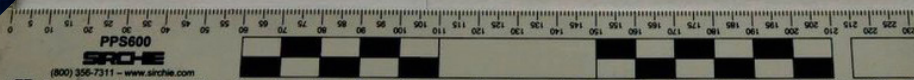




National Crime Agency

Annual Report and Accounts

2020-21



National Crime Agency Annual Report and Accounts 2020-21

Annual Report presented to Parliament pursuant to paragraph 8(2) of Schedule 2 to the Crime and Courts Act 2013.

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Foreword by the Home Secretary

Serious and Organised Crime destroys lives, and the National Crime Agency is at the heart of the mission to defend the country against this chronic threat and bring criminals to justice. It confronts some of the gravest crimes in the UK, such as child sexual abuse, modern slavery and human trafficking, organised immigration crime, fraud, and cybercrime. It has a pivotal role in keeping us safe and its work could not be more important.

This report details some of the Agency's major successes over the past year. NCA activity has led to the seizure of 450 firearms in the UK and abroad, the arrest of 154 of the most abhorrent child sex offenders, and the safeguarding of over 1,600 children and over 700 potential victims of human trafficking. There has been almost a 40% increase in recorded disruptions, worldwide seizures of 149 tonnes of illicit drugs, and over £150 million of criminal assets have been frozen or seized. This has been the NCA's most successful year ever. I am profoundly grateful for their unrelenting and frequently dangerous work.

The NCA has adapted commendably to a background of a shift in the operational landscape with EU-Exit and the severe challenges posed by COVID. It has responded to wide-ranging threats, such as by providing leadership to combat COVID-related fraud through its National Economic Crime Centre.

The Agency has also successfully delivered complex investigations such as Operation Venetic, which resulted in the arrests of more than 1,500 criminals across the UK, and continued its investigation into historic child sexual abuse

through Operation Stovewood. The NCA remains at the forefront of national efforts to tackle serious and organised crime, working with policing, government and industry to protect us from exploitation and harm.

The UK response to serious and organised crime needs to keep pace with technological developments, especially online, so that we can meet our commitment to bring criminals to justice and ensure that their illegal activities are eliminated. That is why this government is committed to strengthening the NCA and build on its reputation as a world-leading law enforcement agency. I will ensure that the Agency has all the tools it needs.

Tackling the threat from organised crime remains a massive challenge. However, the leadership, talent, and commitment which I see every day from the National Crime Agency and its officers fills me with confidence. I know that the Agency will never rest on its laurels but instead keep on fighting crime and doing all it can to keep this country safe. Most people will never know about most of the NCA's work, but they all depend upon it.

A blue ink handwritten signature, appearing to be 'P. Patel', written in a cursive style.

Rt Hon Priti Patel MP



Foreword by the Director General

Serious and organised crime (SOC) poses a chronic threat to our national security; one that permeates borders, perpetuates violence, and undermines sovereignty and economies worldwide. The National Crime Agency leads the UK's fight against this transnational threat.

Operationally 2020-21 was the most successful year for the NCA to date, with an almost 40% increase in disruptions on the previous financial year. These disruptions were all instances in which our actions reduced the threat, risk or harm posed by an individual or organised crime group; successes that took place before a backdrop of complexity driven by the growing adaptability of criminals, their increasing exploitation of technology, and the challenges of operating throughout the Covid-19 pandemic.

The pandemic has offered criminals new avenues to exploit: in the past year we have responded to threats against the National Health Service and the UK's vaccine programme; disrupted attempts to abuse government stimulus schemes; and targeted those seeking to undermine our borders. But overcoming these threats has also offered us opportunities to adapt, develop and improve. During 2020-21, we accelerated a number of technology enhancements, continued to provide national capabilities across the SOC system, recruited record numbers of people, and adapted to EU exit with both an innovative and determined attitude to ensure our full capabilities target and disrupt criminals worldwide.

We recognise that cutting SOC requires a holistic approach, and our efforts over the past year have included preventing and deterring organised criminality, and protecting those who are vulnerable to criminal groups. We continue to work across Government and with industry

on enhanced encryption strategies to deter and defeat cyber criminals, and with education professionals and child protection specialists to deliver awareness-raising packages that protect our children from those who would prey upon them online.

Despite these successes, we recognise that the SOC threat grows ever more complex and challenging to disrupt. Though the Agency's officers and I remain determined to protect the public, our resources are finite. So we will continue to build capability across the SOC system; enhance our prioritisation methods to direct the most effective response against those who pose the highest harm; and ensure future funding models enable us to get ahead of the pace of change amongst criminal groups.

This Annual Report shows that, though we still have more to do, we have never before had such a strong operational baseline on which to build. We will continue to work tirelessly to deliver a world-class law enforcement agency, protecting the public from serious and organised crime.

A handwritten signature in black ink, which reads "Lynne Owens". The signature is fluid and cursive.

Dame Lynne Owens DCB CBE QPM



Part One

Performance Report

Who We Are

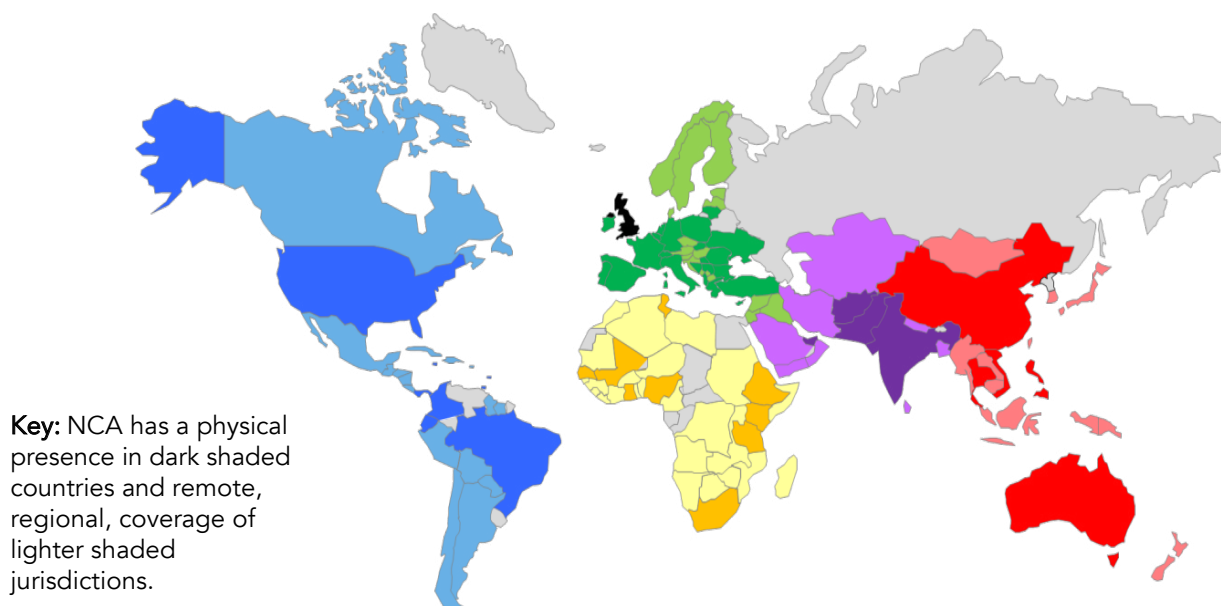
The National Crime Agency (NCA) is charged with leading the UK's fight to cut serious and organised crime (SOC).

SOC represents a significant and growing threat to national security. Unlike threats such as terrorism, SOC tends not to result in acute shocks to the UK system. Its impact, however, is no less real: SOC is chronic and corrosive in nature, and continues to cause significant harm to UK citizens. The smuggling and distribution of drugs and firearms, sexual abuse of children, cross-border trafficking of people, perpetration of industrial-scale fraud, delivery of ransomware attacks and laundering of dirty money in and through the UK continue to negatively affect our citizens and communities, while undermining our economy and national reputation.

The NCA leads the UK's response to these crimes. The Agency works with law enforcement partners and across all sectors to deliver a whole-system response to SOC in over 40 countries, with a reach into over 130 worldwide. The NCA's International Liaison Officers work with overseas partners to tackle SOC threats before they reach UK borders. In 2020-21, the Agency made significant progress, disrupting ever-more serious and sophisticated criminality. However, the environment in which the Agency operates has become more challenging. Criminals have adapted in response to the Covid-19 pandemic. The NCA has seen more crime taking place online, in the form of cyber

attacks, online fraud, and child sexual abuse, and we have seen criminals continue to exploit rapid advances in technology to obscure their methods, communications and identities. Across the UK, the scale and sophistication of the threat has continued to increase, posing unique challenges to the law enforcement response. The NCA continues to adapt to counter this shifting threat, embracing stronger collaboration, employing innovative approaches and deploying its full range of capabilities to disrupt high-harm criminality.

The NCA had notable operational successes in 2020-21. Examples include Operation Heruli, an investigation into an online predator who targeted more than 5,000 boys worldwide, blackmailing victims into abusing younger siblings and friends. Jailed for 28 years, he is one of the most prolific child sexual abuse offenders the NCA has ever investigated. Another example is Operation Venetic, which has resulted in the arrests of more than 1,550 people across the UK to date, following international partners' extraction of data from the encrypted communications platform EncroChat. The operation was a nationwide effort led by the NCA, involving the full range of partners before, during and after arrest. The operation increased law enforcement's understanding of the strong links between the illicit drug trade, firearms and serious violence. It also highlighted the extent to which the pervasive use of encrypted criminal communications hides the nature of SOC impacting the UK.



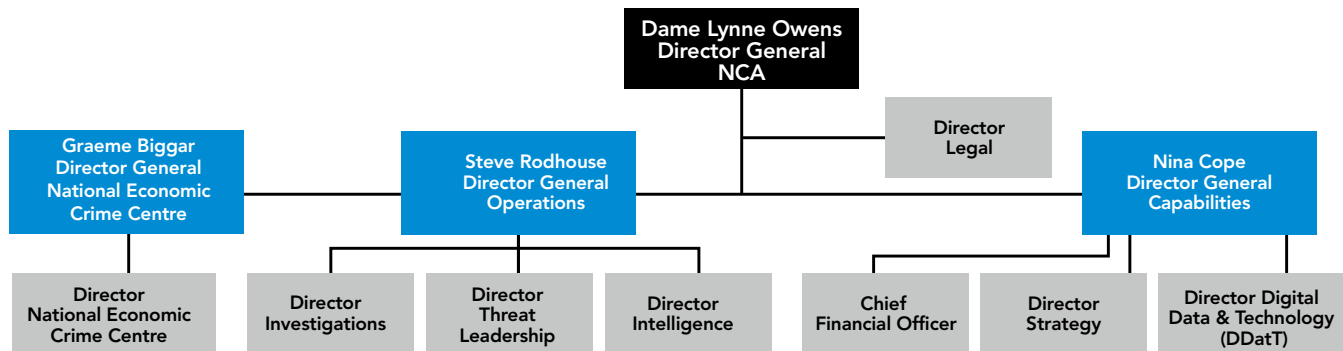
Structure

The Agency is a non-ministerial department.

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, Director General Capabilities and Director General National Economic Crime Centre. They, in turn, are supported by a team of Directors.

The diagram below shows the NCA’s high-level organisational structure as at 31 March 2021.



Priorities for 2020-21

The NCA exists to lead the UK’s fight to cut SOC. Three specific areas of focus were set by the Home Secretary as strategic priorities for the NCA in 2020-21.

- To reduce the number of victims of exploitation, by tackling the threat from child sexual abuse, modern slavery and human trafficking, and organised immigration crime.
- To reduce the impact of SOC on our communities, with a focus on firearms and drugs as the key threats.
- To reduce the harm to individuals, the UK economy and institutions from economic crime, with a focus on fraud, money laundering and cyber crime as the key threats.

To fulfill the Agency’s mission and achieve these strategic priorities, the Director General set five operational priorities for the NCA for 2020-21.

- To enhance the intelligence picture of existing and emerging SOC threats to the UK.
- To lead, task and coordinate the operational response against agreed priority threats, ensuring the right resources are targeted where they will have the greatest impact.

- To operate proactively at the high end of high risk, undertaking significant investigations resulting in disruption of threats by the most effective means.
- To develop and deliver specialist SOC capabilities and services where this is best done nationally, enabling their availability where and when needed for the benefit of all UK law enforcement.
- To enhance our capability and credibility by recruiting and retaining talented officers and enabling them with the right skills, facilities, data and technology to operate productively and effectively.



Reporting against Priorities

This report details the NCA's performance over the past year, with reference to the strategic and operational priorities outlined above. Both sets of priorities are outlined in full in the Agency's 2020-21 Annual Plan.¹

The report comprises two main sections on performance. The first outlines the Agency's operational delivery in 2020-21. This includes information of relevance to the first three operational priorities, as well as a number of examples of how the Agency responded to the fourth operational priority. The second section covers performance in relation to enabling functions in 2020-21. This describes activity that played a significant role in the Agency's response to the fourth and fifth operational priorities, as well as contributing to the Agency's operational work in a range of ways.

Reporting on the Agency's operational performance delivery is structured around the threats identified in the National Strategic Assessment of Serious and Organised Crime 2020,² which are compatible with the strategic priorities set for the NCA by the Home Secretary for 2020-21.

To track performance in each area, the Agency set stretching ambitions that were assessed through its internal governance processes. In the following sections, case studies are provided to bring the Agency's work to life, to highlight its role in keeping the public safe from high-risk, high-harm crimes and to celebrate the achievements of its people.

This report covers the period 1 April 2020 – 31 March 2021. In some instances, where relevant, other time periods are referenced.

Context for the NCA's Work

National Strategic Assessment

Each year, the Agency produces a single picture of the threat to the UK from SOC, which is published as the National Strategic Assessment of Serious and Organised Crime (NSA). This document informs the national response, helping the NCA and other bodies to prioritise and coordinate their activity. Developed in conjunction with a range of partner agencies, the NSA 2020 grouped threats into three categories based on their impact on society and the type of response required. These categories cover offenders at the high-end of high-harm who exploit the vulnerable, dominate communities and undermine the UK's economy.

Covid-19 Pandemic

In 2020-21, the NCA continued to adapt in response to the Covid-19 pandemic. In the process, the Agency pursued three key objectives: to continue to protect the public, to protect its officers, and to play its part in tackling the pandemic.

The onset of the Covid-19 pandemic required ongoing rapid assessment of emerging threats and pressures. Following the UK's entry into lockdown on 23 March 2020, the NCA undertook a review of how organised crime groups were responding to the changing environment. The Agency's initial assessment indicated that criminals had been quick to adapt to the new circumstances, with increases in threats such as online child sexual abuse, cyber crime, and fraud, including fake test kits and personal protective equipment (PPE), and fraudulent applications for Government support. The NCA continued to review this risk regularly throughout the year, including over subsequent lockdowns.

The NCA promptly recalibrated its operational response against the threat areas assessed to be increasing. This saw the Agency's National Economic Crime Centre provide leadership of the response to Covid-19 related fraud. At the same time, the NCA's ability to deliver results at pace was demonstrated by a surge operation, which saw the Agency coordinate and prioritise investigations into high-harm child sexual abuse

¹ [National Crime Agency, Annual Plan 2020-21](#)

² [National Crime Agency, National Strategic Assessment of Serious and Organised Crime 2020](#)

offenders, in response to the increased threat to children under lockdown conditions. As at the end of 2020, the NCA had instigated action to investigate over 1,000 suspects and, with partners, had safeguarded over 400 children. This highlights the Agency's flexibility in responding to unanticipated events during periods of lockdown, whilst working to ensure the health and safety of its officers.

Internally, the Agency introduced a range of online tools that allowed continued operational capability, as well as continued recruitment and on-boarding of officers during the pandemic. The Agency also rolled out IT hardware to allow greater remote working by NCA officers. However, the nature of the Agency's work meant that a significant proportion of officers still attended the workplace throughout the year; the Agency put in place measures to ensure that this was Covid-19 secure.

During 2020-21 the Home Office allocated £9.9 million in additional funding for Covid-19 cost pressures, which was transferred to the Agency in the January Supplementary Estimate. This additional funding related to the purchase of PPE, increased technology costs and reduction in Asset Recovery Incentivisation Scheme (ARIS) income as a result of the impact of Covid-19 on court hearings. This funding part-mitigated Covid-19 related expenditure of £13 million in 2020-21 in these areas.

EU Exit

Throughout the transition period following the UK's exit from the European Union on 31 January 2020, the NCA worked closely with partner agencies across government and law enforcement to ensure that the UK was as prepared as it could be on security matters ahead of the conclusion of negotiations.

The agreement delivered a comprehensive package of measures that will ensure that law enforcement and criminal justice partners can work with counterparts across Europe to tackle SOC, protecting the public and bringing criminals to justice. This includes streamlined extradition arrangements; arrangements with Europol and Eurojust that reflect the scale of our contribution to these agencies and allow for continued operational cooperation; arrangements enabling fast and effective exchange of national DNA,

fingerprint and vehicle registration data; arrangements enabling fast and effective exchange of criminal records data; and arrangements for continued transfers of Passenger Name Record data.

However, some challenges remain, such as the loss of access to the Schengen Information System (SIS II), to which the EU was clear during negotiations that there was no legal basis for the UK to retain access. The main alternative route to sharing data is the Interpol I-24/7 system. While the NCA assesses that this will bring about no significant loss of capability, it will be reliant on EU Member States providing information via Interpol in future. Domestically, this change places increased onus on police forces in both checking the I-24/7 system and uploading notices. A 'smart tool' has been developed by the NCA and International Crime Coordination Centre (ICCC)³ to make the uploading process easier for police forces. The NCA continues to stress that UK law enforcement agencies must continue to use the full range of Interpol notices to protect the public from SOC.

Throughout the transition period, the NCA had comprehensive and coordinated plans in place to prepare for the potential loss of access to SIS II. These included the provision of support to Home Office-led preparations for separation from SIS II, as well as the NCA's own planning for SIS II decoupling, deletion and decommissioning. Through NCA officers embedded in the ICCC, the Agency worked to ensure dual circulation of alerts via Interpol, in readiness for the loss of access to SIS II. Decoupling of SIS II was successfully completed on 31 December 2020, with SIS II deletion then commencing. By 31 March 2021, the majority of SIS II deletion work had been completed.

As the UK's post EU exit law enforcement and security position starts to reach a steady state and there is less emphasis on looking backwards, the balance of effort is increasing towards developing new capabilities and enhancing bilateral and multilateral relationships.

During the financial year 2020-21, £10.60 million funding for EU exit related activities was allocated. This included original core allocations of £6.4 million resource and £1 million capital funding. Supplementary funding totalling £3.21 million was also secured for the implementation

³ A National Police Chiefs' Council-led initiative operating from an NCA site in London.

of the Extradition Bill (including Robotics Process Automation), temporary International Liaison Officers (ILOs) in case of loss of access to Europol, SIS II separation activity and the Home Office Joint Operating Model design activity. A significant proportion of the supplementary funding, and some core allocation funding, was not required in a Negotiated Outcome so was returned to the Home Office during quarter four. The year-end outturn was £7.51 million. This funded a maximum of 139 Full Time Equivalent (FTE) which included 17 temporary officers who were stood down once the Negotiated Outcome was confirmed.

Financial Summary

Financial Outturn

The NCA is funded by Parliamentary Supply and is accountable to the Home Secretary for its performance. In 2020-21, the NCA Resource Departmental Expenditure Limit (RDEL) was £504 million, the Capital Departmental Expenditure Limit (CDEL) was £48 million, and the Annually Managed Expenditure (AME) estimate was £100 million.

Within the budget delegation received from HM Treasury, the NCA receives funding for specific operational deliverables. This 'ring-fenced' funding cannot be used for other purposes and any underspend cannot be transferred to core operations.

