National Audit Office

A Short Guide to the

Home Office

Overview

Priority One:
Counter terrorism

Priority Two:
Police, Fire and
Rescue services

Priority Three:
Serious and
organised crime

Priority Four:
Borders and
immigration

Appendices

About this guide and contacts

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.

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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. 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 £734 million in 2016.
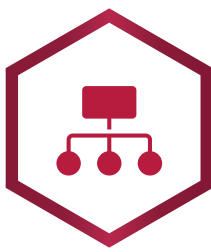
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Overview

Key facts
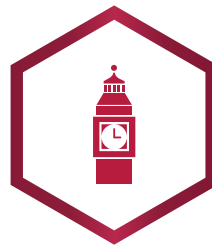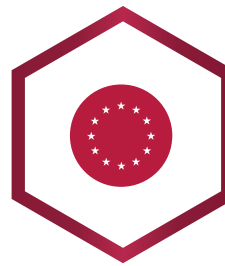
About the Home Office

Accountability to Parliament

Where the Department spends its money

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Major programmes and developments

Exiting the European Union: issues to explore

Key themes from NAO reports

Key facts

Expenditure and people

£15.6 billion
Gross expenditure in 2016-17

30,921
average number of full-time equivalent persons employed in 2016-17, compared with 32,506 in 2015-16

Homeland security

304 people arrested
for terrorism-related offences in the UK in the year ending March 2017, an increase of 18% compared with 258 arrests in the previous year

SEVERE
UK terror threat level as of August 2017, meaning an attack is highly likely. From 23 May to 26 May 2017 the threat level was raised to **CRITICAL**, meaning an attack was expected imminently

Public safety

4.9 million
police recorded offences in the year ending 31 March 2017, compared with an estimated **5.8 million incidents** of crime recorded in the Crime Survey for England and Wales

123,142
police officers in England and Wales as at 31 March 2017. The number of police officers has reduced by 14% since the 31 March 2010

£10 billion
estimated to be lost by individuals through fraud in 2016

2,255
modern slavery offences recorded in the year ending March 2017, a 159% increase on the previous year

Borders, immigration and citizenship

246,000
estimated net flow of long-term migrants into the UK in the year ending March 2017, down 81,000 from March 2016.
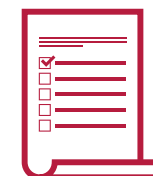
80%
rise in the number of British citizenship applications from EU nationals between June 2016 and June 2017. There are around 3.5 million EU nationals living in the UK, 5% of the UK population

6.84 million
passports issued in 2016-17, the highest recorded

About the Home Office

The Home Office (the Department) is the lead government department for immigration and passports, drugs policy, crime, fire, counter-terrorism and police. Its policy and operations are arranged into the three strands of Homeland Security, Public Safety, and Borders, Immigration and Citizenship. It has five priorities: prevent terrorism; cut crime; control immigration; promote economic growth by keeping the UK safe; and transform the way it operates.

Strand of activity	Homeland Security	Public Safety	Borders, Immigration and Citizenship	Notes
	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.	Keep citizens safe by cutting crime and protecting the vulnerable. Reform police, fire and rescue services to improve their efficiency and effectiveness, and lead targeted action on key crime types.	Develop and implement policies to reduce annual net migration to the tens of thousands and tackle abuse, while continuing to attract bright migrants and supporting those in genuine need of help.	1 The Home Office departmental boundary encompasses the central government Department and it directorates, five non-departmental public bodies and the College of Policing.
Policy and governance	■ Office for Security and Counter-Terrorism	■ Crime, Policing and Fire Group (Office for Counter-Extremism)	■ Borders, Immigration and Citizenship strategy group	2 The Office for Counter-Extremism is part of the Crime, Police and Fire Group within the Home Office, but its work is covered within the Counter-Terrorism section of this guide because its funding is drawn from the Counter-Terrorism ring-fence.
Delivered via	■ Police forces ■ Border Force	■ National Crime Agency ■ Police and Crime Commissioners ■ Police forces ■ Fire and rescue services ■ College of Policing ■ Independent Police Complaints Commission ■ Disclosure and Barring Service ■ Security Industry Authority ■ Gangmasters and Labour Abuse Authority	■ Border Force ■ UK Visas and Immigration ■ Immigration Enforcement ■ HM Passport Office ■ International and Immigration Policy Group ■ Office of the Immigration Services Commissioner	
Discussed further in	Counter terrorism	Cut crime	Control immigration	

Accountability to Parliament

Permanent Secretary (Phillip Rutnam, from April 2017)

As government's principal Accounting Officer (AO) for the Home Office, he is personally responsible and accountable to Parliament for managing the Home Office, its use of public money and stewardship of assets as set out in Managing public money.

Home Office accountability structures

At the highest level, corporate governance within the Department rests with the Departmental Board, which manages the Department and its directly managed operations.

There are three system governance groups within the Department: **Homeland Security, Public Safety** and **Borders, Immigration and Citizenship**.

Scrutiny by parliamentary committees

House of Commons Home Affairs Select Committee: examines policy, expenditure and administration of the department and its associated public bodies, selecting its own subjects for inquiry.

House of Commons Committee of Public Accounts: examines Home Office spending and how resources allocated have been used. It does not question policy.

Four key elements of accountability, and how they relate to the Home Office

1

A clear expression of spending commitments and objectives

Our Confiscation orders: progress review report noted the Department needed to clarify the objectives of confiscation orders and their relative priorities.

2

A mechanism or forum to hold to account

The Home Office has both internal forums (Departmental Board, governance groups) and external forums (parliamentary committees) to hold it to account.

3

Clear roles and someone to hold to account

In July 2017, the Department published its Accounting Officer System Statement, which outlines how the AO gains assurance over all of the public spending for which the Department is responsible.

4

Robust performance and cost data

Our recent reports have shown that an enduring challenge for the Home Office is its lack of robust data to inform decision-making.

Source: Comptroller and Auditor General, *Accountability to Parliament for taxpayers' money*, Session 2015-16, HC 849, National Audit Office, February 2016
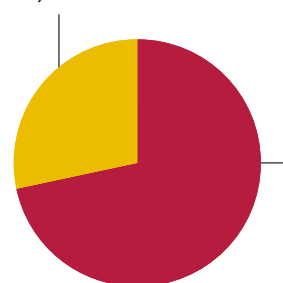
Where the Department spends its money

Gross spend for the Department in 2016-17 was £15.6 billion, with income of £2.6 billion, resulting in net expenditure of £13 billion

Home Office expenditure

Of Home Office expenditure, 72% goes to the Crime, Policing and Fire Group

Total excluding Crime, Policing and Fire Group
£4,431.0m

Crime and Policing group
£11,202.0m

Income £305.2m

International and Immigration Policy Group
£61.6m

Income £2.0m

Back-office functions[1]
£1,021.7m

Income £204.4m

Office of Security and Counter-Terrorism
£1,088.0m

Income £182.1m

National Crime Agency
£535.4m

Income £49.1m

2016-17
Total Home Office expenditure, excluding Crime, Policing and Fire group
£4,431.0m

Total Home Office income excluding Crime, Policing and Fire group
£2,308.3m

UK Visas and Immigration
£1,047.3m

Income £1,397.8m

HM Passport Office
£261.7m

Income £439.5m

Immigration Enforcement
£448.0m

Income £55.1m

Border Force
£502.7m

Income £27.4m

Notes

1   Back-office functions (called Enablers in the accounts) include Corporate Services, Communications Directorate, Human Resources Directorate and Strategy, Delivery and Private Office Group.

2   Figures for the Home Office are taken from Note 2 – Statement of Operating Costs by Operating Segment within the Department's Annual Report and Accounts for the year ending 31 March 2017.

3   On 6 January 2016 ministerial responsibility for Fire and Rescue services moved from the Department for Communities and Local Government to the Home Office. It was agreed that the transfer of responsibilities should take place from 1 April 2016.

4   The National Crime Agency (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 the Home Office accounts. They are presented here to illustrate the extent of public expenditure on the organisations relating to the Home Office that deal with organised crime and counter-terrorism.

5   Figures for the NCA are taken from the Statement of Operating Costs by Operating Segment in the organisation's 2016-17 Annual Report and Accounts.

Source: Home Office, *Annual Report and Accounts 2016-17*, HC 20, July 2017; National Crime Agency, *Annual Report and Accounts 2016-17*, HC 204, July 2017

Key trends across the Department

Trend in net expenditure

The downward trend since 2010-11 stopped in 2014-15 because of additional one-off expenditure (including £460 million payment relating to pensions, £100 million for the E-borders settlement and £120 million related to Riot Damages Act costs).

Expenditure reduced again in 2015-16 because liabilities were not as expected.

The increase between 2015-16 and 2016-17 is related primarily to the transfer of Fire and Rescue policy to the Home Office from the Department for Communities and Local Government. From April 1 2016, the Department became responsible for funding fire grants, of which the most significant is the fire pension top-up grant of £548 million in 2016-17. Some further expenditure was related to increased security spending following the 2015 Paris attacks.

Future spending is likely to be subject to ongoing pressure to reduce spending through efficiencies and Invest to Save capital programme. However, there are increases planned for the police and counter terrorism.

Home Office including National Crime Agency net expenditure (deflated)

The downward trend in expenditure since 2010-11 stopped in 2014-15

Net expenditure (£bn)

Financial year	Net expenditure (£bn)
2010-11	15.1
2011-12	14.1
2012-13	13.3
2013-14	12.3
2014-15	13.1
2015-16	12.4
2016-17	13.0
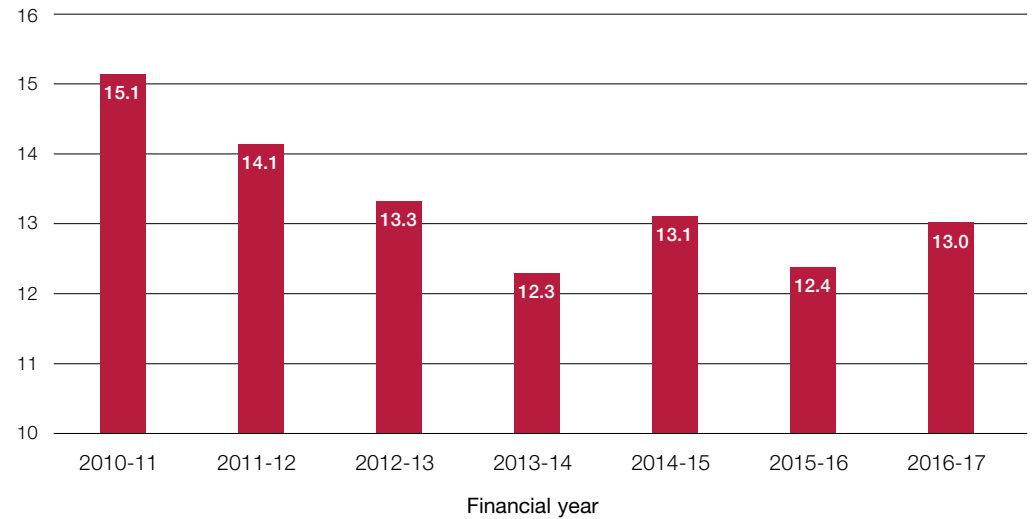
Key trends across the Department *continued*

Spending reductions in future years

Home Office expects the Borders, Immigration and Citizenship Services (BICS) and overall administration costs to reduce during the 2015 Spending Review period.

The Home Office is investing in a large-scale transformation portfolio intended to deliver increasingly efficient services and lower costs, including across BICS.

Estate reorganisation and centres of excellence will reduce administrative spending.

Official Development Assistance (ODA) funding is supporting asylum and refugee costs but is ring-fenced.

The Home Office has a capital budget of £1.3 billion, with significant spend at the border and on passports. £1 billon is expected to be spent on the Emergency Services Network.

Spending increases in future years

Resources for the police and counter-terrorism are planned to increase, alongside a new policy over Syrian resettlement over the 2015 Spending Review period.

The Home Office plans to increase overall police funding by £900 million between 2015-16 and 2019-20.

The Home Office also plans to increase funding for counter-terrorism by £500 million between 2015-16 and 2020-21.

The Fire and Police pension grants are expected to increase from £2.3 billion in 2016-17, but the amount is yet to be determined.

Fire reform policy is encouraging Police and Crime Commissioners (PCCs) to take over fire authorities where a local case can be made. Nine PCCs are considering this, with decisions expected later in 2017.

The programme to resettle Syrian refugees is funded by the ODA and is ring-fenced.

The Independent Inquiry into Child Sexual Abuse has been re-established with a new Chair. It is a multiple department inquiry with Home Office being the lead. The lifetime costs are unknown but expected to be substantial given the wide remit of the Inquiry.

Key trends across the Department *continued*

Prevent terrorism

Number of people arrested for terrorism-related offences in the UK by outcome, 2010-11 to 2016-17

The number of people arrested for terrorism offences in 2016-17 was 304, and a 143% increase compared with 125 arrests in 2010-11.

