



 **NCA**
National Crime Agency

National Crime Agency

Annual Report and Accounts

2019-20



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National Crime Agency Annual Report and Accounts 2019-20

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Foreword by the Home Secretary

Serious and Organised Crime (SOC) destroys lives and the NCA are at the heart of our mission to protect victims and bring criminal gangs to justice. Their officers confront some of the highest harm crimes in the UK, from child sexual abuse and the scourge of dangerous drugs, to organised immigration crime and fraud. From phishing emails to the abuse of our children, these appalling crimes affect us all.

This report details some of the extraordinary success the Agency has had in keeping our streets, communities and country safe. Over the past year, NCA activity has led to the seizure of 685 firearms in the UK and abroad, the arrest of 192 of the most heinous child sex offenders, and the safeguarding of over 230 potential victims of modern slavery and human trafficking. Their achievements speak for themselves, with a 34% increase in recorded disruptions, worldwide seizures of 95 tonnes of cocaine, and almost £160 million of criminal assets frozen or seized. I thank them for their tireless work to protect the public and pursue these vile criminals.

The NCA's relentless mission to end the very worst criminality is evident in this report, and it shone through as they recently led the UK's biggest ever operation against organised crime after cracking an encrypted communication service used by hardened criminals. Their professionalism and dedication was clear as I joined one of many raids as they swooped on countless suspects and dismantled entire criminal gangs.

The work of the NCA has never been more important as SOC evolves in both scale and complexity. This is harming individuals and communities, with ruthless gangs using increasingly sophisticated methods to prey on the vulnerable. The NCA National Strategic Assessment sets out the diversity and sophistication of this threat.

Our response needs to evolve to keep pace and be unrelenting in our pursuit of organised criminals to bring them to justice and see that their illegal enterprises are dismantled. That is why this Government committed to strengthen the NCA in our General Election manifesto, and why I will continue to empower them to take down the criminals blighting our communities, threatening our families and exploiting the vulnerable.

We owe the NCA and their courageous officers a debt of gratitude and our full support. I will continue to ensure they have the tools they need to continue the fight against some of the world's worst criminals.

Tackling the corrosive threat from SOC is a huge challenge. But with the leadership, talent and ambition of the NCA, I have every confidence that we will continue to meet that challenge head on.

Rt Hon Priti Patel MP

Part One

Performance Report



NCA
National Crime Agency



Foreword by the Director General

The threat to the UK from serious and organised crime remains chronic and corrosive. Criminals are using new technologies to find different ways to identify victims, exploit the vulnerable and hide both their identities and the proceeds of their crime. The National Crime Agency leads the UK's fight against these criminals, operating to disrupt those that inflict the most harm on our communities. This annual report sets out some of the highlights from the tireless work undertaken by our officers to protect the public.

It has never been clearer that serious and organised crime is an international threat that transcends boundaries and borders. Our successes in this report show how closely the NCA works with UK and international partners to disrupt offenders wherever their activity is based.

The changes in the way criminals operate, covered in detail in the annual National Strategic Assessment¹ creates the need for an increasingly co-ordinated response from law enforcement and other partners to effectively tackle the threat. This was also considered by Sir Craig Mackey in his Independent Review of Serious and Organised Crime commissioned by the government. The annual assessment of the threat and the review will provide important context for the forthcoming spending review.

The Agency continues to evolve. As set out in this report, we are investing in new capabilities and developing groundbreaking expertise to stay ahead of the threat. As an example, this has been the first full year of operation of the National Data Exploitation Capability (NDEC). Through its innovative use of machine learning and artificial intelligence it is reducing the time taken to

ingest, process and exploit data leading to faster identification of high-risk offenders and swifter interventions to protect victims and communities from harm.

The NCA remains committed to its people. As well as developing and retaining talented people within the Agency, I am pleased to have welcomed over 1,000 new officers this year. They bring with them a wealth of experience and expertise from diverse backgrounds to enable the Agency to advance its fight against serious and organised crime.

All of this has led to a successful year for the Agency in which we have secured over 1,000 arrests, the highest annual total recorded by the NCA. None of it would have been possible without the dedication and commitment of NCA officers. I am exceptionally proud to continue to lead them knowing that their daily efforts result in the greater protection of the public that we serve.

A handwritten signature in black ink that reads "Lynne Owens".

Lynne Owens

¹ National Strategic Assessment of Serious and Organised Crime 2019

Who we are

The National Crime Agency is the UK’s national law enforcement agency. Its mission is to protect the public by leading the UK’s fight to cut serious and organised crime (SOC), and its scope extends to crimes committed across the UK.

The main categories of serious offences covered by the term are: child sexual abuse; modern slavery and human trafficking; organised immigration crime; illegal drugs and firearms; organised acquisitive crime; cyber crime; fraud; money laundering; and bribery, corruption and sanctions evasion. SOC is defined in the 2018 Serious and Organised Crime Strategy² as individuals planning, coordinating and committing serious offences, whether individually, in groups and/or as part of transnational networks.

Serious and organised crime affects more UK citizens, more often, than any other national security threat. It is conservatively estimated to cost the UK economy £37 billion per year³. Criminals responsible for these threats inflict devastating and insidious harm on individuals, businesses and communities across the UK. In accordance with strategic priorities set by the Government, the Agency operates by:

- Relentlessly disrupting the highest harm serious and organised criminals and networks, and targeting their profits;
- Safeguarding vulnerable individuals and victims of serious and organised crime;
- Producing and maintaining the threat to the UK from serious and organised crime, and continually improving the intelligence picture;
- Leading, supporting and coordinating operational activity across law enforcement, and in doing so improving the overall understanding of where the capabilities to tackle serious and organised crime are held and where they are most in need of development;
- Developing and delivering the capabilities needed to more effectively and efficiently tackle the threat from SOC;

- Tackling illicit finance, which is both an enabler and product of serious and organised crime.

In the UK the Agency works with other public bodies to reduce the harm caused by SOC. These include law enforcement partners such as police forces, Border Force, Immigration Enforcement and the Serious Fraud Office (SFO); intelligence agencies; and government departments and agencies such as Her Majesty’s Revenue and Customs (HMRC). The Agency also works with international law enforcement partners; the voluntary, charitable and academic sectors; and private industry in fields including financial services, technology and security.

Our Structure

The Agency is a Non-Ministerial Department of the Home Office.

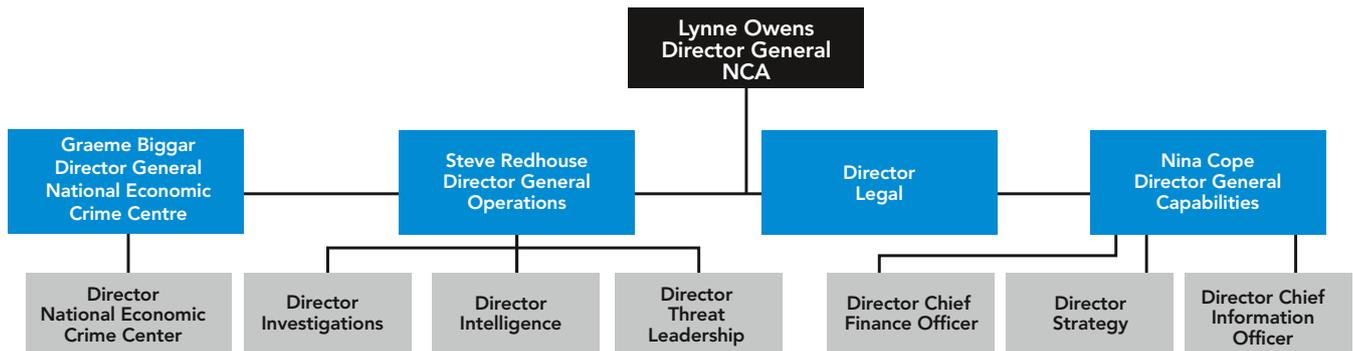
The Director General is the head of the NCA and the Agency’s Accounting Officer. The Director General is accountable to the Home Secretary for Agency performance, and through the Home Secretary to Parliament. She is supported by the Director General, Operations; the Director General, Capabilities; and the Director General, National Economic Crime Centre. They in turn are supported by a team of Directors.



² Home Office, ‘Serious and Organised Crime Strategy’, November 2018

³ Home Office, ‘Understanding Organised Crime 2015/16: Estimating the Scale and the Social and Economic Costs’, second edition, Research Report 103, February 2019. Estimate uses 2015/16 as a baseline, does not include threats such as money laundering, fraud against the individual, or bribery and corruption.

The diagram below shows the NCA's high-level organisational structure as at 31 March 2020.



The annual report

This report details the NCA's performance over the past year against the national priorities for serious and organised crime that are set out in the National Strategic Assessment, and the Agency's operational priorities as agreed in the Annual Plan⁴.

For each priority, this report sets out the context and key areas of focus that were agreed for the year, and then details the principal activities and successes. Case studies are provided to bring to life the work of the Agency, to celebrate the achievements of its people, and to highlight the impact of the Agency in keeping the public safe from the most high-risk high-harm types of crime.

This report focuses on the period from 1 April 2019 - 31 March 2020. (In some instances, due to the availability of data, other time periods are referenced.)

National Strategic Assessment

Each year, the Agency produces a single picture of the threat from serious and organised crime, which is published in the National Strategic Assessment (NSA 2019). This document informs the national response to prioritising threats, and helps the NCA coordinate its response to the threats under its remit. Developed in conjunction with the National Strategic Tasking and Coordination Group, the NSA 2019 groups the threats into three categories based on their impact on our society and the type of response required to tackle them. These constitute the NCA's national priorities to identify and disrupt criminals and Organised Crime Groups (OCGs) to diminish their capability to:

- **Exploit the vulnerable:** Tackling offenders who perpetrate modern slavery, human trafficking, people smuggling, and child sexual abuse and exploitation;
- **Dominate communities:** Disrupting and dismantling wholesale drugs networks and the illegal firearms trade, the two commodities which have the most corrosive effect on our communities;
- **Undermine the UK's economy and infrastructure:** Responding to criminality relating to the syphoning-off of money through illicit transactions and cyber-crime.

Annual Plan – operational priorities

The Agency also produces an Annual Plan which sets out its operational priorities for the year ahead. For 2019/20 these were:

- To enhance the intelligence picture of existing and emerging serious and organised crime threats to the UK;
- To operate proactively at the high end of high risk, undertaking significant investigations resulting in offenders being brought to justice;
- To lead, task, coordinate and support operational activity by proactively sharing intelligence, assets and capabilities with partners;
- To develop and deliver specialist crime capabilities and services to counter SOC where this is best done nationally;
- To enhance Agency capability and credibility, to lead the fight to cut serious and organised crime and to retain the trust and confidence of the public.

⁴ National Crime Agency Annual Plan 2019-20

Financial summary

Financial Outturn

The NCA is funded by Parliamentary Supply and is accountable to the Home Secretary for its performance. In 2019-20, the NCA Resource Departmental Expenditure Limit (RDEL) was £489m, the Capital Departmental Expenditure Limit (CDEL) was £66m, and the Annually Managed Expenditure (AME) estimate was £75m.

In addition to Parliamentary Supply, the Agency receives funding from other sources, which includes government and non-government departments. These funding streams can be for the purposes of:

- Specific projects;
- To enhance the Agency's ability to tackle specific crime types;
- National programmes, such as the National Cyber Security Programme.

Details of additional funding are shown within Part 3 of this report.



The Director General is fully accountable for the NCA's core and non-core budget. The Agency has performed within its financial limits for each budget element, as shown in the table below:

Departmental Expenditure Limit (DEL)	Estimate £'000	Outturn £'000	Underspend £'000
- Resource	489,360	485,008	4,352
- Capital	66,380	63,625	2,755
Annually Managed Expenditure (AME)			
- Resource	75,000	40,538	34,462
Total	630,740	589,171	41,569
Externally funded	Budget	Outturn	Variance
- Resource	95,970	82,460	13,390
- Capital	10,660	7,610	3,050
Total	106,630	90,070	16,440

This table reflects the unqualified opinion the Agency has received from the Comptroller and Auditor General as a result of the 2019-20 year-end audit.

Resource DEL and Capital DEL underspend were within the board tolerance and highlighting a high degree of efficiency of financial management in the period.

AME expenditure relates primarily to changes in provisions as a result of changes in discount rates to which NCA has no control over. We take a prudent approach to Estimate in AME and the underspend relates to a lower than expected impact in estimation of provisions – Police Pension and general provisions.

Externally funded expenditure relates to projects the NCA operates a fully cost recovery regime up to the funding limit. Although the variance is significant, early reporting to funding providers assisted with timely redeployment.

The NCA does not benefit from any underspend in either the delegated budget or externally funded non-core budgets. Underspend in the delegated budget is returned to HM Treasury. Expenditure on non-core activity is fully off-set by income received from the funding provider.

A further breakdown of the Agency's financial performance is provided in the Statement of Parliamentary Supply.

Going Concern Statement

Under the going concern assumption, an entity is viewed as continuing in business for the foreseeable future.

The Statement of Financial Position as at 31 March 2020 shows a net liability of £741m (2018-19: net liability £640m). This is largely due to a pensions' liability of £936m. This does not adversely impact the going concern status, as the liability is fully funded by Parliamentary Supply.

In common with other government departments, the future financing of the Agency's liability is to be met by future grants of Parliamentary Supply and the application of future income, both to be approved by Parliament. Therefore, it is appropriate to adopt a going concern basis for the preparation of these financial statements.



Financial Management

The NCA maintains a medium term financial plan (MFTP) which focuses on setting plans and controls for the next 3 to 5 years.

The NCA has structures and processes in place to ensure that it operates effective financial management. In accordance with the Government Finance Function's strategy, Finance are at the heart of decision-making at the NCA. They are central to the Agency's decision making, with the Chief Finance Officer being a member of the NCA Board. Finance-focused operations and value for money considerations permeate through the Agency through various structures, controls and processes.

Resource meetings are held by the Chief Finance Officer with Directors monthly and chaired by the Directors General on a quarterly basis. These meetings are a means to monitor and review both financial and workforce resources and value for money. Financial performance is tested against forecast outturns, and metrics such as purchase-order compliance are monitored against Board-sponsored targets. Workforce data is discussed in conjunction with updates on recruitment and other HR metrics, with Directors held accountable for any under- or over-resourcing. This approach enables decisions regarding emerging pressures or opportunities for re-investment to be made expediently.

The NCA's transformation programme responds to the rapidly advancing use of technology by criminals. Within limited funding, the NCA prioritises its investments to ensure it can develop and use advanced tools and resources to effectively fight the most sophisticated instances of serious and organised crime. Given finite resources and our focus on delivering value for money, it is essential that Finance is involved in evaluating and planning for future investments as part of this programme, to enable the Agency to strike the correct balance between day-to-day operations and anticipating future demands.

The NCA's financial statements are audited by the National Audit Office on behalf of the Comptroller and Auditor General each year, further details of which can be found on pages 37 and 63 of this report. In addition, in June 2019, the NAO published its report "*Tackling Serious and Organised Crime*" which included the work of the NCA. The Committee of Public Accounts published its associated report in September 2019.

Context for our work

The NCA continued to deliver against its serious and organised crime objectives in a particularly challenging year. The single-year budget allocation ahead of a three-year spending review required an even more relentless focus on delivery of operational priorities. It also meant in-year reprioritisation of the Agency's Transformation Portfolio, to reschedule delivery. This was further impacted by changes required to enable the Agency to respond at speed to the Covid-19 pandemic. At the time of publication, the full impact of the pandemic on the serious and organised crime threat is still emerging, and we will report on this in more detail next year.



EU Exit

In the lead-up to the UK exiting the European Union on 31 January 2020 the NCA contributed extensively to the government's preparations.

Throughout the year the Agency worked with law enforcement partners to fully understand the operational implications associated with a 'no deal' exit. The Agency continues to work with the Home Office and operational partners to develop robust plans for the NCA itself and the wider law enforcement system.

Covid-19

In recent months the NCA has responded to the Covid-19 pandemic, which has required rapid assessment of new threats and pressures. The NCA's ability to respond at pace has already delivered exceptional results as shown in Operation Venetic, demonstrating its flexibility in responding to unanticipated events and to manage large evolving risks.

Following the UK's entrance into lockdown on 23 March 2020, the NCA undertook a rapid assessment of how the organised crime groups were responding to the new environment and this continues on a daily basis. The initial assessment indicated that criminals were likely to adapt to the new circumstances with likely increases in the threats from hidden-harms, including child sexual abuse, cyber and fraud (particularly those using Covid-19 as a lure; for example, the online sale of PPE).

The NCA rapidly redeployed its operational response against the increased threat areas. This has included the Agency's National Economic Crime Centre providing ongoing leadership across law enforcement to the response to Covid-19-related fraud.

During the lockdown the Agency has accelerated its innovative use of technology to overcome challenges in communicating with the criminal justice system. Internally, the Agency has also successfully introduced a range of online tools which enabled it to continue recruiting and onboarding staff during this period and ensuring that operational capability was maintained.

In terms of the Agency's ability to deliver future capabilities, Covid-19 is assessed to risk impacting the delivery costs and timescales for the Transformation Portfolio. This will continue to be monitored through 2020-21.



Our year in numbers

The NCA's strong operational achievements against those responsible for the SOC threat are shown in metrics that reflect the breadth of Agency activity. The total volume of NCA disruptions⁵ in 2019-20 exceeded the 2018-19 total and is the highest annual total recorded by the NCA to date. NCA Over 800 operations against the highest harm criminals and groups;

- 2,507 recorded disruptions, the highest annual figure to date and a 34% increase on the total for 2018-19, with 25% of these being classed as of "Major" or "Moderate" impact compared to 21% previously;
- Over 1,000 arrests in the UK by NCA officers (a 40% increase), and over 600 abroad;
- The conviction of 376 offenders and in excess of 2,000 years of custodial sentences handed down, with a conviction rate at court of 94%;

- 295 guilty pleas following NCA investigations, which are estimated to have saved almost £6.5m in costs to the justice system;
- Over 1,000 occasions where NCA specialist skills and techniques have been used to support partners tackling serious and organised crime in the UK and overseas;
- Almost £150m of criminal assets frozen or seized and £9m forfeited;
- 685 firearms seized in the UK and abroad.

⁵ The terminology of disruptions refers to event-based disruptions, assessing the impact of law enforcement activity against an Organised Crime Group (OCG), key individual or specific vulnerability. A disruption has been achieved when intentional activity leads to an OCG or individual being unable to operate at its usual level of activity, or where the risk posed by a National Control Strategy (NCS) threat or vulnerability is diminished, for a period of time

Exploit the vulnerable

The criminal activities of child sexual abuse and exploitation, trafficking, servitude, fraud and other forms of abuse collectively exploit the most vulnerable individuals in society. The NCA has taken significant strides this year in better targeting high-harm offenders and collaborating with partners to safeguard potential victims.

Child Sexual Abuse and Exploitation

As set out in the NSA 2019 the Child Sexual Abuse and Exploitation (CSAE) threat remains significant both in terms of scale and impact. It is estimated that approximately 300,000 individuals in the UK present some kind of sexual threat to children, either through physical-contact abuse or online. The main driver of CSAE is sexual gratification and, since a growing proportion of recorded offences take place online, major enablers of CSAE are the privacy of the family environment, access to the internet, and increasing use of the dark web and anonymisation technologies. CSAE remains a largely hidden crime, and prevention requires multi-agency cooperation at a local level.

Increases in CSAE referrals to the NCA from online industry have resulted in a 41% increase (from 8,110 to 11,451) in packages disseminated from the NCA to UK police forces and overseas law enforcement partners for action.

The Agency also takes assertive action against those who seek to abuse children, including through the viewing of indecent images; in 2019 the NCA arrested 192 of the most heinous CSAE offenders.

By targeting the NCA's response towards activity that causes the greatest harm to the most vulnerable victims the Agency has successfully increased the volume of disruptions.

NCA activity in this area now accounts for 13% of online CSAE arrests.

The Agency's triaging of cases ensures that specialist technical skills can be deployed to identify the most harmful offenders across the UK, and to pursue them. 69% of the 7,212 arrests made by law enforcement agencies against online CSAE in 2019/20 stemmed from triaged NCA intelligence.

A woman who livestreamed footage of herself sexually abusing a girl under the age of 13 over Skype in exchange for money was jailed for six years in December 2019. She was caught following an investigation into another woman, who was also sexually abusing children for money and selling videos of the abuse via an adult service website. This woman was also convicted of committing abuse abroad and was jailed for 12 years and 4 months.

The link between the two women was a man who had purchased videos from both the women and stored them on an encrypted hard drive. He was convicted of 11 offences and jailed for eight years.



Modern Slavery and Human Trafficking

The National Referral Mechanism, the framework for identifying and referring potential victims of modern slavery and ensuring they receive appropriate support, was transferred from the NCA to the Single Competent Authority in the Home Office in April 2019. The NCA continues to provide tactical advice to law enforcement MSHT investigations nationally, including advice on how to use the NRM process.

In 2018 there were 6,993 referrals of potential victims of human trafficking to the National Referral Mechanism⁶. Taken together these referrals show how offenders seek to exploit the vulnerable:

- The number of minors referred increased by 48% compared to 2017;
- Most recruitment of victims still takes place face-to-face, although offenders increasingly use online deception to attract or contact potential victims;
- Offenders target a wide range of vulnerabilities to recruit adults and children into exploitation.

