



Ministry
of Justice

Ministry of Justice Annual Report and Accounts 2015-16

Ministry of Justice Annual Report and Accounts 2015-16

(For the year ended 31 March 2016)

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of the Government Resources and Accounts Act 2000

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Her Majesty

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Performance

Performance

Who we are and what we do

The Ministry of Justice delivers some of the most fundamental services any state owes its citizens. Our principal duty is upholding the law and keeping people safe. We are responsible for a number of different parts of the justice system - the courts, tribunals, prisons, legal services and access to justice, youth justice and probation services.

Our work spans criminal, civil, family, and administrative justice. We are committed to protecting the public, reducing reoffending and providing effective, transparent and responsive criminal justice system. We work in partnership with other government departments and agencies to serve the public and support those who need our help.

The Ministry of Justice is a ministerial department, supported by 37 agencies and public bodies.

We have five Executive Agencies which are responsible for the delivery of the majority of our services to the public: HM Courts & Tribunals Service, National Offender Management Service (NOMS), the Legal Aid Agency (LAA), Office of Public Guardian (OPG) and, the Criminal Injuries Compensation Authority (CICA) supported by a smaller corporate centre. We provide services across England and Wales, and in the case of HM Courts & Tribunals Service, non-devolved tribunals in Scotland and Northern Ireland.

By the Lord Chancellor and Secretary of State for Justice



Our goal is to build a One Nation justice system that makes access to the law swifter and justice more certain for all citizens, whatever their background.

Public safety is at the heart of everything we do, underpinned by our determination to reduce reoffending by reforming prisons, probation and youth justice.

In the past year, the work of transforming and modernising the justice system has continued at pace.

The prison reform programme announced by the Prime Minister, David Cameron, in February represents the biggest shake-up of our prisons since Victorian times. His speech championed our plans to turn prisons into places of purpose and redemption where every offender is given new hope and a second chance.

In the 2015 Spending Review and Autumn Statement, the Chancellor announced plans to invest significant funds in modernising our prison estate.

We have announced the closure of HMP Holloway and HMP Kennet and will make further estate changes shortly. We have already begun to improve the environment for both staff and offenders by introducing a smoke-free policy in prisons and recently we committed an additional £10M to allow governors to fund measures to improve safety in prisons suffering the highest rates of violence.

Last year saw the Probation Service restructured under the 'Transforming Rehabilitation' programme. As well as extending the reach of probation, the reforms also brought more commercial and charitable expertise into managing offenders via 21 Community Rehabilitation Companies. This new programme is still bedding in, but it is already showing innovation in how offenders are supervised and supported.

While defending the independence of the judiciary and safeguarding essential individual liberties, we have also made progress in reforming the administration of courts and tribunals and legal aid.

We continued to roll out new technology in our courts, introducing digital screens and Wi-Fi, and we concluded a consultation on the future of the court estate so we can make savings to invest in a smaller, more efficient court system.

We are also working to put courts on a more sustainable financial footing by restructuring fees, and the fines payable by offenders, and we announced in December that the MoJ would review the structure of court-ordered financial impositions, aiming to simplify and improve it.

Our system of legal aid remains one of the most generous in the world and the Spending Review settlement leaves legal aid almost untouched for the next five years. We continue, however, to seek ways to save costs and restore public confidence in the system, while protecting the right of vulnerable individuals to receive expert legal assistance.

Within the MoJ, we welcomed Richard Heaton as Permanent Secretary, replacing Ursula Brennan, who retired from the Civil Service. Richard was previously Permanent Secretary at the Cabinet Office, where he oversaw huge organisational change. This, plus his experience in a previous role as First Parliamentary Counsel, means he is excellently placed to steer the MoJ through this time of major reform.

The Spending Review

By focusing on core priorities and cutting departmental costs, the MoJ will be able to halve its administrative budget by 2019-20.

The Spending Review delivered:

- £1.3 billion of capital investment over the next five years to transform the prison estate and improve offender rehabilitation.
- More than £700m worth of investment in the courts and tribunals system to create a swifter, more proportionate justice system. The biggest investment in our courts service in a generation, it will generate savings of approximately £200m a year from 2019-20
- Overall resource savings of 15 per cent by 2019-20, taking into account planned efficiencies within prisons and courts.

Autonomy and accountability

As the Prime Minister announced in February, we have created six Reform Prisons run by some of our most capable and innovative governors – emulating the academies model that has transformed state schools. These prisons are in the vanguard of an agenda to devolve decision-making, empower frontline staff and give governors maximum autonomy to run their prisons and provide the regime and services needed to reduce reoffending. A forthcoming Prisons Bill will create the legal framework to spread these principles across the rest of the prison system.

