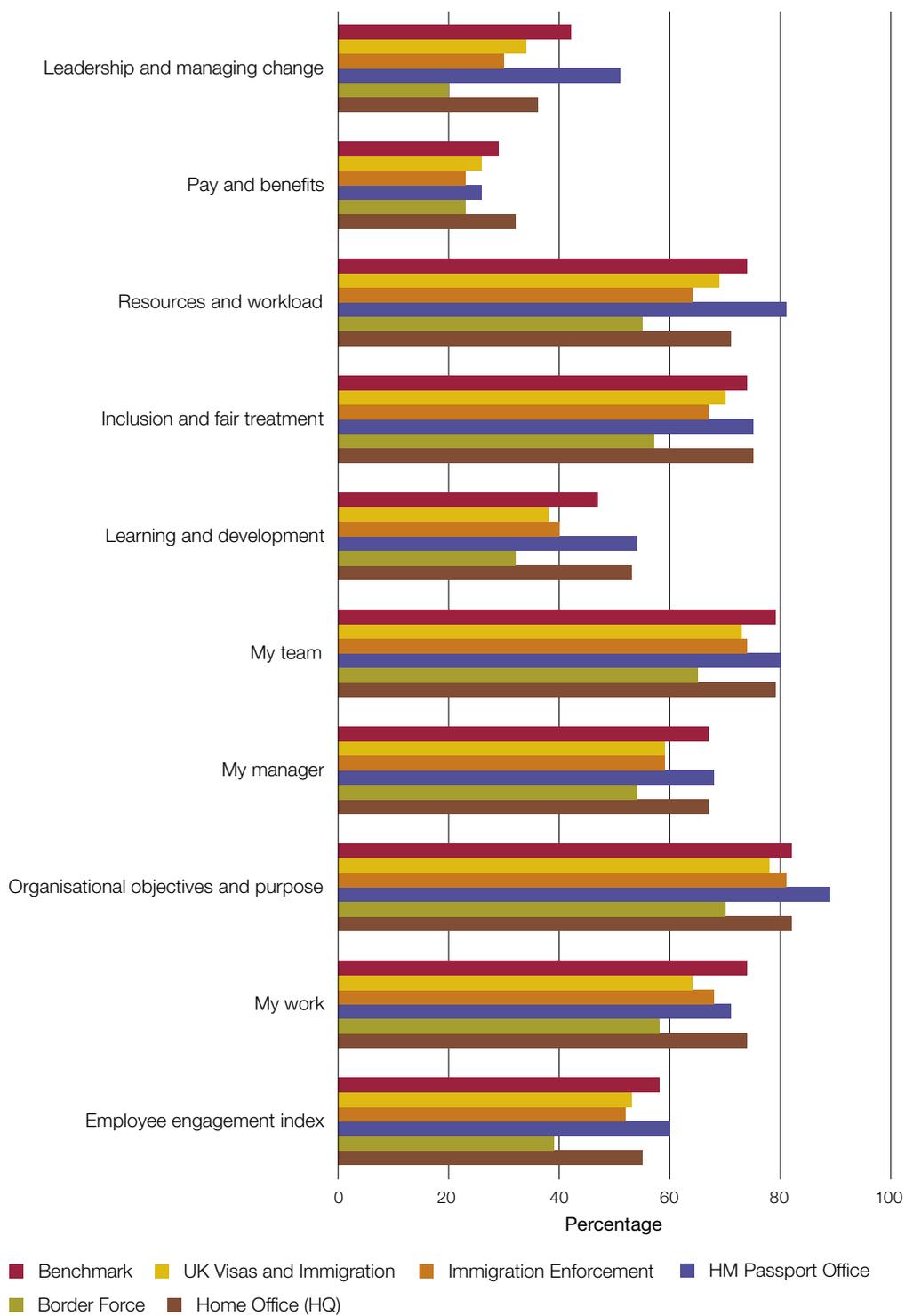
**1.21** The Department scored below the civil service benchmark in all areas. It was notably below the benchmark for 'leadership and managing change' at 34% for which the underlying questions asked employees if they felt change was managed well in their organisation, if the changes made were usually for the better and whether senior managers' actions were consistent with the organisations values. There has been some significant improvement in 2013 compared to 2012: the overall engagement score increased by 3 percentage points (against a civil service score that remained static), the 'leadership and managing change' score has improved by 4 percentage points, and the scores across all the engagement drivers have improved except for one which has remained static.

**1.22** The results shown in Figure 3 represent the Department as a whole, pulling together the results of 5 individual surveys for different parts of the Department (Border Force, Immigration Enforcement, UK Visas and Immigration, HM Passport Office and Home Office Headquarters). The Headquarters division comprises: Crime and Policing Group, Office for Security and Counter-Terrorism, International and Immigration Policy Group, and Enablers. The Department has chosen to break its survey down into 5 separate surveys to allow staff to answer in relation to their specific part of the organisation, rather than the overarching Department. There are notable differences in the scores between parts of the Department. **Figure 4** shows Home Office staff survey results for employee engagement for 2013 by business area (Headquarters and operational divisions).

**1.23** The Border Force's scores are significantly below the other business areas in almost all categories. The scores in the other former-UKBA divisions (UK Visas and Immigration and Immigration Enforcement) are also generally lower than for the Department's Headquarters. In contrast HM Passport Office scores highly for several categories; notably 'organisational objectives and purpose' at 89% and 'leadership and managing change' at 51%. From 1 October 2014, the Passport Office is under the direct control of the Department and will operate as a directorate general like the former-UKBA operational units.

**1.24** In relation to the 'learning and development' category the Department's 2014-15 skills plan set out a work programme to address key priorities, aligned to the Civil Service capabilities plan, and published this so it is accessible to all staff.

**Figure 4**  
Home Office staff survey results showing percentage positive results for engagement by business area



Source: Home Office data available at: [www.civilservice.gov.uk/about/improving/employee-engagement-in-the-civil-service/people-survey-2013](http://www.civilservice.gov.uk/about/improving/employee-engagement-in-the-civil-service/people-survey-2013) (See 2013 summary datasets of participating organisations' scores)

# Part Two

## Developments in this Parliament

### Changes to the Department's spending since 2010

**2.1** As part of the 2010 Spending Review (SR10) the Department was required to make resource savings of 23% in real terms, based on the 2010-11 outturn, by 2014-15. SR10 also required a reduction in capital spending of 49% also by 2014-15.