Number of people arrested for terrorism-related offences in the UK by outcome, 2010-11 to 2016-17

Number of people

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Charged	54	80	119	124	129	113	108
Released without charge	67	116	116	96	157	132	100
Alternative action	4	10	19	12	14	8	8
Bailed to return	–	–	–	–	2	5	88
Prosecuted	46	73	106	105	115	86	44
Convicted	46	64	97	95	107	77	42

Source: Home Office
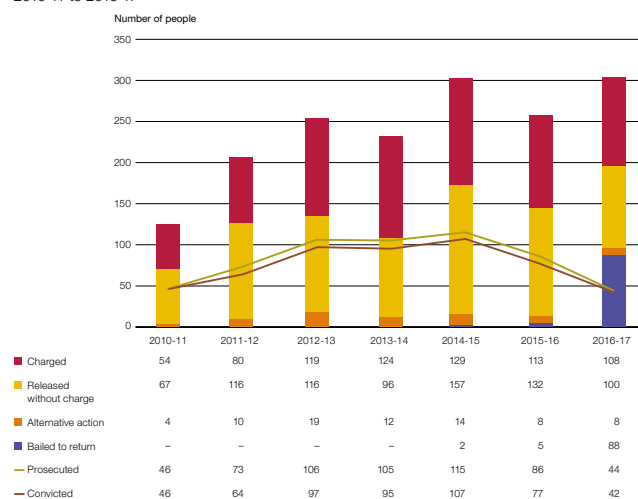
Cut crime

Number of crimes, 2010-11 to 2016-17

The number of crimes (excluding online crime) reported in the Crime Survey for England and Wales fell by 38% between 2010-11 and 2016-17 (from 9,446 million to 5,864 million).

Number of crimes, 2010-11 to 2016-17

Number of offences

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Crime Survey for England and Wales	9,446	9,345	8,487	7,318	6,764	6,334	5,864
Police recorded crime	4,151	4,380	4,064	4,028	4,167	4,507	4,965

Source: Office for National Statistics
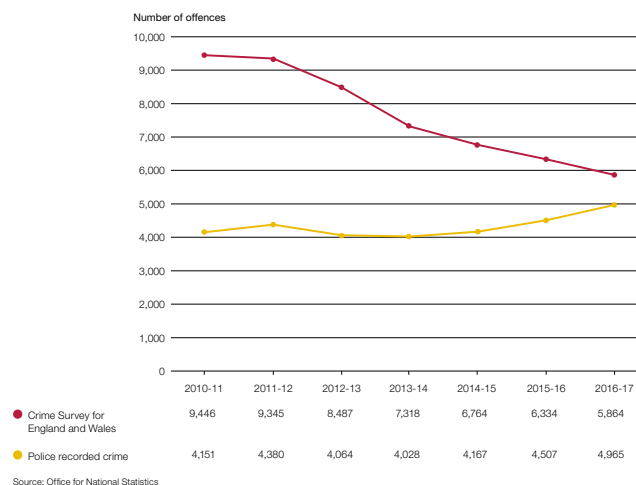
Control immigration

Net migration 2010 to 2016

Net long-term international migration was estimated to be 249,000 in the year ending December 2016, down 83,000 (33%) from December 2015.

Net migration 2010 to 2016

£ million

	Jun 2010	Dec 2010	Jun 2011	Dec 2011	Jun 2012	Dec 2012	Jun 2013	Dec 2013	Jun 2014	Dec 2014	Jun 2015	Dec 2015	Jun 2016	Dec 2016
Net Migration	+244	+256	+263	+205	+167	+177	+182	+209	+254	+313	+336	+332	+336	+249
Immigration	582	591	589	566	517	498	502	526	574	632	639	631	653	589
Emigration	347	339	342	351	349	321	320	317	320	319	303	299	317	340
Government net migration target	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: National Audit Office analysis of Office for National Statistics data

Overview

Counter terrorism

Cut crime:
Police, Fire and
Rescue services

Cut crime:
Serious and
organised crime

Control immigration

Appendices

Major programmes and developments

Major programmes

Emergency Services Mobile Communications programme, aiming to replace the existing system used by the police, fire and ambulance services to communicate with each other. The programme was delayed by nine months, leading to milestone payments moving from 2016-17 into 2017-18, and delays in a number of related projects and their costs.

Immigration Platform Technologies programme, aiming to improve the efficiency and effectiveness of its visa and other immigration transactions with the public by replacing old legacy systems. The programme began in 2013, and was expected to cost £209 million over four years. Although support contracts for vital legacy systems were due to expire in 2016, the programme was not scheduled to roll out fully until March 2017. The business case for the programme has now been revised, and is now intended to complete in 2018-19. It is designed to deliver incrementally, and has started to deliver new systems into operational use.

Digital Services at the Border (DSaB) programme, aiming to enhance the security of the UK by gathering and acting on data about people and entities (for example, vehicles) crossing the border. In January 2017 the programme started to deliver the Advanced Freight Targeting Capability, which provides the intelligence to target suspicious freight consignments arriving into the UK via ferries and air. Border Crossing, the new primary control point system used for screening passengers at ports, reached a key milestone when it was successfully deployed to an airport, as a pilot, in July 2016 for use alongside existing systems. This was followed by deployment to two further airports in November 2016, to a maritime port in February 2017, and a fifth port in April 2017. It is not yet clear when it will be in place at all border and crossing points.

Legislation

Act	Summary
Immigration Act 2016	Introduced new sanctions on illegal working and new measures to enforce immigration laws. Also includes measures to prevent illegal migrants from accessing certain services. The act also reformed the Gangmasters Licensing Authority (responsible for protecting workers from exploitation) into the Gangmasters and Labour Abuse Authority.
Psychoactive Substances Act 2016	Made it an offence to produce, supply, offer to supply, possess with intent to supply, possess on custodial premises, import or export psychoactive substances that are intended for human consumption. Also provided powers to stop and search persons, vehicles and vessels and to search premises.
Investigatory Powers Act 2016	Government can compel internet and communications companies to retain their customers' browser history for up to a year. Protects the ability of GCHQ and MI5 to bulk-collect communications data and to hack into a suspect's electronic devices. Also gives a judge the power to sign off warrants for intrusive surveillance.
Policing and Crime Act 2017	Provides the police with additional powers to enter premises to search for and seize British passports cancelled under the Royal Prerogative and extends existing powers to enable the police to seize invalid foreign travel documents.
Criminal Finances Act 2017	Introduced new powers to tackle money laundering and corruption, and to recover the proceeds of crime and counter terrorist financing.

Exiting the European Union: issues to explore

Across government the NAO considers that a successful implementation of Brexit will require:

- strong collaboration and coordination across departments;

- a clear sense of prioritisation at departmental and cross-departmental level, including decisions to stop or delay projects; and

- a robust assessment of the required capability and a cross-government strategy to address any gaps.

Coordination across government

Departments should be clear how and what they are doing aligns with plans across government to deliver a successful Brexit. This is especially important for the Department regarding any changes at the border.

Prioritisation of activities

Departments will need to prioritise their activities in response to Brexit. We would expect that this would involve some activities to be stopped or pushed back in time. These activities would need to incorporate a strong emphasis on delivery as well as policy.

Staffing and resources

Departments will need to have assessed what skills and resources are needed to deliver a successful Brexit in the short to medium term. Filling any gaps may mean recruiting staff externally and a movement of staff across government to where they are needed most.

The Home Office intends to ensure it has the right capabilities and resources in place to deliver on its priorities after exiting the EU. It is coordinating its response via its EU Exit Programme Board, which is chaired by the second permanent secretary. Two other boards and one steering group feed into the Programme Board.

Exiting the European Union: issues to explore *continued*

The UK's planned exit from the European Union (EU) has implications for the Home Office. On 2 February 2017 the government released its white paper setting out the 12 priorities underpinning its approach to the exit process, including to: control immigration; secure rights for EU nationals in the UK and UK nationals in the EU; and cooperate in the fight against crime and terrorism.

The terms of the UK's exit from the EU are yet to be finalised, but may affect:

Borders

The Home Office will play a key role in implementing changes at the border following Brexit. In total, 26 departments and government agencies operate at the UK border so any change will need collaboration and cross-governmental intervention. Border Force is a law enforcement command within the Home Office and is responsible for controlling the movement of goods and people across the UK border and undertakes enforcement on behalf of HM Revenue & Customs.

Goods: The government wants to secure seamless cross-border trade. If the UK leaves the customs union it would likely increase the number of customs declarations. This will have implications for Border Force, which holds responsibility for securing the border and delivering some customs duties.

People: The Home Office will be responsible for delivering the immigration terms agreed following Brexit. It will have to manage the new immigration arrangements that are negotiated for EU citizens visiting the UK, including managing border checks, potential visa issuance and checks and staff requirements at points of entry.

Citizenship and residency

The Home Office may have to devise and enforce a new immigration system that can accommodate applications to reside in the UK from the 3.5 million EU nationals living within the UK. On the 26 June 2017 the government stated its intentions for EU citizens seeking to remain in the UK, including permitting EU citizens who have been continuously resident here for five years to stay indefinitely by getting 'settled status'.

Devising a system to accommodate a rise in requests for residency is likely to place unprecedented demand on the Department. In April 2017 it published guidance advising EU nationals against applying for permanent residency; however, there has been a 80% rise in the number of British citizenship applications from EU nationals between the end of June 2016 and June 2017.

Cutting crime and counter-terrorism

The UK government currently cooperates closely with other EU partners on foreign affairs and in tackling the threat of terrorism. It seeks to continue cooperation on security matters but will need to agree the practical mechanisms to support ongoing cooperation.

The UK will have to negotiate future cooperation on law enforcement and security, such as cooperation with Europol, exchange of Passenger Name Records and extradition arrangements, which may affect the Home Office's ability to access capabilities that currently support cross border law enforcement. The overarching conditions that will underpin such cooperation, such as data protection and dispute resolution mechanisms, will also need to be agreed.

Key themes from NAO reports

Our recent reports on the Home Office have noted good performance in areas, including in the delivery of some major programmes (The Syrian Vulnerable Persons Resettlement Programme) and ensuring continued provision for vulnerable service users in light of provider failure (Report on the funding and governance of Broken Rainbow). However, the Department continues to face a number of challenges:

Oversight

Poor visibility of projects or providers: in our report on E-borders and successor programmes we noted that departmental oversight of the programme was limited. Our Broken Rainbow report highlighted the Department was unaware that its grant recipient was under the threat of closure.

Insufficient awareness of demand on the services it funds: our report on the Yarl's Wood Immigration Removal Centre found that services contracted by the Home Office did not meet the needs of users. In Financial sustainability of police forces in England and Wales, we noted the Department's funding approach did not consider the demands on police time.

Operational management

Capability and resourcing issues: our report on E-borders observed an inability to make key decisions at departmental level due to gaps in capability and resourcing. We also found that getting the right balance of resources to respond to the threat of Online Fraud remains a challenge for the Department.

Poor risk management: our reports on the Emergency Services Network and E-borders noted that despite the high risks, the Department had adopted ambitious timelines for delivery.

Insufficient engagement with stakeholders and other bodies: in E-borders we reported that the Department did not manage the diverse range of stakeholders. Our Confiscation orders: progress review report noted the Department needed to work with other bodies to clarify the objectives of confiscation orders and their relative priorities.

Contract and grant management

Weak contract management: our E-borders report found the Department had followed a commercial strategy that allowed varying interpretations of the contract, in particular the underlying requirements. Our work on Yarl's Wood revealed the Home Office contract with its supplier was over-engineered.

Weak grant management: our Broken Rainbow report noted that the Department did not meet its own requirements for monitoring its grant.

Use of information

Poor data quality: a consistent finding across our reports, including that on E-borders, which observed gaps in the management information used by the Department.

Insufficient information available to make key decisions: also covered in a number of our reports, including Financial sustainability of police forces, Online Fraud and Confiscation orders: progress review.

Counter terrorism

How is it delivered?

CONTEST

CONTEST

Recent and planned developments

What are the things to look out for?

How is it delivered?

The Home Office is responsible for keeping the United Kingdom safe from the threat of terrorism and extremism.

The department delivers its work in this area via a number of directorates and operational units. This includes:

- The **Office for Security and Counter-Terrorism (OSCT)**, which is 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. OSCT was created in 2007 and employed an average of 734 members of staff in 2016-17, at a cost of £39.0 million.

- **Police forces** and **regional organised crime units**, which provide specialist policing capabilities at a regional level.

- The **Office for Counter-Extremism (OCE)** which was established in June 2015 and is responsible for coordinating the government's implementation of the Counter-Extremism strategy, taking forward key elements and assessing the impact of its approach. It is part of the Crime, Policing and Fire Group within the Home Office.