During 2019-20 the NCA coordinated multi-agency law enforcement activity across the UK and internationally to tackle MSHT under Project AIDANT. This resulted in over 150 arrests, and the safeguarding of over 230 potential victims.

The NCA's dedicated MSHT Tactical Advice team provides support to MSHT investigations across the UK assisting with prosecutions. This team also uses the Agency's International Liaison Officer network to facilitate enquiries overseas. Over the past year the team provided 695 instances of advice, and deployment of the team led to 72 disruptions.

Traffickers often advertise victims on Adult Services Websites, which continue to be a prevalent enabler of sexual exploitation. The Agency has worked to enable digital companies to more easily identify examples of MSHT and sexual exploitation on their platforms and report them to law enforcement.

The NCA led an investigation into a man who ran a network of over 400 properties used by organised crime groups involved in prostitution, cannabis farming and illegal immigration. Criminal groups had set them up as brothels, cannabis farms or to house illegal immigrant, and this network was in operation for at least three and a half years until his arrest. Officers raided his flat and a secure storage unit, finding 31 different false or fraudulent passports as well as numerous ID documents and £94,000 cash. The man was convicted of fraud and money laundering and was sentenced to over seven years in prison.



6 National Strategic Assessment 2019

Organised Immigration Crime

Organised Immigration Crime (OIC) involves the facilitation by organised crime groups (OCGs) of a person or persons across borders without legal permission or documentation. This type of crime puts vulnerable victims' lives at risk in the pursuit of criminal profit. These victims are typically irregular migrants – persons migrating to a country in which they are not entitled to reside.

The NSA 2019 set out that OCGs were involved at all stages of migrants' journeys, from source countries and into the UK. The deployment of tighter border controls and physical barriers in the Balkans and within the EU has resulted in, increasing numbers of irregular migrants seeking the assistance of criminal smugglers.

Many smugglers attempt to evade detection at the border by placing migrants in shipping containers and refrigerated HGVs.



The NCA has worked in the UK and with international partners to disrupt the threat from OIC. The NCA targets the methods which constitute the most significant risk to victims, including the use of small boats to cross the Channel. In this reporting period the Agency has arrested over 100 people in the UK connected with this type of offence; additionally, there have been multiple investigations undertaken and arrests made by overseas agencies as a result of NCA proactive development and sharing of intelligence in this area.

This year the NCA's international network provided extensive and ongoing support in response to the tragic deaths of 39 Vietnamese victims in Purfleet, Essex in October 2019. International specialists were deployed to assist Essex Police and NCA international liaison officers (ILOs) coordinated activity with law enforcement partners in a number of jurisdictions.

Dominate communities

The movement of illegal commodities such as drugs and firearms into and across the UK fuels violence, resulting in victims suffering directly at the hands of criminals and indirectly when caught between rival OCG violence, and disrupts the lives of law-abiding communities. There remains a strong connection between these two illegal commodities, not least because they are pursued for profit: firearms are used to protect and enable criminal interests, and they are regularly found at drugs incidents and alongside drug seizures. NCA operations that tackle one commodity reinforce those that tackle the other.

The scale of these threats outlined in the 2019 NSA led the Agency to focus on cross-law enforcement activity, including the use of NCA powers⁷ to task police forces. This work has increased the amount of intelligence it receives from police forces, improved the overall intelligence picture and influenced how it tackles county lines drug dealing and firearm offending.

⁷ *Crime and Courts Act 2013*, c. 22, Part 1. Available at <http://www.legislation.gov.uk/ukpga/2013/22/section/5/enacted> (Accessed: 27 June 2020). The power to direct a chief officer of a police force to perform a task

Drugs



The NSA 2019 found that there continued to be a high level of production of both heroin and cocaine in source countries, with high purity at street-level in the UK. Illicit drug supply was identified as linked to levels of serious violence, particularly competition for the control of drug supply markets.

The cocaine market across England, Scotland and Wales is now estimated to be worth between £9.4 billion and £11.8 billion annually – the equivalent of over £25.7 million daily. Cocaine consumption in these parts of the UK is estimated to be 117,000 kg per year, an increase of at least 290% since 2011. OCGs involved in cocaine trafficking are increasingly establishing a presence in both source and transit countries within Latin America, giving them ‘end-to-end’ control of the supply chain. While most cocaine trafficked from South America towards Europe likely arrives via shipping containers, yachts crossing the Atlantic remain a persistent threat. The largest seizure of cocaine in the UK last year – 751 kg – was from a yacht off the Welsh coast in transit from South America. Commercial and passenger ferry traffic from near Europe continues to present the most direct trafficking threat for both cocaine and heroin.

The NCA invests heavily in its overseas network and its relations with international partners, because it recognises that the best way to prevent drugs trafficking into the UK is to stop it at source. Internationally, NCA efforts this year led to the seizure of more than 2,500 kg of heroin and 129,000 kg of cocaine.

In the UK, the NCA has focused in particular on County Lines gangs, which transport illegal drugs from one area to another, often across police or local authority boundaries, usually by coercing vulnerable people. County Lines activity results in increased levels of violence and weapons-related crimes at street-level. The Agency works extensively with Regional Organised Crime Units, as well as police forces and other agencies, to identify and target those serious and organised crime nominals engaged in drug supply towards County Lines: this year the agency seized more than 7,000kg of drugs in the UK.

*A UK-based criminal was arrested following the interception of a shipping container at Felixstowe port in August 2019. The interception was the culmination of an international investigation, and resulted in **the largest ever seizure of heroin in the UK**. Almost 1,300 kg of heroin was recovered, worth around £27 million at wholesale value and over £120 million at street value. The NCA’s role in the investigation included identification of the container vessel, interception, seizure, and overseas arrest.*

*Two men who hid **£60 million worth of cocaine** on a yacht travelling from South America to the UK were jailed for a total of 33 years for drug smuggling, and their assets restrained. In August 2019 the NCA, working closely with the Spanish National Police, identified the sailing yacht *Atrevido* as carrying a large cocaine shipment. A Border Force cutter intercepted the yacht approximately half a mile off the coast of Wales. Two British nationals were arrested on board. NCA and Border Force officers discovered 751 kg of cocaine with a purity of up to 83%. The quantity found would have had a wholesale value of around £24 million and a potential street value (once cut) of £60 million.*

Firearms

The NSA 2019 stated that although offences involving firearms continue to account for a very low proportion of crime, there remains a strong connection between firearms and drugs supply, and their supply into the criminal marketplace is predominantly through illicit importation.

The Agency's activities against illegal trading of this commodity made use of NCA tasking powers⁸. Recognising the significant public safety implications of increased firearms offending, the Director General issued direct taskings to police forces. This resulted in a 131% increase in firearms intelligence submissions, further improving the system's understanding of the threat picture and ability to tackle it.

This year the Agency's actions led to the seizure of 263 firearms within the UK, more than double the total in 2018-19. The agency also arrested 94 individuals suspected of involvement in firearms offending.

27 people were arrested and over 100 firearms were seized following a national operation co-ordinated by the NCA and involving the Spanish National Police. The arrested individuals had purchased forward venting blank-firing guns from sellers across Europe, which are illegal in the UK as they can be converted to fire live ammunition. One of those arrested by the NCA was found to be carrying a loaded, converted revolver.

After a two-year campaign by the UK government and the NCA, Turkey adopted new regulations intended to end the export of blank firing guns that can be converted to lethal weapons, reducing the threat of these weapons falling into the hands of UK criminals.

Undermine the UK economy

The activity of serious and organised criminals is largely profit-driven. Criminal enterprises undermine the UK economy, our integrity, infrastructure and institutions by, for example: laundering the proceeds of crime; defrauding businesses, the state and private individuals; and engaging in acts of bribery, corruptions and sanctions contravention. The NCA has focused on preventing and disrupting criminal activities that threaten to undermine our economy. Critical to this is the system leadership role provided by the National Economic Crime Centre (NECC), which has been funded through 2019-20. Sustainable multi-year funding has not yet been secured, and is necessary to ensure its continued effective operation.

Financial gain is also the primary motivation for many of those involved in cyber crime. Cyber crime is understood to be widely underreported and it is therefore difficult to robustly determine its scale and cost.

⁸ *Crime and Courts Act 2013*, c. 22, Part 1. Available at <http://www.legislation.gov.uk/ukpga/2013/22/section/5/enacted> (Accessed: 27 June 2020). The power to direct a chief officer of a police force to perform a task

Money Laundering



The increasingly virtual and international nature of banking is creating opportunities for offenders to reduce the transparency of financial transactions. This makes it more difficult for law enforcement to detect and disrupt. The NSA 2019 estimated the possible scale of money laundering that impacts the UK as being in the hundreds of billions of pounds annually.

This year the Agency has improved its ability to respond to these threats primarily through the first year of operation of the NECC and through the Joint Money Laundering Intelligence Taskforce (JMLIT). The NECC has made a strong start in providing system leadership in tackling the fraud threat, working close with law enforcement partners. During the year, as a direct result of JMLIT support:

- 56 arrests were made;
- 3,740 bank customers had their accounts closed;
- £3,398,776 in funds were restrained or seized.

NCA activities have led to £9m worth of cash forfeitures and an additional £9m worth of cash seizures. Intelligence gathered by the Agency has supported the seizure of a further £17.6m by other agencies.

The NCA has been at the forefront of using new powers under the Criminal Finances Act 2017, including the continued use of Account Freezing Orders (AFOs) and Unexplained Wealth Orders (UWO). This year the NCA was granted freezing orders on accounts containing in excess of £145m. Significantly, in August 2019 the Agency obtained AFOs on accounts containing a total of more than £100m, which represents the largest amount of money frozen using this type

of order since they were introduced. In July 2019 the Agency secured the first UWO for serious and organised crime. This order related to a businessman's property empire, valued at £10m, which was linked to serious organised criminals engaged in drug trafficking, armed robberies and supplying firearms. Obtaining the UWO meant that the businessman was ordered to reveal the source of these funds.

Fraud

The threat of fraud continues to grow, and in the year to June 2019 it overtook theft to become the most prevalent type of crime, with an estimated 3.86 million incidents in England and Wales. Responding to this growing threat is made challenging by historic underinvestment in relevant capabilities. The Agency continues to evidence the case for greater investment to redress these capability deficiencies.

Fraud represents a particular threat to vulnerable victims, and this year the Director General tasked police forces to work with the NECC to set up a dedicated project, OTELLO, to deliver an improved response across law enforcement. Subsequently, the City of London Police began a campaign targeting courier fraud in January 2020, which has led to the arrest of 44 offenders, including a prolific fraudster who had absconded from prison in April 2019.

It is estimated that 84% of fraud reported nationally is cyber-enabled, which allows criminals to target the UK from almost anywhere in the world. As this threat has grown so has the Agency's response. The Agency's achievements in combating cyber crime are detailed below.

Cyber crime



This year the cyber crime landscape has been defined by offenders' continued use and further development of existing tools and techniques, rather than the creation of new ones. Ransomware remains the most visible threat: in 2019 a single multinational company sustained a ransomware attack with an estimated cost of £54m in lost revenue.

The NCA has continued to develop its understanding of those responsible for the most serious cyber attacks. They are predominantly Russian-language specialist groups, with other high-level cyber criminals coming from Iran, the Democratic People's Republic of Korea, and the People's Republic of China. Generally, these types of offenders are a younger demographic, and have:

- A significant level of technical and coding education;
- A lack of opportunities to legitimately deploy these skills;
- A high level of English-language awareness;
- A permissive law enforcement in their home state.

NCA counter-cyber activity has focused on the most capable and harmful offenders and has worked closely with the National Cyber Security Centre to understand the threat from critical incidents and to react to them when they occur. The NCA has also led the network of dedicated cyber crime police teams across the Regional Organised Crime Unit (ROCU) network and this year has led on 35 operations and supported ROCUs on a further 33.

The Agency has taken active steps to deter and divert would-be cyber criminals via Prevent and Protect initiatives. These have included a successful Google Ads campaign, whereby potential assailants received Prevent messaging when searching online for cyber-attack techniques. This campaign has targeted younger people who may not be aware they are straying into the realms of criminality. Overall this year the NCA's preventative activities have reached an audience of almost 15 million, with deterrent adverts achieving 8.45 million search impressions and 88,500 clicks which took potential criminals to further deter-and-divert messaging.

Unprecedented collaboration between the NCA's National Cyber Crime Unit, the National Cyber Security Centre and US law enforcement uncovered the world's most harmful cyber-crime group. The Moscow-based Evil Corp had created and deployed malware which had caused financial losses totalling hundreds of millions of pounds in the UK alone. An international operation resulted in the indictment in the US of two Russian nationals and financial sanctions being imposed against them.

The NCA investigated Zain QAISER, a top level cybercriminal who targeted hundreds of millions of computers with ransomware. He was a member of a highly sophisticated international, Russian-speaking organised crime group that made millions of pounds from victims in more than 20 countries. He bought advertising space on pornographic websites; if users clicked on his adverts they would be infected with the malware, which would then lock their computers until they paid a ransom. We estimate he made at least £700,000 from the scam. He was jailed for 6 years for blackmail, fraud and money laundering offences, in one of the most serious cases of cybercrime the NCA has ever prosecuted.

Bribery, corruption and sanction evasion

UK businesses and politically exposed people (PEP) operating in jurisdictions with poor anti-corruption controls are at risk of being corrupted, or actively engaging in corruption in order to obtain a business or personal advantage. Such illegal activity negatively affects the UK's international business reputation. The contravention of financial sanctions directly undermines the UK's integrity as a financial center and our response to terrorism and human rights abuses.

Through its dedicated threat leadership team, the NECC is responsible for the Foreign Bribery Clearing House, a central co-ordination and de-confliction service for bribery investigations with a UK connection. This year the NECC's Joint Money Laundering Intelligence Taskforce (JMLIT) has supported 18 requests relating to foreign bribery investigations.

The International Corruption Unit (ICU) within the NCA has investigated serious criminal allegations of foreign bribery and corruption. The ICU restrained or detained £32m of funds in 2019/20; a further £146m has been confiscated or forfeited, of which £139m has been returned to developing countries. More individuals have been charged by the ICU than ever before, linked to the laundering of criminal cash into major overseas developments projects. In December 2019, the NCA agreed a civil settlement of £190 million following a civil investigation into a Pakistani national, whose business is one of largest private sector employers in Pakistan. Most of the frozen funds in this case have now been returned to Pakistan.

The International Anti-Corruption Coordination Centre (IACCC) based at the NCA has supported foreign jurisdictions investigating grand corruption. This is defined as abuse of high level power causing serious and widespread harm to society. The IACCC works with law enforcement partners from affected states to secure the intelligence and evidence needed to progress their criminal investigations. This year IACCC intelligence supported the arrest of senior corrupt officials, the identification of over £100m worth of suspicious assets, and the return of stolen money to affected states.

Performance analysis

Delivery of our operational priorities

This section considers NCA performance over the year against the operational priorities set out in our published Annual Plan for 2019–20.

The Agency regularly assesses its performance against priorities, and this is reported at every NCA Board meeting. In addition the Home Secretary receives a weekly letter on the Agency's current high-level operational activity and frequently meets with the Director General and operational leaders to discuss its performance.

The NCA recognises that whatever its operational successes, it must continue to do more to improve its understanding of serious and organised crime and to use that evolving understanding to direct its resources and those of its partners in the ways that will have the greatest impact on the threat. As part of this, the Agency continues to work to build a system wide response to SOC that works as effectively and efficiently as possible across the NCA and all its partners.

This has been a significant year for strengthening our workforce, bringing 1004 new officers into the Agency. This has been the result of dedicated work by our HR team and our officers. The Agency is now working to ensure the learning and development offer for our new recruits ensures that they are operationally effective, whatever their role in the Agency, as quickly as possible.

- The NCA has continued to implement the first phases of the National Economic Crime Centre and National Assessment Centre, along with delivery of automation and robotics to improve intelligence collection abilities in the National Data Exploitation Capability. We have also developed an NCA estates strategy identifying opportunities for reinvestment into new operational capabilities.

Operational Priority 1 – Intelligence

To enhance the intelligence picture of existing and emerging serious and organised crime threats to the UK, using the intelligence to drive, lead and support the UKs response to serious and organised crime

The NCA's objective remains improvement of access to all intelligence, information and data sources to enable the NCA and its partners to identify and target the highest harm criminal networks. Prioritisation, accuracy and speed of action are critical to targeting; making the best use of tactical intelligence underpins the NCA's strategic insight, and the Agency has brought these elements closer together in its new intelligence operating model.

To reinforce the strategic assessment capability of the NCA, the National Assessment Centre (NAC) has recruited over 30 additional officers, enabling it to produce over 70 intelligence assessments this year. NAC assessments are used across government to inform national security decisions. In May 2019, the quality of this output was recognised by the Professional Head of Intelligence Assessment, with the Agency's Dark Web Intelligence Unit and the joint NAC-Border Force teams winning industry awards. This year the NCA has also worked closely with policing to improve the collection and analysis of data relating to firearms and the County Lines drugs distribution model.

The NCA welcomed the findings of the 2019 inspection of its intelligence function by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services. This confirmed the Agency's successful provision of a single, authoritative assessment of the threat from serious and organised crime.



National Data Exploitation Capability

This year, to increase the quantity and quality of its intelligence, the Agency has further developed its capabilities in data assessment and exploitation. The National Data Exploitation Capability (NDEC) has used data analytics to provide new insights into serious and organised crime, including enhanced intelligence on organised immigration crime and profiling money laundering. The Agency has demonstrated its ability to deliver this valuable and necessary capability and, subject to long term funding, will continue to develop this for the wider law enforcement system. NDEC performs a valuable system-leadership role, and will continue to do so provided its longer-term funding is secured. For example, through NDEC the NCA has been able to identify previously unknown criminal networks involved in financial crime. These advancements benefit NCA officers and those in wider law enforcement, and the Agency has secured additional funding for NDEC to continue through 2020-21.

The NCA has creatively used 'Mission Pilots' to test new approaches to the exploitation of data against live operational challenges. Four 'Mission Pilots' have been developed, focusing on Economic Crime, Money Laundering, Child Sexual Abuse and Exploitation, and the development of the Strategic Intelligence Picture. In the economic crime pilot, network analysis conducted in partnership with the National Economic Crime Centre identified at least 150 networks involved in investment fraud. In 2020/21 the Agency intends to expand on the work already undertaken in order to deliver new data exploitation services to teams within the Agency. As part of this, the Agency will provide advanced analytical tools to its teams to allow more accurate understanding of new and emerging threats.

Operational Priorities 2 and 3 – Investigations and System Leadership

To operate proactively at the high end of high risk, undertaking significant investigations resulting in offenders being brought to justice through prosecution or, if that is not possible, disrupted by other means.

To lead, task, coordinate and support operational activity, proactively sharing intelligence, assets and capabilities with partners at local, regional, national and international levels.

The NCA has made significant achievements through disruptive operations throughout the year, and the Agency continues to monitor closely both the quality and quantity of disruptions. The figures on page 15 set out the results of continued targeting of those who operate at the high end of high risk. Many of these disruptions involved arrests by agencies across law enforcement: 1,112 in the UK (an increase from 778 in 2018-19) and 648 overseas (similar to the previous year).

In addition to core Agency-led disruptions, the NCA has continued to provide direct support to police forces. This includes providing police forces with information, advice and support for major crimes. See page 27 on National Investigative Capabilities for more information.



The UK border

The UK border remains a key area of focus to ensure the NCA is protecting the nation. The Agency works closely with UK Border Force and Immigration Enforcement to deliver this. At the end of 2019/20 the Agency was pursuing 72 live operations (investigations and intelligence developments) and had executed 151 disruptions at the border. The Agency has also investigated over 480 cases of illicit commodities referred to it by Border Force.

Threat leadership

The NCA provides national leadership for the response to each serious and organised crime threat through Director-chaired Strategic Governance Group (SGG) meetings, and Threat Boards which bring together senior officers from key law enforcement partners, government and beyond to ensure an efficient and effective operational response to the threats. These are guided by the government's '4P' strategy⁹ for tackling organised criminals via a partnership approach.

This year the Agency has worked with its partners to drive improvements in threat leadership, through initiatives including:

- Implementing consistent strategic action plans across threats;
- Holding quarterly SGG meetings which review improvements made to national tasking arrangements;
- Introducing a cross-threat approach to engagement with industry, non-governmental organisations and academia.

Through these initiatives, the NCA's threat leadership approach is more consistent, increasingly influences partners' responses, and makes better use of partners' capabilities.

Scotland

The principal focus of the NCA in Scotland continues to be its investment in the collaboration with Police Scotland in its Organised Crime Partnership (OCP). The OCP continues to develop strong and enduring operational relationships across local, national and international law enforcement landscapes,

⁹ Pursue offenders through prosecution and disruption; prepare for when crime occurs and mitigate impact; protect individuals, organisations and systems from the effects of serious and organised crime; and prevent people from engaging in these types of crime

to support its active investigations of serious organised crime and criminals that emanate from, or impact on, Scotland.

OCP investigations continue to focus on shared organisational priorities including border vulnerabilities, drugs, firearms, child sexual abuse, and money laundering.