**2.2** These spending limits are shown in **Figure 5**. The Department planned to achieve this cost reduction by:

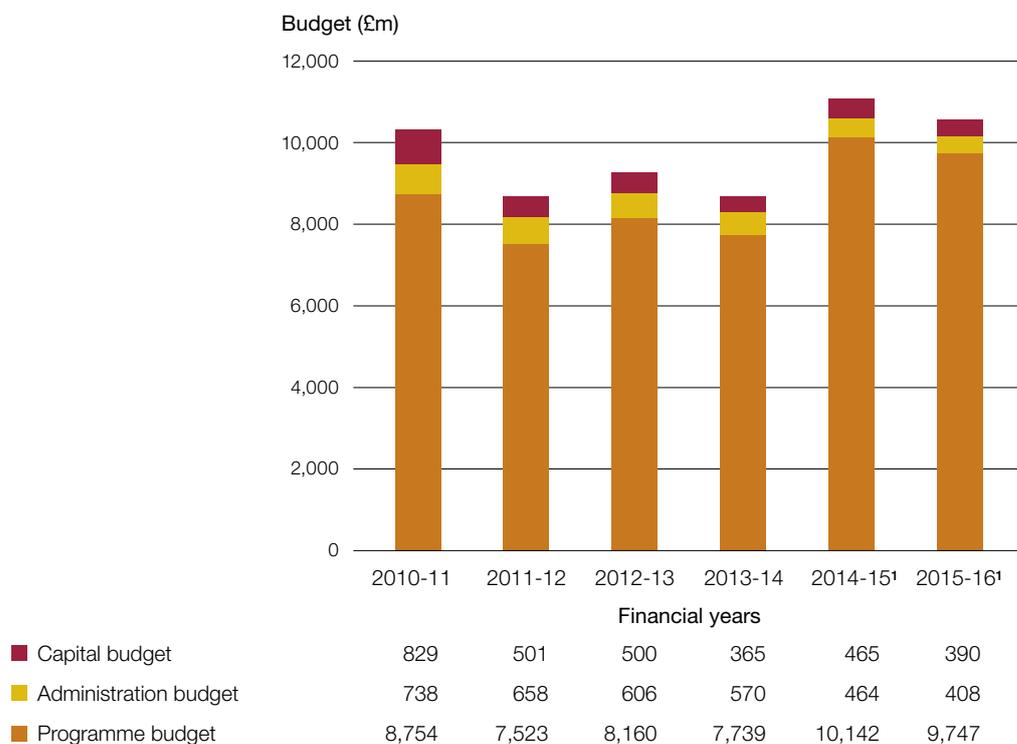
- cutting spending on administration by 33% (£538 million);
- reducing grants to the police in real terms by 20%; and
- reducing other spending by 30%.

### Spending Review 2013

**2.3** As part of the 2013 Spending Review the Department committed to further cuts in real terms of 6.1% reduction in resource spending between 2014-15 and 2015-16 and a 17.6% cut to the capital budget during the same period. The Department plans to meet this additional target by:

- reducing the administration budget, equivalent to a real reduction of 50% in real terms by 2015-16, when compared to the 2010-11 baseline used in the Spending Review 2010 by 2015-16;
- achieving savings from efficiencies in ICT, procurement and back-office functions;
- Police and Crime Commissioners driving further savings through improving value in purchasing goods and services and collaborating with other forces or local bodies across operational areas and support services (eg human resources or finance);
- changing police terms and conditions of service;
- restructuring and transforming its border and immigration operations, in light of the abolition of UKBA; and
- using other structural changes to deliver savings including the abolition of the National Policing Improvement Agency with some of its functions absorbed into the new National Crime Agency – this one change has an estimated saving of £50 million.

**Figure 5**  
Impact of the Spending Reviews on the Department's budget



**Notes**

- 1 Figures based on SR13 baselines. All other figures based on SR10 baselines.
- 2 Department for Communities and Local Government Formula Funding for police grants transferred to the Home Office Programme Budget in Spending Review figures from 2014-15 (£2.9 billion in 2014-15). This funding was not included in the Spending Review budget for 2013-14 but was included in the 2013-14 accounts of the Home Office (see paragraph 1.15 and Figure 2).

Source: Data from *2010 Spending Review* and *2013 Spending Review*

**2.4** The Department is undertaking an efficiency review in conjunction with HM Treasury and the Efficiency Reform Group of the Cabinet Office to help inform plans for meeting future fiscal pressures.

## Policy and delivery: major developments since 2010

**2.5** The Department has undergone several significant organisational challenges and changes since 2010 (see **Figure 6** on page 17). These include:

- **Supporting the Olympics:** Contributing to the delivery of a safe and secure Olympics was a key priority for the Department in 2012-13 and significant resource was invested in achieving this. The Department was involved with policing and counter-terrorism, and managing increased demand at the border.

- **The introduction of Police and Crime Commissioners:** In November 2012, 41 police authorities were replaced by elected Police and Crime Commissioners in the police force areas across England and Wales.<sup>7</sup> Police and Crime Commissioners are democratically accountable locally for policing and crime reduction. Their creation is reflected in a new accountability system statement for the Department published in April 2013<sup>8</sup> which sets out how Police and Crime Commissioners' accountabilities interact with those of the Department's Accounting Officer.
- **The Department delivering more services itself:** The Department has moved from being a predominantly administrative entity, with an oversight role, to one with a significant range of direct operational delivery responsibilities. The first stage of this change was the transfer of the Border Force from UKBA into a directorate of the Department in March 2012.
- **The abolition of UKBA in April 2013:** This resulted in the remaining functions, visas and immigration and immigration enforcement, also becoming delivery operations directly controlled by the Department.
- **The closure of the National Policing Improvement Agency:** The National Policing Improvement Agency was closed in October 2013. Its functions were transferred to the National Crime Agency, the College of Policing and the Department, and a lead police force.
- **The creation of the National Crime Agency:** The National Crime Agency began operating on 7 October 2013. Functions from the Serious Organised Crime Agency, which closed on 6 October 2013 and the National Fraud Authority, which closed on 31 March 2014, were transferred over to the National Crime Agency. Its remit is to tackle serious and organised crime, strengthen the border, fight fraud and cybercrime and protect children and young people from sexual abuse and exploitation.
- **The consolidation of Shared Services with more departments:** The Cabinet Office published *Government Shared Services: A Strategic Vision*<sup>9</sup> in July 2011. It explained the government's intention to bring together back-office transactional services in human resources (HR), payroll, and finance and procurement across central government and its arm's-length bodies (ALBs) as a whole. The *Next Generation Shared Services Strategic Plan*,<sup>10</sup> published in December 2012, presents how central government intends to implement, operate and manage back-office transactional services across departments and arm's-length bodies. The Department already used a shared service centre with the Ministry of Justice for many of its back-office functions. The Department is taking part in this plan by transferring those functions into a new shared services centre from November 2014. However, full migration on to the new systems will not occur until 2015-16.

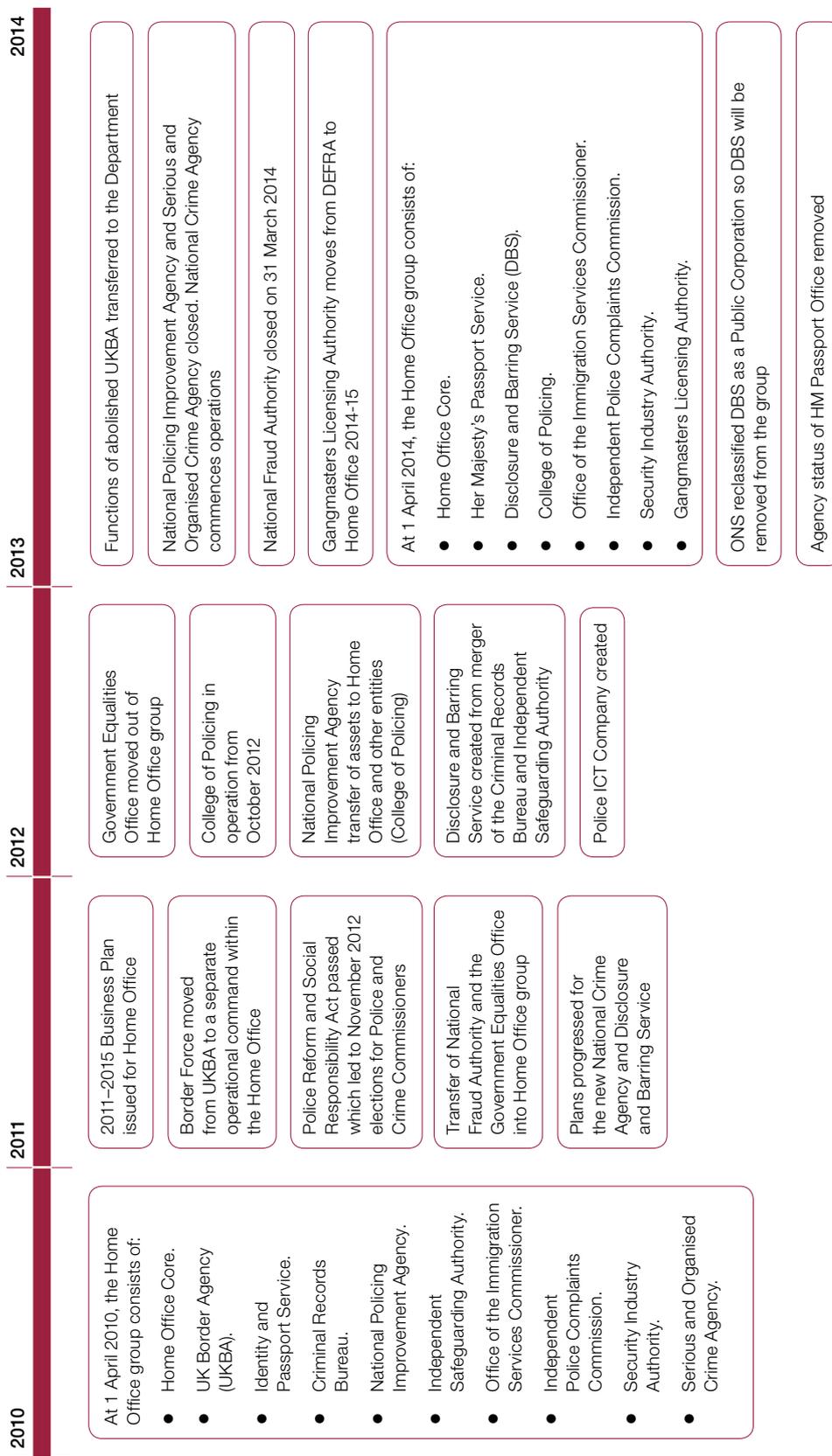
7 The Mayor of London and the Corporation of the City of London act as equivalents of Police and Crime Commissioners for the Metropolitan Police and City of London Police.