Prison estate modernisation

The Chancellor announced funding to build new prisons that will open this Parliament, offering more modern, humane surroundings and better facilities to tackle illiteracy, addiction and mental health problems. Expensive, inefficient prisons on prime urban sites will be sold, freeing up land for housing and generating receipts to fund new facilities. The investment will cut running costs by £80m a year when the reforms are complete. New technology – including body scanners, body worn cameras and mobile phone blocking – will improve safety and security and make it more difficult for drugs or mobile phones to be brought into prisons.

Courts reform

As part of the Spending Review, HM Courts and Tribunals Service secured £700m in new funding which will help to fundamentally transform the way our courts and tribunals operate, developing a service that meets the expectations of citizens in a digital age. This funding is additional to the £270m funding already being invested to create a digital infrastructure for our criminal courts. This overall investment will save taxpayers over £200m a year from 2019-20.

After the last review in 2011, about 140 under-used and outdated courts shut. Another 86 courts across England and Wales are closing in response to falling crime rates, the need to save money, and the switch to delivering justice online.

We are already committed to implementing the criminal justice reform proposals made by Sir Brian Leveson. Together with the Lord Chief Justice, I also set up a joint working group to explore the case for specialist problem-solving courts and we will be taking forward new pilots shortly.

These problem-solving courts work to change behaviour by tackling the mental health problems, alcoholism or drug addiction which can often drive a cycle of offending. A dedicated judge builds up a relationship with offenders, and has the authority and powers to supervise

them on intense rehabilitation programmes instead of prison. The aim is to deliver a more rapid and robust response to crime that holds offenders accountable, to help cut reoffending.

Reports and Reviews

The Ministry of Justice commissioned a number of important reviews this year.

Ian Acheson, a former prison governor, was asked to review the issue of Islamic extremism within jails in England and Wales. Prisons face a risk from those extremists who seek to radicalise fellow prisoners and it is vital that this threat is identified and addressed in order to keep staff, prisoners and wider society safe. We will consider the report's recommendations on how we can best tackle the threat posed by these individuals, and what we can learn from how they are managed in prisons overseas.

We published the final report of Dame Sally Coates's impressive and ambitious review into prison education, which recommends granting governors greater control of education provision and investing in new teaching tools and methods. In the past year, the government has promised to protect prison education budgets in cash terms to the tune of £130m per year and to give control to governors to choose their own education providers.

We asked the former Schools minister, David Laws, to develop a new scheme to recruit high quality graduates as teachers in prisons. This complements the review into the youth justice system led by Charlie Taylor, a former head teacher and child behavioural expert, which will be published in July 2016. His interim findings proposed that young offenders should serve their sentences in new secure schools.

The Prime Minister commissioned a review by David Lammy into possible bias against ethnic minorities in the criminal justice system, which will seek to identify any possible prejudice against people from Black, Asian and Minority Ethnic (BAME) backgrounds and suggest ways to tackle it.

New Technology

Technology is being harnessed by the MoJ in a wide range of ways to make its services more efficient and transparent. To take just a few examples, we are:

- Beginning a new pilot across eight police force areas of GPS tags for offenders and trialling sobriety ankle tags in London to monitor offenders and keep them sober;
- Rolling out court systems that allow the public to respond to a jury summons on-line;
- Publishing court data in a new online tool to help boost transparency and allowing television cameras into the Crown Court in a pilot scheme to film judges' sentencing remarks; and
- Introducing a new central digital document repository for Crown Courts that allows staff from HMCTS, the National Offender Management Service (NOMS), the CPS as well as judges and other legal professionals to view, alter and add legal documents. It replaces the bulky paper bundles and promises to make the court process quicker and more efficient, stripping out costs and delays.

Appointments

We reappointed Baroness Newlove as Victims' Commissioner for another three years, her term to run from January 2016. We appointed Peter Clarke, a retired senior police officer with particular expertise in Counter-Terrorism, as Her Majesty's Chief Inspector of Prisons for three years, beginning in February 2016. We also appointed Dame Glenys Stacey as the new Chief

Inspector of Probation for three years from March 2016 and Juliet Lyon CBE as the new Chair of the Independent Advisory Panel on Deaths in Custody.