Counter-Terrorism: Key facts

£143 million

Committed by government to uplift armed policing capability and capacity to respond more quickly and effectively to firearms attacks

SEVERE

Current UK terror threat level, meaning a terrorist attack is highly likely and could occur without warning

186

People in custody for terrorism-related offences as of 31 March 2017, an increase from 162 in custody as of March 2016

OSCT expenditure and income, 2012-13 to 2016-17

After a significant reduction between 2012-13 and 2013-14, net OSCT expenditure has held steady or increased in recent years

£ million

	2012-13	2013-14	2014-15	2015-16	2016-17
Gross expenditure	1,237,846	928,862	954,117	962,447	1,087,995
Income	-196,157	-174,071	-182,649	-201,054	-182,112
Net	1,041,689	754,791	771,468	761,393	905,883
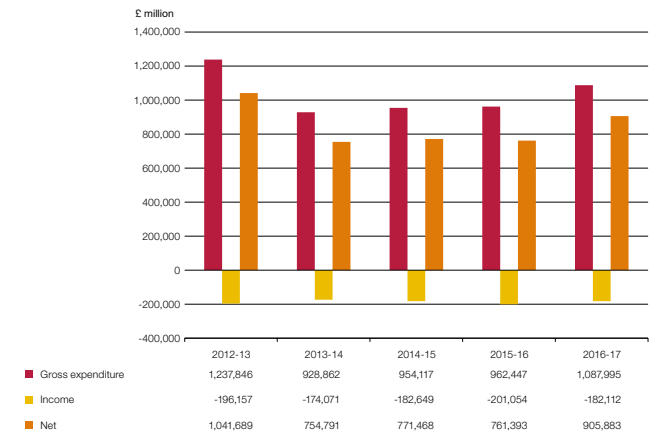
Notes
1   Expenditure and income covers all of OSCT's counter-terrorism and organised crime functions.
2   The 2015-16 figures have been restated to take account of bringing fire and rescue services into the Home Office in January 2016.
3   Income is shown as negative expenditure.

Source: Home Office Annual Report and Accounts, 2012-13 to 2016-17

CONTEST

The Home Office is responsible for the government's counter-terrorism strategy, CONTEST. In July 2011 the third version of CONTEST was published.

There are four strands to CONTEST's approach to tackling terrorism: Pursue, Prevent, Protect and Prepare. Most recent progress against the strategy's objectives is set out in the Annual Report for 2015. The Home Office has also reported progress on its delivery of the four strands of CONTEST in its 2016-17 annual report and accounts.

The government committed to providing an updated CONTEST strategy by the end of 2016, but this has not yet been published.

Four strands of CONTEST

Recent reported action against the strands include:

Pursue — Reduce threat
The investigation and disruption of terrorist attacks

- Legislative change via the Investigatory Powers Act 2016, Policing and Crime Act 2017 and Criminal Finances Act 2017.
- Five terrorist plots prevented between March 2017 and June 2017.
- Arrests of 304 people for terrorism-related offences in the UK in the year ending March 2017. Of these, 108 have been charged, 42 of whom have been convicted.
- The Prime Minister commissions a review into the four terrorist attacks in London and Manchester, to be led by David Anderson.

Prevent — Reduce threat
Work to stop people becoming terrorists or supporting terrorism

- Following referrals from the police 280,000 pieces of illegal terrorist material have been removed from social media since February 2010.
- Over 850,000 public sector staff trained in spotting signs of radicalisation.
- More than 150 attempted journeys to the Syria/Iraq conflict area were disrupted in 2015, including preventing approximately 50 children (from around 20 families) from being taken to the conflict area in 2015.

Protect — Reduce vulnerability
Improving protective security to stop a terrorist attack

- New EU rules introduced to UK airports requiring greater use of explosive detection equipment in 2015.

Prepare — Reduce vulnerability
Work to minimise the impact of an attack and to recover as quickly as possible

- Following Paris attacks in November 2015, the government committed £143 million over five years to uplift armed policing capability and capacity to respond more quickly and effectively to firearms attacks.

Source: National Audit Office analysis of published information

Recent and planned developments

While the Home Office is responsible for keeping the United Kingdom safe from the threat of terrorism and extremism, it also works with other government departments to achieve its objectives in this area.

The threat to the United Kingdom from international terrorism remains high – it has been SEVERE, meaning a terror attack is highly likely, since August 2014. The threat level was raised to CRITICAL between 23 May and 26 May 2017 following the terror attack in Manchester. This is the highest threat level, meaning an attack is expected imminently.

Oct 2015
Government publishes its Counter-Extremism Strategy.

Nov 2015
Government publishes the National Security Strategy and Strategic Defence and Security Review

The 2015 Spending Review states counter-terrorism spending will increase by 30%, including providing 1,900 new intelligence staff.

2015

Nov 2016
Investigatory Powers Act 2016 comes into force. It maintains existing powers and adds the ability to retain Internet Connection Records.

End Dec 2016
Updated CONTEST strategy originally planned for publication.

2016

Jun 2017
Queen's Speech states that the government's counter-terrorism strategy will be reviewed, and that a commission for countering extremism will be established to support the government in stamping out extremist ideology in all its forms.

Home Secretary announces an independent review of the handling of recent terror attacks to look at whether lessons can be learned.

Apr 2017
Criminal Finances Act 2017 toughens powers to tackle terrorist financing.

May 2017
The threat to the UK from international terrorism is raised to CRITICAL between 23 May and 26 May.

2017

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Counter terrorism

Cut crime:
Police, Fire and
Rescue services

Cut crime:
Serious and
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Control immigration

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What are the things to look out for?

The pace of terrorism has increased

Between March 2017 and June 2017 there were four terrorist attacks and five plots prevented. Internal reviews are under way to consider what lessons can be learned from the attacks. The former Independent Reviewer of Terrorism Legislation, David Anderson QC, is providing independent oversight of these reviews and is expected to report by the end of October 2017.

A new counter-terrorism strategy

On 4 June 2017 the Prime Minister stated that the counter-terrorism strategy would be reviewed to make sure the police and security services have what they need to keep the public safe. Government had previously committed to publishing a new version of CONTEST in 2016 but it has not yet done so.

Prevent and the counter-extremism strategy

Following its enquiry into the government's counter-extremism strategy, the Home Affairs Select Committee published its Radicalisation: the counter-narrative and identifying the tipping point report in August 2016. The report made a number of recommendations for government, including to abandon the "toxic" name 'Prevent' for the strategy and replace it with a more inclusive title of 'Engage'.

On 22 June 2017, the Home Secretary announced that a Commission for Countering Extremism would be set up to tackle extremists.

Terrorist attacks in the UK in 2017

Jan

Feb

22 Mar
Westminster Bridge attack

Mar

Apr

22 May
Manchester attack

May

3 Jun
London Bridge attack

Jun

19 Jun
Finsbury Park attack
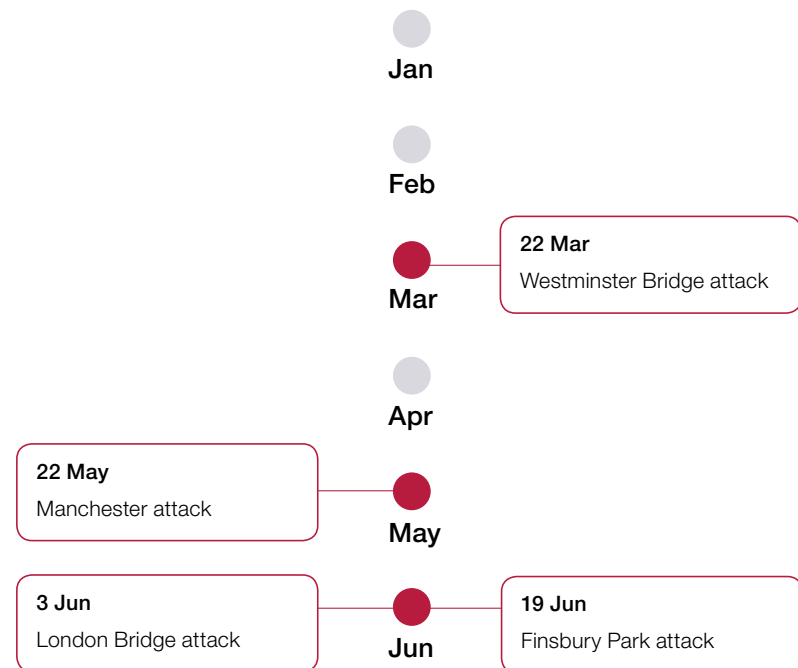
Note

1   Figure shows terrorist attacks in the UK during 2017. It does not include Northern Ireland-related terrorism.

Source: National Audit Office analysis

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Cut crime: Police, Fire and Rescue services

How is it delivered? – Police

How is it delivered? – Fire and Rescue services

Police, Fire and Rescue services funding

In your area – Police, Fire and Rescue services

Recent and planned developments

What are the things to look out for?

How is it delivered? Police

The Department is responsible for the 43 territorial police forces in England and Wales.

Parliament

Secretary of State

College of Policing
Responsible for setting technical and professional standards, identifying and disseminating best practice.

Home Office
Responsible for providing direct funding to local police bodies, and for ensuring an effective police oversight and accountability framework is in place.

'Gold' group
Home Office strategic group on police finance and resources bringing together senior police leaders, PCCs, national policing partners and Home Office officials.

National Police Chiefs' Council
Professional forum for the chief police officers in England, Wales and Northern Ireland to share ideas and best practice and coordinate resources in specific areas of policing, including finance and resources. The National Police Chiefs' Council replaced the Association of Chief Police Officers (ACPO) in April 2015. National policing leads in business areas will be retained within the College of Policing.

HM Inspectorate of Constabulary
Responsible for inspecting police forces' effectiveness, efficiency and legitimacy. Will also be responsible for establishing an independent inspection regime for fire and rescue services.

Association of Police and Crime Commissioners

Association of Policing & Crime Chief Executives

Police and Crime Commissioners Treasurer Society

'Silver' group
Group that focuses on police finance and resources bringing together senior police leaders, PCCs, national policing partners and Home Office officials.

National Police Chiefs' Council finance and resources area

Police and crime panel
Statutory scrutiny function over commissioners, specifically the police and crime plan and council tax precept.

Office of the Police and Crime Commissioner

Police and crime commissioners (PCC)
Elected every four years PCCs are responsible for setting the budget and council tax precept for the force, as well as setting strategic policing priorities, holding the force to account through the Chief Constable and engaging with the public.

Chief executive

Chief finance officer

Police force
Forty-three in England and Wales led by chief constables responsible for directing officers and staff and for the operational delivery of local police services.

Chief constable

Chief finance officer

Police officers, PCSOs and special constables

Finance (and other police) staff

Independent audit committee

External auditor

Public

→ Funding   → Scrutiny/Inspection   → Accountability   → Intervention   → Strategy, guidance and spreading good practice   → Provides information and reports   --- The system

Note

1   There are 40 PCCs. The number differs from the number of police forces (43) because the Metropolitan Police Service, City of London Police and Greater Manchester Combined Authority have different arrangements compared to other areas.

Source: National Audit Office analysis of Home Office data

How is it delivered? Fire and Rescue services

The Department assumed responsibility for the 45 fire and rescue authorities in England from the Department for Communities and Local Government, in January 2016. Although police and fire and rescue services are currently delivered within different landscapes, reform has led to growing overlap between the two.

Parliament

Department for Communities and Local Government
Responsible for providing direct funding to authorities in England.

Home Office
Holds operational responsibility for fire and rescue policy, and provides some funding

Accounting Officer
Accountable for proper stewardship of resources allocated to authorities and for core systems which enable them to function.

Chief Fire and Rescue Adviser
Investigative powers in any circumstances where government may wish.

Secretary of State
Wide-ranging powers of intervention where Authority at risk of failure. Statutory duty to report to Parliament on extent to which Authorities meeting their duties.

National Fire Chiefs Council / Chief Fire Officers Association
Professional leadership for the fire and rescue service and membership body.

Local Government Association
Facilitates peer support to assess performance and drive improvement.