8 Home Office, *Accounting Officer Accountability System Statement for Policing and Crime Reduction*, April 2013.

9 Cabinet Office, *Government Shared Services: A Strategic Vision – July 2011*.

10 Cabinet Office, *Next Generation Shared Services, The Strategic Plan*, December 2012.

**Figure 6**  
Timeline of major developments in the Home Office group



Source: National Audit Office analysis

## Major projects

**2.6** The Department is also responsible for delivering 14 major projects.<sup>11</sup> In the latest Departmental Business Plan, published in June 2013, the major projects portfolio was estimated to have a lifetime cost of £10.1 billion.<sup>12</sup> The 4 largest projects in the portfolio were highlighted as:

- **Border Systems:** the implementation of integrated information and communication technology systems to deliver greater border security. The Department expected to spend £1.3 billion up to 2024 including indicative costs for procurement and development of border systems, following cancellation of the e-borders programme in 2010 because of difficulties between the Department and the supplier in achieving delivery. Termination of the contract resulted in a write-off of £207.5 million of assets in the 2010-11 accounts.
- **COMPASS (Commercial and Operating Managers Procuring Asylum Support):** the ongoing provision of asylum accommodation and related services at a lifetime cost of £687 million. Transition to the COMPASS contract was planned for completion on 30 September 2012, but was actually completed on 30 December 2012. We published a report on COMPASS in January 2014 (see Part Three).
- **Disclosure and Barring Service Programme:** to modernise and improve the disclosure and barring services with a lifetime cost of £646 million and latest approved end date of April 2015. The Disclosure and Barring Service (DBS; an arm's-length body) is responsible for such services to help employers make safer recruitment decisions and prevent unsuitable people from working with vulnerable groups, including children. Its services include:
  - processing requests for criminal records checks;
  - deciding whether it is appropriate for a person to be placed on or removed from a barred list; and
  - placing or removing people from the DBS children's barred list and adults' barred list for England, Wales and Northern Ireland; and
- **Transforming the Customer Experience in Her Majesty's Passport Office:** a project to modernise and improve customer service, increase business resilience and replace the PASS system which supports passport applications. The new system for processing passport applications is called Application Management System (AMS) and has an expected lifetime cost of £424 million, with the latest approved end date of November 2014.

<sup>11</sup> As per Major Projects Portfolio September 2013: available at: [www.gov.uk/government/publications/home-office-government-major-projects-portfolio-data-2014](http://www.gov.uk/government/publications/home-office-government-major-projects-portfolio-data-2014)

<sup>12</sup> Home Office Business Plan: available at: <http://transparency.number10.gov.uk/assets/client/pdf/ho-expenditure.pdf>

**2.7** The Department is also leading a cross-government programme: the Emergency Services Mobile Communications Programme (ESMCP). ESMCP aims to deliver a new service contract for critical mobile communications to all 3 emergency services and other users throughout Great Britain using the latest proven technologies. The programme is currently in the procurement stage and new service contracts are expected to be awarded during 2015 to facilitate service delivery as the existing service contracts expire. ESMCP will replace the Airwave communications system currently used by the emergency services and other users.

### **Independent assessments of the Department's performance**

**2.8** In Part Three of this report, we look at our assessment of the Department's performance in 2013-14. Alongside our work and that of the Home Affairs Select Committee a number of other bodies regularly produce independent analyses of how the Department is doing and of the challenges it faces. In this section, we look at some of the most notable of these reports published in the last year.

#### Her Majesty's Inspectorate of Constabulary

**2.9** In July 2014, Her Majesty's Inspectorate of Constabulary (HMIC) produced the report *Policing in Austerity: Meeting the Challenge*.<sup>13</sup> This is the last in its *Valuing the Police Programme* series of reports looking at how police forces have responded to budget cuts.

**2.10** The main findings from this report are:

- In the last 4 years police forces in England and Wales needed to save £2.53 billion and developed a savings plan to achieve 96% of this figure. The outstanding gap will be met by deploying £107 million from reserves.
- Police forces have worked hard to prioritise savings in goods and services while seeking to protect officer and police staff posts. Twenty per cent of the planned savings over the spending review period come from these non-pay costs.
- 40 out of 43 police forces were reported to have had a good or outstanding response to the spending review, though a small number of forces still require improvement in their response.
- Police workforce plans aim to reduce staff numbers by over 34,000 by March 2015. So over the spending review period, 3 posts in every 20 would have been removed. HMIC has found a considerable change in the planned reduction in Police Community Support Officers since the 2013 report. In 2013, police forces expected a reduction of 17% between March 2010 and March 2015, but in July 2014 the expected reduction was 22% over the same period.

<sup>13</sup> HM Inspectorate of Constabulary, *Policing in Austerity: Meeting the Challenge*, July 2014.

- Changes are required if forces are to be supported in achieving further substantial cost reductions in the future. There is no immediate end in sight to the era of austerity. Some forces are planning on the assumption that they will be required to save at least the same amount again in the next spending review period. Continuing to administer substantial cost reductions in the next spending round in the same way as this one is likely to place the financial viability of some forces in jeopardy within the next 3 to 5 years.

## Independent Chief Inspector of Borders and Immigration

**2.11** The Independent Chief Inspector of Borders and Immigration produced a number of inspection reports relating to 2013-14 on UK Visas and Immigration, Immigration Enforcement, and Border Force operations. The Independent Chief Inspector, whose term was due to end in July 2015, has given notice that he will retire from his post on 31 December 2014.