Conclusion

The financial climate remains challenging for many Whitehall departments, including the MoJ for whose services are largely 'demand-driven'. However we have an ambitious reform programme to modernise the justice system and deliver further efficiencies. We are continuing to cut costs wherever we can and taking forward reform plans to deliver a more efficient and rehabilitative justice system – without ever losing sight of our core goals: a One Nation justice system that delivers swifter and more certain justice for everyone.

The Rt Hon Michael Gove MP
Lord Chancellor and Secretary of State for Justice

By the Permanent Secretary



It is my pleasure to introduce the Ministry of Justice Annual Report and Accounts for 2015-16, in my first year as Permanent Secretary and Accounting Officer for the Department.

Since last year's report was published, the Ministry of Justice has articulated its priorities for this Parliament. Our Single Departmental Plan, published in February 2016, clearly sets out ambitious plans to transform both the services we provide and the Department itself.

In 2015-16, we agreed a spending review settlement that brings substantial investment in these reforms and with it a vote of confidence in our ability to make them happen. Over the last six months, I have made some changes to roles and responsibilities within the Ministry to ensure we are in the best position to deliver on this plan. Work is already under way to reform our prisons, modernise our courts and tribunals, and deliver a new human rights settlement. This work will continue in earnest as we progress into the coming year.

2015-16 has been a challenging year for the Ministry financially and the Spending Review settlement, whilst bringing substantial investment, also requires us to halve our administrative spend over the course of the Parliament. Over 2015-16, we have prepared the way for this by undertaking the Ministry of Justice Review which assessed the Department's shape, size and capability and identified options for reform. The MoJ Transformation Programme is now implementing these reforms, which together will create a smarter, simpler and smaller department.

Over 2015-16, each business group has developed its own plan to support these goals, and several cross-cutting programmes have also been established to enable and deliver reform, meeting the challenges of the Spending Review. However we recognise that delivery of this will not be easy and acknowledge that 2015-16 itself was a difficult year financially. A number of key assumptions underpinning the 2015-16 budget did not go in the Ministry's favour. This included demand assumptions, assumptions about increasing fee income and assumptions about the level of savings delivered to date. This meant that for much of the year, the Ministry was forecasting a significant overspend and we needed to implement a programme of cost reduction including the introduction of spending controls over discretionary areas of expenditure, stopping and deferring spend and agreement of a reserve claim with HM Treasury which as a combined package enabled us to deliver within our Resource DEL budget. Despite this, we have continued to deliver services to high standards, introduced a number of significant digital changes in the courts, rolled out the Client and Cost Management System in the Legal Aid Agency and continue to make progress on measures to reduce reoffending amongst many other achievements.

Significant progress has also been made in the past year in improving contract management in the Department following the detailed recommendations made by the Public Accounts Committee in 2014. Much of the organisational structure necessary to support good contract management has been developed and implemented and work continues to embed these systems, process and tools. Improvements in the commercial skill base of both commercial and operational staff are underway and our senior management continue to provide leadership and focus in this area. That said, we still face significant challenges in this area.

Each of these achievements means we are now in a strong position to build on the progress we have made over the past year and successfully deliver against the ambitious objectives set out in the Single Departmental Plan.

Richard Heaton
Permanent Secretary

By the Lead Non-Executive Board Member



The financial year ending April 2016 has been a very challenging one for our Department. We started the year with a very tight settlement and agreed further savings in the summer budget following the May 2015 election.

A combination of factors including increased demand in the justice system, lower fee income than originally expected and under delivery against some savings targets has meant that we were unable to meet the settlement and were forecasting a significant overspend all year. This required a substantial in year reserve claim from the Treasury.

The Ministry subsequently introduced a range of measures to control expenditure including the introduction of emergency spending controls over discretionary spend categories such as recruitment, travel and training and completed a number of deep dives into all areas of spend to identifying expenditure that could be stopped or delayed. These measures combined with a reserve claim has enabled us to bring our spend broadly in line with budget. However, there is more to do to strengthen the culture of spending and financial accountability across the whole organisation to meet the financial challenges ahead.

The Department has continued to deliver change including implementing the Community Rehabilitation Company contracts, work on Wrexham prison and launching reviews in Youth Justice and Prison education. The Ministry of Justice has also commenced the 'MoJ Transformation' programme. This programme will make the Department smarter, smaller and simpler, including dispersing specific functions of the Department across the country, including supporting the Governments' 'Northern powerhouse' initiative.

The MoJ Departmental Board (the Board) met on six occasions from 1 April 2015 to 31 March 2016. The Board regularly discussed:

- The Department's 'in-year' financial position;
- Financial projections for the forthcoming years;
- The Department's portfolio of major projects and programmes;
- The operational performance of the MoJ overall and its Executive Agencies; and
- Current issues and risks.