Association of Police and Crime Commissioners
Supports Police and Crime Commissioners and other local policing bodies across England and provides national leadership.
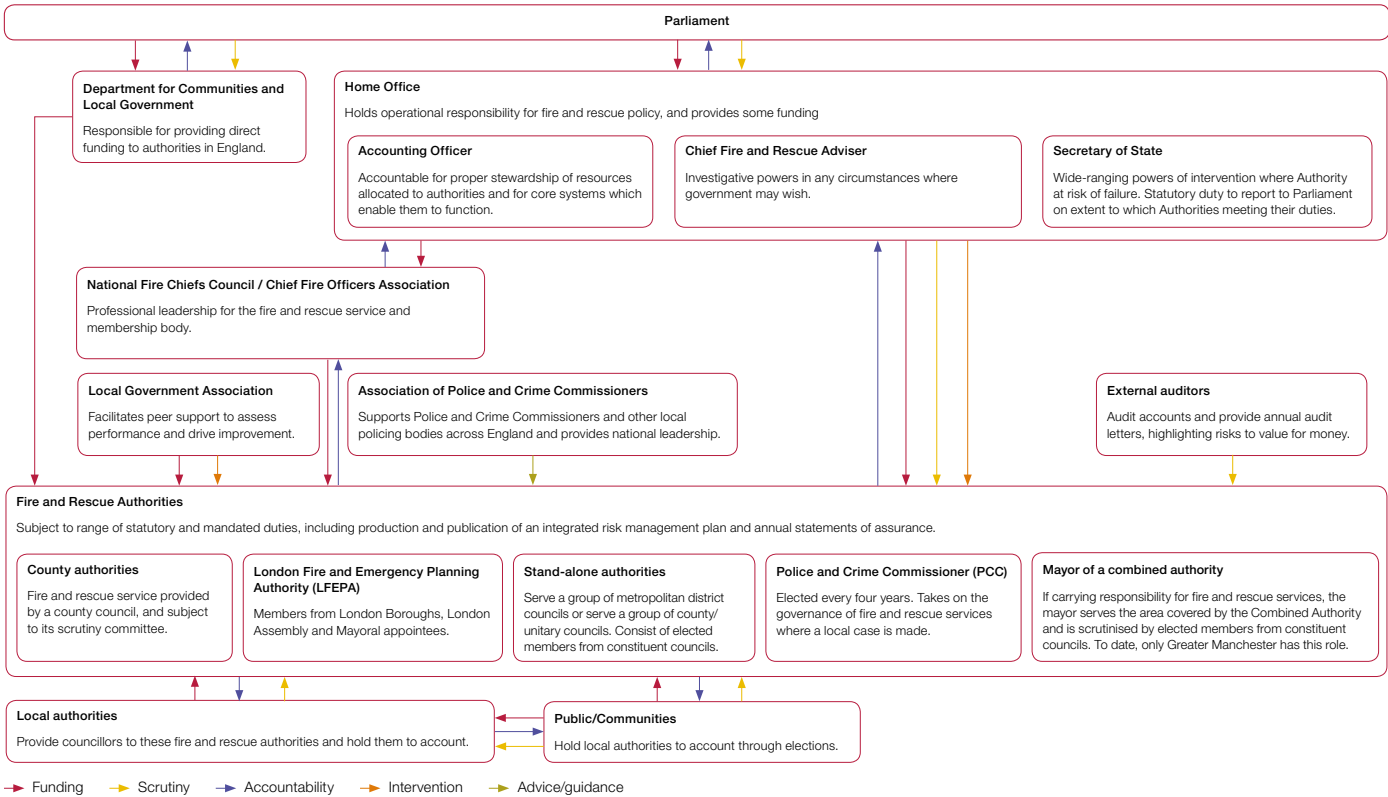
External auditors
Audit accounts and provide annual audit letters, highlighting risks to value for money.

Fire and Rescue Authorities
Subject to range of statutory and mandated duties, including production and publication of an integrated risk management plan and annual statements of assurance.

County authorities
Fire and rescue service provided by a county council, and subject to its scrutiny committee.

London Fire and Emergency Planning Authority (LFEPA)
Members from London Boroughs, London Assembly and Mayoral appointees.

Stand-alone authorities
Serve a group of metropolitan district councils or serve a group of county/unitary councils. Consist of elected members from constituent councils.

Police and Crime Commissioner (PCC)
Elected every four years. Takes on the governance of fire and rescue services where a local case is made.

Mayor of a combined authority
If carrying responsibility for fire and rescue services, the mayor serves the area covered by the Combined Authority and is scrutinised by elected members from constituent councils. To date, only Greater Manchester has this role.

Local authorities
Provide councillors to these fire and rescue authorities and hold them to account.

Public/Communities
Hold local authorities to account through elections.

→ Funding   → Scrutiny   → Accountability   → Intervention   → Advice/guidance

Notes

1   In 2015 the government announced its plans to abolish LFEPA. This is not expected to take place before April 2018. Once abolished the Mayor of London will have direct responsibility for the fire and rescue service in London.

2   In 2016, the Dorset and Wilshire fire services merged into one service.

3   From 2017 PCCs can also become the fire and rescue authority for their area, with Essex being the first PCC to take on this role.

Source: National Audit Office analysis of Home Office and Department for Communities and Local Government data

Police and fire and rescue services funding

Funding from central government and council tax precept is given to 40 police and crime commissioners (PCCs), the London Mayor's Office for Policing and Crime (MOPAC), the Common Council of the City of London and Greater Manchester Combined Authority. Forces also receive income from activities such as policing major sporting events. PCCs, in consultation with their chief constables, set the annual objectives for their police forces and allocate the funds needed.

Fire and rescue services receive their funding from several sources, including central government via grants, business rates from local authorities in their area, council tax and locally generated income, such as fees from training.

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

The Home Office spent **£11.2 billion** on its Crime, Policing and Fire group in 2016-17, and at least **£7.4 billion** on police grants. The Department also spent **£1.8 billion** on police officer pensions, and **£548 million** on fire officer pensions.

Funding reductions

Police and fire and rescue services have been subject to funding reductions for some time. For instance, between 2010-11 and 2015-16 there was a:

- 28% real-terms reduction in government funding for stand-alone fire and rescue authorities. metropolitan authorities saw a real-terms reduction of 34%, compared to 26% for combined authorities. Once council tax and other income is taken into account, stand-alone authorities received an average reduction in total income ("spending power") of 17% in real terms; with a 25% real-terms reduction for metropolitan authorities and a 16% reduction for combined single purpose Fauthorities; and

- 25% real-terms reduction in government funding to police and crime commissioners.

Our reports on the Financial sustainability of police forces in England and Wales and the Financial sustainability of fire and rescue services found that the extent of these reductions varied between police forces, and between bodies that govern and fund fire and rescue services.

Cut crime: **Key facts about the police, fire and rescue services**

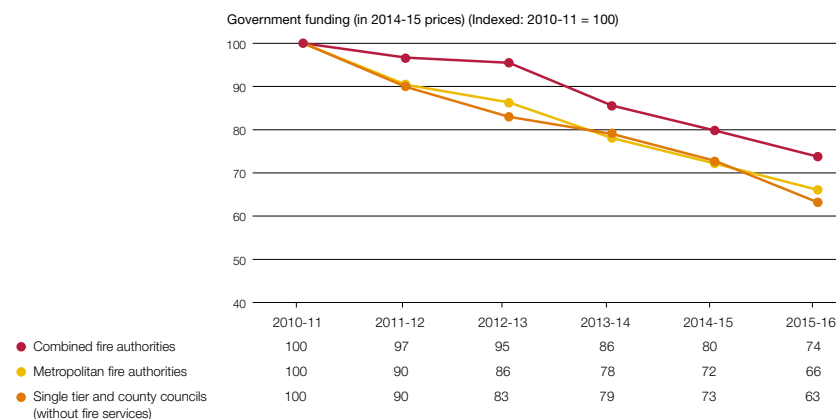|		
43 Police forces in England and Wales	**25%** Real-terms reduction in central government funding to police and crime commissioners, 2010-11 to 2015-16	**34,395** Full-time or retained firefighters in England at the end of March 2016, 1,563 fewer than the year previously

Change in government funding of fire and rescue services, 2010-11 to 2015-16

Metropolitan fire authorities have seen greater reductions in government funding

Government funding (in 2014-15 prices) (Indexed: 2010-11 = 100)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Combined fire authorities	100	97	95	86	80	74
Metropolitan fire authorities	100	90	86	78	72	66
Single tier and county councils (without fire services)	100	90	83	79	73	63

Note
1   Chart shows change in a weighted index. See methodology available at: www.nao.org.uk/report/financial-sustainability-of-fire-and-rescue-services/

Source: National Audit Office analysis of Department for Communities and Local Government data

Source: Comptroller and Auditor General, *Department for Communities and Local Government, Financial sustainability of fire and rescue services*, Session 2015-16, HC 491, National Audit Office, November 2015

In your area

Police

Workforce reductions

The police workforce has **reduced by more than 45,000** between March 2010 and March 2017, **a decrease of 19%**. There were **123,142 full-time equivalent (FTE) police officers** in England and Wales on 31 March 2017, the lowest figure at the end of a financial year since 1996, when comparable records began. Records earlier than this are not directly comparable; however, they indicate that this is the lowest number of officers since 1985.

Diversity

Police forces in England and Wales publish diversity profiles, allowing members of the public to see whether that local force reflects the community it serves. As at 31 March 2017, 6% of all officers were black and minority ethnic (BME), and 29% of all officers were female.
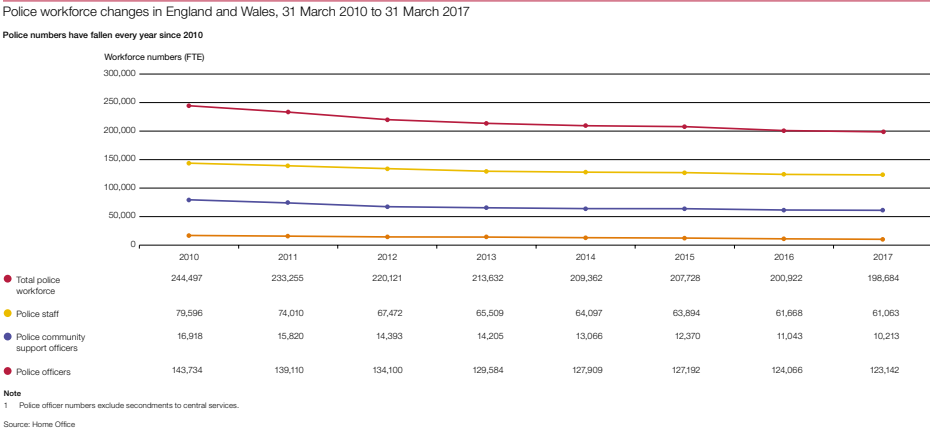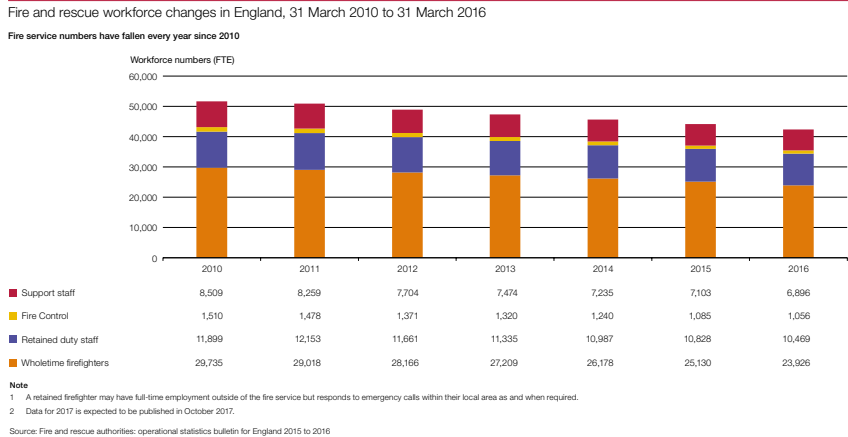
Fire and rescue services

Workforce reductions

The fire and rescue services workforce has **reduced by more than 9,000** between March 2010 and March 2016. There were **34,395 FTE or retained firefighters** in England at the end of March 2016, 1563 fewer than the year previously.

Procurement

In August 2016 the Department published fire procurement information for the first time as part of its effort to make the fire service more accountable to the public. The data showed how much the 45 fire and rescue authorities in England paid for 25 common items of uniform and equipment. The data revealed variations in amounts paid across fire authorities – for instance, Oxfordshire purchased fire-fighting helmets at a cost of £252.33 per unit, while Merseyside paid £120.00 per unit.

Police workforce changes in England and Wales, 31 March 2010 to 31 March 2017

Police numbers have fallen every year since 2010

Workforce numbers (FTE)

	2010	2011	2012	2013	2014	2015	2016	2017
Total police workforce	244,497	233,255	220,121	213,632	209,362	207,728	200,922	198,684
Police staff	79,596	74,010	67,472	65,509	64,097	63,894	61,668	61,063
Police community support officers	16,918	15,820	14,393	14,205	13,066	12,370	11,043	10,213
Police officers	143,734	139,110	134,100	129,584	127,909	127,192	124,066	123,142

Note
1   Police officer numbers exclude secondments to central services.
Source: Home Office

Fire and rescue workforce changes in England, 31 March 2010 to 31 March 2016

Fire service numbers have fallen every year since 2010

Workforce numbers (FTE)

	2010	2011	2012	2013	2014	2015	2016
Support staff	8,509	8,259	7,704	7,474	7,235	7,103	6,896
Fire Control	1,510	1,478	1,371	1,320	1,240	1,085	1,056
Retained duty staff	11,899	12,153	11,661	11,335	10,987	10,828	10,469
Wholetime firefighters	29,735	29,018	28,166	27,209	26,178	25,130	23,926

Note
1   A retained firefighter may have full-time employment outside of the fire service but responds to emergency calls within their local area as and when required.
2   Data for 2017 is expected to be published in October 2017.
Source: Fire and rescue authorities: operational statistics bulletin for England 2015 to 2016

Recent and planned developments

The Home Office is seeking to transform the way Police and Fire and Rescue services operate through a series of reforms.