In addition to Parliamentary Supply, the NCA was allocated £185.68 million across 51 streams of funding from, for the most part, government departments. This funding structure requires annual review and approval, meaning that the Agency faces the risk that operational capability may be defunded each year. The number of sources of external funding adds to the complexity of the management of the NCA's budget, limiting the Agency's flexibility to respond to changing threats and to plan efficiencies. In February 2021, a formal steering group was instituted to consider options for a future funding model, chaired by the Home Office Permanent Secretary, with senior NCA, HM Treasury and Cabinet Office representation. The goal is to have a new arrangement in place, agreed by ministers, in advance of the next Spending Review. The new funding model aims to provide greater certainty over multi-year funding, to allow the NCA to take a strategic approach to managing its finances and risks, and

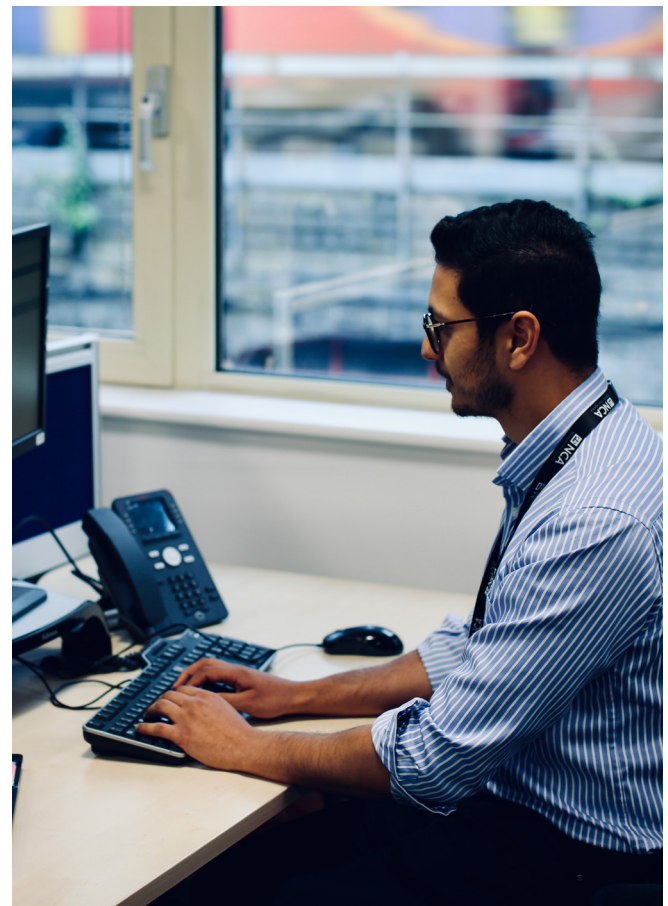
to ensure that it can build capabilities over the medium term. The model also seeks to ensure that the funding baseline for 2022-23 is as high as possible.

External funding streams received in 2020-21 were for the purposes of:

- specific projects;
- specific crime types to enhance the Agency's ability to tackle threats such as illicit finance; and
- national programmes, such as the National Cyber Security Programme.

Like delegated 'ring-fenced' funding, income received from other external funding providers cannot be used for any other purposes than those agreed between the NCA and the external funding provider within the relevant Memorandum of Understanding.

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



The Director General is fully accountable for the NCA's core and non-core budget. The Agency performed within its financial limits for each budget element in 2020-21, as shown in the table below:

Departmental Expenditure Limit (DEL)	Estimate £'000	Outturn £'000	Underspend £'000
- Resource	504.04	498.23	5.81
- Capital	48.02	46.93	1.09
Annually Managed Expenditure (AME)			
- Resource	100.00	21.57	78.43
Total	652.06	566.73	85.33
Externally funded	Budget	Outturn	Variance
- Resource	128.14	127.36	0.78
- Capital	57.54	56.58	0.96
Total	185.68	183.94	1.74

This table reflects the unqualified opinion the Agency received from the Comptroller and Auditor General as a result of the 2020-21 year-end audit.

RDEL underspend (excluding non-cash for depreciation) was £1.91 million which is within the management target of an underspend below 1%. This outturn demonstrates a high degree of efficiency in financial management during the year.

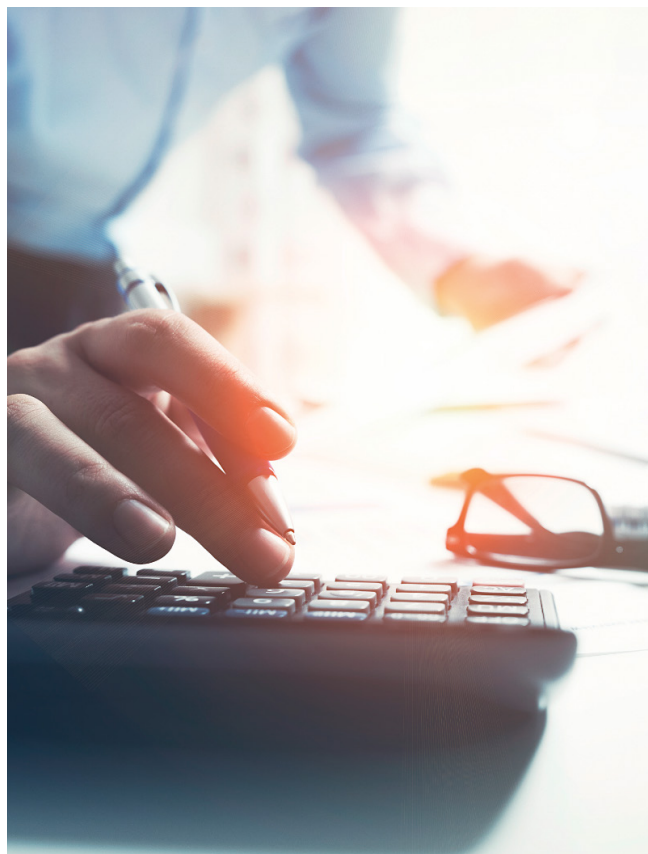
AME relates primarily to changes in provisions as a result of changes in discount rates, over which the NCA has no control. The Agency takes a prudent approach to Estimate in AME and the underspend relates to a lower than expected impact in estimation of provisions – police pension liability, property revaluation and general provisions.

Externally funded expenditure⁴ increased in 2020-21 compared to 2019-20 in both Resource (increase of £44.9 million) and Capital (increase of £48.94 million). Expenditure on this non-core activity is fully offset by income received from the funding provider.

The NCA does not benefit from any underspend in either the delegated budget or externally funded non-core budgets. The NCA is required to spend its delegated budget in the year it is received and therefore returns any underspend to HM Treasury annually. No reserves are held, which compared to local police forces, does not provide the NCA with flexibility to mitigate affordability

challenges over the longer period, whilst still making strategic investments in capabilities and operational priorities.

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 2021 shows a net liability of £723 million (2019-20: net liability £741 million). This is largely due to a pensions liability of £995 million. 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.

⁴ Undertaken expenditure on specific operational projects up to a limit agreed within a Memorandum of Understanding or other similar agreement



The Year in Numbers

In 2020-21, the NCA:

- secured over 4,000 disruptions⁵
- safeguarded over 1,600 children
- arrested over 1,200 individuals in the UK
- secured sentences totalling 1,300 years
- seized over 149 tonnes of illegal drugs
- seized over 450 firearms
- rescued over 700 potential victims of trafficking
- restrained, froze or seized over £150 million
- coordinated 490 'prevent' interventions against individuals at risk of becoming future cyber offenders
- safeguarded over 1 million victims of cyber crime, who would otherwise have been vulnerable to further exploitation
- took down or suspended over 270 criminally controlled websites

⁵ A disruption is recorded when the NCA has a positive impact in terms of reducing the threat, risk and/or harm posed by a SOC offender or organised crime group. This includes outcomes such as arrest or conviction, use of immigration or civil finance powers, and activity to tackle the threat at scale through crime prevention and through growing the UK's resilience to the SOC threat.

Overall Approach to Assessing Performance

In 2020-21, the Agency adapted the internal process it uses to measure performance, implementing a framework that allowed it to assess progress against the NCA's operational and strategic priorities (as set out in the NCA's Annual Plan 2020-21).

The ability to respond to performance risk was brought into sharp focus in 2020-21 as the SOC threat shifted in the face of the Covid-19 pandemic. In some cases, this limited the Agency's ability to secure results, which may be attributed to temporary changes in the threat. In other cases, new opportunities for SOC offenders materialised, including the fraudulent exploitation of government relief schemes. The Agency dynamically responded to the changing threat, and this is described in more detail below.

In this report, the Agency considers performance in relation to activity undertaken within the NCA. However, it is important to note that the NCA operates as the system leader across a broader law enforcement network of police forces and services, Regional Organised Crime Units, and other partners across government collectively responding to the growing threat from SOC. The performance of that broader system against SOC is not recorded here, but is instead considered by the National Strategic Tasking and Coordination Group.⁶

Across the UK law enforcement system, operational activity is managed through the SOC System Tasking Prioritisation Mechanism. This ultimately generates the SOC Master List, which provides the first single view of threat, risk and harm across the SOC system. The SOC Master List is graded by priority to enable the NCA and partner agencies to effectively and consistently prioritise and task activity at all levels to disrupt SOC.

There are still limitations on the NCA's ability to report on some areas. For example, there is no national performance system that is used by all partners engaged in the response to SOC.⁷ This means that where the NCA passes intelligence referrals to partners, or provides them with support through access to specialist capabilities, there is no automated method by which the totality of this impact can be captured or reported. The Agency continues to make the case for investment to address this gap, to allow it to work with partners to ensure the most comprehensive reporting, recognising these system challenges. Investment in such a system would also facilitate improved understanding of demand, system capability and capacity to respond, whilst creating scope for efficiency savings. This, in turn, would drive improved performance.⁸

The areas set out below are not exhaustive, representing those in which the Agency has sought to monitor performance outcomes at a strategic level. They do not describe every area of the Agency's activity.



-
- 6 The National Strategic Tasking and Coordination Group is the conduit through which the SOC duties and functions of the NCA, police forces and government bodies contained in Part 1 of the Crime and Courts Act 2013 are discharged.
- 7 The APMIS system used by the NCA had been rolled out to all Regional Organised Crime Units by 31 March 2021 and is also used by a number of police forces and other operational agencies.
- 8 As referenced in National Audit Office, 'Tacking Serious and Organised Crime', 28 June 2019.

Operational Performance Delivery in 2020-21

This section provides information of relevance to the NCA's first three operational priorities.

- To enhance the intelligence picture of existing and emerging SOC threats to the UK.
- To lead, task and coordinate the operational response against agreed priority threats, ensuring the right resources are targeted where they will have the greatest impact.
- To operate proactively at the high-end of high-risk, undertaking significant investigations resulting in disruption of threats by the most effective means.

Overall, 2020-21 saw strong performance across these areas, despite the impact of the Covid-19 pandemic.

In terms of overall disruptions, this was the most successful year for the NCA to date, with an almost 40% increase in Agency disruptions on the previous year. In the simplest terms, this means a greater level of disruption against those engaged in SOC and more impactful activity to eradicate the systems and structures that enable them to operate. Part of this success is attributed to the Agency's delivery of Operation Venetic, which has resulted in the arrests of more than 1,550 people across the UK by the NCA and wider law enforcement community to date. This followed international partners' extraction of data from the encrypted communications platform EncroChat. The UK operation was a nationwide effort led by the NCA, involving the full range of partners before, during and after arrest.

The significant uplift in disruptive impact was also influenced by the NCA's response to a growth in high-harm online child sexual abuse over the reporting period; its ongoing efforts under Operation Stovewood (the NCA's investigation into historic child sexual abuse); its pivot towards Covid-19 related crime (such as Bounce Back Loan and vaccine fraud); and its efforts to remove access to criminally gained funds using the UK Financial Intelligence Unit's Suspicious Activity Report regime, among other tools.

Despite this strong performance, it must be acknowledged that the threat the UK faces is growing, as identified in our National Strategic Assessment of Serious and Organised Crime 2020. The Agency cannot address this threat alone. The NCA focuses on the high-end of high-harm, targeting groups, criminals and cross-cutting enablers of crime (including new technologies) that have a disproportionately damaging impact on the wellbeing of the UK. In many cases, the Agency has invested in areas where it has been able to close down a specific aspect of a threat. In others, the Agency works strategically with partners to target threats at scale, for example, through policy change and campaigning.

As leader of the SOC system, the NCA's role is to align the whole system towards activity that tackles the highest-priority threats. This allows the Agency to amplify the impact delivered, ensure the most efficient deployment of capabilities and collectively combat threats that pose the greatest risk.

This approach has led to two directed taskings and one voluntary tasking under the NCA's assistance powers in Part 1 of the Crime and Courts Act 2013 being in place in 2020-21.⁹ These included a combined county lines and firearms directed tasking (issued in November 2018 and renewed in January 2020) and a voluntary fraud tasking (issued in December 2019).

⁹ Part 1 of the Crime and Courts Act 2013 empowers the Director General of the NCA to request a chief officer of a UK police force or other UK law enforcement agency to perform a task under very specific circumstances. These can be directed where the recipient is compelled to comply or can do so voluntarily.

Reducing Exploitation of the Vulnerable through Child Sexual Abuse, Modern Slavery and Human Trafficking, and Organised Immigration Crime

Criminals involved in child sexual abuse, human trafficking and other forms of abuse exploit the most vulnerable individuals in society. The NCA took significant strides in 2020-21 in targeting high-harm offenders and collaborating with partner agencies to safeguard potential victims.

Child Sexual Abuse (CSA)

In 2020-21, the NCA achieved a 69% year-on-year rise in disruptions, from 337 in 2019-20 to 568 in 2020-21. A large part of this increase was driven by the NCA's response to the threat from online CSA, with the Agency rapidly establishing a series of operations to target those seeking to exploit vulnerable individuals spending more time online as a result of Covid-19 related lockdowns.

In March 2020, based on an assessment that the risk to children from child sexual abuse had increased, the NCA launched operational activity against child sexual abuse actors assessed to be high-harm offenders. In 2020-21, the NCA arrested 154 offenders (24 of whom were in positions of trust), safeguarding 310 children. In addition, the NCA launched regular 'online safety at home' educational products aimed at children, parents and carers, which have been downloaded over 500,000 times since the beginning of lockdown.

The Agency also increased disruptions categorised as 'major'. This is the NCA's highest category of disruption, assessed by a cross-organisational panel to bring about long-term impact, for example, where a multi-year custodial sentence is achieved. Specifically, the Agency delivered a 134% increase in major disruptions relative to 2019-20, up to a total of 21 in 2020-21. An example of this activity is Operation Heruli, a two-year investigation into an online predator who targeted adults and children worldwide, who subsequently admitted to 146 sexual abuse and blackmail offences against 67 victims aged 4–14. The investigation established that the offender had coerced both adults and children into providing sexual and degrading images and videos on the promise of payment. He then blackmailed them to provide increasingly degrading material, while coercing victims to commit offences themselves.

The Agency also achieved a 68% increase on 2019-20 in the number of NCA-led operational safeguards put in place, ensuring that greater numbers of children and vulnerable adults are protected from harm.

The NCA continues to work with private-sector partners to ensure that child safety remains a priority as end-to-end encryption is developed and deployed.



Modern Slavery and Human Trafficking (MSHT)

In 2020-21, the Agency increased disruptions relating to MSHT offending by 17% on the previous year (with 119 disruptions made relative to 102 in 2019-20). This was achieved despite a drop in overall MSHT activity detected, in the face of Covid-19 related travel restrictions.

In 2020-21, the NCA arrested a Vietnamese national in Birmingham, who was the mastermind behind a network of cannabis farms operating in the UK. These farms were run according to a business model that relied for labour on individuals smuggled or trafficked into the UK. One farm was situated in a three-storey former nightclub that was found to contain around 1,000 plants.

The Agency continued to prioritise safeguarding vulnerable victims, disrupting offenders and adapting law enforcement tactics in response to an evolving threat. In the process, in 2020-21, the Agency led six intensification phases, whereby operational activity was scaled up against specific sub-sections of the threat, including labour exploitation, child trafficking and key enablers of MSHT, such as adult service websites. This resulted in 90 new investigations, with 110 suspects arrested and 475 potential victims identified in the course of these investigations.

The number of NCA arrests resulting in charges for MSHT offences increased almost four-fold on the previous year, to a total of 23 in 2020-21.

The NCA also delivered a Google ads communications campaign aimed at raising awareness among users of adult service websites of sexual exploitation within the UK sexual services marketplace. The campaign also sought to influence behaviour change and drive an increase in reporting, by those who purchase sexual services, of potential exploitation.



Organised Immigration Crime (OIC)

The NCA leads the UK's whole-system response to the OIC threat and is the operational lead for the Multi-Agency OIC Task Force.

Although Covid-19 travel restrictions reduced numbers of irregular migrants detected attempting to enter the UK, NCA disruptions against OIC increased by 31% from 150 in 2019-20 to 197 in 2020-21.

The NCA worked to identify and disrupt smugglers' business models by targeting enablers within the small boats marketplace and the haulage industry. The NCA's International Liaison Officer network, alongside key overseas partners, also allowed the Agency to increase '3P disruptions' by 74% in 2020-21 relative to the previous year.¹⁰

In July 2020, in response to an increase in detections of migrants attempting to cross the English Channel using small boats, a new working relationship between UK and French law enforcement was established. This has provided new opportunities to enhance fast-time intelligence and has created over 265 intelligence reports, with over 180 arrests linked to this activity to date.

Despite the overall decline in numbers detected attempting to enter the UK, a three-fold increase was witnessed in detections of migrants attempting to cross the English Channel using small boats. The NCA increased disruptions against this threat by 35% on the previous year, from 37 in 2019-20 to 50 in 2020-21. However, in the context of the overall threat picture, it is acknowledged that more progress is needed across the multi-agency response, in relation to the general maritime threat. It should be noted that the footprint of organised crime groups facilitating illegal crossings predominantly falls abroad, increasing the complexity and timelines associated with the NCA's work in this area.

¹⁰ 3P (Prevent, Protect and Prepare) disruptions involve activity to prevent people from engaging in these types of crime; to protect individuals, organisations and systems from the effects of SOC; and to prepare for crime when it occurs and mitigate its impact.

Reducing the Impact of SOC on Communities

The movement of drugs and firearms into and across the UK fuels significant levels of violence, disrupting the lives of law-abiding citizens. This can result in victims suffering directly at the hands of criminals and indirectly when caught up in violence between rival organised crime groups, with potentially fatal consequences. There remains a strong connection between these two illegal commodities. Firearms are used to protect and enable criminal interests, and are regularly found at drug related incidents and alongside drug seizures. As such, NCA operations that tackle one commodity often reinforce those that tackle the other.

Firearms

The NCA dismantled six criminal firearms supply networks in 2020-21, nullifying the threat from each of these global supply chains. This included action to deter the activity of a supplier of readily convertible blank firing weapons in France, who had been linked to known UK-based criminals capable of causing serious harm.

In June 2020, an organised crime group involved in the supply of illegal firearms to the UK was dismantled, with the assistance of Turkish National Police. Multiple arrests were made and a consignment of 242 unlicensed converted blank firing pistols was seized before they could reach the UK criminal marketplace.

As a result of intelligence activity targeting criminal supply routes into the UK and operational activity in collaboration with international partners, the Agency exceeded, by far, the number of firearms seized overseas in 2019-20. This included the seizure of 113 weapons in a joint investigation with Slovakian authorities, targeting the suppliers of convertible small calibre weapons, a number of which had been recovered from criminals in the UK in the preceding months. This demonstrates the global reach of the Agency, the importance of its work overseas and the impact of this activity in reducing harm to UK citizens. In the Slovakian case, each firearm seized could be attributed directly to a group, person or supply network with the intention and/or capability to supply weapons to the UK criminal marketplace.



The Agency seized less than half the amount of firearms in the UK as it did in 2019-20; however, a number of new initiatives were developed in 2020-21 that will support our response in the coming period. These include the expansion of an enhanced forensic capability and targeted multi-agency work at the UK border.

Drugs

The Agency increased the proportion of drugs disruptions categorised as 'major' from 7% in 2019-20 to 10% in 2020-21.

It is likely that the proportion of major disruptions would have increased further had it not been for the onset of the Covid-19 pandemic, with resulting delays in the criminal justice system impacting the NCA's ability to achieve custodial sentences.

The Agency removed in excess of 149 tonnes of illicit drugs (heroin, cocaine and synthetics, including fentanyl) from criminal hands in 2020-21. This was 43 tonnes less than in 2019-20. The Agency did, however, achieve increases in the amount of heroin seized in 2020-21 relative to 2019-20, including a notable seizure in September 2020 of heroin with a street value of £21 million. This uplift in performance against the heroin trade will have an impact on the activity of county lines gangs and associated serious violence.

In 2020-21, over five tonnes of cocaine, with a wholesale value of around £189 million, was seized in Venezuelan waters following joint working with Montenegrin authorities. This result was achieved after the NCA's International Liaison Officer network detected a crew of Montenegrin sailors travelling to South America in order to traffic commercial quantities of cocaine to Europe.

Other significant results include the seizure of 2.3 tonnes of cocaine in February 2021 and the seizure of 1,000 cannabis plants with a street value of £1 million in October 2020. Together, these results and the Agency's improved understanding of the drugs threat represent a successful year for the NCA in its efforts to diminish the capability and criminal gains of organised crime groups involved in the smuggling and distribution of illegal drugs.

Despite these results, the NCA recognises the increasing scale, volume and complexity of the threat posed by illegal drugs. The Agency's evolving threat analysis has allowed it to improve target identification in terms of high-harm organised crime groups, as well as individuals that enable their activity. The Agency acknowledges that there is not currently the capacity either within the NCA or across the wider law enforcement system to address the full scale of the threat from illegal drugs. As such, the NCA focuses on using the resources available to target entities and exploit opportunities that have the most significant disruptive effect.

County Lines

County lines offending occurs where drug trafficking networks use dedicated mobile phone lines to take orders from drug users across the UK, with victims of serious violence and criminal exploitation often forced to operate at the front end of drug supply. The Agency implemented an end-to-end drugs model in 2020-21 that allowed developments and investigations to be mapped, identifying gaps in intelligence and opportunities for new county lines-specific intelligence operations. These operations increased in number in 2020-21, relative to the previous year.