This year OCP has:

- Arrested 34 individuals;
- Recovered 45 firearms;
- Recovered 25kg drugs;
- Seized £700,000 of criminal cash.

In May 2019, three suspects were arrested at separate premises for the possession of eight illegal blank-firing handguns, weapons which are readily convertible to live-firing weapons. The accused were charged and subsequently convicted of multiple offences, receiving between them a total of seven years' imprisonment. The subjects were identified as part of an investigation by the Organised Crime Partnership.

Northern Ireland

The delivery of the NCA's functions in Northern Ireland is governed by the Agency's Memorandum of Understanding (MOU) with the Northern Ireland Policing Board (NIPB) and the Police Service of Northern Ireland (PSNI). A general authorisation agreement with the Department of Justice is also in place.

The MOU sets out reporting requirements for the NCA to the NIPB. In line with these, the Director General, Operations appeared before the Board in April 2019 and the Director General appeared in November 2019 to provide detail on our activity within Northern Ireland and wider activities impacting Northern Ireland.

The NCA continued to work in partnership with the PSNI and other law enforcement agencies to deliver the Northern Ireland Organised Crime Strategy objectives and has continued to strengthen its operational response in Northern Ireland. It continues to play an active and key role within the Organised Crime Task Force Stakeholder Group working with partners including PSNI, DOJNI, Her Majesty's Revenue and Customs (HMRC) and the Home Office.

The NCA has also continued to work in partnership with the PSNI and HMRC as part of the Paramilitary Crime Task Force to tackle organised crime linked to paramilitary activity. The unique powers of the NCA in Northern Ireland to pursue civil recovery and tax interventions under the Proceeds of Crime Act enables it to target the proceeds of crime where prosecutions are not feasible.

This year the NCA's work in Northern Ireland has:

- Secured recovery orders for property totalling £210k;
- Completed tax assessments on £238k of undeclared income received by two alleged members of paramilitary organisations; and
- Recovered 32 firearms believed to have been imported from other European countries for distribution across criminal networks in Northern Ireland and Great Britain.

A purpose-built illicit steroid laboratory, which had manufactured an estimated £43m worth of illicit steroids, was discovered following a five-year international investigation involving the illegal importation of steroids with an estimated value of £30 million. The ensuing trials resulted in five convictions and the jailing of the head of the world's largest ever illegal anabolic steroid distribution network.

In October NCA officers working closely with French law enforcement agencies interdicted a cattle lorry in Calais containing 13 Albanian migrants. The Northern Ireland-based driver was arrested and sentenced to six months in a French prison. Other suspected members of the organised crime group were arrested in the south of England, assets to the value of £500K were restrained and premises were searched.

Leading the system: The National County Lines Coordination Centre

As a result of the increased intelligence sharing in relation to this, the NCA's understanding of County Lines drug-trafficking continues to increase; along with our law enforcement partners, the Agency maintains its pursuit of county lines offenders who exploit the vulnerable and dominate communities.

The National County Lines Co-ordination Centre (NCLCC) is a joint capability across the NCA and the National Police Chiefs' Council which was created in 2018 to gain a better understanding of the county lines threat and the impact it has on the communities across the UK. Amongst ongoing activity, this year the NCLCC conducted three focused intensification weeks involving coordinated action across the NCA, police forces and Regional Organised Crime Units. These weeks alone resulted in:

- 1,800 people arrested;
- 2,400 vulnerable people engaged for safeguarding support;
- 131 people referred into the National Referral Mechanism.

Non-Criminal justice disruptions

The NCA disrupts SOC offenders using all the powers available to it to ensure it can protect the public. This includes using the NCA's extensive civil powers, which are considered throughout the development of intelligence cases and as part of the strategic assessment of investigations. Civil powers include seizing the proceeds of crime and denying criminals access to their assets. Immigration powers can remove or deport offenders, curtail or refuse leave to remain, refuse British nationality, or prevent travel to the UK in the first place.

This year the Agency used an array of asset denial powers under the Proceeds of Crime Act 2002 to substantially reduce the level of serious and organised crime that could take place. The NCA recovered approximately £6m of assets, including a hotel and a Bentley vehicle, from a group of individuals and associated corporate entities connected to an individual investigated for involvement in money laundering.

The Agency created the Immigration Disruptions Team to ensure it maximises the use of nationality and immigration powers against individuals involved in serious and organised crime. Successful recommendations to the Home Secretary have resulted in:

- The head of an Albanian OCG having their leave to remain revoked and prevented from entering the UK;
- A third-country foreign national being barred from entering the UK due to their substantial links to SOC;
- An Albanian national involved in SOC being refused Stateless Leave; and
- Revocation of the refugee status of an Afghan national involved in SOC.

International

The NCA's international network is a key element in the UK's response to global serious and organised crime. The Agency works closely with host country law enforcement and prosecuting bodies in support of its own, and wider UK law enforcement, activities.

In addition to achievements already described, the international network has contributed to over 600 arrests, and the seizure of 48 tonnes of cannabis and 1.6 tonnes of methamphetamine.

Operational priority 4 – Specialist capabilities

To develop and deliver specialist serious and organised crime capabilities and services where this is best done nationally; enabling their availability where and when needed for the benefit of all UK law enforcement.

For 2019/20 the NCA has focused on building and strengthening national capabilities to enhance the UK's response to illicit finance and to protect vulnerable persons. The Agency has also improved its ability to bring all available levers and tools to bear on the highest-harm SOC criminals and networks, through better governance, tasking and coordination.

Tackling illicit finance



At the heart of the Agency's focus on illicit finance has been operationalising the National Economic Crime Centre (NECC), and ensuring it carries out its functions effectively. This was the NECC's first full year of operation, and it has successfully brought together partners from the public and private sectors to deliver a step change in the response to economic crime in the UK, and to better protect the public and UK economy from the effects of illicit finance.

The NECC has benefited from government funding targeted at tackling illicit finance in its first year, and the NCA continues to build the business case for future investment, recognising the need to champion the value delivered by the NECC on behalf of the wider law enforcement system.

The NECC leads two key functions:

- The **UK Financial Intelligence Unit** (UKFIU), which operates the system for reporting suspicious activity and money laundering activity. In 2019-20 it received over 570,000 Suspicious Activity Reports (an increase of 22% from the previous year) and over 62,000¹⁰ Defence Against Money Laundering applications (an increase of 94%).
- The **Joint Money Laundering Intelligence Taskforce** (JMLIT), which enables collaboration between law-enforcement, government, the private sector and regulators to target agreed priority economic, serious and organised crime threats (including terrorist finance) and identify longer term strategic vulnerabilities. The JMLIT has increased its operational capability through the development of a collaborative partnership with the Insurance and Investment Sector Operations Group.

In one example of its work, the JMLIT supported a money laundering investigation with regard to correspondent banking. It processed information from financial institutions and assisted in obtaining restraint orders against a number of suspects, with 10 arrests made to date.

The NECC also sets threat priorities which inform operational coordination between partners and facilitates the exchange of data and intelligence between the public and private sectors. One example of this is Project OTELLO (see page 21), a campaign targeting fraudsters which brought together the City of London Police, the Serious Fraud Office, the Financial Conduct Authority, Her Majesty's Revenue and Customs, and the Crown Prosecution Service.

The NECC has overseen the use of new powers available following the implementation of the Criminal Finances Act 2017, promoting the use of Account Freezing Orders and Unexplained Wealth Orders across the law enforcement community. Successes arising from AFOs and UWOs this year are detailed on page 21.

The NECC led the first joint public/private threat update assessment, which was completed in July 2019 and covered money laundering, fraud and international bribery. This assessment used

¹⁰ These figures are subject to validation; there may therefore be slight changes to the end of year figures cited in the SARs Annual Report 2020, published later in the year

intelligence from the public- and private-sectors to improve collective understanding of the key economic crime threats and a holistic response to the threat.

This year the NECC also led the collective UK law enforcement response to the Companies House Reform consultation, which considers changes to disclosure, checks and intelligence-sharing to limit the risk of misuse. The NECC-led response delivered a strong and cross-community agreed position on this challenging topic, and will help to make the UK a more hostile place for illicit finance.

The NECC continues to work closely with government departments on the implementation of the Fifth Money Laundering Directive, the Registration of Overseas Entities and Beneficial Ownership Bill and other legislative and policy changes to design out vulnerabilities exploited by serious and organised criminals.

Finally, the threat posed by the Covid-19 pandemic is a prime opportunity for enterprising criminals to play on people's fear and anxiety. The NECC is leading the law enforcement sector's response to Covid-19 related fraud, working alongside its partners in City of London as the policing lead, to coordinate a whole-system response across law enforcement, government and regulators.

Combating kidnapping, blackmail and extortion

The Anti-Kidnap and Extortion Unit (AKEU) provides specialist support to police and law enforcement in the UK and worldwide, working to secure the safe release of hostages and to combat blackmail and extortion. The AKEU also responds to incidents of product contamination.

The AKEU leads investigations, coordinating the law enforcement response to crimes across multiple agencies and teams, often working to tight timeframes where the potential consequences are life-threatening. Tactical advice provided by the AKEU has supported partners, such as police forces, the Foreign and Commonwealth Office (FCO), Europol, Interpol, and the United Nations.

This year the AKEU handled:

- 710 reports of kidnap, compared to 497 in 2018/19;
- 2,403 referrals of blackmail including sextortion;
- 14 cases of product contamination compared to nine last year.

In April 2019 heavily armed criminals kidnapped 3 British, Canadian and Nigerian nationals, working on an oil rig in the Niger Delta. The AKEU coordinated the UK and Canadian response and played a central role throughout the operation. By the end of May all three hostages were released as a result of negotiations, in circumstances involving extremely hostile environments.

National Investigative Capabilities

The National Investigative Capabilities (NIC) provides a range of specialist support and advice to UK law enforcement agencies investigating serious and major crimes.

Achievements this year include:

- Major Crime Investigative Support (MCIS) handled 9,752 cases, deploying officers on 941 occasions and assisting with 677 murder and rape investigations;
- MCIS also supported 6,907 vulnerable witnesses with Registered Intermediaries;
- The Expert Evidence Team supported 268 investigations and identified and evidenced £103m of criminal benefit;
- The Serious Crime Analysis Section triaged 5,221 rape, serious sexual offence or murder cases, determining 2,398 as actionable;
- The Missing Person Unit supported 3,010 of the 16,618 missing person cases reported, issuing 13 targeted Child Rescue Alerts;
- The Vulnerable Persons Team engaged with 210 victims.

Providing protection to vulnerable people

At the start of 2019-20 the nine regional police force Protected Persons Units were transferred into the leadership and management of the NCA, under the auspices of the UK Protected Persons Service (UKPPS). This dedicated national service for witness protection is better able to maintain confidentiality and sensitivity than a federated service, and will provide greater consistency and opportunities to share best-practice. Funding is provided separate to the NCA's core budget.

The UKPPS provides protection for those who are referred by an authorised body because they are considered to be under real risk to life. This includes but is not limited to: witnesses to crimes; victims of violent crime or individuals who have been threatened with violent crime; and persons subject to domestic violence or to honour based abuse. It provides these services on behalf of UK policing.

The UKPPSS is recognised as a world leader in providing training leads and risk assessment methodology, as well as being the national training lead in the UK. It is also the single point of contact for any international referral.

Operational priority 5: Our organisation

To enhance NCA capability and credibility by ensuring that the Agency equips its officers with the right skills, facilities and technology to lead the fight to cut serious and organised crime / and that it retains the trust and confidence of the public.

Maximising the benefits of NCA technology

In 2019-20 the Agency invested £113.4m¹¹ across core and externally funded projects within its Transformation Portfolio. This has enabled the NCA to begin vital improvements whilst focusing on the efficiency and effectiveness of the workforce. Continued investment and focus will be required to build on these foundations and develop new capabilities, in particular to bring the NCA's nascent data strategy to life and to build effective infrastructure for the benefit of the whole organisation.

Technology and data projects have benefited from increased funding, including as part of the Transformation Portfolio. Improvements to key enabling services and functions have been

delivered which set the Agency on the path towards delivering better operational outcomes. Further development of capabilities within the National Data Exploitation Capability will support the Agency's work in tackling illicit finance.



The move away from the Agency's legacy IT systems and towards technology platforms similar to those of our partners is allowing a more efficient flow of information between agencies. The Agency has developed its data strategy and made associated investments to design and develop the core element of the required information architecture. This work will improve how the Agency stores and manages its data, but greater benefit to operational and investigative capabilities lies further down the transformation roadmap.

The Agency continues to transform its technology estate which requires both reforming existing, and building new, infrastructure for the benefit of our operations. The Agency has continued to prioritise this within its Transformation Portfolio and has developed a new Data Strategy to accelerate and delivery the necessary change. Technology changes this year have included supporting front-line officers in areas such as case management, with a 66% increase in user adoption of the core case management system.

¹¹ £69.6m was core funded, with £43.8m delivered via external funding

Improved collaboration through estates transformation

This year the NCA Board approved a new 10-year estates strategy. The strategy sets out the Agency’s ambition to consolidate its estate footprint into national hubs containing the full range of its capabilities, whilst significantly reducing the space occupied in London. The existing rationalisation and reconfiguration programme has continued in parallel, delivering a more modern, flexible estate while reducing running costs. A key objective of estates transformation is to reinvest savings in operational capabilities. The Agency’s objective for the next financial year will be to secure funding for the execution of this strategy.

People engagement

The 2019 People Survey showed the NCA has made positive progress in overall engagement. However, the Agency still has some areas where it needs to improve further.

The survey ran between 2 Oct – 4 Nov 2019. In total, 3290 NCA officers completed the survey. This was a 68% response rate, an improvement from 61% in 2018.

Our overall engagement score improved by nine points and all 10 high level indicators which make this up improved, although the Agency recognises that some were starting from a low base:

- Organisational Objectives & Purpose: 81% (+12%)
- My Team: 79% (+4%)
- Inclusion & Fair Treatment: 74% (+7%)
- My Work: 73% (+7%)
- My Manager: 65% (+5%)
- Resources & Workload: 63% (+5%)
- Learning & Development: 43% (+11%)
- Leadership & Managing Change: 38% (+15%)
- Pay & Benefits: 30% (+7%)

There was particularly positive feedback on the understanding the NCA’s objectives and interest in their work from our officers. This speaks to the importance of our mission and the value the Agency puts on protecting the public from the threat of serious and organised crime. We were also pleased to see the strongly positive responses to trust, respect and teamwork, which are crucial to making the organisation a great place to work.

The Agency and its leadership remain committed to addressing the areas that are of concern to our officers. On pay and benefits, while genuine progress is being made, it is clear that our officers require further clarity. The same goes for ‘learning & development’ and ‘managing change’. Headline scores for bullying, harassment & discrimination contain wide variation across the workforce so they have been prioritised along with managing poor performance and developing talent

A three-tier model is used to drive actions throughout the Agency in response to the People Survey.

- At Agency level, a coherent organisational response addresses the issues that can only be tackled at an enterprise level;
- At Command level, Directors, with help from their HR Business Partners, have identified 3 to 4 improvement actions for each Command. These are actions intended to tackle specific ‘hot spots’ in their area;
- Finally at a Team level, every team has a local action plan led by a G1 or G2 manager. These are focused on things that matter at a specific location or to a specific group, as evidenced in survey responses, and are changes that can be made without central support.

Diversity, inclusion and equality

The NCA continues to strive to achieve better diversity in its workforce, which is essential in ensuring it can deliver for the public it serves. The Agency uses its Strategic Equality Forum (SEF) to provide strategic oversight of all inclusion, diversity and equality objectives, and associated activities and initiatives undertaken by the Agency. The SEF is chaired by the Director General, Capabilities, and is made up of the Chairs of each diversity group.

The Agency works in close partnership with its diversity groups, which represent officers across the protected characteristics as defined by the Equality Act 2010 and are representative of the Agency's workforce. Each of the groups is championed by a Director and sponsored by Deputy Director. The group chairs and their executive committees support the Agency in promoting equality of opportunity and inclusion; they review policy, represent their members as part of the Inclusion and Diversity Governance for the Agency, coordinate external and internal attendance at key events such as Pride and Black History Month; and work collaboratively across their networks and with wider agency capabilities.

Finally, the Agency is closely allied to the diversity, inclusion and equality initiatives of trades unions and wider stakeholders. The Agency's policies and procedures are continually reviewed and developed with diversity and inclusion as core considerations.

This year six interns joined the NCA through the Civil Service Diversity Internship Programme, which provides talented individuals from diverse backgrounds with challenging development opportunities that enabled them to broaden their knowledge, whilst developing business and personal skills. The Agency has also sponsored NCA officers to join the Positive Action Pathway – a Civil Service development programme for all grades that specifically targets groups based on race, disability, gender or sexual orientation.

Officers have also been supported through the Crossing Thresholds programme. This is a career-mentoring programme that looks to support female officers develop their careers.

This year the Agency attended a record nine Pride events across the UK covering all devolved administrations and including representation at the National Student Pride Expo held in London. Two officers received national British Association of Women in Policing (BAWP) awards for their contribution to supporting female representation in law enforcement, and the Agency also saw an officer recognised in the Queen's Birthday Honours for their contribution to diversity in law enforcement. The Agency has also hosted key note speakers to celebrate Black History Month, with senior BAME public servants addressing officers, describing their careers, challenges and tips for success.

The third annual NCA Gender Pay Gap report shows the NCA's median gender pay gap reduced by 7.7% in the last reporting year to March 2019, down from 9.59% last year to 8.85%. The mean pay gap has also reduced from 11.68% to 10.87%.

For the NCA, the reduction in the median gender pay gap is the result of several factors, including the shortening of pay bands, the introduction of spot rate pay and recruiting more female officers. The representation of women in senior grades has also improved, although female representation still decreases as seniority of grade increases, and women remain overrepresented at the most junior grade.

Taking care of our workforce's health, safety and wellbeing

Taking appropriate care of the Agency's workforce ensures the Agency is both prepared and capable of delivering its mission to protect the public from the impact and threat of Serious and Organised Crime.

During 2019//20 the Agency has continued to operate under government guidance, HSG65¹². This guidance is used to test compliance and ensure a safe system of work is in operation. The number of serious incidents during the year remains extremely low given the size and risk profile of the NCA.

This year the Agency has completed its first full baseline audit for the College of Policing's 'Oscar Kilo' Blue Light framework¹³. Findings from the

12 HSG65 is based on a 'Plan, Do, Check, Act' system for managing for health and safety and has been assessed to provide a sensible risk management framework for our organisation

13 A statement of intent showing our commitment to the health and wellbeing of our people, independently audited and benchmarked against standards that have been tailored to meet the needs of emergency services staff.

Stevenson Farmer review 2017¹⁴ have continued to help raise focus on prevention and improve understanding of wellbeing across the workforce.

The NCA maintains an ongoing review of its critical roles for assessment of psychological risks to officers. This informs the Agency's ongoing development of psychological services and the Agency's occupational health offer. Officers complete mandatory psychological assessments to deployment in CSAE investigations; they undergo ongoing periodic psychological health monitoring; and end-to-end occupational health and wellbeing solutions have been developed for officers managing highly complex serious crime and CSAE investigations as well as those who have access to potentially distressing material. Psychological assessments have been extended to other parts of the organisation based on the risk associated with roles. The Agency has also launched a network of trained Mental Health First Aiders with plans in 2020//21 to double the number, as part of an ongoing commitment to provide the right level of support for the mental health and wellbeing of officers.

Health and safety (H&S) mandatory training is kept under review. Training is largely delivered in-house through a combination of face to face delivery and self-directed / e-learning where applicable. Incidents are recorded in line with established procedures and reviewed centrally by the H&S team. Investigations are completed in line with severity or potential severity and learning points shared.

Celebrating success

Eight serving or recently retired NCA officers were awarded national honours in either the Queen's Birthday or New Year Honours' lists this year. These awards were made for a variety of notable contributions to law enforcement. Officers working in the fields of tackling money laundering, cyber crime, kidnap and extortion, international security, diversity and inclusion, economic crime, protection from child sexual exploitation, the protection and identification of vulnerable and missing people were recognised.

Long Service and Good Conduct medals were awarded to 34 officers serving or recently retired officers this year for their commitment and continued service to law enforcement.

Over the reporting period 90 officers received Director General commendations including officers from external agencies.

The NCA's reputation score is currently ranked as "strong" (74.2) in the public sector RepTrak survey commissioned by the Cabinet Office and continues to outperform the public sector average score (66.9).

The NCA continued to deliver its award-winning touring photographic exhibition, Invisible People. Its aim is to help the public spot modern slavery in their communities. It has been displayed in more than 15 cities across the UK and at the Santa Marta conference in the Vatican earlier this year. As a result of the exhibition there has been a 25% increase in calls to the Modern Slavery Helpline and a 10% increase in completion of online forms in the regions where the exhibition had been compared to like-for-like periods beforehand.

14 The Stevenson Farmer Review 2017 is an independent review into workplace mental health, commissioned by the Prime Minister looking at how employers can better support all employees including those with poor mental health or wellbeing, to help them remain in and thrive at work

Environmental responsibility

This year the NCA continued to manage and monitor its use of resources to improve its environmental footprint and reduce costs.