After the General Election in 2015, a new ministerial team was appointed under the leadership of the new Secretary of State (SoS). The Board has seen both Ministerial, Executive and Non-Executive changes in membership across the last year. The new Board consists of Rt Hon. Michael Gove MP as the Secretary of State, Dominic Raab and Caroline Dinenage along with Shailesh Vara, Andrew Selous, Mike Penning and Lord Faulks. On the 1st of September we welcomed the new Permanent Secretary Richard Heaton following the retirement of Dame Ursula Brennan.

The Board is supported by two Committees; the Audit and Risk Committee and the Nominations Committee which have met six times and twice respectively. The SoS and the Permanent Secretary have agreed a further strengthening of governance through the creation of a Performance Committee sitting under the main board. This will ensure that the Department has a joined up approval oversight of all Ministerial priorities. It has also been agreed that an Investment Committee is to be established chaired by the Department's new

Director General for Finance, Assurance and Commercial, to oversee all investment decisions across the delivery portfolio.

This year saw changes to the Non-Executive Board Members (NEBMs). A new team was appointed by the Secretary of State. I was appointed as a Lead NEBM in June 2015. In July and August 2015 Liz Doherty, Lizzie Noel and Sir Martin Narey were appointed as NEBMs. In October Sir Michael Barber joined the team after being appointed in July. The new NEBMs carried out their roles effectively by providing significant challenge and support to the Department's officials. I have met twice with the NEBMs team on a quarterly basis during 2015-16, together with frequent informal dialogue.

I have recently completed the fifth Board Effectiveness Evaluation which shows overall the board is considered to be working effectively and there is a relatively good understanding of the work of the board and its Committees. The Board is seen to be encouraging debate to enhance high quality decision making. Also, the Non-Executives are seen to be given the opportunity to contribute outside of board meetings which enables the Department to capitalise on their expertise. An action plan has been created to develop further understanding of the Board members regarding the key risks and performance of Arm's Length Bodies.

The Department has secured significant investment from HMT with £1.3 billion to reform and modernise the prison estate and over £700m to reform the courts and tribunals. This funding is additional to the £300m funding already being invested to create a digital infrastructure for our criminal courts. It is important that this investment is spent effectively to deliver a better justice system at lower cost to the taxpayer. I and my fellow Non-Executive Board Members have, and will, continue to focus hard on bearing down on administrative cost.

Sir Theodore Agnew
Lead Non-Executive Board Member

Transformation and Reform

In 2015-16 we announced:-

£1.3 billion

will be invested to reform and modernise the prison estate to make it more efficient, safer and focused on supporting rehabilitation.

Over £700 million

investment in the courts and tribunals system to create a more modern estate and to improve vastly the user's experience of justice.

We will create a smaller, smarter HQ, enabling us to deliver better performance

Our vision and objectives

Last year's annual report was published after the election, when the Secretary of State for Justice had just arrived in the Department. Our Permanent Secretary was appointed a few months after that. There has been significant work since then to refresh the strategic objectives and business plan for the Department. MoJ's ambition is clear, work continues to ensure that prisons are places of rehabilitation and not just incarceration, that the court system is effective, modern and efficient, that access to justice is fair and human rights are protected.

Vision

Our vision is to create a justice system that is just, fair, swift, easy to use, affordable and transparent. We are reforming our criminal justice system to help victims and drive down crime. We are reforming our courts and tribunals to improve access to justice and protect every citizen's rights. And we are making sure that individuals – whatever their background – are treated fairly by the State and by our legal system.

Objectives

1. Improve public safety and reduce reoffending by reforming prisons, probation and youth justice
2. Build a One Nation justice system by making access to justice swifter and more certain for all citizens whatever their background
3. Uphold the rule of law, defend the independence of the judiciary, safeguard essential liberties and restore historic freedoms
4. Delivering efficiently in MoJ: ensure the best possible service for citizens by making our Department more efficient and more open, with policy driven by evidence

Our Single Departmental Plan was recently published in February 2016. It sets out our vision for the justice system and how our reforms will transform the services we provide. It outlines what we will do and how we will measure progress against these objectives. The SDP is published at: www.gov.uk/government/publications/moj-single-departmental-plan-2015-to-2020/single-departmental-plan-2015-to-2020.