**2.12** The annual report from the Independent Chief Inspector for the period 1 November 2012 to 31 October 2013 focuses on Border Security, Immigration Casework, Asylum and Home Secretary Investigations.<sup>14</sup>

**2.13** The main findings of the report are:

- Border control checks are more consistent and inspections show “checks are generally being carried out properly”. However more “customer focus across borders and immigration and an improvement in the quality of service” is needed. “There needs to be greater consistency in the delivery of services” and “line management also needs to be improved so that strategic goals are understood and supported by middle-ranking officials in their daily work”.
- Data management was identified as being too variable and “good record keeping will only improve if staff at the front line understand its importance as part of their job”.
- On following up on the progress being made into the backlog of asylum cases, the Chief Inspector found that “the security checks on controlled archive cases had not been undertaken routinely or consistently since April 2011, and data-matching with other departments in order to trace applicants had not begun until April this year [2013].” As a result of the Chief Inspector’s report on the Department’s Case Assurance and Audit Unit (CAAU) “over 25,000 cases were reopened and proper data-matching against other government databases and credit reference agencies is now taking place”. The inspection of CAAU found that “governance had improved in a number of areas, including management information and resources had been increased to tackle some of the challenges my inspection had identified.”

<sup>14</sup> Independent Chief Inspector of Borders and Immigration, *Annual Report for the period 1 November 2012 – 31 October 2013*, December 2013.

- The inspection of Juxtaposed Controls found “excellent working relationships between Border Force and the French and Belgian authorities when checking passengers before they arrive in the UK. All checks were being carried out properly”.
- The thematic inspections of the student visa route (Tier 4), the highly skilled categories (Tier 1) of the Points Based System, and immigration applications on the basis of marriage and civil partnership found that “decision quality overall was good and the majority of decisions were reasonable, with the exception of Tier 1 entrepreneur cases.”

**2.14** One of the Chief Inspector’s most recent reports is the Inspection Report on Asylum Support on UK Visas and Immigration<sup>15</sup> which examined the quality of decisions made to grant or refuse asylum support, analysed attempts to prevent fraud, and assessed the impact on the asylum support system of the change programme for the Asylum Casework Directorate. The report covered the period from September 2013 to January 2014 and found that the decisions to grant or refuse asylum support were reasonable in most cases though in 12% of cases sampled “staff had made decisions without having sought and considered all the relevant evidence”. In relation to the Asylum Casework Directorate, the report noted that UK Visas and Immigration was planning some “positive steps to improve performance of local teams” and though “many of the work streams had yet to be completed...they were a positive indication that senior management was committed to driving improvement within the directorate.”

**2.15** Improvement areas identified in the Inspection Report on Asylum Support:

- UK Visas and Immigration was “not following its own policy of reviewing supported cases in order to establish whether recipients were still eligible for support.”
- “UK Visas and Immigration had not established an effective counter-fraud regime. At a strategic level, it did not have an accessible strategy setting out how it would tackle asylum support fraud, nor had it determined the scale and nature of the risks posed by fraud.” Only 48% of fraud investigations sampled were completed within the required 12-week period which was below the 90% target (though managers do have discretion to extend the period on a case-by-case basis).

**2.16** We published a report on accommodation provided to asylum seekers which is discussed in Part Three.

<sup>15</sup> Independent Chief Inspector of Borders and Immigration, *An Inspection of Asylum Support September 2013 – January 2014*, July 2014.

## The Parliamentary and Health Service Ombudsman

**2.17** The Parliamentary and Health Service Ombudsman acts as the last resort for complaints about public services which means that they have a unique insight into the public's experience of public services.

**2.18** The Parliamentary and Health Service Ombudsman's 2013 annual review of government complaint handling shows that the number of complaints made about the Department decreased by 14% in 2013 to 1,222 (1,417 in 2012).<sup>16</sup> This was driven by a 13% decrease in the number of enquiries relating to the former UKBA which accounted for 87% of all enquiries about the Department. There was also a 35% drop in enquiries about Her Majesty's Passport Office.

**2.19** The Parliamentary and Health Service Ombudsman continued to record complaints regarding the former UKBA after its abolition. These complaints mainly related to delays in delivering services to individuals resulting in individuals facing prolonged uncertainty and hardship. The Ombudsman has reported that despite significant difficulties in obtaining information from the former UKBA, there has been improvement in the course of the year in their engagement and willingness to learn from wider issues. The Ombudsman noted, however, the significant problems in getting accurate information for her report from Her Majesty's Passport Office.

## The Information Commissioner's Office

**2.20** In 2014, the Information Commissioner's Office announced that, after an extended period of monitoring the Department, significant improvements have been made to the timeliness of responses. In January and February 2014, the Department responded to 85% and 87% of Freedom of Information requests received within the statutory time limit respectively. Consequently the Information Commissioner's Office has closed its formal monitoring of the Department.<sup>17</sup>

<sup>16</sup> Parliamentary and Health Service Ombudsman, *The Parliamentary Ombudsman's review of government complaint handling 2013*, May 2014.

<sup>17</sup> Available at: [http://ico.org.uk/news/latest\\_news/2014/bbc-monitored-over-response-times-07052014](http://ico.org.uk/news/latest_news/2014/bbc-monitored-over-response-times-07052014)

## Major developments for the year ahead

**2.21** In order to prevent the recurrence of problems experienced by Her Majesty's Passport Office this year which led to a substantial backlog in processing passport applications, on 18 June 2014, the Home Secretary requested the Permanent Secretary conduct:

- A review to ensure the Passport Office works as efficiently as possible with better processes, better customer services and better outcomes and will include a review of the Passport Office's forecasting model.
- A review considering the Passport Office's status as an agency and whether it should be brought back into the Home Office, reporting directly to ministers, in line with other parts of the immigration system since the abolition of the UKBA. The result of this review was announced on 26 September 2014 and Her Majesty's Passport Office ceased to be an executive agency from 1 October 2014 and is therefore directly accountable to ministers.

**2.22** The Department is undergoing a transformation programme to improve both its effectiveness and efficiency in light of the continuing spending pressures referred to in this report. The Department published its Improvement Plan in February 2014 which sets out how the Department intends to transform itself and provides an assessment of the progress made to date.<sup>18</sup> Senior management structures now reflect the significant delivery responsibilities for asylum and immigration which are now the direct responsibility of the Department. Alongside these changes, are plans in place to modernise the Department's corporate services including IT, finance and performance management processes.

**2.23** The Department's digital strategy, published in December 2012, sets out how the Department will meet the challenges of the government's overall digital strategy and become a 'digital department' by 2015.<sup>19</sup> The overarching aim is to be a Department where:

- policy will be created through ongoing engagement with citizens;
- published information will be organised around the needs of the user; and
- all transactions will be transformed to meet the highest standards for digital services.

<sup>18</sup> Home Office, *Home Office Improvement Plan*, February 2014.

<sup>19</sup> Home Office, *Home Office digital strategy*, December 2012.

**2.24** The focus for digital transformation from 2012 has been in the following 3 main areas which are 'high profile, high volume public services' (otherwise known as 'exemplar services'):

- digital customer journey for visas;
- registered traveller service; and
- digital passport renewal service.<sup>20</sup>

**2.25** The strategy focuses on 6 themes which are: leadership and culture change, publishing, services, engagement and open policymaking, ICT and funding.

### Progress to date

**2.26** The Department has taken a more agile approach to managing its digital projects by breaking up their large IT projects into smaller parts. Agile management is an iterative and incremental method of managing the design and build activities or service development projects in a highly flexible and interactive manner. The digital strategy is still in the early stages given the Department has undergone significant organisational changes such as the transfer of UKBA functions, reorganisation of agencies and arm's-length bodies, introduction of shared services, corporate services restructuring and service consolidation.

**2.27** In July 2014, the government published the *Digital Inclusion Strategy*.<sup>21</sup> This sets out how the government with public, private and voluntary partners will increase digital inclusion. The Department is meeting this strategy through the digital transformation of its 3 exemplar services mentioned above.