Police funding formula reform: In July 2015 the Home Office began to reform the way police are funded in England and Wales. The reform is ongoing. In September 2016 the Home Office launched the Police Core Grant Distribution Review, one of a number of programmes sitting within the Department's overarching Police Transformation Programme.

Police Transformation Fund: Set up as part of the 2015 Spending Review, the fund allocates additional funding for the reform of police services. Successful bids were announced in August 2016, April 2017 and August 2017.

Fire and rescue reform programme: First announced in May 2016, areas of focus include:

- supporting services to transform commercially;

- encouraging employers to drive workforce reform;

- increasing the transparency of the service, allowing the public to hold their service to account;

- creating professional standards body to drive sector improvement; and

- establishing an independent inspection regime as part of an expanded Her Majesty's Inspectorate of Constabulary (HMIC). In July 2017, HMIC changed its name to HM Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), and extended its remit to include inspections of England's fire & rescue services.

Increased responsibility for police and crime commissioners: From 2017 PCCs can also become the fire and rescue authority for their area.

What are the things to look out for?

Greater scrutiny of Police and Fire and Rescue services

The government wants Police and Fire and Rescue services to achieve greater value for money in their operations, while encouraging increased public scrutiny of their services.

For the police, HMIC PEEL (police effectiveness, efficiency and legitimacy) inspections are used to judge the performance of forces against certain criteria. Forces are also encouraged to procure collaboratively, and reduce back-office costs. The Home Office also advocates the use of Regional Organised Crime Units.

Fire and rescue services have been encouraged to procure collaboratively, co-respond to incidents, and make more efficient use of estates. An independent inspection regime for fire and rescue will also seek to drive sector improvement.

'Cost shunting' and its impact

The Committee of Public Accounts has raised concerns about how savings in one department can lead to costs passing to other parts of the public sector, known as 'cost shunting'. Our Financial sustainability of police forces report found that in 2013-14 only 22% of incidents that police responded to were crime-related, with the remaining time spent on activities traditionally done by other bodies now subject to cuts.

In April 2017, HMICFRS (then HMIC), reported in State of Policing: The Annual Assessment of Policing in England and Wales 2016 that police forces are having to 'pick up the slack' due to cuts in other public services.

Cut crime: Serious and organised crime

How is
it delivered?

Modern slavery

Online fraud

Proceeds
of crime

Recent and planned
developments

What are the things
to look out for?

How is it delivered?

While the Home Office is responsible for preventing and reducing crime, the **National Crime Agency (NCA)** leads and coordinates the government's response to serious and organised crime.

The NCA is a non-ministerial department created in 2013 under the Crime and Courts Act 2013. 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.

Its remit includes five main areas: organised crime; cyber-crime; economic crime; child sexual exploitation and serious and organised crime at, and crossing, UK borders.

In 2016-17, NCA employed an average of **4,516 full-time equivalent** staff at a cost of £250 million.

The **Office for Security and Counter-Terrorism (OSCT)** also carries some responsibilities in tackling organised crime. OSCT is the strategic policy lead for serious organised crime. The Serious And Organised Crime strategy, first published in 2013, is under review and due to be published in late 2017. The Home Office estimates the costs of organised crime to be at least £24 billion a year.

Cut crime: Key facts about serious and organised crime

£10 billion

Estimated loss by individuals from fraud in 2016

3,805

Referrals of potential victims to the National Referral Mechanism (NRM) in 2016, a 17% increase on 2015. The NRM is the UK's framework for referring and supporting victims of modern slavery

£1.81 billion

The total debt outstanding from confiscation orders as at March 2017

NCA expenditure and income, 2013-14 to 2016-17

NCA spend has risen by 12% in cash terms since 2013-14

£m	2013-14	2014-15	2015-16	2016-17
Gross expenditure	477,102	482,484	502,160	535,386
Income	-42,679	-47,801	-42,430	-49,063
Net	434,424	434,683	459,730	486,323
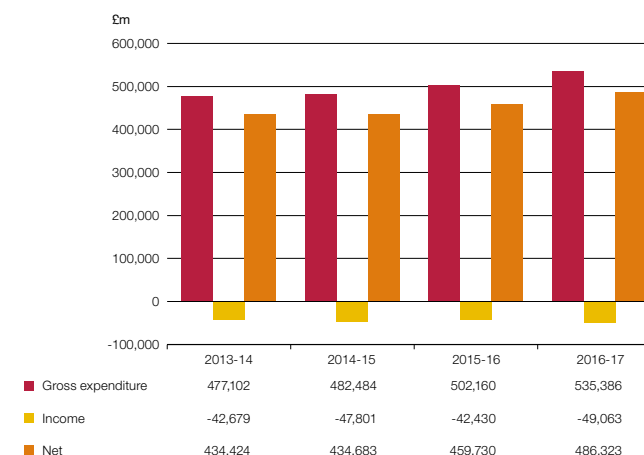
Note
1   Income is shown as negative expenditure.

Source: National Crime Agency, Annual Report and Accounts, 2013-14 to 2016-17

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Modern slavery

In November 2014 the Home Office published its Modern Slavery Strategy, setting out the action expected from government departments, agencies and partners to reduce the prevalence of modern slavery in the UK.

Key actions following the launch of the strategy include:

- legislative change via the **Modern Slavery Act 2015**;

- appointment of an **Independent Anti-Slavery Commissioner**, with a UK-wide remit to encourage good practice in the prevention, detection, investigation and prosecution of modern slavery offences and the identification of victims;

- a new **Modern Slavery Task Force in 2016** bringing government departments together to tackle modern slavery, led by the Prime Minister; and

- the establishment of a government-funded **Joint Slavery and Trafficking Analysis Centre** comprising staff from the National Crime Agency, police, Border Force, Immigration Enforcement, HMRC and the Gangmasters and Labour Abuse Authority.

Funding has come via the Home Office and other departments, and includes:

- **£8.5 million** from the Police Transformation Fund for Devon and Cornwall Police to lead a national effort to help law enforcement agencies tackle modern slavery;

- **£33.5 million** of Official Development Assistance funding to target countries from which the UK sees a high number of victims, including £5 million to tackle modern slavery in Nigeria and 10 bids funded through the Modern Slavery Innovation Fund to the value of £6 million.

The Home Office has also awarded the Salvation Army a five-year contract to provide support to victims of modern slavery.

The NAO will report on the Home Office's efforts to reduce modern slavery in the UK in 2017.

Key facts: Modern slavery

Modern slavery includes sexual exploitation, domestic servitude, forced labour, criminal exploitation and other forms of exploitation, such as organ removal, forced begging, forced benefit fraud, forced marriage and illegal adoption.

In 2013, the Home Office estimated there were 10,000–13,000 potential victims of modern slavery in the UK.

10,000–13,000

The National Referral Mechanism, the UK's framework for referring and supporting victims of modern slavery, received **3,805** referrals in 2016, a 17% increase on 2015.

INCIDENT N°

Police forces in England and Wales recorded 2,255 modern slavery offences in the year to March 2017, a 159% increase on the previous year. This may be due to improved recording practices since the introduction of the separate modern slavery offence category in April 2015.
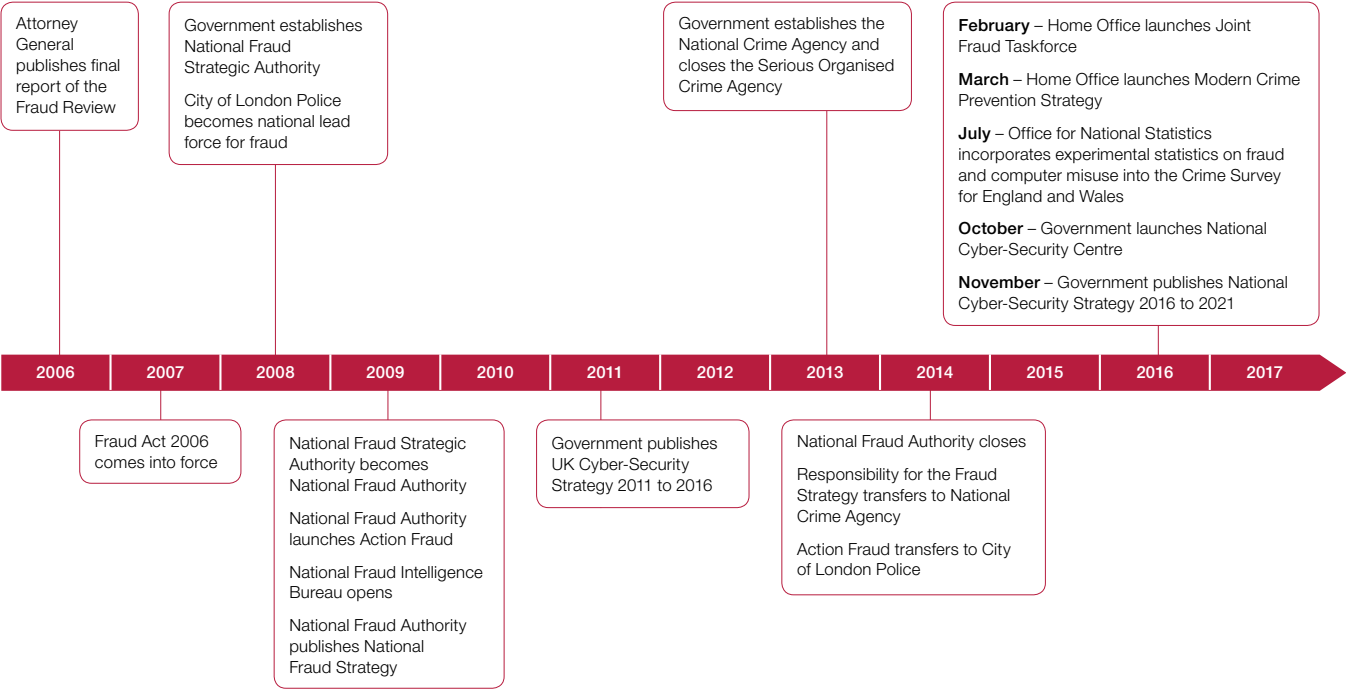
Online fraud

In the year to the end of September 2016 there were an estimated 1.9 million 'cyber-related' fraud incidents (16% of all estimated crime incidents) with individuals losing an estimated £10 billion through fraud. The nature of online fraud varies, from criminals stealing and using credit card details online to criminals tricking people into sending them money.

The Department's plans to address online fraud feature in a number of national strategies, including the 2016 Modern Crime Prevention Strategy and the National Cyber-Security Strategy. The Department also launched the Joint Fraud Taskforce in February 2016.

Our report on Online Fraud, published in June 2017, concluded that for too long online fraud had been overlooked by government, law enforcement and industry. While the Department is not solely responsible for reducing and preventing online fraud it is the only body that can oversee the system and lead change. Its launch of the Joint Fraud Taskforce in 2016 was a positive step, but there is still much work to be done.

Timeline of government's response to the threat of online fraud

Over the past 10 years the government has introduced various reforms to tackle online fraud

Attorney General publishes final report of the Fraud Review

Government establishes National Fraud Strategic Authority

City of London Police becomes national lead force for fraud

Government establishes the National Crime Agency and closes the Serious Organised Crime Agency

February – Home Office launches Joint Fraud Taskforce

March – Home Office launches Modern Crime Prevention Strategy

July – Office for National Statistics incorporates experimental statistics on fraud and computer misuse into the Crime Survey for England and Wales

October – Government launches National Cyber-Security Centre

November – Government publishes National Cyber-Security Strategy 2016 to 2021

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |

Fraud Act 2006 comes into force

National Fraud Strategic Authority becomes National Fraud Authority

National Fraud Authority launches Action Fraud

National Fraud Intelligence Bureau opens

National Fraud Authority publishes National Fraud Strategy

Government publishes UK Cyber-Security Strategy 2011 to 2016

National Fraud Authority closes

Responsibility for the Fraud Strategy transfers to National Crime Agency

Action Fraud transfers to City of London Police

Source: National Audit Office analysis

Proceeds of crime

The Home Office is responsible for the government's confiscation policy, but operationally a number of other bodies across the criminal justice system are responsible for investigating, prosecuting and enforcing confiscation orders.