The Agency targeted nominals where evidenced links to county lines activity were found. Joint working with Regional Organised Crime Units greatly assisted this work, bridging the gap between international drugs supply, importation and supply at community level.

In 2020-21, the Agency supported 20 investigations into money flows linked to county lines activity. Ongoing work on these investigations will allow continued improvement to the NCA's understanding of the nature of illicit financial flows within this end-to-end model. The drugs and county lines responses outlined here also offer specific examples of the NCA providing capabilities and services to enable partners to deliver impact against the threat.



Reducing Harm to Individuals, the UK Economy and Institutions from Economic Crime

A substantial proportion of criminal activity impacting the UK is conducted by those whose operations undercut the UK’s economy, integrity, infrastructure and institutions. The activity of these SOC offenders is largely profit-driven and is often enabled by online activity. As such, the NCA has continued to focus on preventing and disrupting criminal activity that threatens to undermine the UK’s economy. Critical to these efforts is the system-leadership role provided by the NCA’s National Economic Crime Centre (NECC) and National Cyber Crime Unit (NCCU).

Money Laundering

In 2020-21, the Agency delivered four major disruptions against international controller networks and professional enablers; two key elements of money laundering activity. Two disruptions were linked to an operation involving international controller networks and a further two to professional enablers, resulting in the arrests of a solicitor and accountant in one case, and a criminal financier of an organised crime group in the other. The Agency initiated additional long-term activity against these threats in 2020-21, which is expected to yield results next year. These categories of professional criminals act as ‘force multipliers’, often enabling SOC activity at scale. The Agency’s targeting of them has an amplifying effect and is an example of the unique value the NCA is able to add by combining an overall understanding of the strategic threat with an ability to take targeted enforcement action against those causing the greatest harm.

In October 2020, a businessman from Leeds suspected of being a key provider of money laundering services to organised crime groups in West Yorkshire agreed to hand over nearly £10 million in assets held across the UK. Assets were identified as a result of an Unexplained Wealth Order, whereby the NCA successfully argued that the individual’s wealth had been accumulated through crime. This was the first Unexplained Wealth Order secured solely on the basis of an individual’s suspected links to SOC.



The Agency also delivered two cross-system anti-money laundering campaigns in 2020-21. These included a NECC-led initiative focused on criminal cash deposits made through the Post Office network. Work to identify and ensure permanent changes to design this vulnerability out of the system is now starting with policy and regulatory partners. In September 2020, a second anti-money laundering campaign targeted the smuggling of cash on air passenger flights operating on key routes, resulting in £467,000 being seized and crucial intelligence gained.

Fraud

In 2020-21, the Agency increased the number of investigations launched against high-harm fraud networks operating at scale. NCA intelligence work led to a total of 14 high-priority operations being tasked in 2020-21, representing an increase on the previous year. Given the complexity of fraud investigations, many of these are anticipated to yield dividends in the following year. The increased intelligence and investigative capability developed in the NCA in 2020-21 also allowed the Agency to pivot resources to focus on fraud targeting the Government’s Bounce Back Loan scheme, leading to 13 arrests.

In January 2020, a multi-agency public awareness campaign was launched, focusing on cloned company investment fraud. The campaign was a collaborative effort, involving the National Economic Crime Centre and a number of partners. The aim was to warn the public of the growing threat of cloned companies and advise on how to avoid falling victim to this threat. A second social media campaign was launched to warn young people of the risk of recruitment as money mules, which led to a 33% increase in calls to CrimeStoppers that mentioned money mules and an 800% increase in web traffic to an anti-money mules website as of 31 March 2021.

The NCA also successfully increased the number of major disruptions resulting from fraud investigations, with four taking place in 2020-21. These included an intervention that stopped a bid to provide sub-standard Covid-19 testing equipment to the UK public, valued at approximately £100 million.

The NECC worked with partners to deliver four fraud-reduction campaigns relating to courier fraud, romance fraud, Covid-19-related fraud and investment fraud. It also collaborated with partners to deliver two crime prevention campaigns, which included work with the National Cyber Security Centre (NCSC) and the Financial Conduct Authority's (FCA) ScamSmart Campaign on cloned company investment fraud and a money mule campaign.

Active Fraud Defence is a NECC funded partnership with the NCSC, National Fraud Intelligence Bureau (NFIB) and FCA to remove large volumes of fake websites and other online enablers involved in perpetrating fraud. This partnership has led to an expansion of the Suspicious Email Reporting Service (SERS); a joint initiative of NCSC and NFIB, launched in April 2020, which receives reports of suspicious emails from the public. As of 31 March 2021, the number of reports received stood at more than 5.5 million, with 41,000 scams and 81,000 URLs removed.

Asset Denial

The use of asset denial tools demonstrates the NCA's commitment to disrupt SOC offenders by targeting assets gained through criminal means. In 2020-21, the level of criminal cash and assets seized, forfeited or restrained was £114 million, just short of the £116 million recorded in the previous year. Court delays related to the Covid-19 pandemic had a bearing on this, given the crucial role of the courts in allowing the Agency to apply successfully the range of asset denial tools available to it. Despite this, overall assets recovered were £29.1 million, up by 25% on 2019-20. This represents a £5.8 million uplift in the Agency's contribution to public finances.

In 2020-21, the NCA achieved the UK's first successful outcome from an Unexplained Wealth Order, obtaining close to £10 million-worth of assets via a settlement from an individual suspected of laundering the proceeds of crime for SOC offenders. The use of another tool, Account Freezing Orders, also continued to increase, with 65 accounts frozen in 2020-21, up 103% on the previous year. However, the use of these tools has presented challenges. In the course of the year, a high-profile Unexplained Wealth Order case was lost, as were two forfeiture applications stemming from Account Freezing Orders. Whilst all resulted in substantial costs orders, totalling over £1 million against the NCA, lessons have been learned to ensure that the Agency continues to utilise these powers with maximum impact against SOC offenders and corrupt politically exposed persons.



Cyber Crime

Cyber performance was strong in 2020-21, with the Agency strengthening the operational network under its leadership, encompassing the National Cyber Crime Unit (NCCU), Regional Cyber Crime Units and force Cyber Crime Units.

In April 2020, NHS England received an email demanding £10 million by a set deadline, or an explosive package would be left at one of its hospitals. Nineteen further threatening emails were sent to the NHS and NCA. The NCA launched a high-priority investigation, led by specialist cyber crime officers, to identify the offender and prevent an attack on the NHS at the height of the Covid-19 pandemic. An Italian national was arrested in Germany for attempted extortion and was sentenced to three years' imprisonment in February 2021.



The NCA also increased volumes of disruptions on the previous year. In terms of these disruptions, a significant contribution was made by an NCCU-led investigation into WeLeakInfo.com. Major impact was also secured in the pursuit of criminals using phishing campaigns. In one case, an entire dark web platform (Dreammarket) was taken down and its administrators arrested. This, combined with other operational activity against actors based in the UK and overseas, contributed to an increase in the 'pursue' response, which accounted for 34% of all disruptions in 2020-21, compared to 13% in 2019-20.

In December 2020, a five-week operation coordinated by the National Cyber Crime Unit, involving cyber crime teams from across the Team Cyber UK network, resulted in the arrests of 21 criminals in a nationwide crackdown. The operation targeted cyber criminals who had paid for access to a site called WeLeakInfo, which hosted 12 billion stolen credentials, in order to download personal data for use in further offences. Three subjects were also found with indecent images of children. Cyber Prevent Officers visited a further 60 individuals to warn them to cease and desist from criminal activity.

The NCCU issued 123 target packages (dissemination of relevant material) in 2020-21 against the previous year's 115. This was achieved alongside an increase in Triage, Incident Coordination and Tasking logs recorded.

The Agency also increased audience exposure to 'prevent' messaging around cyber crime, more than doubling this relative to 2019-20. This was achieved through a range of cyber 'prevent' campaigns, including a four-stranded Google AdWords campaign and the popular online game 'CyberLand', designed to introduce key cyber security concepts to children.

To build on this success, and to ensure that the NCA can dynamically respond to evolving cyber threats, the NCCU is developing further resources and capabilities, in collaboration with Team Cyber UK.¹¹ These include a national Cyber Crime Knowledge Hub and the establishment of an NCA-led ransomware threat group.

¹¹ Team Cyber UK is a collaborative network of UK cyber partners.

Performance in relation to Devolved Administrations

The NCA continued to focus on delivering significant operational results in Scotland and Northern Ireland in 2020-21, building on the strong operational cooperation developed in recent years.

In a joint operation between the NCA and Police Scotland, specialist Border Force search teams located one tonne of high-purity cocaine, with an estimated street value of up to £100 million, concealed within boxes of fruit destined for Glasgow fruit market. The drugs were found within a cargo of 48 pallets of bananas that had arrived at Dover docks on a vessel from South America. The seizure led to the arrests of two alleged members of an organised crime group, in Glasgow and Essex.

The Agency achieved significant operational success in 2020-21. With the agreement of partners, NCA activity focused on criminals operating at the high-end of high-harm and those areas where the Agency could add unique value.

This led to a greater number of moderate and major disruptions, relative to the previous year. There was a corresponding significant reduction in disruptions assessed as minor.¹²

Among the most significant results was the seizure of cocaine linked to a high-harm organised crime group in Scotland.

In addition, as part of Operation Venetic, over 28 million Etizolam pills were seized, with a street value of £14 million. These were destined for a supply network in Scotland, with Etizolam pills a significant cause of Scottish drug-related deaths.

Major disruptions were also achieved in Northern Ireland, including the seizure of 600 kg of cannabis found within pallets of fruit and vegetables in a lorry in County Antrim in June 2020. In addition, 13 children were safeguarded under six separate investigations into child sexual abuse. As a result of Operation Venetic, investigators in Northern Ireland arrested and charged five organised crime group members with a range of offences, including drugs, money laundering and firearms offences. Significant successes were also achieved with the seizure of a handgun and 52 rounds of ammunition as they were being imported from the United States. Separately, the NCA progressed the investigation into the 2019 importation of 45 firearms from Spain and, in a linked investigation in England, six further firearms were recovered.

Working with partners in the Devolved Administrations, the NCA welcomes the opportunity to continue to pursue a strong strategic and operational response to SOC that tackles emerging threats and priorities, whilst ensuring that capabilities and resource are targeted where they will have greatest impact.



¹² Minor disruptions include those resulting in minimal, short-term disruptive impact on the threat, marketplace or capability of an organised crime group or individual offender.

Performance in relation to the Provision of National Capabilities

This section covers the NCA's national capabilities, which play a significant role in the Agency's response to its fourth operational priority.

- To develop and deliver specialist SOC capabilities and services where this is best done nationally, enabling their availability where and when needed for the benefit of all UK law enforcement.

To provide best value for money and the most efficient method of delivery, the Agency develops, deploys and maintains a range of national capabilities and services which, as well as enhancing its own operational activity, support the activity of police forces and other partners. These capabilities create opportunities to identify and take action against those engaged in SOC, as well as providing specialist expertise to support broader law enforcement activity. They are delivered at scale and, as the case studies below demonstrate, can have significant impact in enhancing law enforcement activity. A number of capabilities are highlighted in this section, along with information on their impact, as follows.

The Agency's **Anti-Kidnap and Extortion Unit (AKEU)** provides strategic and tactical advice to law enforcement, government agencies and commercial enterprises across the world in relation to live kidnap matters. All live offences of kidnap, product contamination and blackmail in the UK, or involving UK entities, are reported to the Unit. In 2020-21, the AKEU handled: 633 reports of kidnap; 1,180 instances of blackmail; 3,630 instances of cyber-enabled blackmail (sextortion) and six cases of product contamination. The Unit provided direct support to UK partners on 165 occasions and to international partners on 36 occasions.

In September 2020, a British national was ambushed by armed men and kidnapped whilst travelling in a high-risk country against UK Government travel advice. The AKEU coordinated the UK law enforcement response, with a focus on the safe recovery of the hostage, while providing support to the individual's family throughout the incident. As a result of collaboration between the AKEU, the Foreign, Commonwealth and Development Office and in-country authorities, the hostage was freed after 60 days in captivity.

The Agency's **Child Sexual Abuse Referrals Bureau (CSARB)** is the UK landing point for all industry referrals to law enforcement of online child sexual abuse. These referrals include reporting by industry of the uploading and sharing of indecent images and videos of children online, and explicit chat logs that provide records of offences such as grooming, incitement and disclosures of contact abuse offences. In 2020-21, the CSARB played a key part in coordinated activity with UK police forces against online child sexual abuse, which led to the safeguarding of 12,529 children - a 50% increase on the 8,329 children safeguarded in the previous year.

Through intelligence work conducted in 2020-21, the CSARB linked multiple industry referrals of child sexual abuse activity to a 35-year-old subject who posed online as a younger male and, over several years, groomed multiple girls into sharing images of themselves. The Bureau disseminated intelligence to Avon and Somerset Police, who arrested the subject in November 2020. Avon and Somerset Police determined that he had met and sexually exploited some of the girls in person. The offender pleaded guilty to 33 charges and was sentenced to 12 years' imprisonment and a further 10 years on licence.

Major Crime Investigative Support (MCIS)

provides front-line policing with information, advice and support in relation to major crimes, as well as vulnerable and intimidated witnesses. In 2020-21, MCIS supported 11,806 investigations, deploying officers to assist investigations into serious crimes on 1,544 occasions. MCIS also directly supported vulnerable victims and witnesses on over 7,000 occasions throughout the year. Police forces supported by MCIS ranged from London's Metropolitan Police Service to the Royal Air Force Police and Western Australia Police, amongst others. Policing partners' satisfaction levels with MCIS assistance were rated at 100% over the course of the year.

In February 2021, a 26-year-old man was convicted of the rape and murder of Libby Squire in January 2019, having abducted her in the student area of Hull. All specialisms within MCIS were engaged on the case, supporting Humberside Police from the day that she was first reported missing. Among other areas, MCIS assisted in the development and delivery of major lines of enquiry and strategy related to hypotheses, investigative planning, policy management, search, suspect management and interview, sightings strategy and witness management. The man was sentenced to 27 years in prison at Sheffield Crown Court.

The **Serious Crimes Analysis Section (SCAS)** has a nationwide remit to support serious stranger sexual offence and murder investigations. In 2020-21, SCAS received 4,553 case notifications, indexed 1,406 and generated 140 specific lines of enquiry for policing partners. 89% of cases received by SCAS were rape investigations. Over the course of 2020-21, policing partners rated their levels of satisfaction with SCAS support at 100%. In one rape investigation, information supplied by SCAS led to the arrest of a suspect the same day.

In the course of 2020-21, SCAS worked with MCIS to support a police investigation into a series of four violent assaults against women who were forced into vehicles and assaulted with blunt instruments. NCA support involved comparative case analysis using the Agency's behavioural database and bespoke searches of the Police National Database. SCAS input identified historic offences potentially committed by the same offender, and assisted in painting a picture of the gravity of risk the individual posed, which was utilised by the judge in sentencing.

The **UK Financial Intelligence Unit (UKFIU)** has national responsibility for receiving, analysing and disseminating financial intelligence submitted through the Suspicious Activity Report (SAR) regime. It provides the gateway to reporting institutions and a repository of data to inform law enforcement. In 2020-21, the UKFIU received over 742,000 SARs (an increase of 29% on the previous year) and over 105,000 Defence Against Money Laundering applications (an increase of 69% on the previous year). Analysis and dissemination of SARs by UKFIU across law enforcement, included 21,000 reports relating to vulnerable persons and also led to £138 million of suspected criminal assets being denied.

In 2020-21, as part of its intelligence checks, the UKFIU identified and disseminated a Suspicious Activity Report to a partner law enforcement agency relating to the suspected purchase of child sexual abuse material from an international website. The information sent by the UKFIU was used to corroborate other intelligence, resulting in the arrest of a subject and the seizure of devices used in offending.

The **UK International Crime Bureau (UKICB)** is the conduit between UK law enforcement and international partners, including Interpol and Europol. It acts as the UK central authority for the European Arrest Warrant (now the EU-UK Trade and Cooperation Agreement warrant). Until the end of the transition period that followed the UK's exit from the EU, UKICB also provided the Sirene Bureau for the Schengen Information System II (SIS II). In 2020-21, the UKICB dealt with over 264,000 enquiries and created more than 68,000 new cases. In the same period, the UKICB received almost 16,000 requests for extradition and facilitated 1,086 fugitive arrests.

Early in the Covid-19 pandemic, a significant decline was witnessed in the number of fugitives arrested in the UK through the use of European Arrest Warrants. To address this, the UKICB launched Operation Suricate, to develop intelligence and target the highest-risk subjects. Working with policing partners, between 8 April and 26 June 2020, 297 fugitives were arrested for offences ranging from sexual abuse to large-scale Class A drug supply.

The **UK Missing Persons Unit (MPU)** is the UK point of contact, nationally and globally, for all missing-persons and unidentified bodies/people cases, and a centre for the exchange of information and expertise on missing-person issues. The MPU is a public-facing team with its own website, providing advice to both law enforcement and the families of missing persons. In 2020-21, the MPU logged 13,310 missing persons reports into its national database and provided investigative support to police forces on 7,199 cases.

A decomposed male body was found with reading glasses at the scene. Images of the male before his death were taken from CCTV and uploaded to the MPU website. On viewing the images, including images of the glasses, a member of the public emailed the MPU with a potential name. The MPU conducted open-source searches on the name and ran a reverse image search with the CCTV image. A Facebook account was found with a male wearing an exact match of the glasses found at the scene. An Interpol enquiry was submitted and DNA was obtained from a family member, leading to a positive match and the identification of the victim.



Performance on Enabling Functions

This section covers the NCA's enabling functions, which play a significant role in the Agency's response to its fifth operational priority.

- To enhance our capability and credibility by recruiting and retaining talented officers and enabling them with the right skills, facilities, data and technology to operate productively and effectively.

It has been a challenging but productive year for the Agency's enabling functions. The NCA undertook recruitment on a record scale; managed significant financial pressures and risks (impacted by Covid-19 resourcing demands) to enable the Agency to deliver strong performance on budget; prepared for the end of the EU exit transition period; delivered key aspects of its Transformation Portfolio; and secured significant gains in relation to its People Survey. Progress achieved in all of these areas puts the Agency in a stronger position going into the next reporting period.

Change

In 2020-21, the NCA invested £46.2 million CDEL¹³ and £19.4 million RDEL across programmes that comprise its ambitious Transformation Portfolio. These programmes have helped the NCA to develop and build new capabilities for the Agency and for use across the whole system.

A summary of performance across a selection of these programmes is as follows.

Technology Transformation

In 2020-21, the NCA made significant changes to its underlying technology, with legacy systems removed, users migrated onto new and more robust systems, and other significant improvements made for NCA officers and partners across the system.

The Agency accelerated aspects of its technology transformation activity to meet the needs of officers during the Covid-19 pandemic. Swift adoption of Microsoft Teams enabled NCA officers to collaborate remotely both internally and externally, ensuring that the vital work of the NCA could continue unimpeded. The Agency

also provided 1,200 Surface Pro devices to officers, with 1,800 more devices procured for roll out over the remainder of 2021.

The NCA also implemented improvements to business continuity and on-call working, which supported its in-year response to the Covid-19 pandemic, while providing a sustainable basis for the future.

In 2020-21, the Agency began a staged rollout of its new Tier 2 infrastructure and platform, moving its officers onto modern systems, whilst protecting sensitive data and complying with Government standards.

The migration of legacy technology also progressed in 2020-21, ahead of the decommissioning of legacy systems in 2021. This process will significantly reduce corporate risk in technology resilience and data management, and generate efficiencies in the way in which the NCA works.

This progress in the technology aspects of the Transformation Portfolio enables the Agency to prepare for and plan step changes in many other transformation programmes. The underlying system is now ready to allow the Agency to adopt further changes to its systems and applications, unlocking greater productivity and developing the NCA's capabilities and people. For example, in 2020-21, the Agency developed and tested an online learning platform (iLearn), offering online courses to enable officers to flexibly access engaging learning content, create communities of practice, and share knowledge and expertise.

Intelligence Collection

Under the Transformation Portfolio, the Agency seeks to bring together intelligence from different sources to maximise the quality of analysis and assessment, enhance tactical opportunities, better coordinate NCA and partner collection assets, and grow the capacity and capabilities needed to collect intelligence from high-harm offenders operating on the surface, deep and dark web. This technology innovation is key to ensuring that the NCA – and broader law enforcement – keeps pace with wider technological advances.

In 2020-21, the Agency prepared for anticipated legislative changes to implement the UK-US bilateral agreement on sharing of data, which will benefit UK law enforcement across the system.

13 The CDEL outturn presented in the Statement of Parliamentary Supply includes year-end accounting adjustments.

In 2020-21, the Agency delivered additional activity under its digital forensic transformation plan, adopting a model of regionally based forensic practitioners.

National Data Exploitation Capability

In 2020-21, the Agency's National Data Exploitation Capability (NDEC) increased its data holdings by 300% on the previous year. As the NCA collects greater amounts of intelligence and data, its data capabilities are being transformed by harnessing analytics, automation, algorithms and machine learning. This process enables the Agency to detect criminal activity that would otherwise go undetected, to spot trends earlier and to intervene more powerfully against SOC offending. Greater access to data and automated analysis will also continue to drive forward the NCA's understanding of SOC and streamline investigative effort.