**2.28** The Next Generation Shared Services Strategic Plan (December 2012) has a delivery target of December 2015. The aim of the plan was to have the majority of migrations and transformational activity complete by the end of 2014. There will be 2 main shared service centres to which most departments will be allocated. The Department will transfer its relevant functions into the shared services centre from November 2014. However, full migration on to the new systems will not occur until 2015-16.

**2.29** In 2012, the Department set up the Police ICT Company Limited, a company limited by guarantee.<sup>22</sup> The company was created to get better value for money for forces by offering access to better services and deals for Information and Communications Technology (ICT). The company is jointly owned by the Department and the Association of Police and Crime Commissioners. However, thus far the company has remained dormant.

<sup>20</sup> Available at: [www.gov.uk/transformation](http://www.gov.uk/transformation)

<sup>21</sup> Cabinet Office, *Digital Inclusion Strategy*, July 2014.

<sup>22</sup> The company does not have a share capital and its members are guarantors rather than shareholders. The members' liability is limited to the amount they agree to contribute to the company's assets if it is wound up.

# Part Three

## Recent NAO findings on the Department

### **Our audit of the Department's accounts**

**3.1** Our financial audits of government departments and associated bodies are primarily conducted to allow the Comptroller and Auditor General (C&AG) to form an opinion of the truth and fairness of the public accounts. In the course of these audits, we learn a great deal about government bodies' financial management and sometimes this leads to further targeted pieces of work which examine particular issues. In this section, we look at the outcome of our most recent financial audit on the Department and its bodies.

#### Audit opinions

**3.2** The C&AG issued an unqualified opinion on the 2013-14 Home Office group account. The C&AG drew attention to the potential liability related to the legal dispute between the Department and Raytheon Systems Limited as a consequence of the 2010 cancellation of the e-borders contract (see 'Key Issues in the Home Office 2013-14 accounts' on page 27). The Department continued to improve its accounts production process and was able to lay its accounts in Parliament on 17 June 2014, more than two weeks earlier than was achieved for the 2012-13 accounts.

**3.3** There have been no qualifications of the C&AG's opinions on the 2013-14 accounts of the bodies within the departmental boundary which means that the published accounts are free from material misstatements.

### Significant issues identified in governance statements within the group

**3.4** The key messages identified in governance statements from across the Departmental group in 2013-14 included:

- The police service continues to be transformed, building on the election of the PCCs. Challenges have been identified in terms of keeping pace with changing technology and encouraging improvements in police leadership and public perception of police integrity.
- The Department is collaborating with national policing chiefs to develop a portfolio plan for national police ICT which aims to improve the efficiency and effectiveness of the contracts and services it currently manages, for example, Niche RMS (police records management system) and the Emergency Services Mobile Communication Programme.
- The Department has attempted to address the concerns about UKBA which were noted in the 2012-13 Governance Statement relating to the backlog of cases in the Migration Refusal Pool and the management of the funds allocated to the UK by the European Commission. The backlogs have been cleared in the UK based key migration routes. The first phase of the Electronic Visa Waiver Programme was also launched. A new Border Force Operational Assurance Directorate has been created which implemented a new framework to provide central oversight of front-line assurance activities.
- External and organisational challenges around migration remain as demand in key markets and routes is expected to grow. There is continued and growing risk of abuse in the immigration system.
- There has been an increasing volume of asylum claims awaiting processing and the Department is implementing plans to clear the outstanding claims and improve the quality of their decision-making. Backlogs include 25,876 old, but still live, asylum cases dating back to pre-2007.<sup>23</sup>
- Operation Nexus, launched in 2012, has been developed in conjunction with the police to check the immigration status of foreign nationals arrested by the police. If the foreign national does not have a right to be in the UK then their details are passed to Immigration Enforcement so removal action can be started and the foreign national can be detained under immigration powers.

<sup>23</sup> Comptroller and Auditor General, *Reforming the UK border and immigration system*, Session 2014-15, HC 445, National Audit Office, July 2014.

- The National Removals Command was set up at the end of July 2013 to manage and improve the efficiency of detention and removal logistics for those without leave to remain in the UK. This represented a major structural and strategic shift in the management of cases detained by Immigration Enforcement. This initially resulted in a slowdown of performance against internal targets.
- Following delays to the Warnings Index Migration (WIM) system (an electronic system used to record adverse information on persons crossing the border) and concerns over its technical feasibility, an operational risk assessment was commissioned which subsequently highlighted inadequacies in a range of areas such as infrastructure, inadequate hosting arrangements, disaster recovery, business continuity and network security. The Department has informed us that it has action plans to address these issues and the majority of the actions were due to be completed by May 2014.
- Following issues with the Ministry of Justice's electronic monitoring contracts with Serco and G4S, the Department and the Cabinet Office initiated reviews of contract management. Both reports were published in December 2013 and found evidence that contract management across government needs major improvements and this has been identified as an area for improvement by the Department. The Department has informed us that an action plan was produced and many of the actions have been closed by the Department. We published a report *Transforming Contract Management: Home Office and Ministry of Justice*<sup>24</sup> in September 2014 (see paragraph 3.24).

### Key issues in the Home Office 2013-14 accounts<sup>25</sup>

**3.5** The Department's accounts reflect the issues arising from its termination of the e-borders contract with Raytheon Systems Limited (a subsidiary of Raytheon Company), on 22 July 2010. The impairment of some £208 million in total arising from this termination was accounted for in the accounts for 2010-11. The accounts showed that Raytheon Systems Limited was in dispute with the Department over the contract termination and that the dispute was in arbitration. The 2013-14 accounts record the existence of this dispute as a contingent liability (as has been done in prior year accounts) with no quantification of the liability being possible due to the inherent uncertainty surrounding this process. The C&AG drew attention to the issue as an 'emphasis of matter' in his opinion on the 2013-14 accounts.

<sup>24</sup> Comptroller and Auditor General, *Transforming contract management*, Session 2014-15, HC 268, National Audit Office, September 2014.

<sup>25</sup> Home Office, *Annual Report and Accounts 2013-14*, Session 2014-15, HC 21, June 2014.

**3.6** In August 2014, the tribunal on the termination of the e-borders contract ruled in favour of Raytheon Systems Limited. The tribunal ruled that the process followed by the Department to terminate the contract was not lawful, and an award should be made to Raytheon for £49 million damages, £9.6 million disputed contract change notices, £126 million transferred assets, with £38 million interest at the time and costs to be assessed. As a result the Permanent Secretary and the Committee of Public Accounts have requested that the National Audit Office conduct a full review of e-borders from its inception. The Department has filed a challenge against the tribunal decision.

**3.7** The Department is responsible for making up the shortfall of employer and employee contributions to Police Officer Pension schemes through a top-up grant, equal to the difference between outgoing pension expenditure and incoming pension contributions in a single year. In 2013-14, the Department spent £1.3 billion and expects to spend £1.4 billion in 2014-15. The pension deficit has been rising year on year and there is no incentive on the Department or the police forces to manage it. The amount required to cover the deficit is requested from the Department by police forces. The Department subsequently obtains the funding from HM Treasury. The Department is planning to use a modelling tool prepared by the Government Actuary's Department, based on the most recent scheme valuation data, to compare and validate force's returns against central actuarial and policy assumptions.

**3.8** The Department's accounts show that it has created a provision for legal claims made against the Riot Damages Act following the August 2011 riots. The Department increased the size this provision from £35.4 million in March 2013 to £162 million in March 2014 as a result of further legal claims.

### **Our audits of the Department's effectiveness and value for money**

**3.9** Our work to test the effectiveness and value for money of government spending in 2013-14 included a number of reports which focused on the Department. The principal findings of these, and in some cases the actions that have been taken since, are summarised below.