Courts only impose confiscation orders on convicted offenders, with the amount based on 'criminal benefit'.
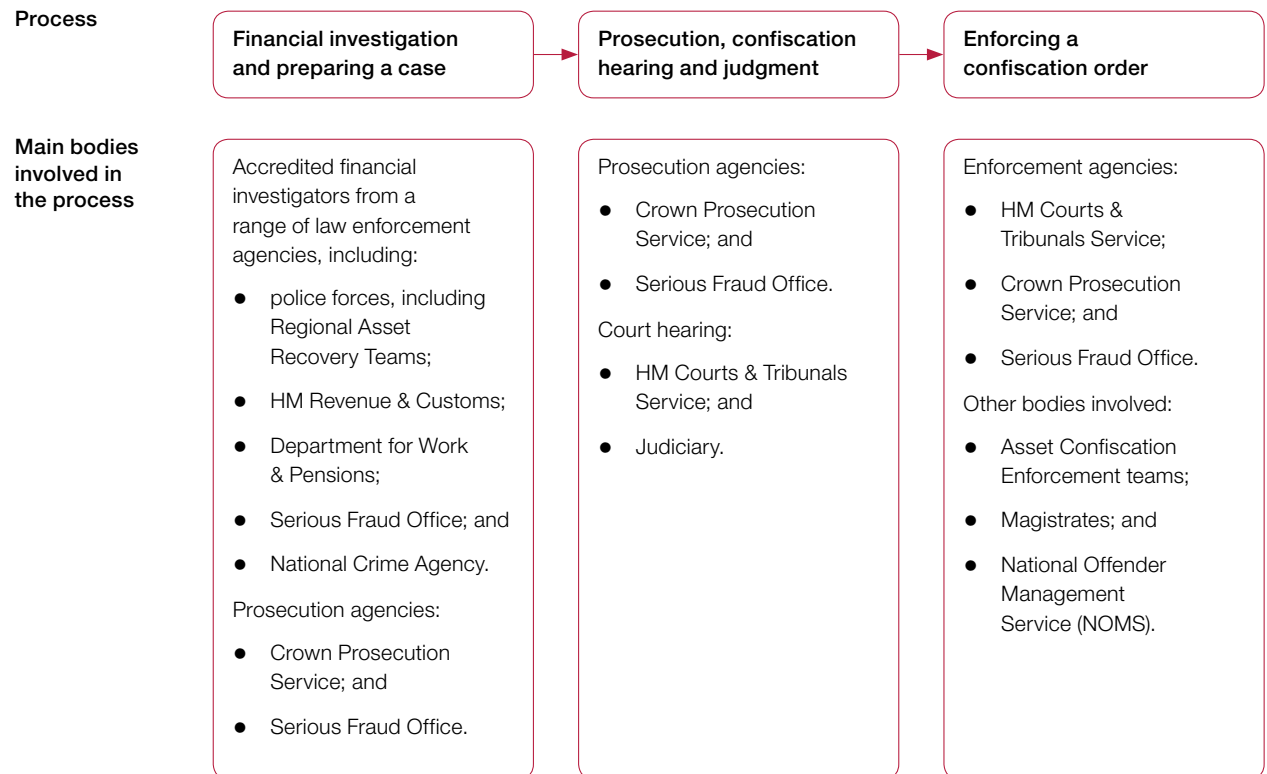
Key facts on confiscation orders:

- In 2015-16 enforcement agencies collected £156 million.

- The total debt outstanding from confiscation orders as at March 2017 was £1.81 billon (£1.76 billion at March 2016).

- HM Courts & Tribunals Service estimates that realistically collectable debt is £128 million (£190 million in 2015-16).

Only a very small proportion of criminal gains can ever be confiscated. In our 2013 report, we found that the actual amount confiscated in 2012-13 amounted to an estimated **26p in every £100** of criminal gains generated.

Since 2014 criminal justice bodies have improved how they administer confiscation orders, with greater focus on enforcement and better joint working across bodies. This led to a £22 million (16%) increase in confiscated income between 2012-13 and 2014-15. But the Committee of Public Accounts expected the confiscation order system as a whole to have been transformed by the end of 2015, and this has not happened.

Main bodies involved in administering costs

Process	Financial investigation and preparing a case	Prosecution, confiscation hearing and judgment	Enforcing a confiscation order
Main bodies involved in the process	Accredited financial investigators from a range of law enforcement agencies, including: • police forces, including Regional Asset Recovery Teams; • HM Revenue & Customs; • Department for Work & Pensions; • Serious Fraud Office; and • National Crime Agency. Prosecution agencies: • Crown Prosecution Service; and • Serious Fraud Office.	Prosecution agencies: • Crown Prosecution Service; and • Serious Fraud Office. Court hearing: • HM Courts & Tribunals Service; and • Judiciary.	Enforcement agencies: • HM Courts & Tribunals Service; • Crown Prosecution Service; and • Serious Fraud Office. Other bodies involved: • Asset Confiscation Enforcement teams; • Magistrates; and • National Offender Management Service (NOMS).

Source: Comptroller and Auditor General, *Criminal Justice System, Confiscation orders: progress review*, Session 2015-16, HC 886, National Audit Office, March 2016

Recent and planned developments

Joint Fraud Taskforce

Launched in February 2016, the Taskforce comprises representatives from government, law enforcement and the banking sector to collaborate on tackling fraud, for example through sharing intelligence and making citizens and businesses more aware of the risk of fraud.

Our Online Fraud report noted that despite the launch of this taskforce, there was still much work to be done by the Home Office, rendering it difficult to judge whether its response to online fraud was proportionate, efficient or effective.

Violence against Women and Girls (VAWG) Strategy

In March 2016 the Home Office launched its strategy to end violence against women and girls, pledging £80 million in funding to 2020.

In the 2017 Spring Budget an additional £20 million was pledged, bringing the total amount to £100 million over the Spending Review period.

What are the things to look out for?

The changing nature of crime

While traditional crimes such as burglary and vehicle offences have declined in recent years, police recorded crimes historically under-reported, such as rape, the sexual exploitation of children, modern slavery, cyber-crime and online fraud, are now increasing. As the face of crime changes, different responses will be needed from government.

Independent Inquiry into Child Sexual Abuse (IICSA)

In July 2014 the then Home Secretary announced an inquiry into whether public bodies and other non-state institutions have taken seriously their duty of care to protect children from sexual abuse.

The IICSA has faced challenges getting established and is onto its fourth Chair, Professor Alexis Jay, appointed in August 2016. The Home Office was criticised over the remuneration arrangements of the third Chair, Dame Lowell Goddard. In its 2016-17 accounts, the Department revealed it had been fined £366,900 for breaching the government's senior pay cap policy regarding the salaries of the fourth IICSA chair and four members of the panel in 2015-16.

The Inquiry is currently ongoing – it has a Management Statement with the Home Office in place and a published work programme until April 2018. Public hearings commenced in February 2017.

Domestic Violence and Abuse Bill

The Queen's Speech 2017 confirmed a draft Domestic Violence and Abuse Bill is forthcoming. The Home Office intends that the bill will include a new domestic abuse prevention and protection order, preserve a definition of domestic abuse in law, and establish a Domestic Violence and Abuse Commissioner.

Control immigration

How is
it delivered?

Flow of people through
the border and
immigration system

Arrivals, asylum and visas

Detentions, removals
and departures

Recent and planned
developments

What are the things
to look out for?

How is it delivered

The Home Office is responsible for controlling immigration, and plays a key role in delivering the government's ambition to reduce annual net migration to the tens of thousands. The Department's borders, immigration and citizenship function is handled by four operational directorates:

- **Border Force (BF)**: secures the UK border by carrying out immigration and customs controls for people and goods at 138 ports and airports across the UK and overseas.

- **Immigration Enforcement (IE)**: prevents abuse, pursues and removes immigration offenders and increases compliance with immigration law.

- **UK Visas and Immigration (UKVI)**: considers applications from visitors to come or remain in the UK.

- **HM Passport Office (HMPO)**: 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 more than 50 passport interview offices across the UK. It also administers the marriage laws and provides a system for the registration of important events (for example births, adoptions, marriages, and deaths).

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.

The Home Office spent £2.3 billion on its four border and immigration directorates in 2016-17.

The Home Office's income from its four border, immigration and citizenship directorates in 2016-17 was £1.9 billion (including £1.2 billion from visas and immigration, £398 million from passport fees and £193 million from the immigration health surcharge).

Control immigration: Key facts

246,000
Estimated net flow of long-term migrants into the UK in the year ending March 2017, down 81,000 from March 2016.
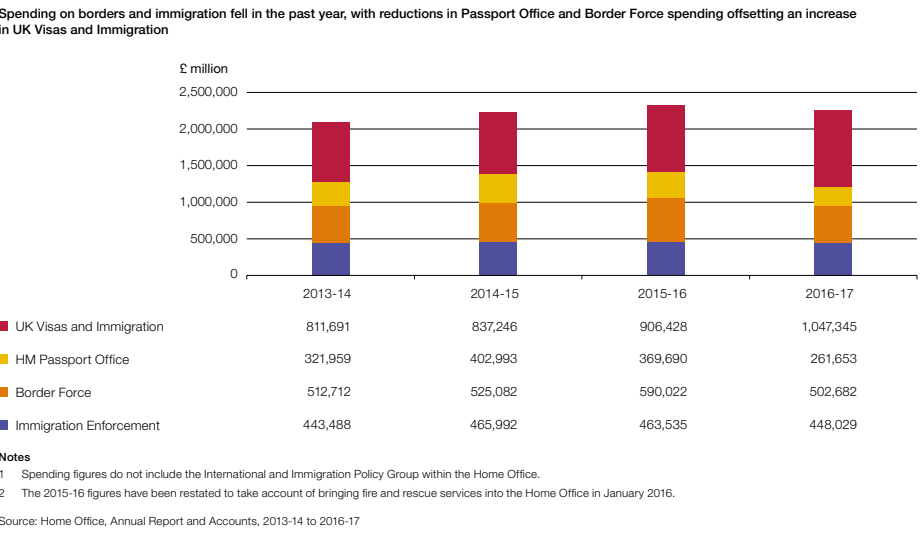
6,071
foreign national offenders
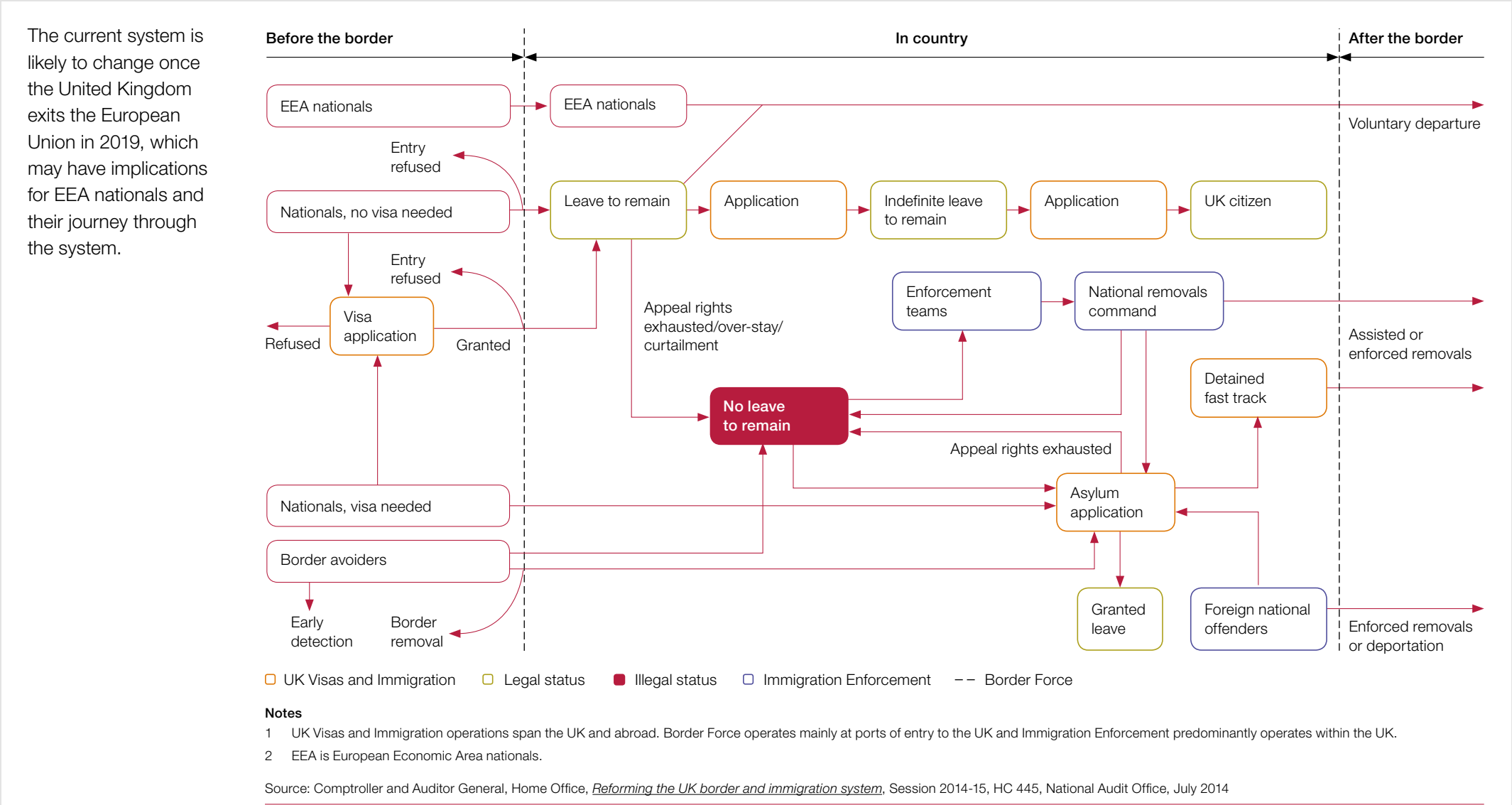Were returned in the year ending June 2017, compared with 6,064 in the year ending June 2016.