Our key issues and risks

The Ministry of Justice has huge responsibilities in delivering its part of the UK justice system and this comes with huge risks. The Ministry operates a robust risk management framework. The Executive Committee identifies the top strategic risks facing MoJ and ensures named individuals are responsible for monitoring the risks. Risks are recorded on a risk register and the register is reviewed regularly to ensure all risks are monitored and appropriate mitigation strategies are implemented. Further details on strategic risks can be found in the Governance statement on page 35.

Other MoJ boards and committees manage those risks that fall within their specific areas of responsibility and, as appropriate, will escalate risks for inclusion in the strategic risk register.

Delivering our objectives will require a fundamental change to the way in which the MoJ carries out its services. Our task is to make the MoJ's vision a reality against the backdrop of the significant financial challenge announced in our Spending Review settlement in November 2015.

There will be substantial capital investment to transform the prison estate and to create a more efficient courts and tribunals system.

The Secretary of State and the Chancellor of the Exchequer announced £1.3 billion will be invested to reform and modernise the prison estate to make it more efficient, safer and focused on supporting rehabilitation. The government will sell ageing, inefficient prisons and replace them with 10,000 new places, enabling us to improve education and rehabilitation.

MoJ has secured investment for a radical reform of courts and tribunals. Over £700m will be invested to create a smaller and more modern estate and to improve vastly the user's experience of justice for the users of our courts and tribunals. This will generate savings to the taxpayer of approximately £200m a year from 2019-20.

Our performance

3.9m cases,

across criminal, civil, family and tribunal cases are handled each year across 450 court buildings in England and Wales and tribunal buildings in Scotland



The Prisons estate consists of **121** prisons and held over **85,000 offenders** each week in 2015.

The LAA receives around **2.5m legal aid applications** and bills of which over **80%** are now submitted online.



The Department uses a range of indicators and data to measure performance, which are published at: www.gov.uk/government/organisations/ministry-of-justice/about/statistics.

The key performance indicators included in this annual report are the key metrics the Department has used to monitor performance over 2015-16. These metrics have also been included in the Department's Single Departmental Plan which was published in February 2016.

The performance metrics are presented under the framework of strategic objectives set out in the Single Departmental Plan to help the reader understand how 2015-16 performance relates to our stated objectives going forward.

1. Improve public safety and reduce reoffending by reforming prisons, probation and youth justice

Performance results related to this objective are primarily delivered by the National Offender Management Service (NOMS), an agency of MoJ. For further details please refer to NOMS Annual Report and Accounts.

Performance Area	Type of indicator	Previous Performance			Current Period	Commentary
Re-offending						
Adult	% of offenders	25.5 (Jul 2010 – Jun 2011)	25.0 (Jul 2011 – Jun 2012)	25.1 (Jul 2012 – Jun 2013)	24.9 (Jul 2013 – Jun 2014)	Reoffending rates have remained consistent over the last four reporting years. We are changing our approach to make sure we address the causes of reoffending.
Adult, prison	% of offenders released from custody	46.9 (Jul 2010 – Jun 2011)	45.6 (Jul 2011 – Jun 2012)	45.2 (Jul 2012 – Jun 2013)	45.6 (Jul 2013 – Jun 2014)	We are committed to the rehabilitation of offenders; the links between safe housing, employment, strong relationships and health, and reduction in efficiency are well established.
Juvenile	% of offenders	36.0 (Jul 2010 – Jun 2011)	35.3 (Jul 2011 – Jun 2012)	36.6 (Jul 2012 – Jun 2013)	37.8 (Jul 2013 – Jun 2014)	Work is underway to provide services that address the multiple barriers faced by prisoners. There are programmes in place within both the prisons and probation systems to increase offenders' work skills and open employment opportunities for them at the end of their sentence. This also includes raising education standards, supporting those with drug and alcohol abuse issues and working with local communities to provide stable and suitable accommodation for offenders once released from prison.
CRCs (Community Rehabilitation Companies)	% completion of community orders & suspended sentence orders		77.0 (Feb-Mar 2015)	79.0 (Apr-Sep 2015)	78.9 (Apr-Dec 2015)	2015-16 was the first full year of CRC performance. Therefore we are not able to compare against previous full-year performance. Internal audits of CRCs' 'Through the Gate' services will begin in April 2016 and the findings will be closely monitored by the MoJ.
Drug Testing	% of prisoners testing positive for drug use from all randomly tested prisoners	7 (2012-13)	7.4 (2013-14)	6.9 (2014-15)	7.7 (2015-16)	While there has been a reduction in the percentage of prisoners testing positive for drug use (pending 2015-16 results), we must do more to support those who abuse drugs while in custody. Drugs are a common driver of offending behaviour and the presence of drugs in prison directly undermines rehabilitation and the addiction programmes we provide to help prisoners kick the habit. Some drugs, including new psychoactive substances (NPS), make prisoners more volatile and increase the danger to themselves, other prisoners and our staff.