From a sustainability perspective, the NCA continues to reduce its greenhouse gas emissions. This year the Agency exceeded its target, achieving an overall reduction in emissions of 30%. The Agency has maintained a record of zero waste to landfill; 66% of all waste is re-used/recycled and the remainder is sent for energy recovery. This waste is burnt to produce electricity and this is put back into the National Grid. The Agency continues to supply various wildlife habitats for insects, bats and birds, so species can be encouraged and protected.

Further details can be found in the sustainability report at page 91.

Social responsibility

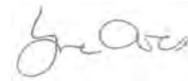
Every year, the NCA chooses a charity to support. For 2019 the NCA officers voted for the Alzheimer's Society to be its dedicated charity. Officers across the UK took part in various money-raising initiatives over the course of the year, including completing half marathons, cake sales and the 'Tough Mudder'TM challenge.

Human rights

It is vital that the NCA works with a wide range of countries to disrupt the threat from serious and organised crime in the UK and overseas. Some of those countries will be those where there are concerns about human rights. Alongside partners in the Home Office and the Foreign and Commonwealth Office, the Agency continues to assess its overseas work to ensure compliance with the Government's Overseas Security and Justice Assistance (OSJA) Policy and its Principles relating to the detention and interviewing of detainees overseas and the passing and receipt of intelligence relating to detainees. These assessments enable the NCA to make accurate assessments to ensure the UK defends and promotes human rights in the countries it deals with, and provides valuable assistance to NCA officers working in these difficult environments.

Anti-corruption and anti-fraud matters

The Agency has a 'Raising Concern and Whistleblowing' operating procedure in place together with published guidance to officers and managers. This includes information regarding corrupt or criminal activity or serious misconduct, or where an officer is asked to do something, or is aware of the actions of another, which they consider to be wrongdoing and/or a breach of the values of the NCA code or the Civil Service Code.



Lynne Owens
Director General

Date 15th July 2020

An aerial photograph of a city, likely New York City, showing a dense urban landscape with various buildings and a highway interchange. The image is overlaid with a semi-transparent teal color. In the background, there are faint, scattered mathematical symbols such as plus signs, minus signs, and numbers, suggesting a theme of data or finance.

Part Two

Accountability Report

Corporate Governance Report

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the NCA to prepare for each financial year a Statement of Accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and give a true and fair view of the state of affairs of the NCA and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, I, as the Accounting Officer am required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State with the approval of HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Secretary of State for the Home Department has appointed myself, the Director General, as Accounting Officer of the NCA. The responsibilities of an Accounting Officer,

including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the NCA's assets, are set out in 'Managing Public Money' published by HM Treasury.

As Accounting Officer, I am required to confirm that, as far as I am aware, there is no relevant audit information of which the NCA's auditors are unaware, and I have taken all the steps that I should, to make myself aware of any relevant audit information, and to establish that the NCA's auditors are aware of that information.

I am also required to confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable. I take personal responsibility for the Annual Report and Accounts and the judgments required for determining that they are fair, balanced and understandable.

Details of Audit

The NCA's accounts are audited by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. As the UK's independent spending watchdog, the NAO's objective is to use its knowledge of the NCA to make valuable recommendations that aim to provide positive change and impact to the NCA. The NAO also reports on findings gained during the course of the annual audit of the NCA's financial statements, conducted at the end of the financial year, whilst also providing an update on the progress the NCA has made on previous NAO recommendation. These findings are also presented to the Assurance, Risk, and Audit Committee.

The audit fee for 2019-2020 was £140,000, which was an increase of £20,000 from 2018-19 due to an increase in the underlying NAO cost base. No remuneration was paid to the NAO for non-audit work.

Complaints to the Parliamentary Ombudsman

The Ombudsman's remit for the NCA is to look into complaints of the NCA not acting fairly or where it has given a poor service and not put things right. There were no complaints made in 2019-2020 to the Parliamentary Ombudsman in relation to the NCA or its staff.

Personal data related incidents

There were four personal data related incidents reported to the Information Commissioner's Office (ICO) in 2019-20. Further information can be found in the Governance Statement.

Governance Statement

The Governance Statement details the NCA's Governance Framework and risk management process, and how both have been used to manage the risks and challenges the Agency has faced throughout the year 2019-2020.

To assist me, the Accounting Officer, in the preparation of the Governance Statement I have been supported by:

- Insight into the organisation's performance from the Government Internal Audit Agency (GIAA);
- Feedback from Directors with delegated responsibility for the use of the Agency's resources, responses to risk and management of information;
- Views of the Assurance, Risk, and Audit Committee (ARAC).

As the Accounting Officer I have maintained effective governance arrangements during 2019-2020 which comply with the relevant sections of Cabinet Office Guidelines.

I, along with other Board members, am responsible for sound financial management and ensuring that appropriate controls are in place. The NCA's governance framework is in line with Government best practice, as set out in the *Corporate Governance in Central Government Departments: Code of Good Practice (The Code) 2017*. The Code sets out Government policy that must be followed by ministerial departments. As a non-ministerial department, the NCA is not bound by *The Code*, but operates within its spirit.

Progress has been made in key areas this year, including Governance, Risk Management and measuring our performance.

Directors' Report

NCA Board	Date Appointed	Contract end date	Attendance
Director General – Lynne Owens	04 January 2016	3 January 2021	8 of 8
Director General (Operations) – Steve Rodhouse	25 June 2018		8 of 8
Director General (Capabilities) – Nina Cope	03 April 2017		8 of 8
Director General – National Economic Crime Centre – Graeme Biggar	04 March 2019		5 of 7
Chief Financial Officer – Simon Hart	28 February 2018		8 of 8
Non-executive directors			
Nick Alston	01 December 2016	30 November 2020	8 of 8
Reshard Auladin	01 April 2017	30 November 2020	7 of 8
Mary Calam	04 July 2019	03 July 2021	5 of 6
David Horncastle	04 July 2019	03 July 2021	6 of 6
Andrew Tivey	29 July 2019	28 July 2021	4 of 6

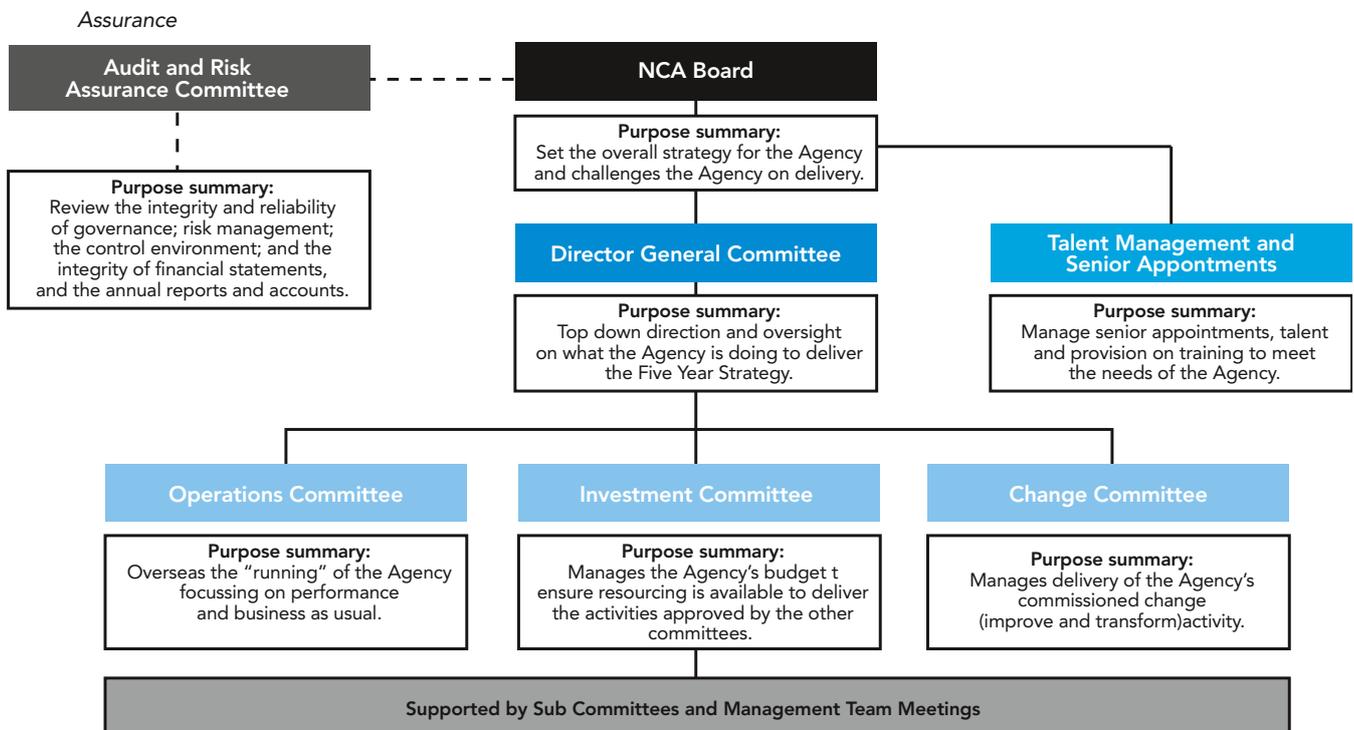
Additional Board Information

- Director of Legal attends the Board as Legal Advisor
- Director of Strategy attends the Board as Board Secretary.
- A Home Office representative attends each meeting of the Board as an official observer.
- One member of the three NCA Trade Unions attends each Board meetings in turn, as observers.

Register of interests

Details of external interests held by Board members during the accounting period are available on the NCA website www.nationalcrimeagency.gov.uk

Board Structure



The NCA Board

The Board provides strategic oversight of the NCA and is responsible for the delivery of the organisation's priorities and objectives. It is critical to enabling delivery of the Agency's strategy.

The Board is chaired by the Director General and meets every two months. It met seven times in 2019-20 as well as an extraordinary meeting in August 2019 to agree the NCA's pay strategy and submission. In addition to providing the strategic direction for the organisation, the Board monitors and drives performance and makes the strategic decisions on financial and human resources, including future needs of the Agency, organisational design, setting the risk appetite communications strategy and other key areas impacting on the Agency's ability to deliver its operational impact. The NEDs engage with senior leaders within the organisation to steer and lead on strategically important areas of work throughout the year.

This year the Board has additionally considered a number of strategically important issues including overall resource allocation, a new estates strategy, the Agency's approach to bulk personal data, reform of suspicious activity reporting (SARs), its approach to the government's Serious and Organised Crime review, and the Agency's preparedness for the UK's exit from the European Union. The Board also scrutinised the Agency's People Strategy, including large scale recruitment campaigns and the learning and development offer.

The Board offers NCA officers of all grades the opportunity to receive the papers and "shadow" its work to provide fresh challenge and inputs from a range of unique perspectives and gives them insight into senior decision making. This opportunity is also given to officers for all other committees.

Audit and Risk Committee

The Audit and Risk Committee (ARAC) reports into the Board and provides assurance around governance, risk management, the control environment, and the integrity of financial statements. As part of its assurance function ARAC commissions deep dives into corporate risks where it identifies that an agreed set of criteria has been met.

ARAC is chaired by a Non-Executive Director and is attended by representatives from Internal Audit and the National Audit Office. It meets quarterly. In 2019-20 there was an additional meeting to provide assurance for the Annual Report and Accounts.

In addition to its routine duties, ARAC has this year undertaken extensive work to look at the governance assurance of risks in overseas deployments, workforce planning for staff performing critical roles and data and information management.

Director General Committee

The Director General Committee is a subcommittee of the NCA Board and provides direction and oversight on the delivery of the strategy, business plan, pay submission to Her Majesty's Treasury and organisational activities and priorities as laid out in the Annual Plan. It also monitors the overall performance of the Agency.

The Committee is chaired by the Director General, and meets bimonthly.

Talent Management and Senior Appointments Panel

The Talent Management and Senior Appointments Panel is responsible for overseeing the management and development of the Agency's talent, and the appointment of its senior leaders (at Director and DD level). The panel is chaired by the Director General.

Change Committee

The Change Committee is a subcommittee of the NCA Board and reports into the DG Committee. It delivers, monitors and assures the NCA Transformation Portfolio. Working closely with the Operations and Investment Committees it provides direction on activity, design options and change benefits to ensure change is efficiently managed in the Agency. This year the Change Committee has overseen a range of important activity which helps deliver on the Agency mission including portfolio prioritisation and options for hosting national capabilities.

The Change Committee is chaired by Director General, Capabilities and meets monthly.

Operations Committee

The Operations Committee is a subcommittee of the NCA Board and reports to the DG Committee. It is tasked with monitoring and

reviewing the running of the NCA which includes the operational response, enabling activity, as well as performance and risk mitigation.

The Operations Committee is chaired by Director General, Operations and meets monthly. This year it has been a key driver in developing a new and more robust NCA Performance Regime; this work has resulted in the creation of seven Key Performance Questions which are used by the Agency to help describe its performance both internally and to partners.

Investment Committee

The Investment Committee is a subcommittee of the NCA Board and reports into the DG Committee. It ensures compliance with accounting and investment process, and oversees the management of the NCA budget to ensure delivery in line with the NCA Strategy.

The Investment Committee is chaired by Director General, Capabilities and meets monthly. It provides oversight of internal and external funding in line with government protocols and considers all business cases where whole-life costs are £200k and over.

Independent Advisory Group on Ethics

The Independent Advisory Group on Ethics (IAGE) provides advice to the NCA on novel or contentious ethical issues. During this year the group has amended its name from the Independent Reference Group to make the role and purpose of the group clearer.

The IAGE consists of externally recruited members and is chaired by Lord Toby Harris. It meets bimonthly and reports to the NCA Board. Director General, Operations and Director Strategy attend the meetings. The Group provides advice from an ethical, moral, and reputational perspective ensuring that the NCA is supported in promoting its culture, ethics and values across all of its work.

This year the group has provided the Agency with views on a range of topics, including the Agency's proposed policy and governance framework for civil financial investigations.

Risk management

The NCA risk management framework ensures risks are managed at a level appropriate to their overall significance. Risk management

activity continues to be embedded across the Agency and is overseen through NCA governance structures.

The Operations Committee maintains an enterprise view of Agency risk to ensure consistency of approach and timely mitigation activity. Alongside this, other key governance forums review risks relevant to their area of responsibility; for example risks to the delivery of the NCA's Transformation Portfolio are actively managed by the Change Committee.

The ARAC assures the risk process and reviews corporate risks at every meeting. To satisfy itself key risks are being mitigated effectively, the ARAC commissions deep-dive reviews, including of thematic areas. These are based upon recommendations made by senior leaders and informed by analysis of activity to-date and crosscutting vulnerabilities that may impact on controlling risks and whether they are being managed within tolerance of the Agency's risk appetite. The deep dive reviews led the ARAC to provide advice and recommendations for business improvements in the Agency in areas such as bulk personal data management.

The Board formally reviews risk twice a year – assessing the effectiveness of the NCA's risk management approach. Annually it reviews risk appetite as part of its business planning cycle. The Agency recognises the relationship between its risk management approach and the National Strategic Assessment, and works to ensure the assessment and mitigation of corporate risks is appropriately factored into the assessment of the threat from serious and organised crime.

The National Strategic Assessment indicates the scale and adapting nature of serious and organised crime. Many of these crimes are 'hidden crimes' away from public view. As the Agency improves its understanding, the scale of the threats often come more into view. The Agency needs to ensure it can manage and respond as well as keep pace with offenders who are adept at covering their tracks. This ability to keep pace requires the right capabilities, both covert and overt, the right skills and the right partnerships. Not focusing efforts on keeping pace with the threat will risk the NCA's effectiveness in combating serious and organised crime. The Agency's work in intelligence, its investments in our portfolio such as Digital Forensics and its work to build key capabilities such as the NECC and the Joint Operations Team (JOT) all aim to help the NCA to manage this risk.

The ability to use and manage data and information is a key enabler to all officers in all of their roles, whether to improve our understanding of the threat in intelligence; identify offenders on the data web or who are committing cybercrime, or be able to manage the volume of evidence as part of an investigation taken to court. Ensuring the Agency manages data and information effectively is crucial as part of building public confidence and a key part of the Agency's licence to operate. The NCA has made a series of investments to support both improving infrastructure and management of data and information. This is not a single programme, but will require ongoing support, investment and change. As society and criminals continue to use technologies to commit crime this will be an ongoing programme of work for the Agency. Its work to stabilise technology and the development of the NDEC are key areas of work that enable the NCA to manage these risks.

This brings the NCA's financial risk into sharp focus. The Agency recognises the challenges and choices for investment. The Agency is proud to have created capabilities that have made the public safer. However there is an immediate risk that many of these capabilities are supported through annual funding schemes and are not therefore part of the Agency's core budget, which could impact their sustainability. The NCA is also faced with wider issues on the ongoing budget of the Agency given its expanded role and position, and the complexity of operations it pursues. The NCA has strengthened its planning process to ensure it makes best use of funding, and the Agency continues to focus on its position into the Spending Review and Integrated Review with a view to reducing financial risks.

The table below sets out the NCA's corporate risks, with key mitigating activities.

Table 3 Summary NCA's corporate risks.

Risk	Mitigating actions
1. Capacity and Capability The risk that the NCA does not have the capability and / or capacity to effectively tackle the growing scale and complexity of the SOC threat.	<ul style="list-style-type: none"> • Scheduling of NCA governance conversations to support strategic prioritisation decision based on horizon scanning; • Prioritisation and delivery of the Transformation Portfolio with the NCA 5 year strategy and government's SOC strategy; • Continued maturity of the Performance Framework; • Design and delivery of National Tasking Model and the National Performance Framework.
2. System Leadership The risk that the NCA does not have adequate strategic levers to further establish and lead effectively the SOC law enforcement "whole system" response to the threat.	<ul style="list-style-type: none"> • Working with government and operational partners to ensure that there are clear roles and accountabilities for SOC reform • Improving governance structures across all Threat areas; • Improving performance reporting to accurately reflect threat status; • Working with partners to develop performance indicators for system performance.
3. Workforce The risk that the NCA is unable to recruit, retain and develop an effective workforce in the medium and long term.	<ul style="list-style-type: none"> • Active workforce planning and management (including forecast demand, risks and opportunities); • Development and delivery of a new Agency Learning and Development Model; • Greater focus on talent management and active succession planning; • Development and delivery of the Pay Strategy.
4. IT Strategy The risk that the NCA will not deliver its IT Strategy to schedule.	<ul style="list-style-type: none"> • Establishing a Technology Programme Board and supporting governance structure; • Improving investment controls.; • Development of commercial strategy for Data Digital Technology
5. Information Management The risk that the NCA does not manage its information in accordance with the law.	<ul style="list-style-type: none"> • Implementing a new Data and Technology governance model; • Implementing enhanced second line assurance through policies and procedures by the Chief Data Office; • Delivery of organisation wide training programmes to ensure that key personnel are appropriately trained and aware of their responsibilities.
6. Change Delivery The risk that the NCA is unable to adapt its culture including associated systems and processes at pace to support delivery and implementation of the Change Portfolio.	<ul style="list-style-type: none"> • Prioritisation of Transformation Portfolio against agency Strategic Change Roadmap; • Developing effective change management plans; • Delivering cultural change as part of the organisational response to the NCA Staff Survey Engagement Plan.
7. Cyber Defences The risk that the NCA experiences a major cyber-attack.	<ul style="list-style-type: none"> • Monitoring of the live estate and critical assessment of incidents. • Implementation of a new Data and Technology governance model. • Prioritisation and delivery of the NCA Transformation Portfolio (to build workforce capability).

Risk	Mitigating actions
8. EU Exit impact on the Agency The risk that the UK's exit from the EU will lead to reduced NCA performance.	<ul style="list-style-type: none"> Contingency Planning (including forecasting against potential scenarios, and supply chain analysis).
9. Partners The risk that the NCA is unable to influence partners to support delivery of its vision, strategy and priorities.	<ul style="list-style-type: none"> Targeting partner and public communications and stakeholder engagement campaigns to strengthen relations and highlight NCA impact; Delivering improvements to the NCA's Strategy Directorate; Developing an impact-focused performance framework;
10. Funding The risk that the NCA has insufficient funding to meet demand	<ul style="list-style-type: none"> Influencing government and operational partners on the opportunities and risks to Agency delivery arising from insufficient funding; Working with the Home Office and partners to deliver a spending review bid. Actively managing external funding opportunities through Investment and Change Committees; Investing in the Agency's strategic financial planning capability;
11. Data Utilisation The risk that the Agency fails to maximise use of its information / data holdings to exploit operational opportunities and improve organisational performance	<ul style="list-style-type: none"> Implementing the National Data Exploitation Capability programme for the benefit of the Agency and the SOC system; Enhancing Data Governance structures; Developing a Data Strategy; Engaging with partners in uplifting capabilities.

Security and business continuity

The threat faced by the NCA continues to evolve as the Agency's profile grows and it becomes a target for disruptive activity. Perpetrators of attacks against the NCA range from the traditional areas of risk posed by serious organised crime, to modern technology-enabled attack in the shape of lone-wolf 'hacktivists' or more sophisticated cyber-attacks orchestrated by hostile state actors. The threat encapsulates risks to the security of NCA information, assets, people, and operational activity both in the UK and overseas. The risk areas the Agency reports on here are the cyber threat, professional standards, and business continuity.