Tasking

To disrupt criminal activity, the NCA must prioritise and deploy operational resources effectively. New technology enables the Agency to maximise its operational resources through improved command and control and situational awareness. In 2020-21, a single online prioritisation system (APMIS) was rolled out to support SOC operations across law enforcement, as well as those run by partners such as the Food Standards Agency, Environment Agency and Intellectual Property Office.

Investigations

NCA intelligence-led operational activity is directed at offenders, who cause the greatest harm to the UK and its partners abroad. Investigating high-end SOC activity requires NCA officers to work in challenging environments, with the Agency's investigations programme ensuring that officers are equipped to do this safely, legally and effectively. In 2020-21, the Agency developed plans to obtain critical operational equipment and surveillance capabilities, as well as procuring next-generation equipment.

Economic Crime

The economic crime threat to the UK is ever-more complex and global in nature. In 2020-21, the NCA continued to develop its capabilities to tackle this threat, using a range of powers to intervene and recover funds and assets.

In the past year, significant investment was made in tackling illicit finance, with £60.3 million invested in delivering enhanced capacity and capabilities to disrupt the threat. Recruitment of additional officers resulted in an increase in the number of illicit finance-related strategic assessments produced relative to the previous year, and increase in the number of interventions led by the National Economic Crime Centre. It also strengthened and expanded relationships with wider law enforcement partners, and enabled a focus on a wider range of intelligence sources, resulting in the dissemination of more comprehensive packages to partners and increasing operations targeting illicit finance.



The NCA is also delivering a key part of the Home Office Suspicious Activity Report (SAR) reform programme.¹⁴ This will ensure that the SARs regime is fit for purpose and equipped to address the scale of the threat facing the UK, whilst aligning with the Agency's broader technology infrastructure work.

A critical part of this relates to technology transformation, a process led by the NCA. The new SARs digital service will allow the private sector to submit data-validated SARs more easily and efficiently, while providing law enforcement with new workflow and analytics capabilities to act on the available financial intelligence.

In 2020-21, the Agency contracted the technology supplier for the SARs system, and completed the first stage of connectivity testing with financial institutions. Once complete, the new arrangements will be available for use by all members of the regulated sector.

Future Estates

In 2020-21, the NCA initiated its Concordis programme. As leases expire in the Agency's current estate, this programme will deliver a modern and collaborative work environment for NCA officers. It will enable the Agency to focus resources in the right regional locations for operational deployment.

Digital, Data and Technology

In 2020-21, the NCA made progress within its Transformation Portfolio in relation to digital, data and technology, while managing the risk arising from its legacy data and technical infrastructure. This allowed the Agency to perform effectively and efficiently to protect the public during the Covid-19 pandemic.

In responding dynamically to the Covid-19 pandemic and to changes in operating processes, the NCA consistently reported fewer major technical incidents. Major incidents are categorised according to their high level of seriousness in terms of business impact, with the potential to prevent users from performing operations, therefore requiring an immediate restoration and response. Comparatively, the Agency witnessed a significant increase in minor

incidents – those categorised as causing lesser business impact, typically affecting only one or several users, with the potential to create minor disruption. The on-boarding of new officers and remote working due to the Covid-19 pandemic are recognised as drivers of the increase in minor incidents.

There is also a clear read-across to one of the NCA's higher-scoring corporate risks, which relates to how the Agency delivers compliant information management processes in the context of a challenging legacy IT infrastructure. Greater focus was placed in 2020-21 on data management and compliance risks through the mobilisation of the Data Programme. This enabled the Agency to quantify risk better, establish remediation activities and enhance its governance mechanisms. This approach also allowed the successful separation of systems following the UK's exit from the EU.

People

In 2020-21, the Agency's workforce increased from 4,906 to 5,687 officers.¹⁵ This is just below our target of 6,000; however, with 600 future officers in the recruitment pipeline, there is a high level of confidence that this will be achieved in 2021-22. In the past year, 1,276 officers were successfully recruited and brought into the Agency: the highest intake in a single year to date, at a time when the Covid-19 pandemic was significantly impacting traditional working patterns and recruitment methods.

In terms of diversity, the NCA ended the year with 43.2% of officers being female; 12.2% of officers from an ethnic minority background and 4.6% of officers recording their sexual orientation as lesbian, gay, bisexual or other. Representation of ethnic minority officers continues to increase month-on-month. The Agency will work to further enhance representation in all of these areas in the year ahead, supported by a range of initiatives.

¹⁴ SARs are produced by financial institutions and other professionals such as solicitors, accountants and estate agents, alerting UK law enforcement to potential instances of money laundering and terrorist financing.

¹⁵ This figure represents directly employed staff, seconded officers, loaned in staff, commercial contractors & agency staff. It does not include NEDs, IRG members, attachments, NCA Specials, career breaks, student placements and outsourced specialist contractors











Engagement

The 2020 iteration of the annual People Survey, a Civil Service-wide survey administered during October and November 2020, allowed officers to provide feedback and ideas to ensure that the NCA delivers a high-quality service to the public.

3,519 NCA officers completed the survey, a 65% response rate, with a broader Civil Service-wide response rate of 66%. This was an increase of 6% on 2019-20.

The Survey showed improvement across the NCA in all ten high-level indicators of satisfaction, relative to the previous year. In a number of areas, this reflects a longer year-on-year upward trend.

The table below illustrates the improvements made since 2018.

	2020	2019	2018
 Organisational Objectives and Purpose	85% (+4)	81% (+12)	69%
 Employee Engagement	65% (+6)	59% (+9)	50%
 My Team	81% (+2)	79% (+4)	75%
 Inclusion	78% (+4)	74% (+7)	67%
 My Work	78% (+4)	73% (+7)	66%
 My Manager	70% (+5)	65% (+5)	60%
 Resources and Workload	67% (+4)	63% (+5)	58%
 Leadership and Managing Change	48% (+10)	38% (+15)	23%
 Leadership and Development	47% (+4)	43% (+11)	32%
 Pay and Benefits	39% (+9)	30% (+7)	23%

The Survey revealed particularly positive improvements in officers’ interest in the NCA’s work and understanding of its objectives. The Agency was also pleased to see improved confidence on teamwork and inclusion, which are crucial to making the organisation a positive place to work.

The NCA and its leadership remain committed to addressing areas of concern to officers. Specifically, on pay and benefits, while genuine progress is being made, it is clear that officers feel that they require further enhancements, particularly where pay lags behind policing. The Agency is committed to continuing to pursue pay reform and to reviewing its broader benefits package when the Government’s Civil Service pay policy permits it to do so, taking account of officer feedback and, ultimately, making evidence-based judgements on business need. Despite the year-on-year improvement in scores, the NCA and its leadership remain similarly committed to addressing ongoing concerns in terms of officer perceptions of ‘learning and development’ and ‘leadership and managing change’.



Diversity, Inclusion and Equality



The NCA continues to strive to improve the diversity of its workforce, to ensure that it is representative of, and can deliver for, the public it serves. The Agency uses its Strategic Equality Forum to provide strategic oversight of all inclusion, diversity and equality objectives, chaired by the Director General Capabilities.

In pursuing these goals, the Agency works closely with its staff diversity groups, which represent officers across the protected characteristics, as defined by the Equality Act 2010 and S.75 of the Northern Ireland Act. Each group is championed by a Director and is charged with developing initiatives to improve diversity and inclusion, reviewing policy, representing its members as part of the Agency's inclusion and diversity governance, and coordinating attendance at key events.

The NCA's approach to meeting diversity goals is data led, and in 2020-21, the Agency transformed how it uses data to inform decision making. This helped to plan for more focused recruitment and internal development strategies. The NCA surveys its workforce annually through the People Survey. Engagement, inclusion and fair treatment scores have improved, indicating that officers feel motivated, valued and treated fairly at work.

The Agency is committed to creating an organisation in which every person involved in recruitment and selection shares responsibility for ensuring that these processes are fair and objective. The Agency continues to work to ensure that it is an inclusive employer in the law enforcement and security community.

In 2020-21, the NCA began to identify key areas of focus in this regard. In particular, the Agency worked to improve the quality and consistency of recruitment campaigns in an effort to attract diverse talent. The Agency made use of social media platforms to demonstrate its commitment to diversity and inclusion. The Agency reviewed and made changes to job adverts, role descriptions and candidate packs to attract a diverse pool of applicants, monitoring the impact of its attraction strategy and recruitment processes among under-represented groups. The Agency also improved its engagement with successful candidates whilst undergoing pre-employment checks.

The Talent Management and Senior Appointments Panel oversees the development and delivery of talent activities and initiatives. In 2020-21, amongst other actions, the Agency.

- Increased the numbers of officers joining the NCA from the Civil Service Fast Stream and Summer Diversity Internship Programmes to 33.
- Scoped the design of a diverse talent pool pilot, which will provide a development package for individuals from under-represented groups, to support colleagues to fulfil their potential.
- Alongside other interns across the Agency, recruited one intern through the Civil Service Diversity Internship Programme, which provides talented individuals from diverse backgrounds with development opportunities.
- Supported NCA officers through the Crossing Thresholds programme – a mentoring programme supporting female officers to develop their careers.
- Invested in a permanent Diversity and Inclusion Officer to help drive NCA ambitions forward and support NCA officer networks.
- Invested in a permanent Engagement Manager to manage the People Survey and Pulse Surveys, and offer an expert service to support commands to track progress through their local Inclusion, Culture and Engagement Action Plans.

In 2020-21, the NCA focused particularly on addressing racial inequality within the Agency. The Race Equality Working Group (REWG) was launched in September 2020 to help the Agency to drive forward change, chaired by the Director General Capabilities. Since its launch, the REWG has set up a Talent Programme for officers from Black, Asian and minority ethnic backgrounds; mentored and supported officers from Black, Asian and minority ethnic backgrounds to engage with the programme; and conducted a full review of the NCA's vetting assurance programmes and positive action.

The REWG also successfully launched the NCA Culture Enquiry intervention, a workshop-based approach identifying unwritten rules that govern the ways in which officers interact with others. Data drawn from these sessions fed directly into Command and team-level Engagement Action Plans, to ensure a holistic approach to inclusion.

Drawing on the Agency's Inclusion Pulse Surveys and increased engagement with NCA Diversity Groups, the NCA has worked to produce a new Inclusion and Culture Strategy, to be published in 2021-22.

In 2020-21, the Agency was unable to attend Pride events due to Covid-19 restrictions. However, the Agency hosted keynote speakers at a virtual Black History Month event and hosted a similar event to mark International Women's Day, led by female leaders from across the law enforcement and technology sectors.

Workforce Health, Safety and Wellbeing

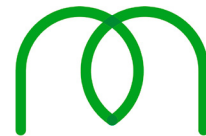
Taking appropriate care of the Agency's workforce ensures that its people are safe, healthy, engaged, motivated and productive in delivering the NCA's mission to protect the public from SOC.

The Covid-19 pandemic required NCA Occupational Health services to respond at pace and amend business-as-usual processes. NCA Occupational Health services changed to telephone assessment, carrying out face-to-face services only in priority areas. The number of Occupational Health appointments delivered increased by 37%, from 4,229 in 2019-20 to 5,811 in 2020-21. Management referrals increased by 17%, from 677 in 2019-20 to 797 in 2020-21.

The NCA focused on ensuring that its systems remain compliant with Covid-19 precautions, in the workplace and across the broader operational setting. This enabled the Agency to continue our work to disrupt SOC, whilst promoting safe working. The Workplace Adjustment Team supported officers so that they could work safely and effectively within their home environments. Incidents are recorded in line with established procedures and reviewed centrally by the Health and Safety team.

The team also led on the Agency's application to become a Disability Confident Leader, with the Business Disability Forum approving the NCA's application in December.

In 2020-21, the Agency doubled its mental health first aider (MHFA) network from 30 to 60 trained officers. MHFAs are the first line of support to officers experiencing mental health issues. Recognising the challenges posed by the Covid-19 pandemic, the MHFA network supported over 70 officers in the past year.



MHFA England

In accordance with current legislation, the Psychological Risk Matrix must be reviewed every two years to address the ever-changing psychological hazards of some of the Agency's work. Through the 2020-21 Matrix review, the Agency established which roles to include in the psychological assessment programme in 2021-22.

The Wellbeing Team delivered 48 virtual events in 2020-21, attended by over 600 officers. Occupational Health continues to monitor data trends to ensure that events and self-help materials are tailored to demand.

In 2020-21, the Agency continued to operate its Health and Safety management system, in line with government guidance HSG65. As in previous years, the number of serious incidents, given the size and risk profile of the NCA, remained extremely low, at 30 incidents (down from 62 in 2019-20) and zero RIDDOR¹⁶ incidents (down from 3 in 2019-20).

16 Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013

Celebrating Success

In the past year, a total of nine NCA officers, including the Director General, were recognised with national honours in the Queen's Birthday and New Year's lists for leadership, commitment and distinguished services to law enforcement.

A total of 289 officers were recognised with Director General Commendations, as individuals or as part of a team, celebrating exemplary service, including acts of bravery, innovation, resilience and determination. Nearly 80 officers were awarded Long Service Good Conduct medals, for which an officer becomes eligible after 20 years of qualifying service. The Agency awarded nine officers with team or individual Diversity Awards for their work to further diversity and inclusion within the NCA.

Environmental Responsibility

In the past year, the NCA continued to manage and monitor its use of resources, in an effort to improve its environmental footprint and reduce costs.

From a sustainability perspective, the NCA continues to reduce its greenhouse gas emissions. In 2020-21, the Agency made progress toward its 2025 reduction target of 43%,¹⁷ achieving a 39% reduction in emissions. The Agency maintained its record of zero waste to landfill; 57% of all waste was re-used or recycled, with the remainder sent for energy recovery. This waste is burnt to produce electricity, which is put back into the National Grid. The NCA estate continues to provide wildlife habitats for insects, bats and birds. Further details can be found in the Sustainability Report in Annex B.

Social Responsibility

Each year, the NCA chooses a charity to support. In 2020, NCA officers selected the Royal National Lifeboat Institution (RNLI) as the Agency's dedicated charity.



A total of £964 was raised from the 2020 Christmas Card campaign. In February 2021, over £3,000 was raised for the RNLI via a step challenge along the UK coastline, which saw officers achieve triple the initial target of steps. However, the Covid-19 pandemic made it difficult for officers to take part in the usual fundraising initiatives. As such, the RNLI will remain the NCA's dedicated charity throughout 2021.

Dame Lynne Owens DCB CBE QPM

Director General

Date 16 July 2021

¹⁷ Greening Government Commitment, from a baseline year of 2017-18.

A photograph of two women sitting at a long wooden table in an office setting. The woman on the left has short blonde hair and is wearing a red blazer. The woman on the right has dark hair and is wearing a dark blue polo shirt. They appear to be in a meeting. On the table are a smartphone, a spiral notebook, and a mouse. A semi-transparent dark blue diagonal overlay covers the right side of the image, and white text is overlaid on the left side.

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 me, the Director General of the NCA, as Accounting Officer of the NCA. The responsibilities of an Accounting Officer are set out in 'Managing Public Money', published by HM Treasury, 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.

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 to determine 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. The audit fee for 2020-21 was £143,000, which was an increase of £3,000 on 2019-20. No remuneration was paid to the NAO for non-audit work.

Complaints to the Parliamentary Ombudsman

The Parliamentary Ombudsman's remit as it relates to the NCA is to look into complaints of the NCA not acting fairly or having provided a poor service and not put things right. There were no complaints made in 2020-21 to the Parliamentary Ombudsman in relation to the NCA or its officers.

Personal Data-Related Incidents

There were two personal data-related incidents reported to the Information Commissioner's Office in 2020-21.

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 faced in 2020-21.

In the preparation of the Governance Statement, I, as the Accounting Officer, have been supported with:

- insight into the organisation's performance provided by the Government Internal Audit Agency;
- feedback from Directors with delegated responsibility for the use of the Agency's resources, responses to risk and management of information; and
- views of the Assurance, Risk and Audit Committee.

As the Accounting Officer, I maintained effective governance arrangements during 2020-21, which comply with the relevant sections of the 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 *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.

Directors' Report

NCA Board	Date Appointed	Contract end date	Attendance of NCA Board Meetings 2020-21
Director General – Lynne Owens	04 January 2016	03 January 2023	6 of 7
Director General Operations – Steve Rodhouse	25 June 2018	-	7 of 7
Director General Capabilities – Nina Cope	03 April 2017	-	7 of 7
Director General National Economic Crime Centre – Graeme Biggar	04 March 2019	-	6 of 7
Chief Financial Officer – Simon Hart	28 February 2018	24 August 2020	2 of 3
Chief Financial Officer – Philip Lloyd	06 July 2020	31 July 2021	5 of 5
Non-executive directors¹⁸			
Reshard Auladin	01 April 2017	30 November 2021	7 of 7
Mary Calam	04 July 2019	30 November 2023	7 of 7
David Horncastle	04 July 2019	03 July 2024	7 of 7
Andrew Tivey	29 July 2019	27 July 2024	7 of 7

Additional Board Information

Director of Legal attends NCA Board meetings as the Legal Advisor.

Director of Strategy attends NCA Board meetings as the Board Secretary.

A Home Office representative attends each NCA Board meeting as an official observer.

One member of the three NCA Trade Unions attends each NCA Board meeting, in turn, as an observer.

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

The Professional Standards Unit (PSU) has effective controls around the application, evaluation, approval and recording of outside interests (business interests, secondary employment and political activity), which are supported by clearly documented policies and procedures. This is reinforced through regular prevention communication on thematic areas and induction training for all new officers. The assurance process is applicable to all officers, including those at Senior Civil Service (SCS) grades. SCS applications are considered by the Director of Investigations, ensuring that outside interests do not present conflicts of interest. In line with the Civil Service Code, failure to abide by the policies and procedures can lead to formal disciplinary action.

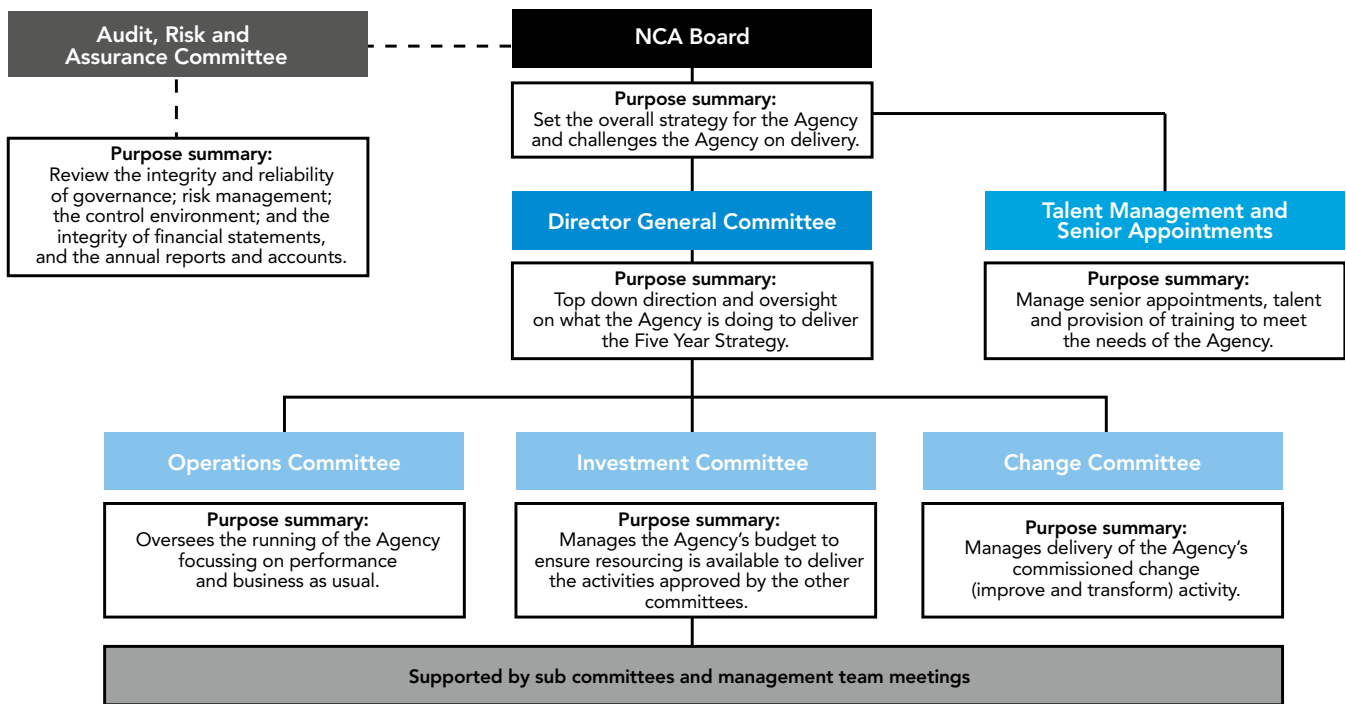
Governance Framework

The governance approach used by the NCA provides an auditable, managed system for decision making by the NCA Board, through a committee and sub-committee structure, providing clear lines of responsibility via individual senior management and leadership teams.