#### *Confiscation orders*<sup>26</sup>

**3.10** This study assessed the value for money of the administration of confiscation orders, which are the main way through which the government carries out its policy to deprive criminals of the proceeds of their crimes. The study covered the issue within the criminal justice system as a whole; the Department is responsible for the policy and legislation surrounding confiscation orders.

**3.11** We found that, throughout the criminal justice system, there is insufficient awareness of the proceeds of crime and its potential impact. Confiscation orders have a low profile within law enforcement agencies, with low awareness of financial legislation outside specialist teams. This results in many cases not being considered for confiscation.

**3.12** HM Courts and Tribunals Service, supported by the Crown Prosecution Service and the Serious Fraud Office, works hard to enforce confiscation orders. But, owing to a lack of data and agreed success criteria, it is impossible to make meaningful cost-benefit assessments of the enforcement of different orders. The Courts and Tribunals Service successfully collects 90 per cent of its orders under £1,000, but it is not clear whether this activity on lower-value orders is cost-effective, or whether resources should be redirected towards enforcing higher-value orders.

**3.13** Where confiscation orders are made and not paid, the main sanctions do not work. Sanctions include default prison sentences of up to 10 years and additional 8% interest on the amount owed. The Courts and Tribunals Service found, however, that in 2012, only 2% of offenders paid in full once the sentence was imposed.

#### *COMPASS contracts for provision of accommodation for asylum seekers<sup>27</sup>*

**3.14** The Department provides accommodation for asylum seekers and their families, plus transport to this accommodation while their cases are being processed. The cost of providing this accommodation in 2011-12 was £150 million. In March 2012, the Department signed 6 new contracts for the provision of these services collectively called COMPASS (Commercial and Operating Managers Procuring Asylum Support). The Home Office aimed to save £140 million from this over 7 years.

**3.15** Our report on COMPASS, published in January 2014, sought to investigate correspondence received from individuals and MPs with concerns over the operation of the new contracts during 2012 and 2013.

**3.16** Our investigation has shown that unresolved issues remain for the delivery of the COMPASS contracts, although they have been operational for almost one year. Transition to the new contracts was challenging. The new providers in particular struggled to establish their supply chains resulting in poor performance, delays and additional costs for the Department. Many of the issues that arose during transition remained unresolved between the Department and the providers and continued to affect provider performance once the contracts became fully operational.

<sup>27</sup> Comptroller and Auditor General, *COMPASS contracts for the provision of accommodation for asylum seekers*, Session 2013-14, HC 880, National Audit Office, January 2014.

**3.17** Although performance is now improving, providers are still failing to meet some of their Key Performance Indicators (KPIs), notably around property standards, and the experience of some service users has suffered. Providers mentioned that in their view the KPI regime was being applied too rigidly and required review.

**3.18** The key findings on transitioning to the new COMPASS contracts were:

- Organisational changes occurring in the Department, industrial action at the border and the Olympics stretched resources and affected implementation plans for COMPASS.
- Transition to new contracts took 3 months longer than planned in some areas. Clearel was the only contractor to meet the original September 2012 deadline. G4S and Serco struggled to establish a robust and reliable supply chain using existing housing providers and to source new housing stock. This led to delays in transition and continued uncertainty for service users.
- G4S and Serco took on housing stock during the transition from the previous suppliers, Target, without carrying out full inspections and subsequently discovered a number of the properties did not meet the contractual standards on quality.

**3.19** The key findings regarding operational performance are as follows:

- From the programme of property inspections performed by the Department, a number of properties were found to be below the contractual standard.
- The providers believe the information given to them by the Department at the procurement stage was inadequate for some areas and has led to the difficulties faced in running the service.
- As of July 2013, the Department began recovering service credits and took steps to recover between £3 to £4 million of service credits deemed to have accrued for poor performance between January and June 2013.
- Service users and many of their representative groups who contacted us remained worried about the new contract arrangements, especially in relation to the approach of providers' housing staff and maintenance work backlogs not being addressed by the providers within the contracted time frames.

## Police accountability: landscape review<sup>28</sup>

**3.20** We published the *Police accountability: landscape review* in January 2014. The landscape review describes the changes to the police accountability landscape since 2012 and identified potential risks to, and the opportunity for, achieving value for money arising from the changes.

**3.21** The main findings from the report are:

- Those in the sector that we spoke to feel that elected Police and Crime Commissioners are potentially better able to hold police forces to account and drive value for money than the unelected police authorities they replaced.
- Commissioners and police forces now have greater flexibility to set local objectives and customise their business models to meet them, but flexibility brings risks as well as opportunities.
- While local autonomy has increased, the Department has been actively building links with local policing bodies.
- There is a potential gap in the assurance framework where the HMIC does not have the statutory authority to routinely inspect commissioners or their offices.
- There is a gap between the reliance placed by the Department on external auditors' scrutiny of local policing bodies and the work actually undertaken, creating a risk that the Department is not fully sighted on potential risks to value for money at the local level.
- Commissioners are not publishing all the data that the Police Reform and Social Responsibility Act 2011 requires, limiting the public's ability to hold Commissioners to account.
- As noted in the report, the Department has set out a framework with the aim that it will balance an increase in local autonomy with its need to obtain assurance from police forces over the value for the money from the findings given to them. The framework has the potential to be an improvement on the previous system, but has only been in place for just over a year and needs appropriate supporting control structures in place to work effectively.

<sup>28</sup> Comptroller and Auditor General, *Police accountability: landscape review*, Session 2013-14, HC 963, National Audit Office, January 2014.

- Our review has identified several potential gaps in this control framework such as the limited effectiveness of the local Police and Crime Panels, the potential conflict of interest with joint chief financial officers and inadequate publication of data. Overall this could limit both the public's ability to hold Police and Crime Commissioners to account every 4 years and the degree of assurance the Department can take from the new accountability mechanisms. As the system matures, more work will be required to ensure its constituent elements are working effectively to minimise risks to value for money.

### *Reforming the UK border and immigration system*<sup>29</sup>

**3.22** This report, published in July 2014, focuses on the progress made by the UK Visas and Immigration and Immigration Enforcement directorates of the Department in addressing concerns raised by the Committee of Public Accounts around delays to the UKBA's transformation programme, delivery risks to a major IT project, backlogs, poor workforce planning and skills strategy, inadequate modelling and an insufficient focus on improving performance management.

**3.23** The main findings from the report are:

- The structural changes made since breaking up the UKBA have allowed the UK Visas and Immigration and Immigration Enforcement directorates to focus on their specific roles. The Department has started to make significant changes and the directorates have outlined their new priorities with measurable goals for this year in some parts of the business.
- Good progress has been made in areas such as communications and oversight. However, progress has been slow in improving process efficiency, staff capability and the quality of data and systems. In some areas such as specific backlogs, workforce planning and the IT landscape, the problems identified in 2012 have not progressed as far as we would have expected by now.
- Overall, it is too early to identify any impact from organisational improvement on customers and stakeholders and the Department has not yet set longer-term time horizons in which it expects to make improvements across the border and immigration system.
- To achieve value for money in its immigration work, the Department must progress faster with its changes and address the challenges it has struggled to tackle. It must sustain performance under the pressure of reducing budgets.

<sup>29</sup> Comptroller and Auditor General, *Reforming the UK border and immigration system*, Session 2014-15, HC 445, National Audit Office, July 2014.

*Transforming Contract Management: Home Office and Ministry of Justice*<sup>30</sup>

**3.24** This report, published in September 2014, provides a snapshot of reforms within the Department and Ministry of Justice with a focus on the improvements in contract management taking place across both departments. This came in light of cross-government reviews which were initiated by the Cabinet Office and published in December 2013 giving clear evidence of weaknesses in contract management in the Department and Ministry of Justice but also across government as a whole. Four main sections are addressed by the report: Governance, Integration, Capability and Visibility. The improvement plans for both departments are not yet complete or fully implemented. Therefore their effectiveness will only emerge in the next 2 years.