The NCA has delivered improvements to IT Infrastructure following an audit of Cyber Security. While its core IT (corporate network and its components) were found to be robust, there were concerns relating to non-core IT (IT systems which have grown organically or inherited from legacy organisations), in terms of business continuity, and disaster recovery. Improvements to the governance of the non-core systems have now been delivered and are providing additional assurance in the way IT is managed; this has been confirmed by a revisit from the audit team.

To protect the NCA IT network, Technology Command routinely runs cyber threat checks; during the last year this has been with both commercial partners and using central Government experts to test the security and resilience of IT services. From this, security vulnerabilities can be identified and mitigating actions implemented, reducing the risk in this

area. Cyber resilience is addressed through comprehensive penetration testing, vulnerability management and protective monitoring policies.

The Agency remains vigilant against attempts to attack its security protections and responds rapidly when incidents occur. There were 39 Distributed Denial of Service attacks, resulting in a total recorded downtime of 3½ minutes, compared with 132 attacks and around three hours in 2019-20. The reduction in attacks can be attributed to ongoing measures taken to make the service more robust and mitigate the impacts of such activity. Nonetheless the attacks are malicious in nature and the Agency will act to prevent and mitigate such attacks, which are unacceptable. At the present time these attacks are not believed to pose a real threat. The Agency's website is non-transactional and stands alone, completely isolated from any NCA servers which store information.

The NCA has striven to create a governance structure and an enduring set of processes and procedures to maintain and improve its business continuity arrangements. This has led to the Agency's business continuity management system (BCMS) being certified to the ISO 22301 standard in Business Continuity, following an external audit in April 2020. Further testing of business continuity plans and awareness raising is scheduled this year to ensure officers continue to operate and deliver specialist capabilities, services and support throughout and beyond unexpected disruption incidents. The NCA Control Centre coordinates the response to all business continuity events.

The NCA's Operational Security Advisors (OpSys) act as independent advisors with the objective of reducing the Agency's operational security risk. This includes advising on the security, integrity and ethical conduct of all law enforcement techniques, particularly covert tactics. OpSys seek to implement and maintain consistency in standards of security and practice in accordance with legislation, national guidelines and local policy.

Operating overseas, the OpSys network provides security advice and guidance to the International Liaison Officer (ILO) network to enable ILOs and their families to operate safely overseas and minimise the risk posed and ensure that the ILOs operate in accordance with HMG and NCA standards. Recognising the possibility of potential 'insider' threats, the NCA has put in place a series of education and awareness campaigns to instil an effective security culture at all levels throughout the Agency and strengthen its defences.

All NCA staff are governed by the NCA Complaints and Misconduct Regulations 2013 which is overseen by the Independent Office for Police Conduct (IOPC). If a member of staff feels that another officer has misconducted themselves they can report the matter to the Professional Standards Unit (PSU) or into the Anti-corruption Unit (including the use of a confidential hotline) for assessment. The PSU also receives and investigates public complaints relating to NCA staff and those made against Agency.

There were 57 public complaints, representing an increase of 18.75% on last year. All complaints are thoroughly investigated, and the Agency works to ensure the volume and scale of complaints are in line with its broader public footprint, which is assessed to be the case at present.

A total of 18 conduct matters were recorded representing a 47% decrease from last year. The reduction reflects a change in policy ensuring minor matters are dealt with by local management. The Agency maintains procedures to ensure conduct matters are dealt with appropriately. Of the conduct matters recorded 12 were assessed as gross misconduct and six as misconduct. Three cases recorded in 2019-20 remain under investigation, whilst those awaiting a panel currently stands at seven, with delays in resolving them resulting from the ongoing COVID pandemic. Of those officers that received a sanction, one received a final written warning, two received first written warnings and one

officer had he not already resigned would have received a summary dismissal. Of the cases that did not go to panel, four received management words of advice and one officer was dismissed via probation.

The NCA made 12 referrals to the IOPC; two of these for death or serious injury matters. Both individuals had been arrested and released under investigation for CSEA offences. Both were returned by the IOPC for the Agency to deal with as appropriate.

In addition, one matter was referred to the Police Ombudsman for Northern Ireland (PONI) and; this was dealt with by way of local resolution.

Effectiveness of the risk management and governance framework

First line of defence is the responsibility of all managers in the Agency. Commands (individual areas of the Agency led by a Director or Deputy Director) operate management meetings to manage delivery, risk and compliance, thereby overseeing the first line of defence.

Second line of defence activities enable the Agency to test areas of risk through compliance reviews overseen by the Operations Committee. The third line of defence is provided by the Government Internal Audit Agency (GIAA). The GIAA delivers the Agency's internal audit service and provides independent, objective assurance to the Accounting Officer on the adequacy and robustness of our governance, risk management and internal control framework.

In addition to the GIAA other assurance providers, include Her Majesty's Inspectorate of Constabulary, and Fire & Rescue Services (HMICFRS); the Infrastructure and Projects Authority (IPA); and the Investigatory Powers Commissioner's Office (IPCO).

A risk-based internal audit programme is approved by the Operations Committee and the ARAC at the start of the financial year. The programme takes into account planned audits/inspections by other third line providers and NCA corporate risks. Outputs from Internal Audit are regularly discussed at governance meetings, including the ARAC, to drive improvement and follow up on lessons learned. A follow up process is in place for audit actions to ensure these are implemented.

The effectiveness of assurance activity, both internal and external, was maintained and reviewed this year through the audits and inspections set out in below. Copies of the HMICFRS reports are available on their website www.justiceinspectrates.gov.uk

Government Internal Audit Agency

The GIAA carried out two consultancy engagements and 11 audit reports in 2019-20. Taking into account the work of other assurance providers and the progress made by the Agency in addressing the root cause issues, the GIAA provided a *moderate* assurance opinion at year end on the overall adequacy and effectiveness of the NCA's framework of governance, risk management and control.

Based on the moderate finding, it is concluded that there were no significant weaknesses in the NCA's governance and control framework that affected achievements of its strategic objectives in 2019.

Infrastructure and Projects Authority

The IPA carried out a review of the NCA's Transformation Portfolio in October and gave it an overall rating of 'amber'. The IPA made a number of recommendations which are being implemented. It noted that the Change Committee has brought significant 'grip' on the portfolio whilst more robust processes and procedures had been put in place since the previous review.

Investigatory Powers Commissioners Office

In June 2019 the IPCO carried out an inspection of the NCA's compliance with the legislative provisions governing the acquisition of communications data; the use of covert surveillance; and the management of covert human intelligence sources. It found that the NCA continues to make full use of covert activity and seeks to do so in a professional and compliant manner. The NCA has worked hard in the intervening period to implement the recommendations made by IPCO thereby further improving its internal governance, audit and review capabilities in regards to its use of investigatory powers that are utilised in the fight against serious and organised criminals. These recommendations have been taken forward and

implemented under the leadership of the NCA's Senior Responsible Officer – the Deputy Director, National Tasking and Coordination

Accounting Officer's Annual Review

As Director General and Accounting Officer of the NCA, I have reviewed the information on governance, internal control and risk management alongside independent advice and assurance provided by the Audit and Risk Assurance Committee. I am satisfied with the reasonable assurance of effectiveness regarding the internal control systems in place.

Remuneration and Staff Report

Certain disclosures within this Remuneration and Staff Report are subject to audit. Audited sections are noted individually.

Remuneration Policy

Senior Management salaries were based on recommendations of the Senior Salaries Review Body, an independent body providing advice to the Prime Minister and others on senior civil servants' salaries.

Further information about the Review Body can be found at www.ome.uk.com.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the Board members.

National Crime Agency 1 April 2019 – 31 March 2020

Remuneration (salary, non-cash benefits and pension) (Audited)

Where an individual has only served for part of the year, the full year equivalent salary is reported in brackets.

Single total figure of remuneration (audited)

Officials Date appointed – appointment ended	Salary and allowances (£'000)		Bonuses (£'000)		Accrued Pension benefits ¹⁵ (£'000)			Total (£'000)
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Director General								
Lynne Owens CBE QPM II								
4 January 16 – 3 January 21	220-225	215-220	-	-	-	232	220-225	450-455
Director General (Operations)								
Steve Rodhouse		130-135						200-205
25 June 18	175-180	(170-175)	0-5	-	109	70	285-290	(240-245)
Director General (National Economic Crime Centre)								
Graeme Biggar		10-15						30-35
4 March 19	140-145	(140-145)	-	-	249	19	390-395	(155-160)
Director General (Capabilities)								
Nina Cope								
3 April 17	170-175	170-175	0-5	-	71	66	240-245	235-240
Chief Finance Officer								
Simon Hart								
28 February 18	100-105	95-100	-	-	40	39	140-145	135-140
Non-Executive Directors								
Andrew Tivey								
29 July 19 – 28 July 21	10-15	n/a	-	-	-	-	10-15	n/a
Reshard Auladin ~								
1 April 20 – 20 November 20	10-15	10-15	-	-	-	-	10-15	10-15
David Horncastle								
4 July 19 – 3 July 21	10-15	n/a	-	-	-	-	10-15	n/a
Nick Alston *								
1 December 16 – 30 November 20	10-15	10-15	-	-	-	-	10-15	10-15
Mary Calam								
4 July 19 – 3 July 21	10-15	n/a	-	-	-	-	10-15	n/a

Details of changes to the composition of the Management Board are given at page 39.

ll Lynne Owens is not eligible for any form of non-consolidated performance related pay whilst appointed Director General.

~ Reshard Auladin has been given a second term of appointment commencing 1st April 2020 to 30th November 2021.

* Nick Alston's appointment as a Non-Executive Director was extended on 13 May 2019 from 1 December 2019 to 30 November 2020.

These figures represent the values for the full year.

15 The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contribution made by the individual). The real increase excludes increases due to inflation or any increase or decreases due to a transfer of pension rights.

Salary and allowances

'Salary and allowances' includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Agency and thus recorded in these accounts.

Non-cash benefits

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue & Customs as a taxable emolument. Benefits reported were calculated as the taxable value and relate to the private mileage element of assets (vehicles) placed at the employee's disposal.

Benefits in kind may include provision of a vehicle and driver to certain Directors (the Director General's driver is treated differently as vehicles and a driver are provided for security purposes).

Pension Entitlements 2019-20 (Audited)

All figures in the table below are provided by MyCSP or analogous arrangement for those board members (employees and seconded) with Civil Service pension arrangements.

	Real increase in pension	Real increase in lump sum	Accrued pension at pension age as at 31/3/20	Total lump sum at pension age as at 31/3/20	Cash equiv transfer value	Real increase in cash equiv transfer value
	2019-20 £'000	2019-20 £'000	2019-20 £'000	2019-20 £'000	2019-20 £'000	2019-20 £'000
Nina Cope\$	2.5-5	-	25-30	-	347	36
Graeme Biggar	10-12.5	22.5-25	40-45	90-95	692	169
Simon Hart	0-2.5	-	10-15	-	151	22

\$ Nina Cope's 2018-19 accrued pension benefit value increased due to an update to retrospective service.

The figures in the table below are provided by the Agency's Police Pensions Administrator for those board members who are employees with Police Pension Scheme arrangements.

	Real increase in pension	Real increase in lump sum	Accrued pension at pension age as at 31/3/20	Total lump sum at pension age as at 31/3/20	Cash equiv transfer value	Real increase in cash equiv transfer value
	2019-20 £'000	2019-20 £'000	2019-20 £'000	2019-20 £'000	2019-20 £'000	2019-20 £'000
Lynne Owens CBE QPM\$	-	-	-	-	-	-
Steve Rodhouse	5-7.5	-	80-85	-	2,205	207

\$ Lynne Owens elected to defer her pension at 30 years' service in August 2019 and as at 31 March 2020 was not an active member of a public sector pension scheme.

The Non-Executive Directors are non-pensionable appointments.

Performance pay or bonuses

Performance pay or bonuses are based on performance levels attained and were made as part of the appraisal process.

Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2019-20 relate to performance in 2018-19 and the comparative bonuses reported for 2018-19 relate to performance in 2017-18.

Notice periods for senior officers

Notice periods for the Director General, Deputy General (Operations and Capability), the Director of Finance and Non-Executive Directors are three months.

Benefits and Pension contributions

In addition to salaries paid and taxable benefits in kind for travel and the associated taxes paid by the NCA, the pension entitlements of the current senior management team are disclosed below.

Police Pension scheme (PPS)

Directors with a police pension are members of the Police Pension scheme 1987.

The Police Pension scheme 1987 is a 'final salary' scheme, the pension calculated as a proportion of final average pensionable pay, generally pay in the last year of service as a member of the scheme. The pension received depends on pensionable service, which for most officers will be the length of service in the police force for which they have paid pension contributions, with appropriate adjustments for part-time service. 30 years' service is required to qualify for the maximum pension.

The Scheme provides the following benefits:

- a maximum pension is two-thirds of average pensionable pay;
- there is an option to exchange ('commute') part of the pension for a lump sum;
- average pensionable pay is in effect the highest pensionable pay for the three years before retirement; and
- each year of pensionable service for the first 20 years gives entitlement to a pension of 1/60 of final pay and each year for the final 10 years gives 2/60, up to a limit of 40/60.

The pension for the Director General is administered by the NCA. Seconded Directors who are police officers, are members of the pension schemes managed by their respective police forces.

As part of this scheme, the NCA accepts liability for payment of the pension benefits in respect of the officer's past service with a police force, although no transfer values are payable from a former employer in respect of this liability, as well as their pensionable service while employed by the Agency. Pension benefits are paid as they fall due from the NCA resources. Pensions paid in the year are charged against the Pension Provision (see Part Three and Notes to the Accounts). In order to comply with HM Treasury's Financial Reporting Manual and Accounts Guidance, the NCA is required to provide in these accounts for the full value of the expected future pensions liabilities of the officers. The NCA has commissioned the Government Actuary Department (GAD) to value the scheme liabilities as at 31 March 2020 as part of its quadrennial review.

Civil Service Pensions

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

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

Employee contributions are salary-related and range between 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for

each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation.

Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 17.75% (depending on the age of the member) into a stakeholder pension product provided by Legal and General. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

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

Cash Equivalent Transfer Values (CETV) (audited)

This is the actuarially-assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme.

The pension figures shown relate to the benefits the individual has accrued as a consequence of their total NCA and related precursor agency service, not just their current appointment. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when the pension benefits are taken.

Real Increase in CETV

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

McCloud/Sargeant Judgment

In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to some members of the judicial and fire fighters' schemes as part of the 2015 Pension reforms amounted to unlawful discrimination.

The full ramifications of this ruling are not yet known in the context of analogous pension schemes, as although the Chief Secretary to the Treasury made a statement on 15 July 2019 that remedy will be applied across all equivalent schemes, it is unclear what the remedy may mean. A potential future liability for the NCA has been valued by GAD and included in Police Pension Scheme valuation in Note 3 (page 77).

Compensation on early retirement or for loss of office (audited)

Two officers left under Voluntary Exit terms in August and October 2019 respectively. They received compensation payments of £194k in total.

Reporting of Civil Service and other compensation schemes – exit packages

Comparative data is shown (in brackets) for previous year

1	Exit package cost band	NCA		
		Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
2	<£10,000			
3	£10,000 – £25,000			
4	£25,000 – £50,000			
5	£50,000 – £100,000		1	1
6	£100,000 – £150,000		1	1
7	£150,000 – £200,000		(1)	(1)
8	Total number of exit packages		2	2
			(1)	(1)
9	Total cost /£		194,305	194,305
			(161,462)	(161,462)

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

Payments to past directors (audited)

There were no other payments made to past directors in 2019-2020.

Fair Pay Disclosure (audited)

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

The banded remuneration of the highest paid director in the NCA for the reporting period was £220-225k (2018-19: £215-220k). This was 6.0 times (2018-19: 6.0) the median remuneration of the workforce (excluding the highest paid director), which was £37,845 (2018-19: £36,762). The NCA's calculation of the median earnings of the work force (excluding the highest paid director) and the ratio between this and the highest paid director was based on full time equivalent officers as at 31 March 2020 on an annualised basis.

Remuneration during the reporting period ranged from £15k to £221k (2018-19: £15k to £220k).

There were no employees who received remuneration in excess of the highest paid director.

No contingent labour costs are included in the median pay calculation. The impact of excluding contingent labour and seconded officers does not have a material impact on the calculation.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. The NCA's median pay included allowances but not overtime.

Trades Unions

The NCA has in place an employee relations policy that outlines a consultative framework for engaging trade union representatives. There are three recognised trade unions and facility time is provided to allow union representatives to take part in industrial relations duties.

In October 2013, the NCA introduced new union facility time arrangements which will limit the proportion of the pay bill allocated to paid union facility time to 0.1% in line with the Cabinet Office Facility Time Framework.

Facility Time Publication Requirements

Effective from 1 April 2019

Table 1 – Trade Union (TU) representatives

Number of employees who were relevant union officials during the reporting period	FTE employee number
	69

Table 2 – Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1-50%	68
51%-99%	-
100%	-

Table 3 – Percentage of pay bill spent on facility time

Total cost of facility time	£162,945
Total pay bill	£251m
Percentage of the total pay bill spent on facility time	0.06%

Table 4 – Paid TU activities (TUA)

Time spent on paid TU activities	No paid TUA. TUA is unpaid except in exceptional circumstances. Only TU Duties are paid.
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Staff report (Audited)

Staff costs

For year to 31 March 2020

	Permanently Employed	Others	Total	Total
	2019-20	2019-20	2019-20	2018-19
	£'000	£'000	£'000	£'000
Wages and Salaries	187,868	26,922	214,790	200,266
Social Security Costs	19,695	-	19,695	18,612
Pension Costs	44,737	-	44,737	32,851
Sub Total	252,300	26,922	279,222	251,729
Less recoveries in respect of outward secondments	(403)	-	(403)	(443)
Sub Total	251,897	26,922	278,818	251,286
Past service cost in respect of Police Pension Scheme	6,750	-	6,750	-
Total service cost net of employee contributions	5,200	-	5,200	5,910
Total Net Costs	263,847	26,922	290,769	257,196

Pension benefits

Principal Civil Service Pension Scheme (PCSPS)

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme in which the NCA is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2019-20, employers' contributions of £41.4m were payable to the PCSPS (2018-19 £30.3) at one of four rates in the range 26.6 to 30.3 per cent (2018-19 20.0 to 24.5 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Partnership and Stakeholder Schemes

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £1.2m (2018-19 £1.0m) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8.0 to 14.75 per cent (2018-19: 8.0 to 14.75 per cent) of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay.

In addition, employers' contributions of £35k (0.5 per cent, 2018-19 £35k, 0.5 per cent) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £1.55m. Contributions prepaid at the date were £0.

No staff (2018-19: nil) retired early on ill-health grounds.

Numbers of Senior Civil Servants (Audited)

NCA's senior staff grades are analogous to SCS equivalents. Numbers of Senior Civil Servants (or equivalent) by pay band:

SCS Grade	NCA Equivalent	2019-20 Total	Restated 2018-19 Total
SCS 4	Director General NCA	1	1
SCS 3	Director General (Capabilities)	1	1
	Director General (Operations)	1	1
	Director General (NECC)	1	1
SCS 2	Directors	8	7
SCS 1	Deputy Directors	23	21
Total		35	32

Disclosure also includes secondees where occupying a permanent position

Staff numbers and costs

Average number of persons employed (Audited)

The average number of full-time equivalent officers employed during the period was as follows:

	2019-20 Total	2018-19 Total
Permanently Employed (UK employment contract)	4,291	4,160
Other	327	219
Total Average number of officers	4,618	4,379

In addition to the above directly employed officers, the NCA had 91 attached from other organisations as at 31 March 2020 (2018-19: 64) who are excluded from the above figures as they do not form part of the NCA establishment. The NCA is not charged for the attached officers who are considered to be working for the benefit of their employers.

Staff composition

At 31 March 2020, the breakdown of officers by gender was as follows:

	Male	Female	Total
Directors	7	6	13
Senior Civil Servants	18	8	23
Other Employees	3,108	2,229	5,337
Total*	3,133	2,243	5,376

* This total represents the NCA headcount as at 31 March 2020, including agency officers, commercial contractors, seconded officers and officers on career break.

Officers Sickness Reporting

NCA officers were absent on sick leave for an average of 5.1 days per employee during the year to 31 March 2020 (2018-19: 6.4 days).

Staff Policies applied during the year Inclusion, Diversity & Equality

The NCA is committed to treating everyone with dignity and respect, valuing diversity, working in partnership, and sharing knowledge and best practice.

It seeks to create and maintain an environment which values all officers and respects the contribution they make and where fairness and equality of opportunity are assured. Inclusion, diversity and equality issues are embedded in strategic planning, policy development and organisational processes.

The NCA aims to provide a positive environment in which everyone feels valued, and where the organisation is open to the experience, insights and skills of people of different age, disability, sex, gender reassignment, race, religion, belief, sexual orientation, marital/civil partnership, pregnancy/maternity status and political opinion.

The NCA supports a range of work styles for individual officers, while meeting organisational need. Respect is an integral part of the NCA values and behaviours and is part of its recruitment process and annual individual performance reviews.

The NCA is committed to the employment and career development of disabled officers and is the holder of Jobcentre Plus 'Positive about disabled people' Two Ticks symbol. The symbol is a recognition given to employers who demonstrate that they are serious about achieving equality of opportunity for disabled people.