The governance of the NCA, including the NCA Board, complements the Board Code of Conduct, the NCA Code of Ethics and the Civil Service Code.

¹⁸ Includes extension period where relevant

Board Structure



The NCA Board

The NCA Board provides strategic oversight of the NCA and is responsible for delivery of the Agency’s objectives and priorities. It is critical to enabling delivery of the Agency’s strategy. The Board is responsible for agreeing the publication of the Annual Plan, in alignment with the Business Plan. The Board monitors and drives performance, as well as providing strategic direction on financial and human resources, the future needs of the Agency, organisational design, risk appetite, communications and other key areas affecting the Agency’s ability to deliver operational impact. The Board is chaired by the Director General of the NCA and meets every two months.

In 2020-21, the Board considered key topics in relation to the Annual Plan, business planning, Spending Review, SOC review, five-year strategy, People Survey and action plan, and risk and assurance, including risk appetite.

As with other committees, NCA officers of all grades have the opportunity to receive Board papers and to ‘shadow’ the Board’s work, to obtain insight into senior decision-making and to provide fresh challenge and inputs from a range of perspectives.

Audit, Risk and Assurance Committee

The Audit, Risk and Assurance Committee is an advisory committee to the NCA Board. It is responsible for reviewing the comprehensiveness and reliability of assurance on governance, risk management, the control environment, the integrity of financial statements and the Annual Report and Accounts. It provides assurance on these areas to the Director General of the NCA as the Accounting Officer. It does not have executive powers. The Audit, Risk and Assurance Committee is chaired by Andrew Tivey, a Non-Executive Director. It is attended by representatives of Internal Audit and the National Audit Office.

In addition to its routine duties, in 2020-21, the Audit, Risk and Assurance Committee undertook a number of deep dive reviews, in relation to data utilisation, information management, capacity and capability, change delivery, and disrupting SOC using immigration powers.

Director General Committee

The Director General Committee provides top-down direction and oversight on Agency progress towards delivery of the five-year strategy. It monitors and oversees any new organisational-level activity, and takes decisions on competing operational priorities. The Director General

Committee meets to agree and monitor Agency performance on a bi-monthly basis, assessing performance against expectations. The Director General Committee also acts as a gatekeeper to the NCA Board and assures the quality and direction of agenda items. The Committee is chaired by the Director General of the NCA.

In 2020-21, among other activities, the Director General Committee reviewed the strategic aims of the Ministry of Justice's Security Investment Programme, namely, to reduce crime in prisons that disrupts delivery of safe, decent and secure regimes and causes harm to communities. Discussion was held on points for collaboration and joint capability across the NCA and the Ministry of Justice-funded programme.

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 Deputy Director level). It is chaired by the Director General of the NCA.

The Agency was able to increase the number of officers accessing talent programmes from 15 in 2019-20 to 131 in 2020-21. This was achieved alongside an expanded use of Talent Conversations and the 9 Box Grid tool, which provides officers with the tools to drive development, whilst offering a holistic picture of talent to drive succession planning and address any areas of potential under-representation.

Change Committee

The Change Committee delivers, monitors and assures work under the NCA's Transformation Portfolio. Working closely with the Operations and Investment Committees, it provides a view of how activities should be undertaken across the Agency, the design options that exist and the appropriate implementation of transformation activity. It oversees change benefits and ensures that change is efficiently managed and embedded, in order to ensure results. It also manages risks to the Transformation Portfolio. It is chaired by the Director General Capabilities.

In 2020-21, the Change Committee oversaw a range of activity with the potential to help deliver the Agency's mission, including portfolio prioritisation and further options for hosting national capabilities. The Committee also focused on the need to make technology, data and platform changes across the NCA, to mitigate risk and allow the Agency to evolve. This need was demonstrated following a deep dive review into the Corporate Risk Register, which highlighted problems around the quantity of data obtained, created and stored by the Agency. In response, the 'Transforming Our Tech' project was initiated, with the aim of outlining the totality of technology and data improvement work underway. Specifics include improving outdated systems, data storage methods and policies around issues such as email retention and security classifications.

Operations Committee

The Operations Committee oversees the operation of the Agency, ensuring that operational prioritisation is in line with NCA ambitions and that resources are deployed appropriately. It considers issues impacting Agency delivery, including issues relating to workforce and IT, partnership working and engagement, operational activity and capability deployment. It reviews performance to reprioritise existing assets in order to achieve operational outcomes, as necessary. It also monitors and challenges the Agency's response to risk and audit compliance, as well as data governance. It is chaired by the Director General Operations, and meets monthly.

Key discussions in 2020-21 focused, among other areas, on the Tackling Organised Exploitation (TOEX) programme, a joint NCA-National Police Chiefs Council initiative designed to enhance the approach taken by the Agency and police forces to intelligence and tasking. The overarching aim is to generate a complete threat picture to assist decision-making and improve the way in which intelligence around vulnerabilities is shared from local to regional to national level. In doing so, the ambition is to increase opportunities to bring together single-strand policing responses to create a stronger, more collaborative approach capable, ultimately, of flexing resources to respond to new and emerging exploitation threats. In 2020-21, the Operations Committee also provided inputs into deep dive reviews on corporate risks and NCA readiness for EU exit.

Investment Committee

The Investment Committee is a sub-committee of the NCA Board and reports to the Director General Committee. It ensures compliance with accounting and investment processes, and oversees the management of the NCA budget to ensure delivery in line with the NCA Strategy. The Investment Committee provides oversight of internal and external funding in line with government protocols and considers all business cases where whole-life costs exceed £200,000. It meets monthly and is chaired by the Director General Capabilities. The Remuneration Committee, a sub-committee of the Investment Committee, is made up of Deputy Directors from across the Agency and acts as the executive body for the design and delivery of the NCA pay case.

In 2020-21, the Investment Committee considered, among other topics, issues around the NCA fleet and telematics, namely, the Agency's ability to have the right vehicles at the right place, at the right time. It considered the 2020-21 review of telematics, which outlined positive findings in terms of opportunities to reduce or redeploy the NCA fleet. The Investment Committee also explored the environmental and savings implications of changes to the NCA fleet.

Independent Advisory Group on Ethics

The Independent Advisory Group on Ethics provides advice to the NCA on novel or contentious ethical issues. In 2020-21, the group changed its name from the Independent Reference Group, in order to make its role and purpose more explicit.

The Independent Advisory Group on Ethics 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. It is composed of members recruited from outside of Government, chaired by Lord Toby Harris and overseen by the NCA Board.

In 2020-21, the Independent Advisory Group on Ethics considered, among other topics, the SOC Threat Radar Tool. This tool is designed to answer strategic questions around emerging threats, the capacity to track residual threat, the identification of threat facilitators and the prioritisation of finite resources. The Independent Advisory Group

on Ethics discussed the need for the tool to be scientifically robust and ethically defensible, with recommendations made to support this.

Board Effectiveness Review

A self-assessment review of the effectiveness of the NCA Board and Assurance, Risk and Audit Committee was completed in May 2020, in line with the terms of reference of these two bodies. The process was carried out in line with Cabinet Office Code 1, which recommends that an annual board effectiveness evaluation is undertaken. As the NCA is not a central Government department, it does not need to comply with the Code, but aims to do so as best practice. The Agency has implemented a series of initiatives that incorporate the recommendations made through the Board Effectiveness Review, with the aim of delivering sustainable and long-term improvements.

Risk Management

Security Risks

The threat faced by the NCA in terms of its own security is evolving. As the Agency's profile grows, this increases the possibility of disruptive activity against it. Attacks against the NCA range from traditional areas of risk posed by SOC actors, to modern technology-enabled attacks by lone-wolf 'hacktivists' and more sophisticated cyber attacks orchestrated by hostile state actors. The threat as a whole encapsulates risks to the security of the NCA's information, assets, people and operational activity, in the UK and overseas. The risk areas the Agency reports on here are operational risk, the cyber threat, professional standards and business continuity.

Operational Risk

The NCA's Operational Security Advisors (OpSys) act as independent advisors with the aim 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 relevant legislation, national guidelines and local policy.

Overseas, the OpSy network provides security advice and guidance to the International Liaison Officer network. This is done to enable International Liaison Officers and their families to operate safely overseas, to minimise risk and to ensure that they operate in accordance with NCA and broader Government standards. Recognising the risk posed by potential 'insider' threats, the Agency has sought to strengthen its defences by putting in place a series of educational and awareness campaigns to instil an effective security culture at all levels of the NCA.

The Cyber Threat

In 2020-21, seven Distributed Denial of Service attacks were prevented, resulting in 0 downtime, compared with 39 attacks and around 3 minutes and 27 seconds of downtime in 2019-20. The reduction in attacks in 2020-21 can be attributed to additional measures taken to make Agency services more robust, including the introduction of a new cloud security protection service. The attacks were malicious but unsophisticated in nature, posing no significant threat.

Professional Standards

The NCA has a 'Raising Concern and Whistleblowing' operating procedure in place, alongside published guidance for officers. This includes information on corrupt and criminal activity and serious misconduct, as well as instances in which an officer is asked to do something, or is aware of the actions of another, which they consider to represent wrongdoing and/or a breach of the values of the NCA Code or the Civil Service Code.

All NCA officers are governed by the NCA Complaints and Misconduct Regulations 2013, which are overseen by the Independent Office for Police Conduct. If an officer feels that a colleague has engaged in misconduct, they can report the matter to the Professional Standards Unit or the Anti-Corruption Unit for assessment (including through a confidential hotline). The Professional Standards Unit also receives and investigates public complaints relating to the Agency and its officers. In 2020-21, the Professional Standards Unit recorded 38 public complaints and 50 conduct matters. Formally recorded public complaints declined by 48% in 2020-21 relative to 2019-20. This is attributed to a more consistent application of the regulations, serving to reduce reports where the NCA is not the appropriate authority or where there has been a misuse of the complaints system by members of the public.

Of the 50 recorded conduct matters in 2020-21, 22% concerned two Professional Standards Unit investigations, involving 11 officers. Matters recorded ranged from honesty and integrity issues, to criminal offences, security and Covid-19-related breaches. Covid-19 related breaches accounted for 18% of all recorded conduct matters. Overall, this represents a 2.7 fold increase in conduct matters on 2019-20.

Of the conduct matters recorded, no further action was taken on six matters, five were referred back for management action, and one officer's employment was terminated during probation. Nine matters were taken to panel for gross misconduct: six officers were dismissed, one received a final written warning, one received a first written warning and one matter was not upheld. Seven panels were heard for misconduct, resulting in first written warnings in all cases. Four cases await a panel for gross misconduct, three cases await a panel for misconduct and 15 matters have not yet concluded the investigation stage.

Fourteen referrals were made to the Independent Office for Police Conduct; five of these for death or serious injury matters. Four of these death or serious injury matters were cases where individuals had been arrested and released under investigation for child sexual abuse offences.

Of all referrals, one was withdrawn, three were returned to the NCA by the Independent Office for Police Conduct to deal with as appropriate, and ten were referred by the Independent Office for Police Conduct for local investigation.

Business Continuity

Technology remained at the heart of the Agency's work in 2020-21, with the Covid-19 pandemic acting as an accelerator for a number of interventions over the year. The Agency successfully enabled remote access for 100% of its workforce, taking a risk-based approach, alongside partners, to ensure that NCA officers could continue to access law enforcement tools outside of the office. These interventions were critical to the wide range of disruptions achieved over the course of the year. In parallel, an expansion in access to software supported operational activity, facilitated greater collaboration and allowed for greater interaction between officers during periods of lockdown.

Successfully building on earlier work to refresh the Agency's data strategy, a programme of work was put in place to ensure that the NCA remained compliant in its use of data and to increase data literacy amongst officers. As new technologies come online, including data analytics enabled by Cloud computing, this work was enacted in response to a recognised need to upskill officers in data management and exploitation. This represents a potentially significant step, providing greater agility in the Agency's response to the SOC threat, enabled by new technology that overcomes the constraints imposed by its legacy IT.

Alongside the accelerated delivery of these capabilities and the greater insight the NCA now has into its data holdings, in 2020-21 the Agency reviewed its technology and data strategy. This involved a review of the NCA's technology supply chain, the role this plays in ensuring ongoing access to the right capabilities, and the extent to which transformation risk is shared with partners in industry.

To protect the confidentiality, integrity and availability of its IT network and systems, in 2020-21 the Agency conducted regular IT Health Checks and formulated mitigation action plans to reduce risks. The NCA's incident prevention team remains in place to manage emerging threat vectors.

In April 2020, the Agency achieved the internationally recognised gold standard ISO 22301 certification for its Business Continuity Management System (BCMS). Having a strong BCMS in place assisted with prioritisation and decision making, helping the Agency to respond effectively to the ongoing impact of the Covid-19 pandemic. The BCMS continues to be formally managed through a robust governance framework, with clearly identified critical functions and a fully compliant document suite, including policy, operating procedures and plans. Training and awareness-raising initiatives for officers are firmly established, and business continuity plans are regularly tested, with opportunities for improvement identified, monitored and developed through close engagement with all business areas. A follow-up audit in March 2021 validated the ISO certification award for another year.

Corporate Risks

The NCA risk management framework ensures that risks are managed at a level appropriate to their overall significance. In 2020-21, Enterprise Risk Management¹⁹ was introduced across the Agency and continues to be embedded. Progress on the implementation of Enterprise Risk Management and the Agency's risk profile is overseen through key NCA governance structures including the Operations Committee, Change Committee, and Assurance, Risk and Audit Committee.

Enterprise Risk Management has played a key role in formulating business plans, supporting prioritisation activity in the face of a constrained budget position and ensuring that portfolio investment is directed where it is most needed.

At the end of 2020-21, there were 13 risks on the NCA Corporate Risk Register, the management of all of which is assigned to Director-level owners. Across this risk profile, the four highest-scoring corporate risks are information management, data utilisation, intelligence failure, and capacity and capability. Of note, we did not have a specific Covid-19 impact risk on our corporate risk register during 2020-21. Instead we noted the impact that the pandemic was having on existing risks and adapted accordingly.

The risk environment in which the NCA operates remains challenging. A range of controls and assurances are applied in the management of these risks, which are regularly and robustly tested through the governance processes described above. Three of the top four risks are driven by challenges related to technical infrastructure and the management of data. Sustained investment will be required to adequately mitigate these risks. In lieu of this investment and guaranteed funding, the Agency can only partly mitigate these risks. The Corporate Risk Register demonstrates the challenges the Agency faces around financial uncertainty. This uncertainty creates inefficiency and reduces the scope to make strategic investment in capabilities to respond to the SOC threat.

The table below details the NCA's corporate risks in assessed order, as of 31 March 2021. The mitigation actions are a snapshot at this time and are continually assessed and developed.

¹⁹ Enterprise Risk Management is a risk management framework that enables the NCA to understand, evaluate and take actions on risks.

Summary of the NCA's Corporate Risks in Order of Assessed Risk

Risk	Mitigating Actions
<p>1</p> <p>Information Management</p> <p>The risk that the NCA does not manage its information in accordance with the law.</p>	<ul style="list-style-type: none"> • Monitoring and assurance of organisational adherence to policies and procedures; • Implementation of a new IT governance model; • Implementation of enhanced second line assurance by the Chief Data Office; • Delivery of Agency-wide training programmes to ensure that key personnel are appropriately trained and aware of their responsibilities in relation to information management.
<p>2</p> <p>Data Utilisation</p> <p>The risk that the Agency fails to maximise use of its information and data holdings to exploit operational opportunities and improve organisational performance.</p>	<ul style="list-style-type: none"> • Implementation of the National Data Exploitation Capability programme for the benefit of the Agency and the wider law enforcement system; • Bolstering of data governance structures; • Development of a data strategy; • Engagement with partners in uplifting capabilities around data utilisation.
<p>3</p> <p>Intelligence Failure</p> <p>The risk that intelligence is missed due to issues with interoperability of systems and skill shortage.</p>	<ul style="list-style-type: none"> • Implementation of a detailed programme of work to improve access to systems, enhance connectivity between them and upskill practitioners through a bespoke officer development pathway; • Strengthening of collaboration with law enforcement and other government partners on allied programmes of work; • Development of automation tools for certain intelligence processes.
<p>4</p> <p>Capacity and Capability</p> <p>The risk that the NCA does not have the capacity and/or capability to effectively tackle the growing scale and complexity of the SOC threat.</p>	<ul style="list-style-type: none"> • Scheduling of NCA governance conversations to support strategic prioritisation and decision making based on horizon scanning; • Prioritisation and delivery of the Transformation Portfolio alongside the NCA's five-year Strategy and Government's SOC Strategy; • Work to support the continued maturity of the Performance Framework; • Design and delivery of the National Tasking Model and National Performance Framework.
<p>5</p> <p>System Leadership</p> <p>The risk that the NCA does not have adequate strategic levers to further establish and effectively lead the 'whole system' law enforcement response to the SOC threat.</p>	<ul style="list-style-type: none"> • Improvement of governance structures across all threat areas; • Improvement of performance reporting to accurately reflect the threat status; • Work with government and operational partners to ensure clear roles and accountabilities; • Work with partners to develop indicators for system performance.
<p>6</p> <p>Workforce</p> <p>The risk that the NCA is unable to recruit, retain and develop an effective workforce in the medium and long term.</p>	<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.
<p>7</p> <p>In-year Financial Risk</p> <p>The risk that the NCA has insufficient funding to meet demand during the financial year.</p>	<ul style="list-style-type: none"> • Investment in the Agency's strategic financial planning capability; • Active management of external funding opportunities through the Investment and Change Committees.
<p>8</p> <p>Mid-term Financial Risk</p> <p>The risk that the Agency does not secure sufficient funding to meet demand in the future.</p>	<ul style="list-style-type: none"> • Influencing of government and operational partners around the opportunities and risks to Agency delivery arising from insufficient funding; • Structured engagement with the Home Office and other key partners as part of the Spending Review process; • Portfolio prioritisation activity.




	Risk	Mitigating Actions
9	<p>Partnerships</p> <p>The risk that the NCA is unable to influence partners to support delivery of its vision, strategy and priorities.</p>	<ul style="list-style-type: none"> • Delivery of improvements to the NCA's Strategy Directorate; • Development of an impact-focused performance framework; • Targeting of partner and public communications and stakeholder engagement campaigns to strengthen relations and highlight NCA impact.
10	<p>Cyber Defences</p> <p>The risk that the NCA experiences a major cyber attack.</p>	<ul style="list-style-type: none"> • Prioritisation and delivery of the Transformation Portfolio (to build workforce capability); • Implementation of a new IT governance model; • Monitoring of the live estate and critical assessment of incidents.
11	<p>The Impact of EU Exit</p> <p>The risk that the UK's exit from the EU will lead to reduced NCA performance.</p>	<ul style="list-style-type: none"> • Contingency planning (including forecasting against potential scenarios and supply chain analysis); • Continued use of Interpol; • Implementation of interim third party agreement with Europol, pending negotiated working agreement; • Tracking of the effectiveness of the new extradition process; • Successful utilisation of Egmont Secure Web as a replacement for FIU.NET; • Tracking of the performance of alternative mechanisms; • Comparisons with EU tools and collation of feedback; • Launch of a new Foreign Law Enforcement Community desk in February 2021; • Robotic Process Automation; • Ongoing delivery of CIMS Case Management System re-platforming stages.
12	<p>IT Strategy</p> <p>The risk that the NCA will not deliver its IT Strategy to schedule.</p>	<ul style="list-style-type: none"> • Establishment of a Technology Programme Board and supporting governance structure; • Introduction of an annual planning cycle; • Improvement of investment controls.
13	<p>Change Delivery</p> <p>The risk that the NCA is unable to adapt its culture, including associated systems and processes, at pace to support delivery and implementation of its Transformation Portfolio.</p>	<ul style="list-style-type: none"> • Prioritisation of the Transformation Portfolio; • Development of effective change management plans; • Delivery of cultural change as part of the organisational response to the NCA Staff Survey Engagement Plan.

Effectiveness of the Risk Management and Governance Framework

The NCA uses the ‘three lines of defence’ model in its risk and assurance activity. This relies on the existence of clear, consistent and up-to-date policies and procedures, which are regularly reviewed. These policies and procedures are recognised for their role in managing corporate and departmental risks. A number of other functions within the Agency also provide

specialist support to test the effectiveness of business processes and functions, and draw out areas for learning or improvement. Finally, the activity of external inspectorates and auditors is built into the assurance plan. The NCA works closely with external providers to ensure that their expertise is deployed in areas requiring development, or in which the Agency is managing identified risk.

Three Lines of Defence Model – The NCA uses this standard model for effective risk management. The table outlines how responsibilities are divided across the Agency.