**3.25** Overall, both the Department and the Ministry of Justice can learn from each other's improvement plans, taking into account their own circumstances and areas of weakness. Both departments have more to do to achieve good value for money from their contracted services. They must capitalise on the desire to improve before the end of 2015 in order to make the most of the current impetus for change.

**3.26** The main findings from the report are:

- **Governance:** Both departments have had difficulties with the governance of contract management, most notably identifying and escalating problems to senior management.
- **Integration:** Both departments have given insufficient attention to managing contracts during the procurement stage. Effective contract management requires close cooperation between those procuring contracts, the commercial specialists and operations managers who run the contracts and other specialists in the department such as accountants and lawyers. Ministry of Justice and the Department face similar challenges integrating commercial contract management with their procurement activity and the operations they serve.
- **Capability:** Both departments have more to do to extend the contract management skills to operations managers though the Home Office has advanced more in addressing its skills gaps in its commercial teams by offering skills and strategy training.

<sup>30</sup> Comptroller and Auditor General, *Transforming contract management*, Session 2014-15, HC 268, National Audit Office, September 2014.

- **Visibility:** The Ministry of Justice has made more progress on improving contract data than the Department, including data scorecards which should disclose performance as well as commercial information. The Department has focused on particular contracts and strengthening guidance to disseminate good practice in data collection, validation and reporting. Overall, the Ministry of Justice would be less exposed than the Department to management risks such as unidentified misreporting of performance or costs. The Department can learn from the Ministry of Justice's plan to mitigate risk of undiscovered problems such as increasing its capability to analyse contract data and establish a challenge function to routinely scrutinise existing contracts and oversee contract management standards.

### *Managing and removing foreign national offenders*<sup>31</sup>

**3.27** This report, published in October 2014, focuses on whether the Department's approach to managing and removing foreign national offenders delivers value for money, and in particular whether the public bodies involved are maximising removals for the £850 million we estimate they spend each year. This report responds to issues raised by the Committee of Public Accounts on the management of foreign national offenders by the Department, the Ministry of Justice and the Foreign & Commonwealth Office in their hearing in February 2014 on our report *Managing the prison estate*.<sup>32</sup>

**3.28** The main findings from the report are:

- Despite increased resources and tougher powers, progress in reducing the foreign national offender population in the UK has been slower than expected. The number of foreign nationals in the prison estate in England and Wales has remained fairly constant and the number deported from the UK has remained broadly unchanged since 2006.
- Removing foreign national offenders from the UK continues to be inherently difficult and public bodies involved have been hampered in their efforts by a range of barriers, although poor administration has still played a part. The number of failed removals has reduced, but a significant number still fail because of factors within the Department's control.
- The Department and the Ministry of Justice do not use cost data to manage foreign national offenders, and do not have a good understanding of the costs involved. Without this basic cost data it is difficult for the government to make informed decisions on where it can maximise opportunities for improvement.
- Before December 2012, the government did relatively little to tackle the problem of potential foreign national offenders from entering the UK. Opportunities to facilitate and speed up removals are being missed and there is considerable scope to make more use of early removal schemes which would save the taxpayer money.

31 Comptroller and Auditor General, *Managing and removing foreign national offenders*, Session 2014-15, HC 441, National Audit Office, October 2014.

32 Comptroller and Auditor General, *Managing the prison estate*, Session 2013-14, HC 735, National Audit Office, December 2013.

- The first cross-government strategy for foreign national offenders was developed in 2013 which aims to deliver greater progress and tackle barriers. While the action plan is relatively new, it has had a galvanising effect on activity, increased joint-working and helped tackle some of the more difficult barriers to removal. But it lacks sufficient coherence and is hindered by over-complicated arrangements in the Department.

### **The Department in a cross-government context**

**3.29** In addition to our work on individual departments, we increasingly look at performance across government, in order to understand how different departments measure up on important issues. Of the cross-government reports we have published in the last year, the 2 mentioned below have included substantial coverage of the Department.

#### *Transforming government's contract management*<sup>33</sup>

**3.30** This was a complementary report to our report *Transforming contract management: Home Office and Ministry of Justice* (see above). This report looks at how government as a whole has responded to weaknesses in contract management in its procurement of services.

#### *The criminal justice system: landscape review*<sup>34</sup>

**3.31** The Department is responsible for supporting the police and local communities to tackle crime and antisocial behaviour. Police forces are funded mainly through grants from the Department, alongside grants from the Department for Communities and Local Government and the Welsh Assembly Government and locally raised council tax 'precept', set since 2013 by Police and Crime Commissioners. Our main conclusions are:

- The criminal justice system has evolved over time, has no single 'owner' and has been subject to regular change and reform. It incorporates a wide range of bodies with different functions and accountabilities. The criminal justice system deals with a variety of complex criminal behaviour, the causes and effects of which are often poorly understood. These and other factors make managing it effectively a major challenge for government.
- The cross-government programme to reform the criminal justice system is ambitious and will take time. The aggregate and combined effects of multiple, concurrent changes are difficult to model but are likely to be significant. Though organisational changes can be implemented relatively quickly, working through deeper changes to working practices, system developments and cultures will take months and years.

<sup>33</sup> Comptroller and Auditor General, *Transforming government's contract management*, Session 2014-15, HC 269, National Audit Office, September 2014.

<sup>34</sup> Comptroller and Auditor General, *The criminal justice system: landscape review*, Session 2013-14, HC 1098, National Audit Office, March 2014.

- Delivery partners need to work well together at national and local level, focusing on how best to achieve the overall objectives of the criminal justice system, rather than optimising the performance of their own organisations. The need for good local joint working is even more crucial in the light of changes to local accountability and performance measurement.
- Interrupted information flows within the criminal justice system can prevent cases from proceeding efficiently. If real efficiencies and planned cost savings are to be achieved, departments, agencies and local criminal justice partners need to implement an agreed and coherent plan to address problems with information flows as a priority.

### **NAO work in progress**

**3.32** The following work relating to the Department is currently under way:

- **Inspection: A Comparative Study:** This report will examine whether inspectorates in the criminal justice and home affairs sectors provide assurance on service quality and encourage improvement in public service delivery. Our consideration whether inspection adds value will be determined by: where inspection is directed; how inspection is carried out; and whether the impact of inspection work is maximised.
- **Police Financial Sustainability:** HM Inspectorate of Constabulary has published a series of force-focused reports and data on 'Valuing the Police and Adapting to Austerity'. Our report will build upon this work and our previous report, *Police accountability: landscape review*<sup>35</sup>, to provide a national examination of whether the Department, together with other police stakeholders, manage effectively the risks to value for money of changes to police funding. The report will look at whether the Department understands the impact of the funding framework, and the oversight and support police forces receive from the Department and other national stakeholders. This includes exploring the actions taken at local level in terms of savings made, capability, capacity and other risks and challenges.
- **Paying suppliers on time:** This is a cross-government report which includes a case study on the Department. In 2010, the government announced that departments and their agencies will aim to pay 80% of undisputed invoices from suppliers within 5 days. Departments and their agencies will also require their main contractors to pay subcontractors' invoices within 30 days. This report will examine how departments process invoices, calculate their prompt payment performance and ensure that main contractors comply with their obligations on subcontractors.

<sup>35</sup> Comptroller and Auditor General, *Police accountability: landscape review*, Session 2013-14, HC 963, National Audit Office, January 2014.