The NCA actively ensures that disability is not regarded as a barrier to recruitment or promotion. The NCA has a policy of inviting people who have a disability, and who meet the minimum behavioural and technical entry criteria to interview / assessment. Once in post, disabled officers are provided with any reasonable support / adjustments they might need to carry out their duties.

Within the NCA, the Disability Network Advisory Group (DNAG) provides information and advice on a range of disability issues to all officers.

DNAG works with the occupational health and welfare department, Business Disability Forum and MIND, the mental health charity.

Monitoring spending on Expenditure on consultancy and temporary staff

The NCA is required to report for the year spending on consultancy and the use of contingent labour (temporary staff). This expenditure includes, as separate line items, total consultancy expenditure and contingent labour expenditure incurred.

Temporary (non-payroll) Staff

Temporary (non-payroll) Staff

The table below gives the cost of providing Contingent Labour to cover business as usual or service delivery activities in the Agency.

Temporary staff are employed either through an agency or recruitment consultant and are engaged on an ad hoc or temporary basis to fulfil requirements within established posts which involves providing cover (e.g. for a vacancy, holiday or sickness or additional resource) and can undertake operational or professional roles.

	2019-20 £'000	2018-19 £'000
Temporary Workers – Admin and Clerical*		
Admin & Clerical agency staff are normally lower grade contingent labour who are filling in for a role within the organisational structure	6,752	4,392
Interim Managers†		
Middle- to senior-grade staff working in an organisation, concerned with the fulfilment of particular professional functional or senior management positions within the organisational structure	11,493	7,909
Specialist Contractors / Services (Consultants) ^		
Specialists are normally middle to senior grades, used to provide expertise that is not available in-house, fulfilling functional or senior positions within the organisational structure	38,986	27,089
	57,231	39,390

* This total includes £4.08m (£2.44m 2018-19) expenditure on temporary workers within externally funded special operations.

† This total includes £1.46m (£1.50m 2018-19) expenditure on interim managers within externally funded special operations. The figures for interim managers has been adjusted to include contingent labour costs that has been capitalised.

^ This total includes £9.744m expenditure (£8.665m 2018-19) on specialist contractors within externally funded special operations.

'Temporary workers' are interim staff at the NCA junior grades. Whereas 'interim managers' are all staff at the NCA middle management grades and above; this also includes senior interim staff at Director level where applicable.

Staff seconded to the NCA from within Government and related arms-length bodies are excluded from the disclosure as they are not considered 'non payroll'.

The increase in temporary staff was driven by the increase in externally funded special operations.

The increase in Specialist Contractors was driven by support to the change to the Digital, Data and Technology Command principle contract and related strategy and portfolio management support for the NCA's transformation programme.

Consultancy

Consultancy expenditure covers the provision to management of objective advice relating to strategy, structure, management or operations of the NCA, in pursuit of its purposes and

objectives. Such advice will be provided outside the 'business-as-usual' environment when in-house skills are not available and will be time-limited.

Resource employed for the purpose of supporting the 'business-as-usual' environment when in-house skills are not available, but are not expressly Contingent Labour, are used exclusively for the delivery of services, providing further flexibility to fill unavoidable short term operating gaps.

For the purposes of disclosure, the NCA classifies such expenditure as Specialist Contractors; middle to senior grades, used to provide expertise that is not available in-house, fulfilling functional or senior positions within the organisational structure, engaged on a short term basis though not always provided through an agency.

Reporting of high paid off-payroll appointments

The Review of Tax Arrangements of Public Sector Appointees requires the NCA to publish information on the Agency's highly paid and / or senior off-payroll engagements. The Agency interprets these as staff who are paid more than £245 per day and contracted through an agency relationship.

Table 1 – All off payroll engagements as of 31 March 2020 for more than £245 per day and that last for longer than six months.

	2019-20	2018-19
Number of existing engagements as of 31 March 2020	64	42
Of which at time of reporting:		
Number that have existed for less than one year at time of reporting	28	23
Number that have existed for between one and two years at time of reporting	25	23
Number that have existed for between two and three years at time of reporting	8	1
Number that have existed for between three and four years at time of reporting	1	3
Number that have existed for four or more years at time of reporting	2	3

All existing off payroll engagements outlined above, have been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax.

Table 2 – For all new off payroll engagements, or those that reached 6 months in duration between 1 April 2019 and 31 March 2020 for more than £245 per day and that last for longer than six months.

	2019-20	2018-19
Number of new engagements or those that reached 6 months in duration between 1 April 2019 and 31 March 2020	28	23
No. assessed as caught by IR35	-	-
No. assessed as not caught by IR35	28	23
No. engaged directly (via PSC contracted to department) and are on departmental payroll	-	-
No. of engagements reassessed for consistency / assurance purpose during the year	-	-
No. of engagements that saw a change to IR35 status following the consistency review	-	-

Following the risk based assessment no assurance was required from the Agencies.

The Agency had no off payroll engagements for Board Members and / or senior officials with financial responsibility between 1 April 2019 and 31 March 2020.

Parliamentary Accountability and Audit Report

Statement of Parliamentary Supply

This section is subject to audit.

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

The SoPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament.

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

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

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

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

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

Summary of Resource and Capital Outturn 2019-20

SoPS Note	Outturn			Estimate			Outturn Vs Estimate, savings/(excess)		Prior Year Outturn
	Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	Total 2018-19 £'000
Departmental Expenditure Limit									
- Resource (RDEL) 1.1	485,008	-	485,008	489,360	-	489,360	4,352	4,352	462,242
- Capital (CDEL) 1.2	63,625	-	63,625	66,380	-	66,380	2,755	2,755	51,932
Annually Managed Expenditure (AME)									
- Resource 1.1	40,538	-	40,538	75,000	-	75,000	34,462	34,462	26,139
- Capital 1.2		-			-				-
Total Budget	589,171	-	589,171	630,740	-	630,740	41,569	41,569	540,313
Non-Budget									
- Resource 1.1		-			-				-
Total	589,171	-	589,171	630,740	-	630,740	41,569	41,569	540,313
Total Resource	525,546	-	525,546	564,360	-	564,360	38,814	38,814	488,381
Total Capital	63,625	-	63,625	66,380	-	66,380	2,755	2,755	51,932
Total	589,171	-	589,171	630,740	-	630,740	41,569	41,569	540,313

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

Net Cash Requirement 2019-20

	SoPS Note	Outturn £'000	Estimate £'000	Outturn vs Estimate, Saving/(excess) £'000	Prior Year Outturn Total 2018-19 £'000
Net Cash Requirement	3	524,827	640,000	115,173	496,790

Administration Costs 2019-20

Type of Spend	SoPS Note	Outturn £'000	Estimate £'000	Outturn vs Estimate, Savings/(excess) £'000	Prior Year Outturn Total 2018-19 £'000
Administration Costs	1.1	36,408	37,883	1,475	30,361

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

Explanations of variances between Estimates and outturn are given under SoPS 3 below.

Notes to the Statement of Parliamentary Supply 2019-20

SoPS 1 Outturn Detail, by Estimate Line

SoPS 1.1 Analysis of resource outturn by Estimate line

Type of Spend Resource	Administration			Outturn Programme			Estimate		Total Including Virements £'000	Outturn vs Estimate savings/ (excess)	Prior Year Outturn Total 2018-19 £'000
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000	Total £'000	Total £'000			
Spending in Departmental Expenditure limit											
Voted:											
A – National Crime Agency	36,408	–	36,408	543,869	(95,269)	448,600	485,008	489,360	489,360	4,352	462,242
Annually Managed Expenditure											
Voted:											
B – National Crime Agency AME	–	–	–	40,538	–	40,538	40,538	75,000	75,000	34,462	26,139
Total	36,408	–	36,408	584,407	(95,269)	489,138	525,546	564,360	564,360	38,814	488,381

SoPS 1.2 Analysis of capital outturn by Estimate line

Type of Capital Expenditure	Outturn Administration			Net Total £000	Estimate Total Including Virements £000	Outturn Vs Estimate savings/ (excess)	Prior Year Outturn Total 2018-19 £'000
	Gross £000	Income £000	Net £000				
Spending in Departmental Expenditure limit							
Voted:							
A – National Crime Agency	86,034	(22,409)	63,625	66,380	66,380	2,755	51,932
Annually Managed Expenditure							
Voted:							
B – National Crime Agency AME	–	–	–	–	–	–	–
Total	86,034	(22,409)	63,625	66,380	66,380	2,755	51,932

SoPS 2. Reconciliation of outturn to net operating expenditure

Item	Reference	Outturn Total £000	Prior Year Outturn Total 2018-19 £000
Total resource outturn in Statement of Parliamentary Supply	SOPS 1.1	525,546	488,381
Less:			
Capital Grants		(22,235)	(8,095)
Other – R&D		12,817	
Other – capital expenditure		2,876	1,769
Net Operating Expenditure in Statement of Comprehensive Net Expenditure		519,004	482,055

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

Capital grants are capital expenditure that do not classify as an asset under IFRS – IAS 16 Property, Plant & Equipment. Income is taken to Statement of Comprehensive Net Expenditure and extracted out for the purpose of reconciling net operating expenditure. Corresponding adjustments are made in SoPS 1.2 and SoPS 2.

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

Item	Reference	Outturn Total £'000	Estimates Total £'000	Outturn vs Estimate, Savings/ (excess) £'000
Resource Outturn	1.1	525,546	564,360	38,814
Capital Outturn	1.2	63,625	66,380	2,755
Accruals to cash adjustment				
<i>Adjustments to remove non-cash items:</i>				
Depreciation		(56,674)	(58,800)	(2,126)
New provisions and adjustments to previous provisions		(7,743)	(77,000)	(69,257)
Other non-cash items		(9,712)	(130)	9,582
<i>Adjustments to reflect movements in working balances:</i>				
Increase/(decrease) in receivables		16,403	65,360	48,957
(Increase)/decrease in payables		(7,214)	77,830	85,044
Use of provisions		596	2,000	1,404
		524,827	640,000	115,173
Removal of non-voted budget items				
Consolidated Fund Standing Services		–	–	–
Other adjustments		–	–	–
Net cash requirement		524,827	640,000	115,173

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

Explanation of key variances between Estimates and Outturn are as follows:

- Resource Departmental Expenditure Limit: RDEL Outturn is 99% of the Estimated figure highlighting a high degree of efficiency of financial management in the period.
- Capital Departmental Expenditure Limit: CDEL Outturn is 96% of the Estimated figure which again shows an efficiency of financial management.
- Resource Annually Managed Expenditure: Although Outturn is 54% of the Estimated figure, AME is separated from RDEL and CDEL due to its inherent unpredictability. Therefore, common practice is to allocate a significantly higher AME Estimate than likely expenditure. The £40.5m Outturn is greater than previous years due to the larger than normal change in the discount rate used to value the NCA Police Pension liability.
- Net Cash Requirement: The variance of the Net Cash Requirement Outturn to Estimate of £115m was principally due to the changes in working capital (receivables and payables). As any breaches of this total are subject to sanction, a prudent approach is always applied to this estimate.
- Administration costs: Administration costs represent 96% of the Estimate, showing that the NCA has stayed within its limits to ensure that output from Programme costs are maximised.

Remote contingent liabilities, losses and special payments

This section is subject to audit.

Indemnities

A Departmental Minute was laid before Parliament in March 2015 which enables the NCA to indemnify bodies against losses when using their facilities for firearms training purposes, to a maximum value at any one time of £50m. The NCA entered into 37 agreements with suppliers during the reporting period (2018-19: 39), with a maximum value at any one date of £32m (2018-19: £27m). At 31 March 2020, the NCA had no indemnities in place with firearms training establishments (2018-19: nil). Controls were in place to ensure that these did not exceed the £50m limit at any specific date. No individual indemnity held during the reporting period exceeded £5m in value.

The NCA has the authority to enter into other indemnities for operational need of up to £1m in any particular case. The NCA entered into no new indemnities during the year (2018-19: nil).

A PF78 (solicitor's undertaking as to expenses) occurred in circumstances where a person, by dint of their age or capacity, was unable to defend their own interests. In these cases, the court would direct that their interests were independently represented by the office of the Official Solicitor. In such circumstances, the NCA was requested by the court to provide an undertaking to indemnify the Official Solicitor's reasonable costs. No new PF78s were established in the year to 31 March 2020 (2018-19: nil).

The following indemnities are in place as at 31 March 2020:

- 5 indemnities (2018-19: 5) with banks relating to the recovery of criminal assets with an estimated value of £0.641m (2018-19: £0.625m). The change in value is due to Euro/Sterling exchange rate movements.
- 6 indemnities (2018-19: 6) with clearing banks with a maximum aggregated value of £1.1m (2018-19: £1.6m).
- 10 operational indemnities (2018-19: 10) with a combined maximum estimated value of £6.0m (2018-19: £6.0m).
- 5 PF78 solicitor's undertaking as to expenses (2018-19: 5). PF78's are to cover all "reasonable expenses" with a potential liability of less than £0.125m (2018-19: £0.125m).

No liabilities crystallised during the period. The NCA continually reviewed indemnities according to the quantum of risk and likelihood.

Losses and Special Payments

There were no significant losses or special payments that need to be reported in accordance with Managing Public Money during 2019-20.



Lynne Owens
Director General
Date 15th July 2020

The Certificate of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the National Crime Agency (NCA) for the year ended 31 March 2020 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the NCA's affairs as at 31 March 2020 and of the NCA's net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2020 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the NCA in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the NCA's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the NCA have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the NCA's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NCA's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of the NCA's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NCA's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the NCA to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also required to obtain evidence sufficient to

give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

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

Date
20th July 2020

A photograph of two men from behind, looking at a mobile device. The man on the left wears a dark blue high-visibility vest with 'POLIZEI' printed on the back. The man on the right wears a yellow high-visibility vest with a 'Nation' logo featuring a crown. A teal diagonal overlay is present on the right side of the image.

Part Three

Financial Statements

Statement of comprehensive net expenditure

for the period ended 31 March 2020

	Note	2019-20 £'000	2018-19 £'000
Operating income	5	(117,504)	(85,649)
Total operating income		(117,504)	(85,649)
Officer costs	3	290,769	257,196
Other costs	4	265,485	232,022
Depreciation and amortisation	6/7	56,674	57,066
Total operating expenditure		612,928	546,284
Net operating expenditure		495,424	460,635
Interest on pension liabilities	3a	23,580	21,420
Net expenditure for the year		519,004	482,055

Other Comprehensive Expenditure

	Note	2019-20 £'000	2018-19 £'000
Items which will not be reclassified to net operating expenditure:			
Net (gain)/loss on revaluation of Property, Plant and Equipment	6	(658)	(3,351)
Actuarial (gain)/loss on pension reserve	3a	107,060	(31,460)
Comprehensive net expenditure for the year ended 31 March 2020		625,406	447,244

The notes on pages 71 to 88 form part of these accounts.

Statement of financial position

as at 31 March 2020

	Note	2019-20 £'000	2018-19 £'000
Non-current assets			
Property, plant and equipment	6	133,117	137,133
Intangible non-current assets	7	70,609	52,646
Total non-current assets		203,726	189,779
Current assets			
Trade and other receivables	10	89,061	72,657
Cash and cash equivalents	9	7,941	10,768
Total current assets		97,002	83,425
Total assets		300,728	273,204
Current liabilities			
Trade and other payables	11	(88,874)	(83,877)
Provisions falling due within 1 year	12	(4,087)	(946)
Total current liabilities		(92,961)	(84,823)
Total assets less current liabilities		207,767	188,381
Non-current liabilities			
IAS 19 Pension Liability		(935,743)	(819,313)
Provisions	12	(10,232)	(6,226)
Other payables	11	(2,593)	(3,204)
Total non-current liabilities		(948,568)	(828,743)
Total assets less total liabilities		(740,801)	(640,362)
Taxpayers' equity and other reserves:			
General Fund		(20,610)	(23,504)
Pension Reserve		(741,360)	(634,300)
Revaluation Reserve		21,169	17,442
		(740,801)	(640,362)

The notes on pages 71 to 88 form part of these accounts.



Lynne Owens
Director General and Accounting Officer, National Crime Agency
 Date 15th July 2020

Statement of cash flow

for the period to 31 March 2020

	Note	2019-20 £'000	2018-19 £'000
Cash flows from operating activities			
Net expenditure for the year		(519,004)	(482,055)
Adjustments for non-cash transactions:			
Depreciation and audit fee	4	56,812	57,816
Loss/(Gain) on non-current asset write off	6/7	(30)	–
Loss/(gain) on asset revaluation	6	202	558
(Surplus)/Loss on disposal of non-current assets	4	33	208
Donated assets	4	–	591
Pension costs		35,530	27,330
Employee contribution	3a	1,000	1,260
Police Pension Payment made		(27,170)	(28,740)
Cash Transfers in from other police pension schemes		10	40
(Increase)/Decrease in receivables	10	(16,403)	(19,559)
Increase/(Decrease) in trade and other payables	11	7,214	4,833
Increase/(Decrease) for use of provisions	12	7,147	117
Net cash outflow from operating activities		(454,659)	(438,231)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(35,305)	(32,773)
Purchase of intangible assets	7	(35,037)	(26,079)
Proceeds of disposal of property, plant and equipment		174	293
Net cash outflow from investing activities		(70,168)	(58,559)
Cash flows from financing activities			
From the Consolidated Fund		522,000	493,000
Net financing		522,000	493,000
Net increase/(decrease) in cash and cash equivalents in the period		(2,827)	(3,790)
Cash and cash equivalents at the beginning of the period		10,768	14,558
Cash and cash equivalents at the end of the period		7,941	10,768

The notes on pages 71 to 88 form part of these accounts.

Statement of changes in taxpayers' equity

for the period ended 31 March 2020

	Note	General Fund £'000	Pension Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 31 March 2018		(42,096)	(665,760)	17,828	(690,028)
Net gain on revaluation of property, plant & equipment	6	–	–	3,351	3,351
Actuarial gain on pension reserve	3	–	31,460	–	31,460
Net expenditure for the year		(482,055)	–	–	(482,055)
Non-cash charges – Auditor's Remuneration	4	120	–	–	120
Transfer between reserves		3,737	–	(3,737)	–
Supply payable		(10,768)	–	–	(10,768)
Net parliamentary funding		507,558	–	–	507,558
Balance at 31 March 2019		(23,504)	(634,300)	17,442	(640,362)
Net gain on revaluation of property, plant & equipment	6	–	–	658	658
Actuarial (loss) on pension reserve	3a	–	(107,060)	–	(107,060)
Net expenditure for the year		(519,004)	–	–	(519,004)
Non-cash charges – External Auditor's Remuneration	4	140	–	–	140
Transfer between reserves		(3,069)	–	3,069	0
Supply payable		(7,941)	–	–	(7,941)
Net parliamentary funding		532,768	–	–	532,768
Balance at 31 March 2020		(20,610)	(741,360)	21,169	(740,801)

The notes on pages 71 to 88 form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

Basis of preparation

The financial statements for the NCA have been prepared in accordance with the 2019–20 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the NCA for the purpose of giving a true and fair view has been selected. The particular policies adopted by the NCA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The NCA is a non-ministerial department which is accountable to the Home Secretary for its performance. Accordingly, it has been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

The presenting currency is in £ Sterling, rounded in '000s.

1a) Accounting convention

The accounts have been prepared on an accruals basis under the historical cost convention modified to account for the revaluation of property, plant and equipment. Intangible assets and inventories are not revalued.

1b) Income

Recognition

In accordance with FReM, where assets are financed by government grant from other departments, the funding element is recognised as income and taken through the Statement of Comprehensive Net Expenditure. The NCA met all conditions regarding the consumption of future economic benefits set by the funding providers so the funding was not deferred. Where income is expected but has not been received by the end of the year, the income is accrued and taken through the Statement of Comprehensive Net Expenditure.

Donations received

The NCA receives cash donations, donated assets and donations in kind, including officers' time and use of assets, from various external sponsors and agencies.

Donations in kind are offset by notional expenditure such that there is a net nil effect on the accounts.

Specific operational funding and recovery of costs

Income is received from stakeholders to cover the costs of specific operational initiatives and consequently certain costs are recovered.

Assets Recovered Incentivisation Scheme (ARIS)

ARIS income is required to be spent within the year it was earned. ARIS income is accounted for under the accruals concept.

1c) Foreign currency

Transactions denominated in foreign currency are converted into sterling at the rate of exchange ruling on the date of each transaction, except where rates have not fluctuated significantly, then an average rate for the month is used. All end of year balances are translated at the prevailing spot rate on 31 March 2020.

Monetary assets and liabilities denominated in foreign currency at the Statement of Financial Position date are translated at the rates ruling at that date. Any translation differences arising are taken to the Statement of Comprehensive Net Expenditure.

1d) Leases

Rentals made under operating leases on land and buildings and equipment are charged to expenditure. Discounts received for rent-free periods are recognised over the term of the lease through the Statement of Comprehensive Net Expenditure.

The NCA does not hold any finance leases or PFI contracts.

1e) Pensions Reserve

In accordance with government accounting guidance, actuarial gains or losses on pension scheme liabilities are recognised in the Statement of Changes in Taxpayers' Equity. The movement in gain or loss is shown in the Pensions Reserve.