Line of Defence	Function	Body	Responsibilities
1st	Identify, own and manage risks	NCA Managers and officers 	Actively identify and manage risks as part of everyday business, escalating if appropriate in a timely manner
2nd	Specialise in the management of risk	Internal NCA Risk Management Governance e.g PAR or governing bodies such as ARAC. Board and DG SLT's 	Provide framework tools, techniques and support to enable effective management at 1st line Facilitate consistency of definitions and measurement of risk Monitor how effectively risk is being managed at the 1st line and build the organisation's capability
3rd	Independent, objective assurance	External Governance e.g Government Internal Audit Agency (GIAA)  Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS)	Assess effectiveness of risk management arrangements Ensure first two lines of defence are effective Advise on improvements and good practice As a public body the NCA must provide assurance to internal and external audit functions, as well as regulators

Under the ‘three lines of defence’ model the first line of defence is the responsibility of all officers within the Agency. Commands (individual areas of the Agency led by a Director or Deputy Director) run management meetings to track 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, which delivers the NCA's internal audit service and provides independent, objective assurance to the Accounting Officer on the robustness of the governance, risk management and internal control framework. Other assurance providers involved in the third line of defence include Her Majesty's Inspectorate of Constabulary and

Fire & Rescue Services; the Infrastructure and Projects Authority; and the Investigatory Powers Commissioner's Office.

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

The effectiveness of internal and external assurance activities as part of Enterprise Risk Management in the NCA was maintained and reviewed over 2020-21 through the audits and inspections set out below.

National Audit Office

The National Audit Office (NAO) conducted an annual financial review of NCA Accounts for the year 2019-20 and the Comptroller and Auditor General delivered an unqualified audit opinion in July 2020.

In July 2021, the Comptroller and Auditor General concluded an unqualified audit opinion from the audit of the 2020-21 Annual Report and Accounts as detailed in the Certificate of the Comptroller and Auditor General.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS)

HMICFRS conducted four inspections involving the NCA in 2020-21. Two of these focused specifically on the NCA: one reviewed the NCA's criminal investigations function and the other reviewed the use of special grant funding for Operation Stovewood. Final reports for both inspections have yet to be received. HMICFRS is also conducting a wider thematic review across the law enforcement community on police use of sensitive intelligence, as well as a progress review of recommendations made in a 2018 fraud inspection. The Agency is contributing to both of these reviews, the findings of which will be reported later in 2021. Copies of previous HMICFRS reports are available at www.justiceinspectors.gov.uk.

Government Internal Audit Agency (GIAA)

The GIAA carried out eight audits and one consultancy engagement in 2020-21. These included audits on the legal function, operational impact of investment, internal governance data programmes, fraud and whistleblowing policies, and efficiency of investigations. A number of thematic findings emerged from these reviews. These included recommendations relating to the effective use of management information to support decision making across audited departments and functions, and a recognition of the challenges posed by the NCA's legacy

IT infrastructure. Director-led action plans are in place to respond to the findings of each of these audits.

The GIAA provided a moderate annual assurance opinion in 2020-21 on the overall adequacy and effectiveness of the NCA's framework of governance, risk management and control, taking account of the results of previous assurance activities and the work of other assurance providers. The GIAA noted that this was an improvement on the findings of the previous year. It acknowledged that key areas of assurance had been strengthened, while noting the positive impact derived from the implementation of Enterprise Risk Management.

Notably, Enterprise Risk Management has provided the structure to allow the NCA to work alongside the GIAA to focus next year's audit plan on the Agency's highest-scoring corporate risks. The aim is to enhance understanding of the extent to which mitigation activity is having the necessary effect and keeping these risks within tolerance. The GIAA has also been de-conflicted with other external assurance providers to give the broadest possible range of assurance for the year ahead.

Infrastructure and Projects Authority (IPA)

The IPA carried out a review of the NCA's Transformation Portfolio in November 2020 and awarded the Agency an 'Amber-Green' rating. This represents an overall improvement on the previous year. The IPA found that the Portfolio had matured significantly since its inception and recognised the challenging funding environment in which this had occurred. The review also noted the significant progress made on benefits management and the link to outcomes. The review resulted in a number of recommendations, which are now being implemented.

Investigatory Powers Commissioner's Office (IPCO)

In addition to its annual inspection in 2020, the IPCO carried out reviews of NCA international operations (with a focus on the 'principles' relating to detention and interviewing of detainees overseas), the Internet Data Unit and Targeted Interference. The annual inspection itself focused on the NCA's continued compliance with legislation covering the acquisition of communications data, the use and management

of covert surveillance, the use of covert human intelligence sources, and property and equipment interference. Through these reviews, the IPCO found the NCA to be acting lawfully and for the correct statutory purposes. A number of recommendations are now being addressed, with areas of notable good practice recorded by inspectors, particularly in relation to authorisation assurance provided by the NCA's Communications Data Unit.

The NCA did report an error to the IPCO in 2020, relating to an IPA safeguards compliance issue. The NCA is the intercepting agency that provides targeted interception material to police forces in England and Wales. In late summer 2020, the NCA became aware that targeted interception was not being handled in one regional area in accordance with the safeguards specified by the IPA and Codes of Practice. This individual matter has been resolved, but has led to a wider review of practices within police forces for handling Investigatory Powers Act targeted interception material.

The United Kingdom Accreditation Service (Forensics)

The NCA received a forensics accreditation as a result of an inspection in May 2020.

Independent Inquiry into Child Sexual Abuse

The Independent Inquiry into Child Sexual Abuse fulfilled an ongoing requirement to collaborate with the NCA to track progress against recommendations made by the Inquiry. This process is ongoing, with the Inquiry continuing until 2022.

Conflict, Stability and Security Fund

The Conflict, Stability and Security Fund conducted an annual review of Project Invigor, the NCA's response to organised immigration crime via the Mediterranean. The review delivered an overall 'A' grade Outcome Score (rating), indicating that outcomes are being met.

Human Rights

The NCA must work with a wide range of countries to disrupt the threat from SOC in the UK and overseas. The situation in some of these countries will give rise to concerns over human rights. Alongside partners in the Home Office and Foreign, Commonwealth and Development

Office, the Agency continues to assess its overseas work to ensure compliance with the Government's Overseas Security and Justice Assistance Policy, and its principles relating to the detention and interviewing of detainees overseas, as well as the sharing of intelligence relating to detainees. This enables the NCA to make accurate assessments to ensure that the UK defends and promotes human rights in the countries with which it works, and provides appropriate assistance to NCA officers working in these environments.

Financial Management

The NCA maintains a medium-term financial plan, through which specific plans and controls are set for the next 3–5 years.

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

Resource meetings are held monthly by the Chief Financial Officer with Directors, and are chaired by the Director General Capabilities on a quarterly basis. These meetings are a means to monitor and review financial and workforce resources and value-for-money. Financial performance is tested against forecast outturns, with metrics such as purchase order compliance 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 issues. This approach enables decisions on emerging pressures or opportunities for re-investment to be made expediently.

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 in Part 3 of this report.

Project/Transformation Programme Assurance

The Transformation Portfolio consists of a series of core and externally funded programmes, which together deliver the Agency's Strategic Change

Roadmap. The Portfolio is governed by the Change Committee and Investment Committee, which both report to the Director General Committee and, ultimately, to the NCA Board.

Each programme in the Transformation Portfolio is managed through a programme board, as well as supporting project boards. Business and Technical Design Assurance are maturing through an Agency Enterprise Design Assurance Committee and Technical Design Authority. Monthly financial, commercial and delivery assurance takes place to support projects to re-sequence activity or funding as required.

As set out above, in November 2020, the annual Infrastructure and Projects Authority delivery confidence assessment judged the Transformation Portfolio as 'Amber-Green', meaning that delivery is likely. This is an improvement on the previous year and demonstrates the maturation of governance arrangements.

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 2020 – 31 March 2021

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 ¹ (£'000)		Total (£'000)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Director General								
Dame Lynne Owens CBE QPM ^{II}								
4 January 2016 – 3 January 2023	220-225	220-225	-	-	-	-	220-225	220-225
Director General (Operations)								
Steve Rodhouse								
25 June 2018	175-180	175-180	0-5	0-5	82	109	260-265	285-290
Director General (National Economic Crime Centre)								
Graeme Biggar								
4 March 2019	140-145	140-145	-	-	59	249	200-205	390-395
Director General (Capabilities)								
Nina Cope								
3 April 2017	175-180	170-175	0-5	0-5	72	71	245-250	240-245
Chief Financial Officer								
Simon Hart [^]								
28 February 2018 – 24 August 2020	40-45 (100-105)	100-105	-	-	16	40	55-60 (140-145)	140-145
Philip Lloyd [*]								
6 July 2020	210-215	-	-	-	-	-	210-215	-
Non-Executive Directors								
Andrew Tivey								
29 July 2019 – 28 July 2021	10-15	10-15	-	-	-	-	10-15	10-15
Reshard Auladin ~								
1 April 2020 – 30 November 2021	10-15	10-15	-	-	-	-	10-15	10-15
David Horncastle								
4 July 2019 – 3 July 2021	10-15	10-15	-	-	-	-	10-15	10-15
Nick Alston &								
1 December 2016 – 30 November 2020	5-10 (10-15)	10-15	-	-	-	-	5-10 (10-15)	10-15
Mary Calam								
4 July 2019 – 3 July 2021	10-15	10-15	-	-	-	-	10-15	10-15

Details of changes to the composition of the Management Board are given at page 41.

^{II} Dame Lynne Owens is not eligible for any form of non-consolidated performance related pay whilst appointed Director General.

On 14 July 2020, Dame Lynne's appointment as Director General was extended for two years until 3 January 2023.

[^] Simon Hart resigned from the Agency on 24 August 2020.

^{*} Costs for Philip Lloyd are shown as the gross costs to the contractor agency.

~ Reshard Auladin extension was ended and he was re-appointed from 1st April 2020 to 30 November 2021.

& Nick Alston's appointment ended on 30 November 2020.

These figures represent the values for the full year.

1 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 decrease 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 are recorded in these financial statements.

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 2020-21(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.

	Accrued pension at pension age as at 31/3/21	Total lump sum at pension age as at 31/3/21	Real increase in pension at pension age	Real increase in lump sum pension at pension age	CETV at 31/03/2021	CETV at 31/03/2020	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Nina Cope	25-30	-	2.5-5	-	410	347	38
Graeme Biggar	45-50	90-95	2.5-5	0-2.5	744	684	29
Simon Hart	10-15	-	0-2.5	-	169	151	9

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.

	Accrued pension at pension age as at 31/3/21	Total lump sum at pension age as at 31/3/21	Real increase in pension at pension age	Real increase in lump sum pension at pension age	CETV at 31/03/2021	CETV at 31/03/2020	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Steve Rodhouse	100-105	-	5-7.5	-	2,207	2,205	(1)

Dame Lynne Owens is 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 are made as part of the appraisal process.

Performance related bonuses are paid in arrears. The bonuses reported in 2020-21 relate to performance in the 2019-20 financial year and the comparative bonuses reported for 2019-20 relate to performance in the 2018-19 financial year.

Notice Periods for Senior Officers

Notice periods for the Director General, Directors General (Operations, Capabilities and NECC), the Chief Financial Officer 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

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 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 (FReM) 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's Department (GAD) to value the scheme liabilities as at 31 March 2021 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 provides benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one provides 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'; those with earlier benefits in one of the final salary sections of the PCSPS have 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 1 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 updated 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 (CETVs) (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 CETVs 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 CETVs

This reflects the increase in CETVs that is funded by the employer. It does not include the increase in accrued pension due to inflation or 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 Chief Secretary to the Treasury made a statement on 15 July 2019 that remedy will be applied across all equivalent schemes. A remedy consultation paper was published in February 2021. The remedy is expected to be implemented in October 2023. A potential future liability for the NCA has been valued by the GAD and included in Police Pension Scheme valuation in Note 3 (page 87).

The National Police Chiefs' Council (NPCC) liaises regularly with HM Treasury and the Home Office in relation to remedy arrangements. The NPCC has set up a Pension Remedy Working Group which meets on a monthly basis. Representatives

from the NCA contribute to NPCC work to understand and mitigate the impact of the remedy across relevant Home Office agencies and departments and help develop common arrangements and policies.

Compensation on Early Retirement or for Loss of Office (audited)

No officers left under Voluntary Exit terms during 2020-21.

Reporting of Civil Service and other compensation schemes – exit packages:

Exit package cost band	2020-21			2019-20		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	-	-	-	-	-
£10,001 – £25,000	-	-	-	-	-	-
£25,001 – £50,000	-	-	-	-	-	-
£50,001 – £100,000	-	-	-	-	1	1
£100,001 – £150,000	-	-	-	-	1	1
£150,001 – £200,000	-	-	-	-	-	-
Total number of exit packages	-	-	-	-	2	2
Total cost /£	-	-	-	-	194,305	194,305

Redundancy and other departure costs were 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)

No other payments were made to past directors in 2020-21.

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 in the financial year 2020-21 was £220-225k (2019-20: £220-225k). This was 6.0 times (2019-20: 6.0) the median remuneration of the workforce, which was £37,938 (2019-20: £37,845). 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 2021, on an annualised basis.

In 2020-21, no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £15k to £223k (2019-20: £15k to £221k).

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 or 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 limiting 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 2020

Table 1 – Trade Union (TU) representatives

Number of employees who were relevant union officials during the reporting period	Full Time Equivalent (FTE) employee number
	72

Table 2 – Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1-50%	70
51%-99%	-
100%	-

Table 3 – Percentage of pay bill spent on facility time

Total cost of facility time	£152,649
Total pay bill	£292m
Percentage of the total pay bill spent on facility time	0.05%

Table 4 – Paid TU activities (TUA)

Time spent on paid TUA	No paid TUA. TUA is unpaid except in exceptional circumstances. Only Trade Union duties are paid.
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Staff Report (Audited)

Staff Costs (audited)

For year to 31 March 2021

	Permanently Employed	Others	Total	Total
	2020-21	2020-21	2020-21	2019-20
	£'000	£'000	£'000	£'000
Wages and Salaries	222,542	31,706	254,248	214,790
Social Security Costs	23,006	-	23,006	19,695
Pension Costs	52,064	-	52,064	44,737
Sub Total	297,612	31,706	329,318	279,222
Less recoveries in respect of outward secondments	(986)	-	(986)	(403)
Sub Total	296,626	31,706	328,332	278,819
Past service cost in respect of Police Pension Scheme	-	-	-	6,750
Total service cost net of employee contributions	5,450	-	5,450	5,200
Total Net Costs	302,076	31,706	333,782	290,769

Pension Benefits

Principal Civil Service Pension Scheme (PCSPS)

The 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 2020. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2020-21, employers' contributions of £48.8m were payable to the PCSPS (2019-20: £41.4m) at one of four rates in the range 26.6 to 30.3 per cent (2019-20: 26.6 to 30.3 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 £1.4m (2019-20: £1.2m) 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 (2019-20: 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 £43k (2019-20: £35k) 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 31 March 2021 were £0.58m. Contributions prepaid at the date were £nil.

Three staff (2019-20: nil) retired early on ill-health grounds.

Numbers of Senior Civil Servants

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

SCS Grade	NCA Equivalent	2020-21 Number	2019-20 Number
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	8
SCS 1	Deputy Directors	23	23
Total		35	35

Disclosure also includes secondees where occupying a permanent position.

Staff Numbers and Costs (audited)

The NCA's total headcount as at 31 March 2021 was 6,192 officers made up of directly employed officers, seconded officers, loaned officers and contingent labour, including employment agency officers and specialist contractors.

At 31 March 2021, the breakdown of officer headcount by gender was as follows:

Staff composition by headcount	Male	Female	Total
Directors	8	5	13
Senior Civil Servants	16	9	25
Other Employees	3,457	2,697	6,154
Total*	3,481	2,711	6,192

* This total represents the NCA headcount as at 31 March 2021, including employment agency officers, commercial contractors, seconded officers and officers on career break.

The average number of full-time equivalent (FTE) officers employed during the year was: (audited)

	2020-21 FTE	2019-20 FTE
Permanently Employed (UK employment contract)	4,921	4,291
Other	359	327
Total Average number of officers	5,280	4,618

In addition to the above directly employed officers, the NCA had 97 attached from other organisations as at 31 March 2021 (2019-20: 91), 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.

Officer Turnover

Officer turnover during 2020-21 was 7.15%.

Officer Sickness Reporting

NCA officers were absent on sick leave for an average of 3.3 days per employee during the year to 31 March 2021 (2019-20: 5.1 days).

Staff Policies applied during the year

Inclusion, Diversity and 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 the Agency's recruitment processes and annual individual performance reviews.

The NCA is committed to the employment and career development of disabled officers and is a holder of the 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 Expenditure on Consultancy and Temporary Staff

The NCA is required to report expenditure during the year 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

	2020-21 £'000	2019-20 £'000
Temporary Workers – Admin and Clerical*	8,187	6,752
Admin & Clerical agency staff are normally lower grade contingent labour who are filling in for a role within the organisational structure		
Interim Managers†\$	13,543	11,493
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		
Specialist Contractors / Services (Consultants) ^\$	37,380	38,986
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		
	59,110	57,231

* This total includes £5.51m (2019-20: £4.08m) expenditure on temporary workers within cost recovered externally-funded special operations.

† This total includes £3.54m (2019-20: £1.46m) expenditure on interim managers within cost recovered externally-funded special operations.

^ This total includes £13.9m expenditure (2019-20: £9.74m) on specialist contractors within cost recovered externally-funded special operations.

\$ Included in the above is £4.00m contingent labour expenditure which has been capitalised.

The table above 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 employment 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.

'Temporary workers' are interim staff at the NCA junior grades. Whereas 'interim managers' include staff at the NCA middle management grades and 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 in 2020-21 was driven by an increase in externally-funded special operations.

The use of specialist contractors in 2020-21 was driven by support for the NCA's transformational programme and contractors engaged to work on externally-funded projects. Externally-funded projects operate on a cost recovery basis. The totals below are shown gross (i.e. not net of any related externally-funded income).

Consultancy

Consultancy expenditure covers the provision to management of objective advice relating to the 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, although not always provided through an employment 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 at 31 March 2021 for more than £245 per day and that last for longer than six months:

	2020-21	2019-20
Number of existing engagements as at 31 March 2021	91	64
Of which at time of reporting:		
Number that have existed for less than one year at time of reporting	39	28
Number that have existed for between one and two years at time of reporting	36	25
Number that have existed for between two and three years at time of reporting	7	8
Number that have existed for between three and four years at time of reporting	6	1
Number that have existed for four or more years at time of reporting	3	2

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 - All new off-payroll engagements, or those that reached six months in duration between 1 April 2020 and 31 March 2021 for more than £245 per day and that last for longer than six months:

	2020-21	2019-20
Number of new engagements or those that reached six months in duration between 1 April 2020 and 31 March 2021	54	28
No. assessed as caught by IR35	36	-
No. assessed as not caught by IR35	18	28
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 employment agencies.

The NCA will undertake an IR35 consistency review during 2021-22.

The NCA had one off-payroll engagement, who was within the scope of IR35, for a Board Member and/or senior officials with financial responsibility between the period 1 April 2020 and 31 March 2021 (Interim Chief Financial Officer).

Parliamentary Accountability and Audit Report

Statement of Outturn against Parliamentary Supply

This section is subject to audit.

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FReM) requires the NCA to prepare a Statement of Outturn against 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 House of Commons.

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 Statement Of Comprehensive Net Expenditure (SOCNE), to tie the SoPS to the financial statements (Note 2); and a reconciliation of outturn to net cash requirement (Note 3).

The SoPS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can be found in Chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

The SoPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SoPS disclosures.