£1.9 billion
Income generated by BF, IE, UKVI and HMPO in 2016-17

Expenditure within borders and immigration 2013-14 to 2016-17

Spending on borders and immigration fell in the past year, with reductions in Passport Office and Border Force spending offsetting an increase in UK Visas and Immigration

£ million

	2013-14	2014-15	2015-16	2016-17
UK Visas and Immigration	811,691	837,246	906,428	1,047,345
HM Passport Office	321,959	402,993	369,690	261,653
Border Force	512,712	525,082	590,022	502,682
Immigration Enforcement	443,488	465,992	463,535	448,029

Notes
1. Spending figures do not include the International and Immigration Policy Group within the Home Office.
2. The 2015-16 figures have been restated to take account of bringing fire and rescue services into the Home Office in January 2016.

Source: Home Office, Annual Report and Accounts, 2013-14 to 2016-17

Flow of people through the border, immigration and citizenship system

The current system is likely to change once the United Kingdom exits the European Union in 2019, which may have implications for EEA nationals and their journey through the system.

Before the border | **In country** | **After the border**

EEA nationals → EEA nationals → Voluntary departure

Entry refused

Nationals, no visa needed → Leave to remain → Application → Indefinite leave to remain → Application → UK citizen

Entry refused

Visa application — Refused / Granted

Appeal rights exhausted/over-stay/curtailment

Enforcement teams → National removals command

No leave to remain

Appeal rights exhausted

Assisted or enforced removals

Detained fast track

Nationals, visa needed → Asylum application

Border avoiders

Early detection | Border removal

Granted leave

Foreign national offenders

Enforced removals or deportation

□ 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.

Source: Comptroller and Auditor General, Home Office, _Reforming the UK border and immigration system_, Session 2014-15, HC 445, National Audit Office, July 2014

Arrivals, asylum and visas

6.84 million passports issued in 2016-17, the highest recorded

133.3 million passenger arrivals in the year ending June 2017, an increase of 7.3 million from the end of June 2016

80% rise in the number of British citizenship applications from EU nationals between end of June 2016 and June 2017
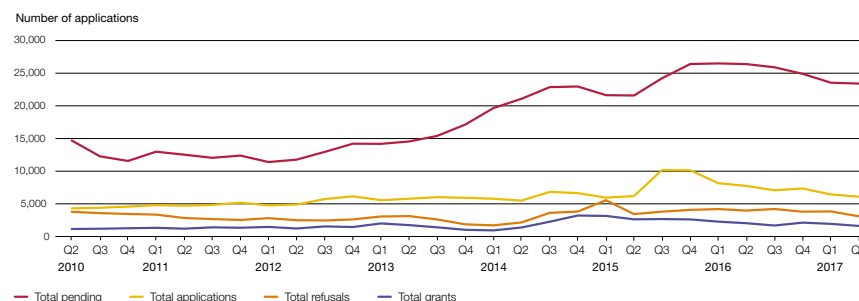
8,525 individuals resettled under the Syrian Vulnerable Persons Resettlement Scheme as of the end of June 2017

27,316 asylum applications in the year ending June 2017, down 25% from the end of June 2016

23,416 of the applications received since April 2006 from main applicants were **pending a decision at the end of June 2017** – 11% less than at the end of June 2016 (26,392)
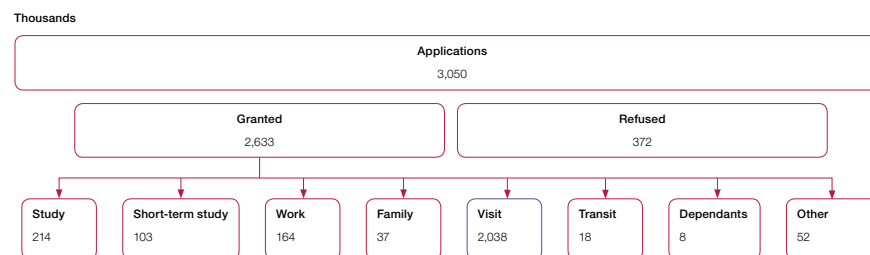
Asylum applications, grants, refusals and applications pending a decision, Q2 2010 – Q1 2017

The Home Office has begun to reduce the backlog of asylum cases pending a decision, which peaked at 26,492 in Q1 2016

Number of applications

— Total pending   — Total applications   — Total refusals   — Total grants

Source: Home Office

As of June 2017, the Department processed:

Thousands

Applications 3,050

Granted 2,633 | Refused 372

Study 214 | Short-term study 103 | Work 164 | Family 37 | Visit 2,038 | Transit 18 | Dependants 8 | Other 52

Top five visitor visa nationalities (thousands) and proportion of total

China	536	26%
India	414	20%
Russia	121	6%
Saudi Arabia	113	6%
Turkey	90	4%
Other	763	37%

Top two nationalities account for more than 40% of all visit visas

Detentions, removals and departures

6,071 foreign national offenders were deported in the year ending June 2017, up from 6,064 in June 2016

10,642 people were subject to enforced removals in the year ending June 2017, down 7% from 11,408 in June 2016

17,135 people were refused entry at port and subsequently deported in the year ending June 2017, down 7% from 18,367 in June 2016

27,819 people entered immigration detention in the year ending June 2017, down 12% from 31,593 in June 2016
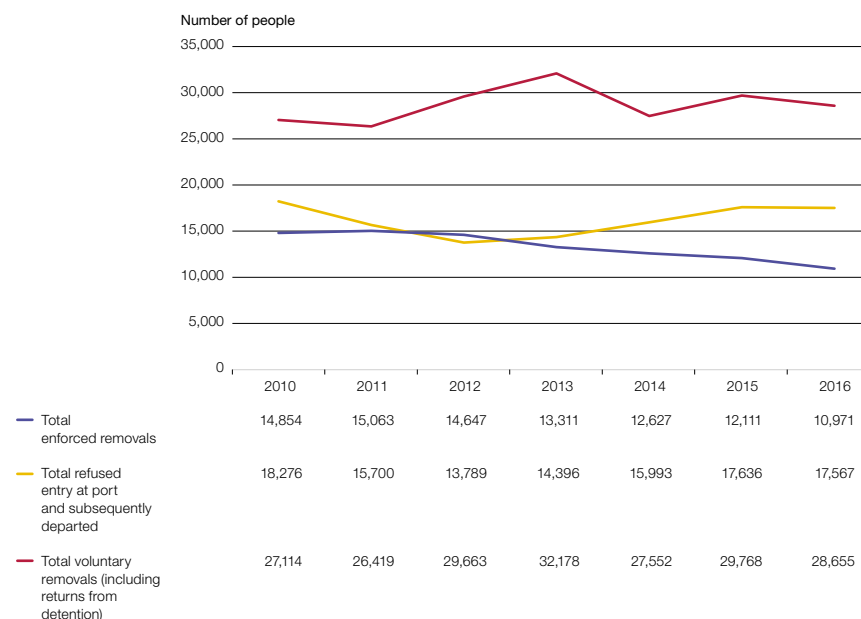
27,862 people left detention in the year ending June 2017, down 13% from 32,067 in June 2016

2,994 people were in detention as of June 2017, 4% more than the number recorded in June 2016 (2,878)

22,822 voluntary returns in the year ending June 2017, of which:

- **1,340** were assisted voluntary returns (where financial assistance is provided);
- **9,913** were controlled returns (where a person notifies the Home Office that they have departed); and
- **11,569** 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).

These figures exclude returns from detention.

Number of removals and voluntary departures from the UK, 2010 to 2016

Number of people

	2010	2011	2012	2013	2014	2015	2016
Total enforced removals	14,854	15,063	14,647	13,311	12,627	12,111	10,971
Total refused entry at port and subsequently departed	18,276	15,700	13,789	14,396	15,993	17,636	17,567
Total voluntary removals (including returns from detention)	27,114	26,419	29,663	32,178	27,552	29,768	28,655

Note

1   The numbers in this figure are presented using calendar years to allow for annual comparisons since 2010.

Source: Home Office

Recent and planned developments

The Syrian Vulnerable Persons Resettlement programme

In January 2014, the UK government established the Syrian Vulnerable Persons Resettlement programme. Our 2016 report found that the original programme had been successfully expanded at speed, with the target to resettle 1,000 Syrian refugees by Christmas 2015 being achieved. By the end of March 2017, 7,307 people have been resettled in the UK under the scheme.

On the July 2017, the Home Office announced that vulnerable refugees of any nationality who had fled the Syrian conflict and were unable to safely return to their home country could now be resettled in the UK.

New programmes and legislation

The Home Office is introducing new programmes to improve its border and immigration functions, including the Immigration Platform Technologies programme, Digital Services at the Border (DSaB) programme and the Home Office Biometrics (HOB) programme, which aims to deliver a single replacement service for current biometric capabilities. The Immigration Act 2016 introduced new sanctions on illegal working and new measures to enforce immigration laws.

What are the things to look out for?

Income generation

The Department's ambition is to develop a fully self-funded borders and immigration system. While directorates such as UK Visas & Immigration and HM Passport Office recover more than they cost, others, including the Border Force, continue to cost more than they recover.

Deport first, appeal later deemed unlawful

The Immigration Act 2014 made provisions for the Home Office to deport foreign national offenders under 'deport first, appeal later' measures, meaning once a decision has been taken to deport a foreign offender they can only lodge an appeal and any papers relevant to their attempt to stay from outside the United Kingdom. The Department claims that as of December 2016, more than 5,700 foreign national offenders had been removed under these provisions.

In June 2017 the Supreme Court ruled that this system for deporting foreign criminals before they had a chance to appeal breached their human rights. The ruling is likely to impact the Department's use of the policy in the future. Following the ruling the Home Office Immigration Minister Brandon Lewis said the department was "disappointed by the Supreme Court's judgment and was carefully considering the implications".

Exiting the European Union

The United Kingdom's planned exit will also impact the Home Office and its directorates (see Exiting the European Union).
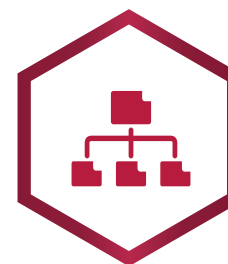
Appendices

Appendix One – Staff and pay

Appendix Two – Staff attitudes and engagement

Appendix Three – Recent NAO reports

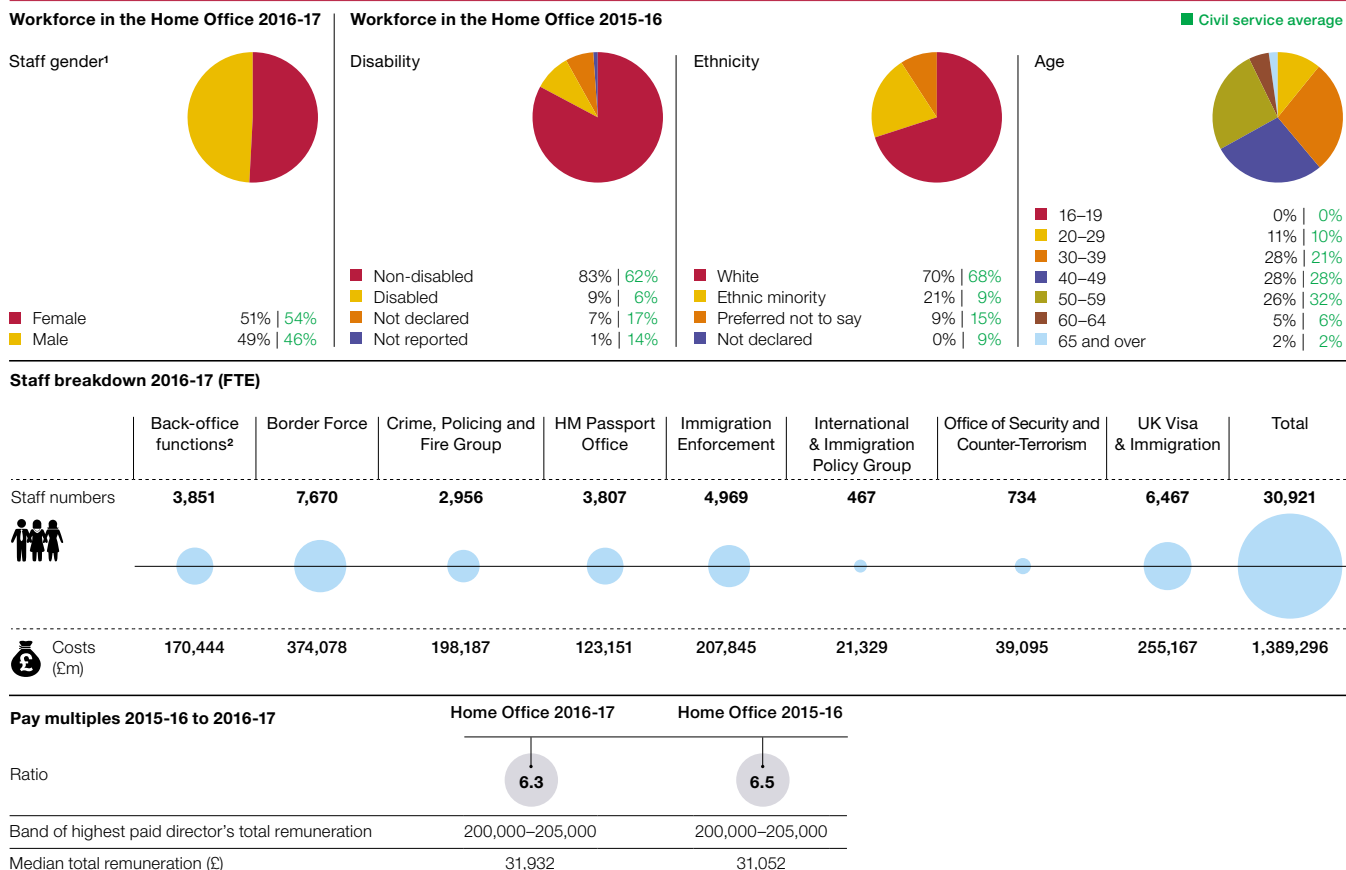Appendix Four – Sponsored public bodies

Appendix One – Staff and pay

Staffing levels: In 2016-17, the Department employed 30,921 staff at a cost of £1.4 billion.