1f) Pension costs

Employer contributions to the Principal Civil Service Pension Scheme are charged to the Statement of Comprehensive Net Expenditure as incurred at the relevant percentage of employees' pensionable pay as specified by the pension scheme administrators. The annual charge is designed to reflect the cost of pension benefits over the employee's service life.

The cost of providing unfunded pension benefits for former police officers is charged to the Net Expenditure account over the qualifying service life of the officer. The qualifying service for these pension benefits includes prior service with a police force in addition to service with the NCA, although no funding is received from the officer's previous employer in relation to this past service. The annual charge to the Statement of Comprehensive Net Expenditure is calculated so that the Statement of Financial Position provision reflects the proportion of the future pension liability relevant to accumulated qualifying service at the Statement of Financial Position date. The Police Pension liability includes a provision for future injury awards. A payment to cover the net pension deficit is included in the NCA budget annually. The deficit is caused by expenditure on pensions exceeding contributions.

The Government Actuaries Department (GAD) has, in accordance with IAS 19, advised that any obligation that arises from other long-term employee benefits that depend on length of service needs to be recognised when service is rendered. As injury awards under the Police scheme are dependent on service, GAD values the liability expected to arise due to injury awards in respect of service prior to the valuation date. GAD uses historic data from police authorities to determine the expected incidence and size of future injury awards.

In accordance with government accounting guidance, actuarial gains/losses on pension scheme liabilities are recognised in the Statement of Changes in Taxpayers' Equity. The movement in gain/loss is shown in the Pensions Reserve.

1g) Value Added Tax

Most of the activities of the agency are outside the scope of VAT and, in general, output tax does not apply and input tax is not recoverable. Input tax is recovered in accordance with services listed in HM Treasury's Contracting-Out of Services Direction, which is provided for in section 41(3) of the VAT Act 1994. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1h) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make appropriate judgements and assumptions that affect the amounts reported for assets and liabilities for the year ending 31st March 2020, and for amounts reported for income and expenses during the relevant period.

Provisions

A provision is recognised when the agency has a present legal or constructive obligation which has arisen as a result of a past event, when payment is probable and the amount can be estimated reliably. In determining the value to recognise as a provision in the accounts we use estimates provided by suitably qualified professionals.

Police Pension Scheme and related schemes

The Government Actuary's Department (GAD) estimates the present value of the defined benefit liabilities. These are determined using the Projected Unit Credit Method ('PUCM'). Under the PUCM, the actuarial liability represents the present value of future benefit payments arising in respect of service prior to the valuation date.

1i) Non-current assets

Expenditure incurred by the NCA on the acquisition of capital assets or expenditure which adds to the value of existing assets is capitalised, provided that the assets gives benefit to the NCA for a period of more than one year. Where appropriate, the NCA capitalises the cost of salaries directly attributed to developing the non current assets as permitted within IAS 16.

Capital assets, both tangible and intangible, are assets that cost or are valued at or above a capitalisation threshold of £5,000 which is set by the NCA Board and with an expected working life of more than one year. Individual assets which

cost less than £5,000 but are required to be grouped together to form one capital asset with a total value greater than £25,000 are capitalised. Technical equipment assets, the individual components of which cost less than £5,000 but which are non-consumable in nature, are also treated as capital assets.

Expenditure on the fit-out and works to buildings financed by operating leases is capitalised as a tangible non current asset if the works add to the value of the building. Fit-out costs of all new buildings could include the costs of new furniture and equipment that individually cost less than £5,000, but collectively cost greater than £25,000, where it is more appropriate to capitalise the initial costs. Tangible non current assets are carried at fair value for existing use.

The NCA proactively reviews the content of its Non Current Asset Register (NCAR).

Asset type	Useful life
Land and buildings	Land is not depreciated. Buildings are depreciated to their estimated residual value over the remainder of the buildings' estimated economic lives. The range of leasehold buildings' lives at 31 March 2020 to 2050 was 1 to 30 years.
Improvements to leasehold buildings	The shorter of the duration of lease or anticipated useful life of improvements, subject to maximum period of 10 years.
Motor vehicles	3 – 9 years
Plant and equipment	5 years
Furniture and fittings	10 years
IT equipment and software	3 – 10 years
Intangible non-current assets – IT licences and software	5 years (or the duration of the licence)

Tangible assets are revalued annually and are reported at current cost.

1k) Revaluation

The NCA has a policy of revaluing its non current assets (excluding freehold properties) annually by applying government-approved indices per asset type.

Freehold properties are subject to two yearly professional revaluations. A full professional valuation was carried out by GVA during 2018-19. During 2019-20 all Freehold building assets were re-aligned to standard depreciation terms per building as determined by its remaining useful life. This did not represent a change in account policy; there was no difference to the opening balances, and therefore no restatement of balances required.

Intangible assets are not revalued.

Capital investment development programme business case reviews and approvals enabled the NCA to validate the existence, utilisation and value of assets recorded in the NCAR.

1j) Depreciation and amortisation

A full month's depreciation or amortisation is provided in the month following first use or availability for use and apportioned to the date of disposal. No depreciation is provided on assets under construction until they are brought into use or are available for use.

Depreciation or amortisation is provided on all non-current assets either in use or available for use on a straight-line basis to write off the cost or valuation evenly over the asset's anticipated useful life as follows:

1l) Provisions

The *Legal provision* assesses the likelihood, potential risk and value of legal actions against the NCA. The provision incorporates estimates for both legal costs and compensation.

The *Retirement provision* was created to provide for expected future pension obligations arising from the HM Treasury approved exit scheme, which the NCA adopted in October 2010. The valuation, as advised by HM Treasury, includes a post employment benefits real discount rate of -0.5% that is applied to future years' cash flows with effect from 31 March 2020 (0.10% from 31 March 2019).

The *Dilapidation provision* assesses and values expected dilapidation costs due when the NCA vacates a leased building. The provision is based on an estimated charge for the specific sites involved and allows for the reversal of any

changes to the buildings made by the NCA and the costs of redecoration.

The *Onerous lease provision* is for offices vacated by 31 March 2020 for which there is a lease obligation beyond this date. The provision takes into account known future lease breaks and lease end dates.

Dilapidation and Onerous lease general provisions are measured at their present value using the discount rate provided by HM Treasury as per the table below:

Nominal Rates	Short-term (1-5 years)	0.51%
	Medium-term (5-10 years)	0.55%
	Long-term (10+ years)	1.99%
Inflation	Year 1	1.9%
	Year 2	2.0%
	Into Perpetuity	2.0%

1m) Contingent liabilities

Contingent liabilities are disclosed in accordance with IAS 37 as applied or adapted for the public sector under the FReM. Additionally, the NCA complies with HM Treasury Guidance "Managing Public Money", and ensures that HM Treasury and Parliamentary approval are sought where appropriate.

1n) Recovered assets

The criminal confiscation, civil recovery and taxation provisions under the Proceeds of Crime Act 2002 (PoCA) are utilised by the NCA to deprive criminals of their illicit profits and assets. Consequently, proceeds from recovered assets are received and paid over to the Home Office. The NCA continues to participate in the incentivisation scheme whereby the NCA and referring law enforcement agencies receive a portion of the remittances, treated as income, as an incentive to build their asset recovery capacity.

Sale proceeds from recovered assets less allowable costs, including receivers' fees deducted, are paid to the Home Office.

The NCA manages bank accounts where recovered cash is deposited. Each year end, the excess of civil recoveries over receivers' fees applied, net of any direct disposal costs, is paid over to the Home Office. For assets recovered through criminal and tax cases, the amounts are paid over quarterly.

Section 280 subsection 3, of the Crime and Courts Act 2013 enables the Director General to meet the costs of an appointed Interim Receiver from sums received from civil recovery proceedings in a way which directly mirrors the provisions in criminal confiscation cases in Parts 2 and 4 of PoCA. The commencement date of the provision was 1 July 2005 and, thereafter, the costs of Interim Receivers and Trustees were permitted to be offset against eventual case proceeds. Assets and cash held by the NCA on behalf of third parties in relation to these activities are not included in the NCA's accounts but are separately reported in note 17 to the accounts.

1o) Financial Instruments

IFRS 9 (Financial Instruments) is not applied to these accounts on the basis that all potential balances subject to the Standard are held with other Government Departments.

1p) International Financial Reporting Standards (IFRSs) and other accounting changes that have been issued but are not yet effective

IFRS 16 – Leases was issued in January 2016 and was effective from 1 January 2019. The main effect of the adoption of IFRS 16 for lessees will result in a number of former operating leases being brought on-balance sheet.

IFRS 16 was due to be implemented from April 2020, however, due to the impact of circumstances as a result of Covid-19, HM Treasury have taken the decision to defer implementation by one year to April 2021. The impact will increase the opening balance of the NCA's non-current assets on 1 April 2021.

2. Statement of Operating Expenditure by Operating Segment

	Change	Corporate Business Services	Corporate Finance	Digital, Data & Technology	Human Resources	Intelligence	Investigations	Legal	National Economic Crime Centre	Strategy	Threat Leadership	2019-20 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	22,551	60,697	93,041	62,138	18,016	168,337	96,994	7,539	36,640	10,682	59,873	636,508
Income	(4,909)	(1,759)	(10,995)	(4,314)	–	(37,621)	(18,975)	(46)	(5,718)	–	(33,167)	(117,504)
Net Expenditure	17,642	58,938	82,046	57,824	18,016	130,716	78,019	7,493	30,922	10,682	26,706	519,004

As a result of in-year reporting line changes, 2018-19 totals have been restated in line with 2019-20 structure. The 2018-19 restated comparatives are shown in the table below:

	Change	Corporate Business Services	Corporate Finance	Digital, Data & Technology	Human Resources	Intelligence	Investigations	Legal	National Economic Crime Centre	Strategy	Threat Leadership	Restated 2018-19 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	20,824	57,367	84,918	61,477	13,391	166,989	100,075	4,628	6,693	7,298	44,045	567,704
Income	–	(1,906)	(11,782)	(2,633)	–	(25,633)	(17,738)	(560)	(149)	(3)	(25,246)	(85,649)
Net Expenditure	20,824	55,461	73,136	58,844	13,391	141,356	82,337	4,068	6,544	7,295	18,799	482,055

Description of segments

The segmental analysis is consistent with how financial performance is reported to the NCA Board.

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

No segmental data is shown for assets or liabilities, as many of these costs, such as depreciation, are posted to a central cost centre within Corporate Finance. Any analysis of assets and liabilities by cost centre would not provide any meaningful data and so has not been included in these accounts.

Strategy

NCA Strategy Command manages and supports the governance functions and structures of the NCA on behalf of the NCA Board and Command Team. It has responsibility for developing and disseminating the NCA's strategic positioning, in particular with government, key domestic and international partners.

Threat Leadership

Threat Leadership Command is driving the national response to the SOC threats, through one NCA voice. The Command works with partners both inside the NCA and externally to set the strategic direction, facilitate effective delivery of the response and to ensure that we understand the impact of our activity.

Threat Leadership includes Child Sexual Abuse and Exploitation (CEOP/CSAE), Modern Slavery & Human Trafficking (MSHT), Organised Immigration Crime (OIC), Borders, Firearms and

Drugs threats, National Cyber Crime Unit (NCCU), and the UK Protected Persons Service (UKPPS).

National Economic Crime Centre

The National Economic Crime Centre (NECC) is a collaborative, multi-agency centre that has been established to deliver a step change in the response to tackling economic crime. The NECC sets threat priorities which inform operational coordination between partners and facilitate the exchange of data and intelligence between the public and private sectors.

The NECC aims to enhance the UK response to illicit finance, including economic crime and wealth linked to corrupt elites by leading – across the whole SOC system – an uplift in investigative capability.

Intelligence

NCA Intelligence aims to utilise the enhanced intelligence picture of serious and organised crime threats to the UK and flex the NCA, law enforcement and wider HMG collective resources to disrupt the threat.

It aims to achieve this by putting intelligence at the heart of the Agency and looking for new opportunities in intelligence collection, developing new and enhancing traditional capabilities to increase the quantity and quality of intelligence available to exploit both in the UK and abroad.

Investigations

NCA Investigations Command's aim is to protect the public from the most serious threats by disrupting and bringing to justice those serious and organised criminals who present the highest risk to the UK.

Corporate Finance

Corporate Finance works to plan and prioritise our resource and capital expenditure, supports our investment and capability strategy, provides analysis on value for money and evaluation of options for any investment opportunity and ensures compliance with our statutory, regulatory and corporate governance duties. Corporate Finance includes Agency spend that is not Command specific (such as non-cash expenditure).

Corporate Business Services

Corporate Business Services comprises Finance, Commercial, Estates and Service Improvement.

The Command supports the NCA's operational activity by providing sound financial advice, oversees service management, maintenance of the NCA estate and the management of the NCA's fleet.

The Commercial department is responsible for ensuring goods and services are purchased in a compliant & legal manner, taking into consideration sustainable and environmental issues.

The Service Improvement Team manage the delivery of service improvement initiatives across Enabling Capabilities.

Human Resources

The NCA Human Resource Command lead on performance, workforce planning, conduct, reward, HR policies, diversity, wellbeing, complex casework, learning and development and health and safety.

Digital, Data and Technology

Digital, Data and Technology (DDaT) is responsible for creating a cutting edge technology and information environment that connects, empowers and enhances our officers' crime fighting capabilities.

The Command is beginning the transformation of the NCA's technology estate and technology organisation in order to underpin the NCA's wider transformation agenda, whilst supporting day-to-day service and continuing to deliver the IT Investment Portfolio.

Legal

NCA Legal supports the NCA in leading the fight to cut serious and organised crime. The Command has four separate teams, together with a business support team, dedicated to supporting the work of the entire Agency by providing advice on a range of matters including operational legal advice to investigators, Intelligence Collection and the Intelligence Hub, advice on the legal risk associated with the NCA's information management policies and processes and to the NCA Board and corporate services on HR issues.

Change

NCA Change is made up of two areas:

Transformation leads delivery of the transformation portfolio and the strategic change roadmap, which describes what the agency must deliver to achieve its strategy.

The Change Department delivers structured and prioritised change to enable the NCA to maximise its crime fighting capabilities aligned to its objectives. The NCA aims to do this by promoting a change environment that provides the maximum benefit for the optimum input.

3. Officer costs

	2019-20 £'000	2018-19 £'000
Wages & Salaries	214,790	200,266
Social security costs	19,695	18,612
Pension costs	44,737	32,851
Current service cost net of employee contributions	5,200	5,910
Past service cost in respect of Police Pension Scheme	6,750	–
Less recoveries in respect of outward secondments	(403)	(443)
Total Officer Costs	290,769	257,196

Further analysis of officer costs is located in the Staff Report on page 52.

3a) Police Pension Scheme

The agency operated a defined benefit Police Pension Scheme for former police officers.

The Police Pension Fund was established under the Police Pension Fund Regulations 2007 (SI 2007/1932).

As part of the scheme, the NCA accepted liability for payment of the pension benefits in respect of the officers' past service with a police force, although no transfer values were payable from a former employer in respect of this liability, as well as their pensionable service whilst employed by the agency.

Pension benefits were paid from the NCA resources as they fell due. In the year ending 31 March 2020, £27.17m was paid to pensioners (2018-19: £28.7m).

Officers in the 1987 pension scheme make contributions of 14.25% to 15.05% of salary (according to salary threshold), those joining the 2006 scheme pay 11.00% to 12.75% and those

in the 2015 scheme pay 12.44% to 13.78%. The schemes have different accrual rates and retirement ages. Pensions paid in the period were charged against the Pension liability. The NCA incurred the cost of employer contributions in the period totalling £2.2m (2018-19: £1.8m). The employee's contribution is set nationally by the Home Office and is subject to quadrennial revaluation by the Government Actuary's Department (GAD).

In order to comply with the Government Financial Reporting Manual and Accounts Guidance, the NCA was required to provide in these accounts for the full value of the expected future pensions liabilities of the officers. Since 2010–11 the GAD has valued contingent injury awards, the previous approach valued injury awards as they came into payment. This change in practice is due to the adoption of IAS 19. The NCA commissioned GAD to value the scheme liabilities as at 31 March 2020. The full provision for pension liabilities at 31 March 2020 of £935.74m (2018-19: £819.31m) is based on the assumptions and information set out below.

Pension Liabilities

	2019-20 £'000	2018-19 £'000
Present value of liabilities	935,743	819,313
Net pension liabilities	935,743	819,313

The main assumptions used by the Government Actuary's Department were as follows:

	2019-20 % pa	2018-19 % pa
Discount rate	1.80	2.90
Inflation assumption	2.35	2.60
Rate of increase in salaries	4.10	4.10
Rate of increase in pensions	2.35	2.60
Rate of CARE revaluation	3.60	3.85

The net scheme assets at 31 March 2020 are as follows:

Re-measurements of net defined liability/(asset) for the year Direct Recruits Scheme	2019-20 £'000	2018-19 £000
Experience gains/(losses)	(390)	20
Effect of changes in demographic and financial assumptions	(106,670)	31,440
Re-measurements of net defined liability/(asset)	(107,060)	31,460

The remeasurement of net defined liability/(asset) calculated by the GAD has been reflected in the Statement of Financial Position (Pension Reserve).

The results of any actuarial valuation are inherently uncertain because of the assumptions which must be made. In recognition of this uncertainty, the approximate effects on the actuarial liability as at 31 March 2020 of changes to the main actuarial assumptions are set out below:

Change in Assumptions

	Approximate Effect on total liability	
	%	£'000
Rate of Return		
i. Rate of discounting scheme liabilities: +0.5% a year	(9.5)	(88,000)
ii. Rate of Increase in salaries: +0.5% a year	0.00	2,000
iii. Rate of increase in pensions/deferred revaluation: +0.5% a year	8.5	78,000
Pensioner Mortality		
iv. Life expectancy: Pensioners living (on average) one year longer	3.0	28,000

The change in the pension liabilities resulting from operating and finance costs have been charged to the Statement of Comprehensive Net Expenditure. This charge is reduced by the contributions receivable in the year from the active members.

Changes in Pension Assets and Liabilities for the Year by Scheme:

	2019-20 Total £'000	2018-19 Total £'000
Operating cost:		
Current service cost net of employee contributions	5,200	5,910
Past service cost	6,750	–
Transfers	–	–
Employers contribution	–	–
Finance cost:		
Interest on pension liabilities	23,580	21,420
Expected return on employer assets	–	–
Net Return	35,530	27,330
Actuarial gain/(loss)		
Experience gain/(loss) on pension liabilities	(390)	20
Actuarial return on scheme assets	–	–
Changes in demographic & financial assumptions	(106,670)	31,440
Total Actuarial Gain/(Loss) charged to Pension Reserve	(107,060)	31,460

Movement in Pension Liabilities during the year

	2019-20 Total £'000	2018-19 Total £'000
Net liabilities at start of year	819,313	850,883
Current & past service cost	12,950	7,170
Pensions paid in the year	(27,170)	(28,740)
Employer's contribution	–	–
Pension transfers-in	10	40
Net finance charge	23,580	21,420
Actuarial (gain)/loss	107,060	(31,460)
Net (assets)/liabilities at end of year	935,743	819,313

Service Cost

	2019-20 £'000	2018-19 £'000
Current Service cost (net of employee contributions)	5,200	5,910
Costs Covered by employee contributions	1,000	1,260
Past service cost	6,750	–
Total Service Costs	12,950	7,170

4. Expenditure

	2019-20 £'000	2018-19 £'000
IT & Communications	67,818	59,502
Estate	44,246	42,290
Other Operational Costs	48,153	53,831
Supplies & Services	44,351	36,555
Travel & Subsistence	18,463	17,789
Research and Development Expenditure	12,817	1,769
Training & Recruitment	7,870	8,213
Transport	6,918	6,940
Capital Grant Expenditure	2,875	–
Legal Costs	1,885	2,525
Grants	1,024	2,148
Conferences & Hospitality	1,712	950
(Surplus)/loss on disposal of non-current assets	33	208
Non-Current Assets Write Off	(17)	–
	258,148	232,720
Non-Cash items:		
Depreciation and amortisation	56,674	57,066
Revaluation (gain)/loss on non current assets	202	558
External Auditor's remuneration and expenses	140	120
Non-Pay Provision expenses	6,697	(1,574)
Notional expenditure covered by donations	298	198
Total expenditure	322,159	289,088

5. Income

	2019-20 £'000	2019-20 £'000	2018-19 £'000	2018-19 £'000
<i>Funding received:</i>				
Scottish Government contributions	5,212		5,212	
Police Service of Northern Ireland contributions	1,391		1,395	
Assets Recovered Incentivisation Scheme (ARIS)	6,325		4,976	
EU Funding	215		129	
Civil recoveries applied to receivers fees	(157)		–	
Specific operational funding*	86,578		48,531	
		99,564		60,243
Donation of goods and services (excl cash):				
Donations over £250k	–		–	
Donations under £250k	298		198	
		298		198
Other operating income:				
Cash Donations	–		–	
Others	3,488		3,911	
		3,488		3,911
Recovery of Costs	12,437		19,414	
Rents and Service Charges	1,717		1,883	
		14,154		21,297
		117,504		85,649

* Specific operational funding relates to funding received to undertake a specific operational projects, whereas recovery of costs includes recovery of legal costs and other non-routine items.