Summary Tables

Summary Table, 2020-21

All figures presented in £'000

	SoPS Note	Outturn			Estimate		Outturn Vs Estimate, savings/(excess)		Prior Year Outturn Total 2019-20	
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted		Total
Departmental Expenditure Limit										
- Resource (RDEL)	1.1	498,230	-	498,230	504,035	-	504,035	5,805	5,805	485,008
- Capital (CDEL)	1.2	46,929	-	46,929	48,016	-	48,016	1,087	1,087	63,625
Annually Managed Expenditure (AME)										
- Resource	1.1	21,571	-	21,571	100,000	-	100,000	78,429	78,429	40,538
- Capital	1.2	-	-	-	-	-	-	-	-	-
Total Budget		566,730	-	566,730	652,051	-	652,051	85,321	85,321	589,171
Non-Budget										
- Resource	1.1	-	-	-	-	-	-	-	-	-
Total		566,730	-	566,730	652,051	-	652,051	85,321	85,321	589,171
Total Resource		519,801	-	519,801	604,035	-	604,035	84,234	84,234	525,546
Total Capital		46,929	-	46,929	48,016	-	48,016	1,087	1,087	63,625
Total		566,730	-	566,730	652,051	-	652,051	85,321	85,321	589,171

Figures in the areas outlined in thick line cover the voted control limits 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 2020-21

	SoPS Note	Outturn £'000	Estimate £'000	Outturn vs Estimate, savings/(excess) £'000	Prior Year Outturn Total 2019-20 £'000
Net Cash Requirement	3	551,655	670,001	118,346	524,827

Administration Costs 2020-21

Type of Spend	SoPS Note	Outturn £'000	Estimate £'000	Outturn vs Estimate, savings/(excess) £'000	Prior Year Outturn Total 2019-20 £'000
Administration Costs	1.1	36,513	37,443	930	36,408

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 Outturn against Parliamentary Supply 2020-21

SoPS 1 Outturn Detail, by Estimate Line

SoPS 1.1 Analysis of Resource Outturn by Estimate Line

Type of Spend (Resource)	Resource Outturn						Estimate		Total Including Virements £'000	Outturn vs Estimate savings/ (excess) £'000	Prior Year Outturn Total 2019-20 £'000	
	Administration			Programme			Total	Virements				
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000	£'000	£'000	£'000	£'000	£'000	
Spending in Departmental Expenditure limit (DEL)												
Voted:												
A – National Crime Agency	36,513	-	36,513	609,419	(147,702)	461,717	498,230	504,035	-	504,035	5,805	485,008
Spending in Annually Managed Expenditure (AME)												
Voted:												
B – National Crime Agency AME	-	-	-	21,571	-	21,571	21,571	100,000	-	100,000	78,429	40,538
Total	36,513	-	36,513	630,990	(147,702)	483,288	519,801	604,035	-	604,035	84,234	525,546

SoPS 1.2 Analysis of Capital Outturn by Estimate Line

Type of Spend (Capital)	Outturn				Estimate		Outturn Vs Estimate savings/ (excess) £'000	Prior Year Outturn Total 2019-20 £'000
	Gross £'000	Income £'000	Net £'000	Net Total £'000	Virements £'000	Total Including Virements £'000		
Spending in Departmental Expenditure limit								
Voted:								
A – National Crime Agency	108,656	(61,727)	46,929	48,016	-	48,016	1,087	63,625
Annually Managed Expenditure								
Voted:								
B – National Crime Agency AME	-	-	-	-	-	-	-	-
Total	108,656	(61,727)	46,929	48,016	-	48,016	1,087	63,625

The total Estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require Parliamentary authority (because Parliament does not vote to this level of detail and delegates this to HM Treasury). Further information on virements are provided in the Supply Estimates Manual, available on gov.uk.

The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Estimates laid before Parliament.

SoPS 2. Reconciliation of Outturn to Net Operating Expenditure

Item	Reference	Outturn Total £'000	Prior Year Outturn Total 2019-20 £'000
Total resource outturn in Statement of Parliamentary Supply	SOPS 1.1	519,801	525,546
Less:			
Capital Grants		(61,481)	(22,235)
Other – Research and Development expenditure		6,072	12,817
Other – capital expenditure		4,930	2,876
Net Operating Expenditure in Statement of Comprehensive Net Expenditure		469,322	519,004

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, Research and Development and capital expenditure are budgeted for as CDEL, but do not classify as an asset under IFRS – International Account Standard (IAS) 16 and are accounted for as spend or income on the face of SOCNE, and therefore function as a reconciling item between Resource and 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	SoPS 1.1	519,801	604,035	84,234
Capital Outturn	SoPS 1.2	46,929	48,016	1,087
Accruals to cash adjustment				
Adjustments to remove non-cash items:				
Depreciation and impairment		(64,195)	(68,100)	(3,905)
New provisions and adjustments to previous provisions		(2,311)	(100,000)	(97,689)
Other non-cash items		5,175	(130)	(5,305)
Adjustments to reflect movements in working balances:				
Increase/(decrease) in receivables		43,882	-	(43,882)
(Increase)/decrease in payables		628	186,180	185,552
Use of provisions		1,746	-	(1,746)
		551,655	670,001	118,346
Removal of non-voted budget items				
Consolidated Fund Standing Services		-	-	-
Other adjustments		-	-	-
Net cash requirement		551,655	670,001	118,346

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:

Despite the challenges faced in-year of the impact of Covid-19 and the outcome of the EU Exit deal the NCA managed and optimised its funding, taking appropriate action to identify and mitigate risk and maximise opportunities through the redeployment of resources.

Resource Departmental Expenditure Limit: RDEL Outturn underspend is within Board tolerance level for near cash budget of less than 1% (£2m). Non-cash budget is underspent by £3.9m due to an exceptional item that relates to a group of assets that did not require impairment in value as anticipated in the budget.

Capital Departmental Expenditure Limit: CDEL Outturn is 98% of the Estimated figure.

Resource Annually Managed Expenditure: The reported outturn represents a 78% underspend. AME by its nature is demand led and volatile. The budget was prudently increased during the year to account for any adverse effects on movements in the measurement of the pension liability, property valuations and provisions as a result of potential material impact on discount rates.

Net Cash Requirement: Cash is drawn down when required and not in advance of need. The cash held at the end of the financial year is returned to HM Treasury during financial year 2021-22.

Remote Contingent Liabilities, Losses and Special Payments

This section is subject to audit.

Indemnities

A Departmental Minute was laid before Parliament in March 2015 that 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.

Firearms Indemnities	2020-21	2019-20
Agreements entered into with Suppliers during the year	50	37
Maximum value at any one time	£28m	£32m

There were no indemnities in place with firearms training establishments on 31 March 2021 (2019-20: nil). Controls were in place to ensure that these did not exceed the £50m limit at any specific date. No individual firearms indemnity held during the reporting period exceeded £5m in value.

The NCA has the authority to enter into other indemnities for operational need in line with the limits set out by the 2015 Departmental Minute. The NCA entered into one new indemnity during 2020-21 (2019-20: 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 period to 31 March 2021 (2019-20: nil).

The following indemnities are in place as at 31 March 2021:

- 5 indemnities (2019-20: 5) with banks relating to the recovery of criminal assets with an estimated value of £0.618m (2019-20: £0.641m).
- 6 indemnities (2019-20: 6) with clearing banks with a maximum aggregated value of £2.3m (2019-20: £1.1m).
- operational indemnities (2019-20: 10) with a combined maximum estimated value of £6.149m (2019-20: £6.0m).

- 5 PF78 solicitor's undertaking as to expenses (2019-20: 5). PF78s are to cover all 'reasonable expenses' with a potential liability of less than £0.125m (2019-20: £0.125m).

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

Losses and Special Payments

There were no losses during the year.

In accordance with Managing Public Money, the NCA is required to disclose the total value of special payments made during the year. Separate disclosure is also required for any special payments greater than £0.3m.

A number of special payments totalling £1m were made during 2020-21 for which HM Treasury approval was received. One payment for £0.86m was made during the year in respect of a legal case. HM Treasury approval was received with the expenditure met through NCA Estimate delegation.



Dame Lynne Owens DCB CBE QPM
Director General and Accounting Officer,
National Crime Agency

Date 16 July 2021

The Certificate and Report 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 2021 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. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

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 2021 and of the NCA's net expenditure for the year then ended; and
- 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 2021 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law 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 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the NCA in accordance with the ethical requirements that are relevant to my audit of 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

In auditing the financial statements, I have concluded that the NCA's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the NCA's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for NCA is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

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 certificate thereon. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, 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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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, based on the work undertaken in the course of the audit:

- 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; 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

In the light of the knowledge and understanding of the NCA and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report. 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
- certain disclosures of remuneration specified by HM Treasury's Government Financial Report Manual are not made; 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.

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 in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing the NCA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by NCA will not continue to be provided in the future.

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.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- inquiring of management, the Government Internal Audit Agency and those charged with governance, including obtaining and reviewing supporting documentation relating to the NCA's policies and procedures relating to:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - o the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the NCA's controls relating to the Government Resources and Accounts Act 2000, Managing Public Money and the Supply and Appropriation (Main Estimates) Act 2020;
- discussing among the engagement team and involving relevant internal and external specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;
- obtaining an understanding of NCA's framework of authority as well as other legal and regulatory frameworks that the NCA operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of

the NCA. The key laws and regulations I considered in this context included the Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2020, Employment Law and tax Legislation, relevant pension Legislation; and

- specific risk assessments performed in respect of significant risks relating to fraud: risk-based sampling of manual journals to identify those presenting higher risk of fraud, informed by planning risk assessment and review of the Statement of Parliamentary Supply outturn against budget; review of estimates presented within the accounts; analysis of individual income streams to address the potential risk of fraud in revenue recognition.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- substantive testing of manual journals including journals with fraud characteristics; reviewing estimates within the account and challenging underlying assumptions and methodologies; and substantive testing of income streams to address risk of fraud in revenue recognition.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

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

and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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.

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
16 July 2021

Part Three

Financial Statements



Statement of Comprehensive Net Expenditure

for the year ended 31 March 2021

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2020-21 £'000	2019-20 £'000
Revenue from contracts with customers	5	(202,148)	(110,435)
Other operating income	5	(7,035)	(7,069)
Total operating income		(209,183)	(117,504)
Officer costs	3	333,782	290,769
Other operating expenditure	4	263,880	265,485
Depreciation and impairment charges	4	64,203	56,674
Total operating expenditure		661,865	612,928
Net operating expenditure		452,682	495,424
Interest on pension liabilities	3a	16,640	23,580
Net expenditure for the year		469,322	519,004

Other Comprehensive Net Expenditure

	Note	2020-21 £'000	2019-20 £'000
Items which will not be reclassified to net operating expenditure:			
Net gain on revaluation of property, plant and equipment	4/6	(870)	(658)
Actuarial loss on pension reserve	3a	65,670	107,060
Comprehensive net expenditure for the year		534,122	625,406

The notes on pages 79 to 97 form part of these accounts.


Statement of Financial Position

as at 31 March 2021

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

	Note	2020-21 £'000	2019-20 £'000
Non-current assets			
Property, plant and equipment	6	126,933	133,117
Intangible non-current assets	7	110,153	70,609
Total non-current assets		237,086	203,726
Current assets			
Trade and other receivables	10	132,943	89,061
Cash and cash equivalents	9	13,287	7,941
Total current assets		146,230	97,002
Total assets		383,316	300,728
Current liabilities			
Trade and other payables	11	(94,475)	(88,874)
Provisions	12	(2,636)	(4,087)
Total current liabilities		(97,111)	(92,961)
Total assets less current liabilities		286,205	207,767
Non-current liabilities			
IAS 19 pension liability	3	(995,373)	(935,743)
Provisions	12	(12,248)	(10,232)
Other payables	11	(1,710)	(2,593)
Total non-current liabilities		(1,009,331)	(948,568)
Total assets less total liabilities		(723,126)	(740,801)
Taxpayers' equity and other reserves:			
General Fund		63,473	(20,610)
Pension Reserve		(807,030)	(741,360)
Revaluation Reserve		20,431	21,169
		(723,126)	(740,801)

The notes on pages 79 to 97 form part of these accounts.



Dame Lynne Owens DCB CBE QPM
Director General and Accounting Officer, National Crime Agency
 Date 16 July 2021

Statement of Cash Flow

for the year ended 31 March 2021

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Department during the reporting period. The statement shows how the Department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Department's future public service delivery.

	Note	2020-21 £'000	2019-20 £'000
Cash flows from operating activities			
Net expenditure for the year		(469,322)	(519,004)
<i>Adjustments for non-cash transactions:</i>			
Depreciation and audit fee	4	61,650	56,812
Loss/(gain) on non-current asset write off	4	-	(30)
Loss on asset revaluation	4	825	202
(Surplus)/loss on disposal of non-current assets	4	(102)	33
Impairment of assets	6/7	2,688	-
Pension costs	3	22,090	35,530
Employee contribution	3a	860	1,000
Police Pension payment made	3	(28,990)	(27,170)
Cash transfers in from other police pension schemes	3	-	10
Increase in receivables	10	(43,882)	(16,403)
(Decrease)/increase in trade and other payables	11	(628)	7,214
Increase for use of provisions	12	565	7,147
Net cash outflow from operating activities		(454,246)	(454,659)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(35,507)	(35,305)
Purchase of intangible assets	7	(62,147)	(35,037)
Proceeds from disposal of property, plant and equipment		246	174
Net cash outflow from investing activities		(97,408)	(70,168)
Cash flows from financing activities			
From the Consolidated Fund		557,000	522,000
Net financing		557,000	522,000
Net increase/(decrease) in cash and cash equivalents in the period		5,346	(2,827)
Cash and cash equivalents at the beginning of the period		7,941	10,768
Cash and cash equivalents at the end of the period		13,287	7,941

The notes on pages 79 to 97 form part of these accounts.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2021

This statement shows the movement in the year on the different reserves held by the NCA, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the changes in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of the Department, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £'000	Pension Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
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	3	-	(107,060)	-	(107,060)
Comprehensive net expenditure for the year		(519,004)	-	-	(519,004)
Non-cash charges – auditor's remuneration	4	140	-	-	140
Transfer between reserves		(3,069)	-	3,069	-
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)
Net gain on revaluation of property, plant & equipment	6	-	-	870	870
Actuarial loss on pension reserve	3a	-	(65,670)	-	(65,670)
Comprehensive net expenditure for the year		(469,322)	-	-	(469,322)
Non-cash charges – auditor's remuneration	4	143	-	-	143
Transfer between reserves		1,608	-	(1,608)	-
Supply payable		(13,287)	-	-	(13,287)
Net parliamentary funding		564,941	-	-	564,941
Balance at 31 March 2021		63,473	(807,030)	20,431	(723,126)

The notes on pages 79 to 97 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 2020-21 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 pounds sterling, rounded to the nearest thousand.

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

Income is recognised in accordance with IFRS 15 Revenue from Contracts with Customers as adapted by FReM.

Revenue is recognised when a performance obligation is met at a point in time at the transaction price allocated to the performance obligation. If the cash has not been received by year end, the income is accrued and recognised in the SOCNE.

The NCA does not include income from sales of non-current assets within the scope of IFRS 15 as such gains would not be classed as revenue. Proceeds from the sale of non-current assets are offset against the net book value to determine the profit or loss on disposal as set out in Note 4.

All income is recognised in the year to which it relates. If cash has been received in advance of its associated expenditure, it is deferred to the following year and included as a contract liability in Note 11.

The table below show the income streams recognised under IFRS 15 during the financial year 2020-21:

Income Stream	Description of Income Stream	Performance Obligation	Determination of Transaction Price	Payment Terms
Asset Recovered Incentivisation Scheme	Recovery of proceeds of crime	The NCA has powers set out in legislation to recover this income	Value of penalty collected	Payment by court order
Civil recoveries applied to receivers' fees	Recovery of costs in relation to civil recovery case work	Receivers' investigations work undertaken by the NCA	Value of costs awarded	Payment by court order
EU Funding	External funding for EU-specific projects	Completion of project work against agreed deliverables	Agreed within Memorandum of Understanding	Payment at the time work is completed on an accruals basis
Overhead Recharge	Recovery of administration costs	Supply of service delivery in line with agreed project work	Agreed within Memorandum of Understanding	Payment at time service is consumed
Proceeds of Crime Centre (PoCC) accreditation, registration and training	PoCC accreditation, registration and training provided by the NCA	On accreditation, registration or delivery of training	Standard price per level of accreditation and per training course	Payment in advance
Recovery of costs	Legal and other non-routine work carried out by the NCA	Completion of work against agreed deliverables	In agreement between the NCA and funding provider	Payment at time work completed on an accruals basis
Rental income	Licence fee arrangement for provision of accommodation within the NCA estate	Provision of accommodation	Agreed within Licence Agreement	Payment at the time service is consumed
Specific operational funding	External funding for specific operational projects	Work carried out by the NCA	Agreed within Memorandum of Understanding	Payment at the time work is completed on an accruals basis
Training and conference fees	Supply of training and conference services	Supply of services	Set out in order confirmation	Payment at time or in advance of event

Asset Recovered Incentivisation Scheme (ARIS) income is required to be spent in the year in which it was earned.

Specific operational funding and recovery of costs relate to income received from stakeholders to cover the costs of specific operational initiatives and consequently certain costs are recovered when the performance obligation is met at a transaction price agreed within a Memorandum of Understanding or other agreement.

Significant Judgements

The total consideration from contracts is included in the transaction price for each income stream. None of the income streams contains variable consideration.

The performance obligation is satisfied when the goods or services are supplied. The income is recognised at the same point in time. The customer obtains control of goods or service at the point of delivery.

Income Streams not recognised under IFRS 15

Income is received in the form of government grants from Devolved Administrations to allow a collaborative working relationship between the NCA and the Police Service of Northern Ireland, and the NCA and the Police Service of Scotland. Funding is recognised during the year it is received, accounted for under IAS 20 Accounting for Government Grants and taken through the SOCNE.

Donation of goods and services is a notional income stream offset by notional expenditure recognised in Note 4. The notional funding element is recognised in accordance with IAS 20.

1 c) 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, in which case an average rate for the month is used. All end of year balances are translated at the prevailing spot rate on 31 March 2021.

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 SOCNE.

1 d) Leases

In accordance with IAS 17 Leases, rental payments 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 SOCNE. Please see note 1p regarding upcoming changes to lease accounting treatment from 1 April 2022.

The NCA does not hold any finance leases or Private Finance Initiative (PFI) contracts.

1 e) 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.

1 f) Pension Costs

Employer contributions to the Principal Civil Service Pension Scheme are charged to the SOCNE 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 SOCNE 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 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 Pension Scheme are dependent on service, the GAD values the liability expected to arise due to injury awards in respect of service prior to the valuation date. The 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.

1 g) Value Added Tax (VAT)

Most of the activities of the NCA 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.

1 h) 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 31 March 2021, and for amounts reported for income and expenses during the relevant period.

Key accounting judgements and sources of estimation uncertainty relate to:

i. Provisions

A provision is recognised when the Agency has a present legal or constructive obligation that 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.

ii. Police Pension Scheme and related schemes

The 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.

1 i) Non-Current Assets

Expenditure incurred by the NCA on the acquisition of capital assets or expenditure that adds to the value of existing assets is capitalised, provided that the assets give 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 that 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 more 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).

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.

1 j) 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:

Asset type	Useful economic life
Land and buildings	Land is not depreciated. Buildings are depreciated to their useful estimated residual value over the remainder of the buildings' estimated useful economic lives. The range of freehold buildings' lives at 31 March 2021 to 2050 was 1 to 30 years.
Improvements to leasehold buildings	The shorter of the duration of lease or anticipated useful economic 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.

1 k) 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 Avison Young as at 31 March 2021. Property values have been updated to reflect this valuation. All freehold building assets are aligned to standard depreciation terms per building as determined by its remaining useful economic life.

Intangible assets are not revalued.

1 l) 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 -0.95%, which is applied to future years' cash flows with effect from 31 March 2021 (-0.5% from 31 March 2020).

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 2021 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)	(0.2)%
	Medium-term (5-10 years)	0.18%
	Long-term (10+ years)	1.99%
Inflation	Year 1	1.2%
	Year 2	1.6%
	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 that 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.

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) IFRS 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.

Due to the impact of Covid-19, HM Treasury took the decision to defer implementation by one year, to 1 April 2022. The impact will likely cause a material increase to the opening balance of the NCA's non-current assets on 1 April 2022.

2. Statement of Operating Expenditure by Operating Segment

2020-21 Description of Segment	Change	Corporate Business Services	Corporate Finance	Digital, Data and Technology	Human Resources	Intelligence	Investigations	Legal	National Economic Crime Centre	Strategy	Threat Leadership	2020-21 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	29,270	59,022	96,265	84,157	18,429	177,172	103,252	3,723	35,551	10,502	61,162	678,505
Income	(13,867)	(1,760)	(56,135)	(18,643)	(2,000)	(36,034)	(21,089)	(160)	(9,217)	(350)	(49,928)	(209,183)
2020-21 Net Expenditure	15,403	57,262	40,130	65,514	16,429	141,138	82,163	3,563	26,334	10,152	11,234	469,322

As a result of in-year reporting line changes, 2019-20 totals have been restated in line with the 2020-21 structure. The 2019-20 restated comparatives are shown in the table below:

2019-20 Description of Segment	Change	Corporate Business Services	Corporate Finance	Digital, Data and Technology	Human Resources	Intelligence	Investigations	Legal	National Economic Crime Centre	Strategy	Threat Leadership	Restated 2019-20 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	22,551	60,696	99,679	73,800	18,016	169,553	96,067	7,539	30,003	10,682	47,922	636,508
Income	(4,909)	(1,758)	(10,994)	(17,917)	–	(24,038)	(18,975)	(46)	(5,718)	–	(33,149)	(117,504)
2019-20 restated Net Expenditure	17,642	58,938	88,685	55,883	18,016	145,515	77,092	7,493	24,285	10,682	14,773	519,004

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

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

Drugs threats, and the National Cyber Crime Unit (NCCU).

National Economic Crime Centre

The National Economic Crime Centre (NECC) is a collaborative, multi-agency centre that was established to deliver a step change in the response to tackling economic crime. The NECC sets threat priorities that 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 SOC threats to the UK and to flex the NCA, law enforcement and wider government collective resources to disrupt the threat.

It aims to achieve this by putting intelligence at the heart of the NCA 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 SOC offenders who present the highest risk to the UK.

Corporate Finance

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

The NCA receives external funding to uplift its capability to tackle illicit finance. This income is distributed across all commands in the NCA and is therefore included under Corporate Finance in the same way that other corporate expenditure is treated.