# Appendix One

## The Department's sponsored bodies at 1 April 2014

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### Executive Sponsored bodies<sup>1</sup>

#### Crime and Policing

Executive non-departmental public bodies:

College of Policing

Disclosure and Barring Service<sup>2</sup>

Independent Police Complaints Commission

Gangmasters Licensing Authority<sup>3</sup>

Security Industry Authority

#### Borders and Migration

Executive non-departmental public bodies:

Office of the Immigration Services Commissioner

#### Identity

Executive Agency:

Her Majesty's Passport Office<sup>4</sup>

### Other sponsored bodies

Advisory non-departmental public bodies:

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

Police Negotiating Board

Technical Advisory Board

Tribunal non-departmental public bodies:

Investigatory Powers Tribunal

Office of Surveillance Commissioners

Police Arbitration Tribunal

Police Discipline Appeals Tribunal

Other:

Biometrics Commissioner

Forensic Science Regulator

HM Inspectorate of Constabulary

Independent Chief Inspector of Borders and Immigration

Independent Monitor of the Disclosure and Barring Service

Independent Reviewer of Terrorism Legislation

Intelligence Services Commissioner

Interception of Communications Commissioner

National Crime Agency Remuneration Review Body

Surveillance Camera Commissioner

### Notes

- 1 National Policing Improvement Agency (Executive non-departmental public body) closed on 6 October 2013, National Fraud Agency (Executive Agency) closed on 31 March 2014, National Crime Agency is a new non-ministerial Department, which is outside the Home Office Departmental boundary.
  - 2 Disclosure and Barring Service was reclassified by the Office for National Statistics as a Public Corporation in July 2014, so it will be outside the Home Office group from 2014-15.
  - 3 Gangmasters Licensing Authority was transferred into the Home Office group on 1 April 2014.
  - 4 The agency status of Her Majesty's Passport Office was removed with effect from 1 October 2014.
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# Appendix Two

## Results of the Civil Service People Survey 2013

Survey question (% 'strongly agree' or 'agree')	Home Office (excluding agencies) <sup>3</sup>	Civil service benchmark
<b>Leadership and managing change</b>		
I feel that my department as a whole is managed well	37	43
Senior managers in my department are sufficiently visible	47	51
I believe the actions of senior managers are consistent with my department's values	41	43
I believe that the board has a clear vision for the future of my department	32	42
Overall, I have confidence in the decisions made by my department's senior managers	35	41
I feel that change is managed well in my department	22	29
When changes are made in my department they are usually for the better	19	27
My department keeps me informed about matters that affect me	57	58
I have the opportunity to contribute my views before decisions are made that affect me	34	36
I think it is safe to challenge the way things are done in my department	37	38
<b>Organisational objectives and purpose</b>		
I have a clear understanding of my department's purpose	84	85
I have a clear understanding of my department's objectives	81	80
I understand how my work contributes to my department's objectives	82	83

### Notes

- 1 These are summary results of the Civil Service People Survey 2013. Not all question scores have been included.
- 2 The score for a question is the percentage of respondents who strongly agree or agree to that question.
- 3 These are the results for Home Office Headquarters (Crime and Policing Group, Office for Security and Counter-Terrorism, Immigration and International Policy Group and Enablers) only. Enablers includes Corporate Services, Human Resources and Home Office Science. The majority of Home Office staff work in Border Force, UK Visas and Immigration, Immigration Enforcement, and HM Passport Office.

Department for Business, Innovation & Skills (excluding agencies)	45	39	43	28	24	32	42	35	57	41	26	67	64	48	41	40
Cabinet Office (excluding agencies)	55	53	53	42	32	41	63	49	60	57	38	75	69	55	57	39
Department for Communities and Local Government (excluding agencies)	44	43	42	37	29	35	50	41	57	46	32	63	62	49	45	39
Department for Culture, Media & Sport (excluding agencies)	48	28	39	23	27	29	24	28	53	32	28	54	55	39	34	40
Ministry of Defence (excluding agencies)	42	41	39	30	22	30	44	34	51	43	23	64	57	43	37	33
Department for Education	29	28	29	20	14	21	28	23	40	26	20	47	43	32	25	34
Department of Energy & Climate Change	24	25	20	16	11	16	27	16	35	18	17	40	34	27	21	30
Department for Environment, Food & Rural Affairs (excluding agencies)	65	59	60	51	45	53	69	58	62	56	45	70	69	59	60	58
Foreign & Commonwealth Office (excluding agencies)	38	34	41	30	23	29	42	31	44	37	25	48	48	37	33	35
Department of Health (excluding agencies)	40	42	39	32	33	31	48	38	46	36	33	58	44	39	40	42
HM Revenue & Customs (excluding agencies)	85	73	75	70	82	83	89	77	84	77	80	93	94	82	80	85
HM Treasury	79	63	72	62	74	77	86	74	81	73	77	88	92	77	75	83
Department for International Development	84	73	78	74	79	81	87	79	84	78	80	88	91	80	79	84
Ministry of Justice (excluding agencies)																
Department for Transport (excluding agencies)																
Department for Work & Pensions (excluding agencies)																

## Appendix Three

### Publications by the NAO on the Department since April 2013

Publication date	Report title	HC number	Parliamentary session
22 October 2014	Managing and removing foreign national offenders	HC 441	2014-15
4 September 2014	Transforming Contract Management: Home Office and Ministry of Justice	HC 268	2014-15
22 July 2014	Reforming the UK Border and Immigration System	HC 445	2014-15
22 January 2014	Police Accountability: Landscape Review	HC 963	2013-14
10 January 2014	COMPASS contracts for the provision of accommodation for asylum seekers	HC 880	2013-14
17 December 2013	Confiscation Orders	HC 738	2013-14
10 December 2013	Departmental Overview: The performance of the Home Office 2012-13	<a href="http://www.nao.org.uk/report/departmental-overview-the-performance-of-the-home-office-2012-13/">www.nao.org.uk/report/departmental-overview-the-performance-of-the-home-office-2012-13/</a>	

## Appendix Four

### Cross-government reports of relevance to the Department

Publication date	Report title	HC number	Parliamentary session
16 July 2014	The 2013-14 savings reported by the Efficiency and Reform Group	HC 442	2014-15
3 July 2014	Government grant services	HC 472	2014-15
31 March 2014	Update on the Next Generation Shared Services Strategy	HC 1101	2013-14
14 February 2014	Managing debt owed to central government	HC 967	2013-14
7 February 2014	Progress on public bodies reform	HC 1048	2013-14
31 January 2014	Forecasting in government to achieve value for money	HC 969	2013-14
20 December 2013	Evaluation in Government	<a href="http://www.nao.org.uk/report/evaluation-government/">www.nao.org.uk/report/evaluation-government/</a>	
12 November 2013	Memorandum on Managing government suppliers	HC 811	2013-14
12 November 2013	Memorandum on the role of major contractors in the delivery of public services	HC 810	2013-14
25 October 2013	The DECA: Understanding challenges in delivering project objectives	<a href="http://www.nao.org.uk/report/deca-understanding-challenges-delivering-project-objectives/">www.nao.org.uk/report/deca-understanding-challenges-delivering-project-objectives/</a>	
11 September 2013	Managing the risk of legacy ICT to public service delivery	HC 539	2013-14
18 July 2013	Charges for customer telephone lines	HC 541	2013-14
8 July 2013	The 2012-13 savings reported by the Efficiency and Reform Group	HC 126	2013-14
19 June 2013	Building capability in the Senior Civil Service to meet today's challenges	HC 129	2013-14
13 June 2013	Financial management in government	HC 131	2013-14
17 April 2013	The Efficiency and Reform Group	HC 956	2012-13

# Where to find out more

The National Audit Office website is  
[www.nao.org.uk](http://www.nao.org.uk)

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