6. Property, plant and equipment

At 31 March 2020

	Buildings	Land	Improvements to leasehold buildings	Motor vehicles	IT Hardware	Plant & Machinery	Furniture & Fitting	Payments on account & assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2019	40,592	6,782	141,594	39,920	152,482	46,533	9,844	4,742	442,489
Additions	700	–	2,362	1,622	19,354	1,324	314	9,629	35,305
Disposals	–	–	(8,397)	(1,186)	(21,488)	(5,437)	–	–	(36,508)
Impairments and Write-off	–	–	11	(1)	–	–	–	–	10
Transfers (internal)	–	–	480	1,049	1,018	350	–	(2,897)	–
Revaluations	–	–	910	(28)	1,488	(25)	113	–	2,458
At 31 March 2020	41,292	6,782	136,960	41,376	152,854	42,745	10,271	11,474	443,754
Depreciation									
At 1 April 2019	(28,956)	–	(102,905)	(27,900)	(101,232)	(37,640)	(6,723)	–	(305,356)
Charge in year	(559)	–	(12,189)	(3,379)	(19,577)	(3,358)	(524)	–	(39,586)
Disposals	–	–	8,397	979	21,488	5,437	–	–	36,301
Impairments and Write-offs	–	–	–	12	(6)	–	–	–	6
Transfers	–	–	–	–	–	–	–	–	–
Revaluation	–	–	(1,065)	15	(902)	15	(65)	–	(2,002)
At 31 March 2020	(29,515)	0	(107,762)	(30,273)	(100,229)	(35,546)	(7,312)	0	(310,637)
Carrying amount at 31 March 2019	11,636	6,782	38,689	12,020	51,250	8,893	3,121	4,742	137,133
Net book value at 31 March 2020	11,777	6,782	29,198	11,103	52,625	7,199	2,959	11,474	133,117

All assets were owned by the NCA

At 31 March 2019

	Buildings	Land	Improvements to leasehold buildings	Motor vehicles	IT Hardware	Plant & Machinery	Furniture & Fitting	Payments on account & assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2018	31,223	3,976	164,818	40,736	135,077	45,575	9,312	2,341	433,058
Additions	615	–	2,493	1,339	21,762	1,321	572	4,671	32,773
Disposals	–	–	(17,403)	(3,726)	(5,330)	(352)	–	–	(26,811)
Transfers (internal)	25	–	(25)	1,137	500	633	–	(2,270)	–
Revaluations	8,729	2,806	(8,289)	434	473	(644)	(40)	–	3,469
At 31 March 2019	40,592	6,782	141,594	39,920	152,482	46,533	9,844	4,742	442,489
Depreciation									
At 1 April 2018	(20,793)	–	(113,022)	(26,620)	(86,070)	(34,215)	(6,257)	–	(286,977)
Charge in year	(1,837)	–	(13,088)	(4,286)	(19,974)	(3,819)	(490)	–	(43,494)
Disposals	–	–	17,402	3,248	5,140	–	–	–	25,790
Transfers	(5)	–	5	–	–	–	–	–	–
Revaluation	(6,321)	–	5,798	(242)	(328)	394	24	–	(675)
At 31 March 2019	(28,956)	–	(102,905)	(27,900)	(101,232)	(37,640)	(6,723)	–	(305,356)
Carrying amount at 31 March 2018	10,430	3,976	51,796	14,116	49,007	11,360	3,055	2,341	146,081
Net book value at 31 March 2020	11,636	6,782	38,689	12,020	51,250	8,893	3,121	4,742	137,133

All assets were owned by the NCA

7. Intangible assets

At 31 March 2020

	Purchased software £'000	Payments on account & assets under construction £'000	Total £'000
Cost or valuation			
At 1 April 2019	136,117	2,282	138,399
Additions	15,408	19,629	35,037
Disposals	(12,918)	–	(12,918)
Transfers	2,136	(2,136)	–
At 31 March 2020	140,743	19,775	160,518
Amortisation			
At 1 April 2019	(85,753)	–	(85,753)
Charge in year	(17,088)	–	(17,088)
Impairments and Write-offs	14	–	14
Disposals	12,918	–	12,918
At 31 March 2020	(89,909)	–	(89,909)
Net Book Value			
Carrying amount at 31 March 2019	50,364	2,282	52,646
Carrying amount at 31 March 2020	50,834	19,775	70,609

All intangible assets were owned by the NCA

At 31 March 2019

	Purchased software £'000	Payments on account & assets under construction £'000	Total £'000
Cost or valuation			
At 1 April 2018	114,213	331	114,544
Additions	23,915	2,164	26,079
Disposals	(2,224)	–	(2,224)
Transfers	213	(213)	–
At 31 March 2019	136,117	2,282	138,399
Amortisation			
At 1 April 2018	(74,333)	–	(74,333)
Charge in year	(13,571)	–	(13,571)
Disposals	2,151	–	2,151
At 31 March 2019	(85,753)	–	(85,753)
Net Book Value			
Carrying amount at 31 March 2018	39,880	331	40,211
Carrying amount at 31 March 2019	50,364	2,282	52,646

8. Financial instruments

As the cash requirements of the department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Agency's expected purchase and usage requirements and the Agency is therefore usually exposed to little credit, liquidity or market risk.

9. Cash and cash equivalents

	2019-20 £'000	2018-19 £'000
Opening balance	10,768	14,558
Net change in cash and cash equivalents balances	(2,827)	(3,790)
Balance at 31 March 2020	7,941	10,768
The following balances at period close were held at:		
Commercial banks and cash in hand	5,469	4,125
Balance held with Government Banking Service	2,472	6,643
Balance at 31 March 2020	7,941	10,768

The NCA operated a number of bank accounts and cash imprest accounts during the year. The NCA does not draw down funds from HM Treasury in advance of need.

The UK accounts operated some commercial accounts under a pooling arrangement which allowed some accounts to be overdrawn, as long as the main NCA account was in credit to cover the overdrawn balances. Cash and cash equivalent balances held at 31 March 2020 were converted to sterling at the prevailing spot rate.

Bank interest of £7k was received during the year on bank balances (2018-19: £5k).

10. Trade receivables, financial and other assets

	2019-20 £'000	2018-19 £'000
Amounts falling due within one year		
Trade receivables	12,406	8,550
Accrued income	60,119	49,703
Other receivables	2,129	1,918
Prepayments	14,407	12,486
	89,061	72,657

11. Trade payables and other current liabilities

	2019-20 £'000	2018-19 £'000
(a) Amounts falling due within one year		
Other Tax and Social Security	6,436	6,968
Trade Payables	20,211	17,135
Other Payables	1,733	1,558
Amounts issued from the Consolidated Fund for supply but not spent at year end	7,941	10,768
Accruals and deferred income	52,553	47,448
	88,874	83,877
(b) Amounts falling due more than one year		
Other payables*	2,593	3,204
	2,593	3,204

* Other payables relates to the elements of the rent discount that fall due after more than one year.

12. Provisions for liabilities and charges

	Legal Provision £'000	Retirement Provision £'000	Dilapidation Provision £'000	Onerous Lease Provision £'000	2019-20 Total Provision £'000	2018-19 Total Provision £'000
Opening balance	170	3,166	3,516	320	7,172	7,055
Provided in year	2,805	–	4,103	–	6,908	2,178
Provisions not required written back*	–	–	–	–	–	(911)
Provisions utilised in the year **	(95)	(269)	–	(232)	(596)	(1,255)
Cost of borrowing (Unwinding of discount)	–	721	(24)	138	835	105
Balance at 31 March 2020	2,880	3,618	7,595	226	14,319	7,172

* Provisions not required written back is a credit to Annually Managed Expenditure (AME). This occurs when the provision is reviewed and confirmed to be over stated.

** Provisions utilised in the year are a charge to DEL and reflect expenditure incurred that off-set in part or in total the original provision.

The provisions are anticipated to crystallise in the NCA as follows:

	Legal Provision £'000	Retirement Provision £'000	Dilapidation Provision £'000	Onerous Lease Provision £'000	2019-20 Total Provision £'000	2018-19 Total Provision £'000
Balance as at 31 March 2020						
within 1 year	2,880	176	936	95	4,087	946
2–5 years		665	1,402	131	2,198	2,739
Over 5 years		2,777	5,257		8,034	3,487
	2,880	3,618	7,595	226	14,319	7,172

13. Contingent liabilities

13a Lease dilapidations

The NCA occupied leasehold premises, many of which had been modified to meet specific operational or administration requirements. Common to the leases was the requirement to hand back the premises at the end of the lease period in a good condition. In substance this often obliged the NCA to incur further expenditure on returning these premises to their pre-occupation condition.

The lease dilapidations in note 13 relate to buildings still occupied by the NCA on 31 March 2020 with no published plans to vacate. Lease dilapidations for buildings already exited or with a publish date of exit are shown in the dilapidation provision (note 12).

Due to reassessment of building within this disclosure, there are currently no properties considered a contingent liability as at 31 March 2020 (2018-19: £4.4m). Estimates are based on a charge per square foot of leased space and allowed for the reversal of any changes to the building made by the NCA and the costs of redecoration.

The potential liability at 31 March 2020 was estimated to fall due as follows:

	2019-20 £'000	2018-19 £'000
Not later than one year	–	–
Later than one year and not later than five years	–	–
Later than 5 years	–	4,363
	–	4,363

13b Litigation

The NCA had a small number of claims from employees, members of the public and suppliers that could result in compensation payments being made upon tribunal or court judgment or settlement. The probability of the claims being successful is considered less than 50% and it is considered that disclosing any amounts would be prejudicial to the litigation process.

14. Leases

Commitments under leases:

The NCA was committed to pay for the following operating lease rentals in future financial years:

	2019-20 £'000	Restated 2018-19 £'000
Obligations under operating leases comprise:		
Buildings:		
Not later than one year	18,021	18,746
Later than one year and not later than five years	59,415	62,799
Later than five years	48,318	61,683
Total	125,754	143,228

15. Capital and other commitments

15a Contracted capital commitments

The NCA has no contracted capital commitments.

15b Other financial commitments

Other commitments include contracts for the provision of information technology, communication services and facilities management.

	2019-20 £'000	2018-19 £'000
Other financial commitments		
Not later than one year	–	165
Later than one year and not later than five years	–	–
Later than five years	–	–
Total	–	165

16. Related party transactions

The NCA undertook a significant number of material transactions with Government Departments and other Government bodies.

No minister, board member, key manager or other related parties has undertaken any material transactions with the NCA during the year.

17. Third-party assets

Seized property is that which is appropriated by the NCA and other law enforcement bodies but which may still be liable to be returned. Seized property held by the NCA as at 31 March 2020 consisted of £27.4m (2018-19: £21.8m) in cash, motor vehicles and other valuables suspected of being derived from criminal activity.

These are not the NCA's assets and are not included in the accounts:

	2019-20 £'000	2018-19 £'000
Third party assets:		
Monies	22,000	19,295
Physical assets	5,429	2,555
Total	27,429	21,850

18. Recovered assets

The NCA currently manages bank accounts where recovered assets are deposited. Each year-end, the excess of civil recoveries over receivers' fees applied net of any direct disposal costs is paid over to the Home Office. For assets recovered through Criminal and Tax cases the amounts are paid over quarterly. The figures presented in the table below are net of direct costs.

	2019-20 £'000	2018-19 £'000
Recovered assets receipts for the year to 31 March 2020:		
– Civil	6,524	3,252
– Criminal	472	457
– Tax	1,067	1,679
	8,063	5,388
Recovered assets receipts for the year to 31 March 2020:		
Asset recoveries applied against receivers' fees (see below)	(282)	(72)
Net recovered receipts	7,781	5,316
Receipts paid to the Home Office for the year to 31 March 2020	(7,466)	(3,140)
Recovered asset proceeds held at 31 March 2020	315	2,176

The NCA pays to the Home office, quarterly in arrears, recovered asset receipts net of estimated receivership and enforcement costs. A final payment for £0.3m is due from monies held in separately identified third party bank accounts and will be paid to the Home office by June 2020.

The civil and tax figures quoted above differ from the NCA's reported performance against the Home Office civil and tax recovery target in the annual report as a result of the deduction of allowable costs and cases under appeal in the above figures.

The "criminal" receipts figure quoted above relates to the NCA's on going responsibility to enforce payment against criminal confiscation orders obtained in previous years by the Assets Recovery Agency (ARA) or where the NCA has obtained a confiscation order in connection with an investigation commenced by the ARA. It is by its nature a small and diminishing amount. All other existing confiscation orders obtained by the NCA and new confiscation orders unconnected with the ARA obtained since the merger continue to be enforced by the courts. This figure has no relationship to the value of new confiscation orders obtained by the NCA 1 April 2019 to 31 March 2020; nor to the value of receipts banked by the courts in fulfilment of confiscation orders obtained by the NCA from 1 April 2019 to 31 March 2020 and previous years.

19. Forfeiture and confiscation orders

Receipts paid to the Home Office during the year in fulfilment of cash forfeiture orders obtained in the period 1 April 2019 to 31 March 2020 and previous years are set out below. It should be noted that the time-lag created by the 30 day appeal period which follows all cash forfeiture orders and the normal business delays in processing forfeited cash through to the Home Office means that the amount paid to the Home Office in any given financial year will not correspond precisely to the stated value of new cash forfeiture orders obtained over the same period.

	2019-20 £'000	2018-19 £'000
Forfeiture and confiscation monies paid over	10,097	5,977

20. Events after the reporting period

In accordance with the requirements of *IAS 10 Events After the Reporting Period*, post Statement of Financial Position events are considered up to the date on which the Accounts are authorised for issue by Lynne Owens (Accounting Officer). This is interpreted as the same date of the Certificate and Report of the Comptroller and Auditor General.

Annex A – Regulatory Reporting

Core Tables

The following tables have been produced to support the NCA Annual Report and Accounts. They are designed to allow the users to review financial performance over previous periods. These tables are consistent in their presentation across Government Departments and allow users to make comparisons.

Table 1: Total Departmental Spending

	2015-16 Outturn	2016-17 Outturn	2017-18 Outturn	2018-19 Outturn	2019-20 Outturn
	£'000	£'000	£'000	£'000	£'000
Resource DEL					
NCA	432,025	462,624	452,080	462,242	485,008
Total Resource DEL	432,025	462,624	452,080	462,242	485,008
<i>Of which:</i>					
Pay	209,948	233,248	230,420	257,196	290,769
Depreciation	37,047	43,456	50,882	57,066	56,674
Resource AME					
NCA	29,652	26,205	24,682	26,139	40,538
Total Resource AME¹	29,652	26,205	24,682	26,139	40,538
Total Resource Outturn	461,677	488,829	476,762	488,381	525,546
<i>of which:</i>					
Depreciation ²	37,047	43,456	50,882	57,066	56,674
Capital DEL					
NCA	41,444	43,715	41,360	51,932	63,799
Total Capital DEL	41,444	43,715	41,360	51,932	63,799
<i>Of which:</i>					
Capital expenditure on fixed assets net of sales (note 2)	43,873	46,740	48,040	60,027	86,034
Income from sales of assets & other grants	(2,429)	(3,025)	(6,680)	(8,095)	(22,235)
Total Capital Outturn	41,444	43,715	41,360	51,932	63,799
Total Departmental Spending³	466,074	489,088	476,762	488,381	525,546
<i>Of which:</i>					
Total DEL	436,422	462,883	452,080	462,242	485,008
Total AME	29,652	26,205	24,682	26,139	40,538

Total Resource DEL increased in 2019-20 to reflect in-year activity of the Agency's Transformation Portfolio. 2019-20 depreciation has remained in-line with 2018-19.

Total Resource AME has increase in 2019-20 due to a greater than normal change in the HM Treasury discount rate applied to value the Police Pension liability.

Capital DEL expenditure increased by £11.9m in 2019-20 due to increase activity in the NCA Transformation Portfolio.

For explanations on the variances between 2019-20 and 2018-19, refer back to the sections on the Statement of Parliamentary Supply, and the underlying variances in the Financial Statements in Part 3 of this report.

Table 2: Administration Costs for NCA

	2015-16 Outturn	2016-17 Outturn	2017-18 Outturn	2018-19 Outturn	2019-20 Outturn
	£'000	£'000	£'000	£'000	£'000
Resource DEL					
NCA	30,558	34,107	29,959	30,361	36,408
Total Admin Outturn	30,558	34,107	29,959	30,361	36,408
<i>Of which:</i>					
Expenditure	30,743	34,117	29,959	30,361	36,408
Income	(185)	(10)	–	–	–
Total Admin Outturn	30,558	34,107	29,959	30,361	36,408

Administration expenditure has increased in 2019-20 by £5.4m mainly due to an overall increase in IT and Estates expenditure.

Annex B – Sustainability Report

Introduction

The NCA's strategy for sustainability is to improve its performance against the Greening Government Commitments (GGC); the current cycle, with a 2013-14, baseline ends 31 March 2020. GGC targets going forward to 2025 are under negotiation.

Performance relates to sites for which the NCA has overall responsibility for utilities. Sites where staff co-locate with partners are not included.

Performance is measured against the baseline year for each of the minimum reporting areas (GGC for central government).

Performance commentary

Greenhouse gas emissions		Baseline		Performance				Reduction against 2013-14 baseline	
		2013-14	2015-16	2016-17	2017-18	2018-19	2019-20	target	performance
Tonnes CO ₂ e	Scope 1 and 2 emissions	17,814	16,221	15,287	13,306	11,203	10,106		
	Scope 3 emissions (indirect – official business travel)	1,100	962	1,312	1,223	1,184	1,180		
	International travel	666	615	2,284	2,539	2,235	2,250		
	Total emissions	19,580	17,798	18,883	17,068	14,622	13,536	14,685	13,536
Related energy consumption (MWh)	Electricity	22,385	22,561	21,254	20,096	19,769	18,698	25.0%	30.9%
	Gas & Oil	7,168	6,753	6,256	5,148	6,447	7,561		

The NCA's target under the GGC is to reduce greenhouse gas (GHG) emissions by at least 25% from the 2013-14 baseline. This is a target of 14,686 tonnes CO₂e from total emissions. To date the NCA have exceeded the target by an additional 5.9% to achieve a 30.9% reduction in total GHG emissions. A proportion of the savings made are directly attributed to the consolidation of the NCA estate throughout the reporting period.

Electricity consumption continues to fall year on year and now stands at 16.5% below baseline. Gas and oil has increased however overall emissions from energy continue to fall, 46% below baseline.

Use of alternatives to face-to-face meetings, such as video conferencing, has increased and this continues to be reflected in reduced Scope 3 emissions. Telematics from fleet vehicles came on-line this reporting year and the data will inform new vehicle purchases, which in turn will also help continued reduction in emissions.

Waste

Waste		Baseline	2016-17	2017-18	2018-19	2019-20
		2013-14				
Tonnes	Non-recycled	147	34	0	0	0
	Total reused/recycled	153	137	88	120	91
	Energy recovery ¹	58	290	249	224	177
	Total waste	358	460	338	344	268

¹ Energy recovery is the energy generated from residual waste after recycling has taken place. This is now part of GGC reporting. The waste is burnt to produce electricity and this is put back into the National Grid.

The GGC waste targets are to:

- reduce landfill to less than 10% of overall waste by 2020 compared to the 2013-14 baseline
- continue to reduce the amount of waste generated and increase the proportion of waste which is recycled
- reuse and recycle redundant ICT equipment

Zero waste to landfill continues and overall waste has reduced again this year, 25% below the 2013-14 baseline. 66% of all waste is reused / recycled, the remainder is sent for energy recovery.

It is the NCA policy and practice to recycle all redundant ICT equipment using Waste Electrical and Electronic Equipment (WEEE) approved suppliers.

Finite resource consumption:					
Paper (for copy / print):	2014-15	2016-17	2017-18	2018-19	2019-20
A4 reams	26,607	2,899	4,573	3,900	2,898

The GGC target for the NCA is to reduce paper consumption by 50% by 2020 from a 2014-15 baseline. The paper redistributed from closed sites continues to be used and the continued increase in the use of digital technology has helped paper purchase to decrease by 89% from 2014-15.

Finite resource consumption:					
Water	2013-14	2016-17	2017-18	2018-19	2019-20
m ³	38,943	48,338	35,601	34,526	55,453

The GGC target is to continue to reduce water consumption.

A new supplier in October 2019 resulted in previous under estimation spanning a number of years being corrected. This means that water consumption for 2019-20 is recorded as a significant increase. We are working with our new supplier to survey and manage our water usage more efficiently. Savings have already been realised through urinal flushing controls and enhanced management of leak detection.

Climate change adaptation

The NCA's main approach to climate change is mitigation through continued reduction of overall greenhouse gas emissions, by minimising resource use across all business streams. Robust business continuity arrangements ensure we remain effective.

Biodiversity

Accommodations made in previous years at several of the NCA sites, including bird boxes, wildlife habitats and a newt pond, are monitored to ensure they are still in use and continue to be suitable for their intended purpose. Various wildlife habitats are present for insects and bats so these species can be encouraged and protected.

Sustainable Procurement

Our procurement strategy principally includes the use of Crown Commercial Service framework contracts and we are subject to the Sustainability Policy which it operates, including Government Buying Standards.