Corporate Business Services

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

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

The Commercial Department is responsible for ensuring that goods and services are purchased in a legal and compliant manner, taking into consideration sustainability 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 Agency in leading the fight to cut SOC. The Command has four separate teams, together with a business support team, dedicated to supporting the work of the entire NCA 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 advice to the NCA Board and corporate services on HR issues.

Change

NCA Change is made up of two areas:

The Transformation team 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 in alignment with its objectives. The NCA aims to do this by promoting a change environment that provides maximum benefit for the optimum input.

3. Officer costs

	2020-21 £'000	2019-20 £'000
Wages and Salaries	254,248	214,790
Social security costs	23,006	19,695
Pension costs	52,064	44,737
Current service cost net of employee contributions	5,450	5,200
Past service cost in respect of Police Pension Scheme	-	6,750
Less recoveries in respect of outward secondments	(986)	(403)
Total Officer Costs	333,782	290,769

Further analysis of officer costs is located in the Staff Report on page 59.

3a) Police Pension Scheme

The Agency operates 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 NCA.

Pension benefits were paid from the NCA resources as they fell due. In the year ending 31 March 2021, £28.99m was paid to pensioners (2019-20: £27.17m).

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 reporting period were charged against the Pension liability. The NCA incurred the cost of employer contributions in the reporting period totalling £1.9m (2019-20: £2.2m). The employee's contribution is set nationally by the Home Office and is subject to quadrennial revaluation by the GAD.

In order to comply with the FReM 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 in accordance with IAS 19. The NCA commissioned the GAD to value the scheme liabilities as at 31 March 2021. The full provision for pension liabilities as at 31 March 2021 of £995.37m (2019-20: £935.74m) is based on the assumptions and information set out below.

Pension Liabilities

	2020-21 £'000	2019-20 £'000
Present value of liabilities	995,373	935,743
Net pension liabilities	995,373	935,743

The main assumptions used by the GAD were as follows:

	2020-21 % pa	2019-20 % pa
Discount rate	1.25	1.80
Inflation assumption	2.22	2.35
Rate of increase in salaries	3.72	4.10
Rate of increase in pensions	2.22	2.35
Rate of CARE revaluation	3.47	3.60

The net scheme assets at 31 March 2021 are as follows:

Re-measurements of net defined liability/(asset) for the year Direct Recruits Scheme	2020-21 £'000	2019-20 £000
Experience gains/(losses)	9,160	(390)
Effect of changes in demographic and financial assumptions	(74,830)	(106,670)
Re-measurements of net defined liability/(asset)	(65,670)	(107,060)

The re-measurement 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 that must be made. In recognition of this uncertainty, the approximate effects on the actuarial liability as at 31 March 2021 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	(9.0)	(89,000)
ii. Rate of Increase in salaries: +0.5% a year	0.00	1,000
iii. Rate of increase in pensions/deferred revaluation: +0.5% a year	9.0	91,000
Pensioner Mortality		
iv. Life expectancy: Pensioners living (on average) one year longer	3.5	35,000

The change in the pension liabilities resulting from operating and finance costs have been charged to the SOCNE. 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:

	2020-21 Total £'000	2019-20 Total £'000
Operating cost:		
Current service cost net of employee contributions	5,450	5,200
Past service cost	-	6,750
Finance cost:		
Interest on pension liabilities	16,640	23,580
Expected return on employer assets	-	-
Net Return	22,090	35,530
Actuarial gain/(loss)		
Experience gain/(loss) on pension liabilities	9,160	(390)
Changes in demographic & financial assumptions	(74,830)	(106,670)
Total Actuarial Loss charged to Pension Reserve	(65,670)	(107,060)

Movement in Pension Liabilities during the year

	2020-21 Total £'000	2019-20 Total £'000
Net liabilities at start of year	935,743	819,313
Current and past service cost	6,310	12,950
Pensions paid in the year	(28,990)	(27,170)
Pension transfers-in	-	10
Net finance charge	16,640	23,580
Re-measurement of the net defined benefit liability	65,670	107,060
Net liabilities at end of year	995,373	935,743

Service Cost

	2020-21 £'000	2019-20 £'000
Current Service cost (net of employee contributions)	5,450	5,200
Costs Covered by employee contributions	860	1,000
Past service cost	-	6,750
Total Service Costs	6,310	12,950

4. Expenditure

	2020-21 £'000	2019-20 £'000
IT and Communications	86,042	67,818
Other Operational Costs	53,471	48,153
Supplies and Services	46,743	44,351
Estate	44,353	44,246
Research and Development expenditure	6,073	12,817
Transport	5,735	6,918
Travel and Subsistence	5,196	18,463
Capital Grant Expenditure	4,930	2,875
Training and Recruitment	4,882	7,870
Legal Costs	3,337	1,885
Grants	1,225	1,024
Conferences and Hospitality	415	1,712
Non-current assets write-off	(22)	(17)
(Surplus)/loss on disposal of non-current assets	(102)	33
	262,278	258,148
Non-cash items:		
Depreciation and amortisation	61,507	56,674
Asset Impairment	2,696	-
Revaluation gain on non-current assets	825	202
Notional expenditure covered by donations	327	298
Non-pay provision expenses	307	6,697
Auditor's remuneration and expenses	143	140
Total expenditure	328,083	322,159

Included in the above figures is expenditure relating to Covid-19 of £13m and EU Exit expenditure of £6.8m.

5. Income

	2020-21 £'000	2019-20* £'000
Revenue from Contracts with Customers:		
Specific operational funding#	174,952	86,578
Recovery of costs from public bodies	14,043	12,636
Overhead recharge	5,901	1,584
Asset Recovered Incentivisation Scheme (ARIS)	4,333	6,325
Rental income	1,556	1,717
Other revenue from Contracts with Customers	1,363	1,595
	202,148	110,435
Other operating income:		
Police Service of Scotland	5,212	5,212
Police Service of Northern Ireland	1,391	1,391
Donations and other operating income	432	466
	7,035	7,069
	209,183	117,504

* Prior year balances have been represented as a result of implementation of IFRS 15 Revenue from Contracts with Customers disclosure.

See Financial Summary on page 15 for explanation of the increase in externally funded income.

6. Property, Plant and Equipment

	Buildings	Land	Improvements to leasehold buildings	Motor vehicles	IT Hardware	Plant and Machinery	Furniture and Fittings	Payments on account and assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2020	41,292	6,782	136,960	41,376	152,854	42,745	10,271	11,474	443,754
Additions	907	-	2,677	1,582	18,872	2,835	499	8,135	35,507
Disposals	-	-	-	(1,561)	-	-	-	-	(1,561)
Impairments and write-offs	25	-	(40)	-	(3,927)	(178)	-	-	(4,120)
Transfers (internal) and reclassifications	52	-	4,476	-	6,167	323	-	(11,018)	-
Revaluations	73	-	(2,151)	(15)	7	-	473	-	(1,613)
At 31 March 2021	42,349	6,782	141,922	41,382	173,973	45,725	11,243	8,591	471,967
Depreciation									
At 1 April 2020	(29,515)	-	(107,762)	(30,273)	(100,229)	(35,546)	(7,312)	-	(310,637)
Charged in year	(626)	-	(9,683)	(2,953)	(22,844)	(3,118)	(518)	-	(39,742)
Disposals	-	-	-	1,417	-	-	-	-	1,417
Impairments and write-offs	(25)	-	5	-	2,225	62	3	-	2,270
Transfers and reclassifications	-	-	-	-	-	-	-	-	-
Revaluations	(278)	-	2,199	9	(2)	-	(270)	-	1,658
At 31 March 2021	(30,444)	-	(115,241)	(31,800)	(120,850)	(38,602)	(8,097)	-	(345,034)
Carrying amount at 31 March 2020	11,777	6,782	29,198	11,103	52,625	7,199	2,959	11,474	133,117
Carrying amount at 31 March 2021	11,905	6,782	26,681	9,582	53,123	7,123	3,146	8,591	126,933

All assets were owned by the NCA.

	Buildings	Land	Improvements to leasehold buildings	Motor vehicles	IT Hardware	Plant and Machinery	Furniture and Fittings	Payments on account and 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-offs	-	-	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)
Charged 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	-	-	-	-	-	-	-	-	-
Revaluations	-	-	(1,065)	15	(902)	15	(65)	-	(2,002)
At 31 March 2020	(29,515)	-	(107,762)	(30,273)	(100,229)	(35,546)	(7,312)	-	(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
Carrying amount 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.

7. Intangible assets

	Purchased software £'000	Payments on account and assets under construction £'000	Total £'000
Cost or valuation			
At 1 April 2020	140,743	19,775	160,518
Additions	40,937	21,210	62,147
Impairments	(4,741)	-	(4,741)
Transfers	11,785	(11,785)	-
At 31 March 2021	188,724	29,200	217,924
Amortisation			
At 1 April 2020	(89,909)	-	(89,909)
Charge in year	(21,765)	-	(21,765)
Impairments	3,903	-	3,903
At 31 March 2021	(107,771)	-	(107,771)
Carrying amount at 31 March 2020	50,834	19,775	70,609
Carrying amount at 31 March 2021	80,953	29,200	110,153

All intangible assets were owned by the NCA.

	Purchased software £'000	Payments on account and 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)
Disposals	12,918	-	12,918
Impairments	14	-	14
At 31 March 2020	(89,909)	-	(89,909)
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.

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 NCA's expected purchase and usage requirements and the NCA is therefore usually exposed to little credit, liquidity or market risk.

9. Cash and Cash Equivalents

	2020-21 £'000	2019-20 £'000
Balance at 1 April 2020	7,941	10,768
Net change in cash and cash equivalents balances	5,346	(2,827)
Balance at 31 March 2021	13,287	7,941
The following balances at 31 March were held at:		
Commercial banks and cash in hand	4,391	5,469
Balance held with Government Banking Service	8,896	2,472
Balance at 31 March 2021	13,287	7,941

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 that 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 2021 were converted to sterling at the prevailing spot rate.

Bank interest of less than £1k was received during the year on bank balances (2019-20: £7k).

10. Trade Receivables, Financial and Other Assets

	2020-21 £'000	2019-20 £'000
Amounts falling due within one year		
Trade receivables	21,708	12,406
Contract Assets*	93,133	60,119
Prepayments	16,109	14,407
Other receivables	1,993	2,129
	132,943	89,061

* Accrued income has been renamed as Contract Assets due to implementation of IFRS 15 Revenue from Contracts with Customers.

11. Trade Payables and Other Current Liabilities

	2020-21 £'000	2019-20* £'000
Amounts falling due within one year		
Accruals	54,589	50,014
Trade payables	21,463	20,211
Amounts issued from the Consolidated Fund for supply but not spent at year end	13,287	7,941
Contract liabilities	2,395	2,539
Other payables	1,772	1,733
Other tax and social security	969	6,436
	94,475	88,874
Amounts falling due more than one year		
Other payables ^	1,710	2,593
	1,710	2,593

* Prior year totals represented due to implementation of IFRS 15 Revenue from Contracts with Customers.

^ Other payables relate 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	2020-21 Total Provision £'000	2019-20 Total Provision £'000
Balance at 1 April 2020	2,880	3,618	7,595	226	14,319	7,172
Provided in the year	770	-	2,564	-	3,334	6,908
Provisions not required written back *	(1,268)	-	(153)	-	(1,421)	-
Provisions utilised in the year **	(1,042)	(186)	(287)	(231)	(1,746)	(596)
Borrowing costs (unwinding of discounts)	-	444	(178)	132	398	835
Balance at 31 March 2021	1,340	3,876	9,541	127	14,884	14,319

* Provisions not required written back is a credit to AME. This occurs when the provision is reviewed and confirmed to be overstated.

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

12.1 Analysis of Expected Timing of Discounted Flows

The provisions are anticipated to crystallise as follows:

	Legal Provision £'000	Retirement Provision £'000	Dilapidation Provision £'000	Onerous Lease Provision £'000	2020-21 Total Provision £'000	2019-20 Total Provision £'000
Not later than one year	1,340	148	1,054	94	2,636	4,087
Later than one year and not later than five years	-	725	5,498	33	6,256	2,198
Later than five years	-	3,003	2,989	-	5,992	8,034
Balance at 31 March	1,340	3,876	9,541	127	14,884	14,319

13. Contingent Liabilities

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:

	2020-21 £'000	2019-20 £'000
<i>Obligations under operating leases comprise:</i>		
Buildings:		
Not later than one year	17,494	18,021
Later than one year and not later than five years	60,836	59,415
Later than five years	35,573	48,318
Total	113,903	125,754

15. Capital and Other Commitments

Other Financial Commitments

The NCA has entered into non-cancellable contracts for the provision of information technology, communication services and facilities management. The payments to which the NCA is committed are as follows:

	2020-21 £'000	Restated* 2019-20 £'000
<i>Other financial commitments</i>		
Not later than one year	25,480	22,698
Later than one year and not later than five years	23,975	43,696
Later than five years	-	-
Total	49,455	66,394

* Prior year total restated to reflect committed position not included in previous disclosure.

16. Related Party Transactions

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

No minister, Board member, key manager or other related party 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 2021 consisted of £40m (2019-20: £27.4m) 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:

	2020-21 £'000	2019-20 £'000
Third party assets:		
Monies	33,256	22,000
Physical assets	6,815	5,429
Total	40,071	27,429

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.

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 2021 consisted of £7.9m (2019-20: £8m) in cash, motor vehicles and other valuables suspected of being derived from criminal activity.

	2020-21 £'000	2019-20 £'000
<i>Recovered assets receipts for the year ended 31 March 2021:</i>		
– Civil	7,422	6,524
– Criminal	81	472
– Tax	367	1,067
	7,870	8,063
<i>Recovered assets receipts for the year ended 31 March 2021:</i>		
Asset recoveries applied against receivers' fees (see below)	-	(282)
Net recovered receipts	7,870	7,781
Receipts paid to the Home Office for the year ended 31 March 2021	(7,178)	(7,466)
Recovered asset proceeds held at 31 March 2021	692	315

The NCA pays to the Home Office, quarterly in arrears, recovered asset receipts net of estimated receivership and enforcement costs. A final payment for £0.7m is due from monies held in separately identified third-party bank accounts and will be paid to the Home office by June 2021.

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 ongoing 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 from 1 April 2020 to 31 March 2021, nor to the value of receipts banked by the courts in fulfilment of confiscation orders obtained by the NCA from 1 April 2020 to 31 March 2021 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 2020 to 31 March 2021 and previous years are set out below. It should be noted that the time-lag created by the 30-day appeal period that 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.

	2020-21 £'000	2019-20 £'000
Forfeiture and confiscation monies paid over	14,810	10,097

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 Dame Lynne Owens (Accounting Officer). This is interpreted as the same date as 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 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

	2016-17 Outturn	2017-18 Outturn	2018-19 Outturn	2019-20 Outturn	2020-21 Outturn
	£'000	£'000	£'000	£'000	£'000
Resource DEL					
NCA	462,624	452,080	462,242	485,008	498,230
Total Resource DEL	462,624	452,080	462,242	485,008	498,230
<i>Of which:</i>					
Pay	233,248	230,420	257,196	290,769	333,782
Depreciation	43,456	50,882	57,066	56,674	64,195
Resource AME					
NCA	26,205	24,682	26,139	40,538	21,571
Total Resource AME	26,205	24,682	26,139	40,538	21,571
Total Resource Outturn	488,829	476,762	488,381	525,546	519,801
<i>of which:</i>					
Depreciation	43,456	50,882	57,066	56,674	64,195
Capital DEL					
NCA	43,715	41,360	51,932	63,625	46,929
Total Capital DEL	43,715	41,360	51,932	63,625	46,929
<i>Of which:</i>					
Capital expenditure of fixed assets net of sales	46,740	48,040	60,027	86,034	108,656
Income from sales of assets and other grants	(3,025)	(6,680)	(8,095)	(22,409)	(61,727)
Total Capital Outturn	43,715	41,360	51,932	63,625	46,929
Total Departmental Spending	488,829	476,762	488,381	525,546	519,801
<i>Of which:</i>					
Total DEL	462,624	452,080	462,242	485,008	498,230
Total AME	26,205	24,682	26,139	40,538	21,571

Total Resource DEL increased in 2020-21 to reflect growing in-year pressures on the NCA's operations.

Total Resource AME decreased in 2020-21 due to a less than expected impact from change in discount rates applied to the valuation of the Police Pension liability.

Capital DEL net expenditure decreased by £16.7m in 2020-21 due to increase funding received from external funding providers operating on a cost recovery basis, and re-prioritisation of the NCA's Transformation Portfolio.

For explanations on the variances between 2020-21 and 2019-20, please 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

	2016-17	2017-18	2018-19	2019-20	2020-21
	Outturn	Outturn	Outturn	Outturn	Outturn
	£'000	£'000	£'000	£'000	£'000
Resource DEL					
NCA	34,107	29,959	30,361	36,408	36,513
Total Admin Outturn	34,107	29,959	30,361	36,408	36,513
<i>Of which:</i>					
Expenditure	34,117	29,959	30,361	36,408	36,513
Income	(10)	–	–	–	–
Total Admin Outturn	34,107	29,959	30,361	36,408	36,513

Annex B – Sustainability Report

Introduction

The NCA sustainability team supports the strategic plans and operational objectives of the NCA, providing professional advice and practicing efficient, effective and compliant environmental/sustainability management.

The NCA's strategy for sustainability is to improve its performance against the Greening Government Commitments (GGC); the current cycle, with a 2017-18 baseline, ends 31 March 2025.

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

		Baseline	Performance		
		2017-18	2018-19	2019-20	2020-21
Greenhouse gas emissions					
	Scope 1 and 2 emissions	13,306	11,203	10,106	9,175
	Scope 3 emissions (indirect – official business travel)	1,223	1,184	1,180	408
Tonnes CO ₂ e	International travel	2,539	2,235	2,250	797
	Total emissions	17,068	14,622	13,536	10,380
Related energy consumption (MWh)	Electricity	20,096	19,769	18,698	18,078
	Gas & Oil	5,148	6,447	7,561	8,083

The NCA's target under the GGC is to reduce greenhouse gas emissions by at least 43% overall, compared to the new baseline of 2017-18. This is a target of 9,729 tonnes CO₂e from total emissions. To date, we have achieved a 39% reduction in total greenhouse gas emissions.

Electricity consumption continues to fall year-on-year and now stands at 10% below baseline. Gas and oil have increased, however overall emissions from energy continue to fall to 31% below baseline.

Use of alternatives to face-to-face meetings, such as video conferencing, increased especially during the Covid-19 pandemic, and this continues to be reflected in reduced Scope 3 emissions.

Waste

Waste		Baseline	Performance		
		2017-18	2018-19	2019-20	2020-21
Tonnes	Non-recycled	-	-	-	-
	Total reused/recycled	88	120	91	85
	Energy recovery	249	224	177	120
	Total waste	337	344	268	205

The GGC waste targets are to:

- reduce landfill to less than 5% of overall waste by 2025 compared to the 2017-18 baseline;
- increase the proportion of recycled waste to at least 75% of overall waste generated; and
- meet the elimination commitment of 0% Consumer Single Use Plastic on the government estate by 2020.

Zero waste to landfill continues and overall waste has declined again this year, to 39% below the 2017-18 baseline. 58% of all waste is reused or 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 approved suppliers.

Paper

Finite resource consumption:		Baseline	Performance		
		2017-18	2018-19	2019-20	2020-21
Paper					
A4 reams		4,573	3,900	2,898	4,693

The GGC target for the NCA is to reduce paper consumption by at least 60% by 2025, from a 2017-18 baseline.

During the Covid-19 pandemic, some staff working at home were provided with reams of paper that would normally be shared within an office. This led to a 2.5% increase in paper purchased from 2017-18. It is expected that paper purchase will reduce once normal office working resumes.

Water

Finite resource consumption:		Baseline	Performance		
		2017-18	2018-19	2019-20	2020-21
Water					
m ³		35,601	34,526	55,453	32,086

The GGC target is to reduce water consumption by at least 12% from the 2017-18 baseline.

Water consumption for 2019-20 was significantly higher than previous years as a result of severe underestimation being corrected. Consequently, 2020-21 shows a decrease of 42%, bringing the total to 10% below the 2017-18 baseline.

Savings continue to be realised through urinal flushing controls and enhanced management of real-time leak detection.

Climate Change Adaptation

The NCA continues to work towards increasing climate resilience and maintaining the operational capacity of the estate. We will continue to assess and manage climate resilience risks to meet current and future infrastructure and built environment capability requirements.

Climate resilience/adaptation planning and mitigation will be incorporated at all business levels where required. Where climate risks are identified appropriate adaptation actions will be undertaken.

Biodiversity

The NCA is committed to supporting biodiversity, ensuring that habitats are maintained and enhanced to create healthy, functioning ecosystems. Bird boxes, wildlife habitats and a newt pond are monitored to ensure that they are in use to support healthy and diverse populations of species. Various other wildlife habitats are present for insects and bats, allowing these species to be protected.

Sustainable Procurement

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