Diversity: In 2016-17 just over half of Home Office staff were female. In 2015-16 nearly one in four of Home Office staff were from an ethnic minority background (21%), compared with the civil service average of 9%. The composition of the Home Office's workforce by age broadly matched that of the civil service as a whole.

Pay: The ratio of the highest paid director's pay to median staff pay within the core department was 6.3. In 2015-16 the ratio was 6.5.

Capability: In February 2016 the Home Office stated its intention to deliver transformational change in key areas of its business within its single departmental plan. However, our report on Capability in the civil service found the civil service has a shortage of key skills that it needs to deliver departmental transformation, major projects and preparations to exit the European Union.

Workforce in the Home Office 2016-17

Staff gender[1]

Workforce in the Home Office 2015-16

Civil service average

Staff gender		
Female	51%	54%
Male	49%	46%

Disability

Disability		
Non-disabled	83%	62%
Disabled	9%	6%
Not declared	7%	17%
Not reported	1%	14%

Ethnicity

Ethnicity		
White	70%	68%
Ethnic minority	21%	9%
Preferred not to say	9%	15%
Not declared	0%	9%

Age

Age		
16–19	0%	0%
20–29	11%	10%
30–39	28%	21%
40–49	28%	28%
50–59	26%	32%
60–64	5%	6%
65 and over	2%	2%

Staff breakdown 2016-17 (FTE)

	Back-office functions[2]	Border Force	Crime, Policing and Fire Group	HM Passport Office	Immigration Enforcement	International & Immigration Policy Group	Office of Security and Counter-Terrorism	UK Visa & Immigration	Total
Staff numbers	3,851	7,670	2,956	3,807	4,969	467	734	6,467	30,921
Costs (£m)	170,444	374,078	198,187	123,151	207,845	21,329	39,095	255,167	1,389,296

Pay multiples 2015-16 to 2016-17

	Home Office 2016-17	Home Office 2015-16
Ratio	6.3	6.5
Band of highest paid director's total remuneration	200,000–205,000	200,000–205,000
Median total remuneration (£)	31,932	31,052

Notes

1   Based on headcount of all staff (not full-time equivalent) as at 31 March 2017. Includes permanent and temporary employees.

2   The number of staff employed for back-office functions includes two staff engaged in capital projects.

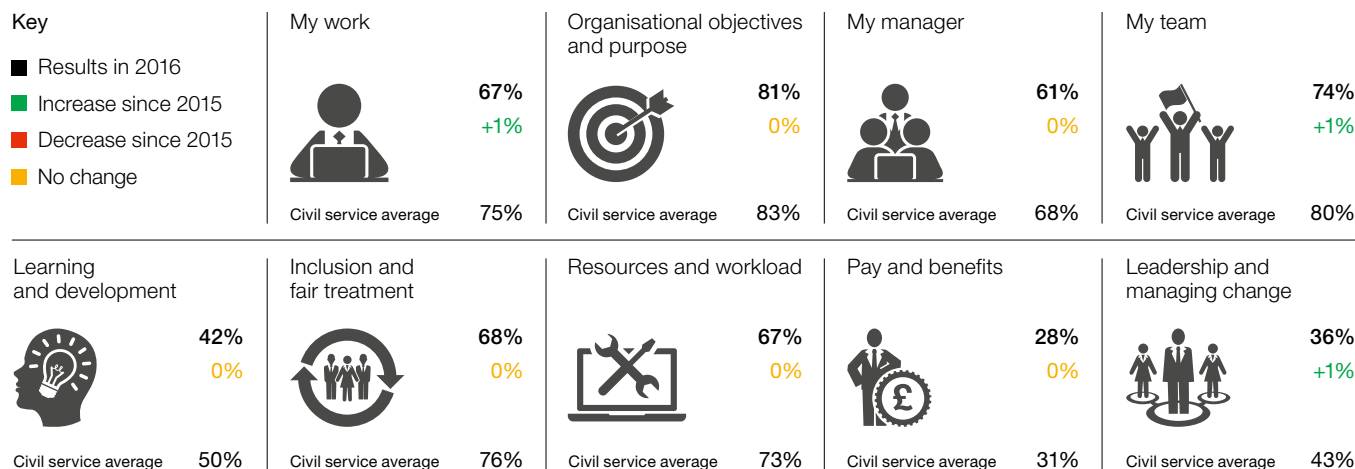Sources: Home Office Annual Report and Accounts 2016-17, Office for National Statistics

Appendix Two – Staff attitudes and engagement

The government has conducted its Civil Service People Survey annually for the past eight years. The most recent survey was published in November 2016.

The Home Office group (including the combined results from policy and enablers, Border Force, Immigration Enforcement, UK Visas and Immigration and HM Passport Office) scored less than the civil service average on all key themes within the survey. The highest scores were on staff's understanding of the Home Office organisational objectives and purpose (81%) and working relationships with their team (74%). The Department's lowest score was on pay and benefits ('whether my pay adequately reflects my performance'; satisfaction with the total benefits package; and whether pay is reasonable compared to people doing a similar job in other organisations).
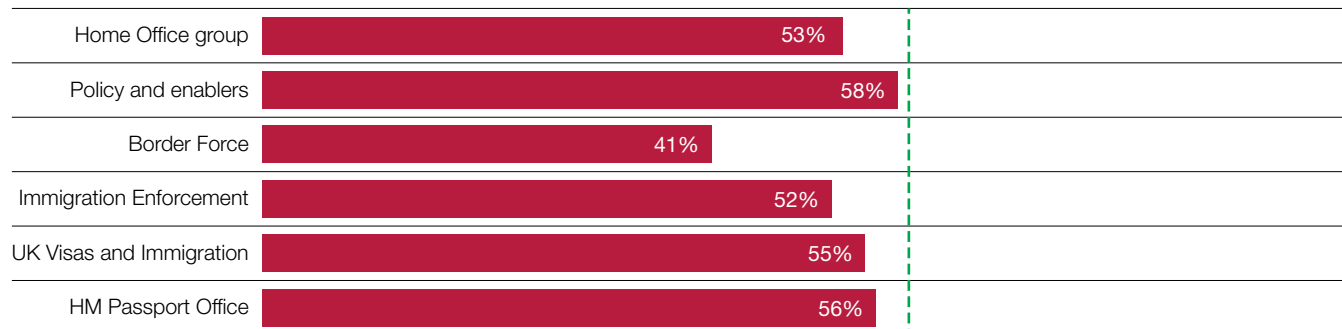
The employee engagement index is the main assessment of the People Survey, measuring an employee's emotional response to working for their organisation. In 2016, the Home Office and its constituent bodies all scored between one and 18 percentage points lower than the civil service average engagement score of 59%. The engagement index for the Border Force was notably low at 41%, and was the lowest engagement index score across the civil service.

Attitudes of staff in 2016 compared with 2015 – Home Office

Key
- ■ Results in 2016
- ■ Increase since 2015
- ■ Decrease since 2015
- ■ No change

My work	67% +1%	
Civil service average	75%	

| Organisational objectives and purpose | 81% 0% |
| Civil service average | 83% |

| My manager | 61% 0% |
| Civil service average | 68% |

| My team | 74% +1% |
| Civil service average | 80% |

| Learning and development | 42% 0% |
| Civil service average | 50% |

| Inclusion and fair treatment | 68% 0% |
| Civil service average | 76% |

| Resources and workload | 67% 0% |
| Civil service average | 73% |

| Pay and benefits | 28% 0% |
| Civil service average | 31% |

| Leadership and managing change | 36% +1% |
| Civil service average | 43% |

Engagement index 2016

-- Civil service benchmark 2016 (59%)

Home Office group	53%
Policy and enablers	58%
Border Force	41%
Immigration Enforcement	52%
UK Visas and Immigration	55%
HM Passport Office	56%

Sources: Civil Service People Survey 2016 and 2015

Appendix Three – Recent NAO reports

Title	Publication date	Description
Online Fraud	30 June 2017	The report examines how the nature and scale of the threat of online fraud is growing and changing, and how the Home Office is working with police forces and police and crime commissioners; other government departments and agencies; and industry experts to prevent and reduce online fraud.
Report on the funding and governance of Broken Rainbow	27 April 2017	This report looks into the funding and oversight of the charity Broken Rainbow. The report reviews the financial management and oversight of the charity, the clarity of its grant arrangements and the role of the public bodies who were concerned with the charity.
Upgrading emergency service communications: the Emergency Services Network	15 September 2016	This report examines the significant upcoming challenges that the Emergency Services Mobile Communications Programme will need to manage if it is to be successful, how it is managing them and why it has chosen this approach.
Syrian Vulnerable Persons Resettlement programme	13 September 2016	This report examined the achievements of the programme to date, the processes in place to deliver the programme, progress against the targets set, the risks to future delivery of the programme and whether these are being addressed.
Yarl's Wood Immigration Removal Centre	7 July 2016	Concerns about operations and the quality of the services and facilities provided at Yarl's Wood were first raised directly with us in late 2014 to early 2015 and came from several sources. Yarl's Wood was also the subject of several independent reviews. Our investigation focused on the new contract management arrangements.
Confiscation orders: progress review	11 March 2016	This report reviews the progress that the criminal justice bodies have made in reforming the confiscation orders system since early 2014.
E-borders and successor programmes	7 December 2015	This report looked at the progress of the Department between 2003 and 2015 on improving the systems that collect and analyse data before people enter the UK.
Financial sustainability of police forces in England and Wales	4 June 2015	Our report examined whether the Department, with other policing stakeholders, has effectively managed the risks of reduced police funding.

Appendix Four – Links to the websites of sponsored public bodies

Executive non-departmental public bodies

Disclosure and Barring Service
www.gov.uk/government/organisations/disclosure-and-barring-service

Helping employers make safer recruitment decisions and prevent unsuitable people from working with vulnerable groups, including children.

Independent Police Complaints Commission
www.ipcc.gov.uk/

Overseeing the police complaints system in England and Wales and setting the standards by which the police should handle complaints.

Office of the Immigration Services Commissioner
www.gov.uk/government/organisations/office-of-the-immigration-services-commissioner

Regulating immigration advisers, ensuring they are fit and competent and act in the best interest of their clients.

Security Industry Authority
www.sia.homeoffice.gov.uk/Pages/home.aspx

Regulating the private security industry in the UK.

Gangmasters and Labour Abuse Authority
www.gla.gov.uk/

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.

Other entities

College of Policing
www.college.police.uk/

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

Advisory non-departmental public bodies

Advisory Council on the Misuse of Drugs
www.gov.uk/government/organisations/advisory-council-on-the-misuse-of-drugs

Making recommendations to government on the control of dangerous or otherwise harmful drugs, including classification and regulations.

Animals in Science Committee
www.gov.uk/government/organisations/animals-in-science-committee

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
www.gov.uk/government/organisations/migration-advisory-committee

Advising the government on migration issues.

National DNA Database Ethics Group
www.gov.uk/government/organisations/national-dna-database-ethics-group

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
www.gov.uk/government/organisations/police-advisory-board-for-england-and-wales

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

Technical Advisory Board
www.gov.uk/government/organisations/technical-advisory-board

Advising the Home Secretary on whether the obligations imposed on communications service providers under the terms of the Regulation of Investigatory Powers Act are reasonable.

Tribunal non-departmental public bodies

Investigatory Powers Tribunal
www.ipt-uk.com/

Investigating human rights claims and interference complaints against public authorities.

Office of Surveillance Commissioners
https://osc.independent.gov.uk/

Overseeing the use of covert surveillance by designated public authorities.