Performance Area	Type of indicator	Previous Performance			Current Period	Commentary
						That is why it is important to understand the level of drug taking in prisons and to reduce it through targeted approaches aimed at the threat. In particular, testing for NPS will be rolled out nationally to all prisons by April 2016, to improve our understanding and prevention of these drugs within the prison system.
Safety						
Deaths in custody	Number of incidents	181 (2012-13)	225 (2013-14)	239 (2014-15)	290 (2015-16)	The MoJ is dedicated to protecting the safety of its staff and the offenders within its care, through the prevention of suicide, self-harm and violence within the prison system.
Prisoner on prisoner assaults	Number of incidents	11,584 (Jan-Dec 2012)	11,397 (Jan-Dec 2013)	12,552 (Jan-Dec 2014)	15,511 (Jan-Dec 2015)	To reduce levels of self-harm and suicide, the MoJ is developing its mental health treatment programmes, investigating innovative ways to identify and treat prisoners at risk. An educated, independent and informed prison staff is essential to fulfilling this aim.
Assaults on staff	Number of incidents	2,987 (Jan-Dec 2012)	3,266 (Jan-Dec 2013)	3,637 (Jan-Dec 2014)	4,963 (Jan-Dec 2015)	Work is also being undertaken to reducing violence between offenders and against officers, through our Violence Reduction programme. We are trialling several new activities including the use of body worn cameras within prisons, and expanding our research base to better understand the local factors driving this violence.
Crowding (%)	% of total prison population	23.9 (2012-13)	24.1 (2013-14)	25.5 (2014-15)	24.5 (2015-16)	
Escapes						
Prison escapes	Number of incidents	1 (2012-13)	2 (2013-14)	0 (2014-15)	0 (2015-16)	One of the most important functions of prison is to protect the public from dangerous prisoners – including when they are transported to and from court and other establishments. To keep society safe, and to maintain public confidence, it is crucial that the security of prisons remains intact.
Prison escort escapes	Number of incidents	0 (2012-13)	2 (2013-14)	1 (2014-15)	5 (2015-16)	We have continued our excellent record of a very low number of escapes. This high standard will remain an integral part of our plans to modernise prisons across the country.
Contracted out escort escapes	Number of incidents	9 (2012-13)	9 (2013-14)	12 (2014-15)	8 (2015-16)	

Performance Area	Type of indicator	Previous Performance			Current Period	Commentary
Category A escapes	Number of incidents	1 (2012–13)	0 (2013–14)	0 (2014–15)	0 (2015–16)	MoJ has achieved excellent performance with zero category A escapes for three years in a row. Category A prisoners present a unique and severe risk to public safety, as well as national security, and thus require the highest level of security measures from criminal justice agencies. We are proud that for the third year running, there have been no Category A escapes, a record that we aim to maintain throughout the prison reform process
Cost per prison place	£	27,802 (2011–12)	27,314 (2012–13)	26,350 (2013–14)	25,980 (2014–15)	Prison and probation performance statistics are published separately.
Cost per prisoner	£	25,678 (2011–12)	25,798 (2012–13)	24,567 (2013–14)	23,854 (2014–15)	

2. Build a One Nation justice system by making access to justice swifter and more certain for all citizens whatever their background

Performance results related to this objective are primarily delivered by Her Majesty's Courts and Tribunals Service (HMCTS) and the Legal Aid Agency (LAA), both agencies of MoJ. For further details refer to their individual Annual Report and Accounts.

Performance Area	Type of indicator	Previous Performance			Current Period	Performance Analysis
HMCTS - First listing to completion for cases dealt with at the Crown Court	Days	191 (2012)	176 (2013)	187 (2014)	211 (2015)	Delivering quick, certain justice is a fundamental element of the effectiveness of any justice system. Without timeliness and organisation within justice proceedings the public loses faith in the system and offenders move to exploit it. Any delays in the system also result in heavy costs to all parties involved. The MoJ is committed to improving the speed and efficiency with which justice is delivered and making it more accessible to all of the British population. While timeliness remained fairly stable for three years, there was a noticeable increase in last year's performance. Work is underway on the Court Reform programme which aims to tackle delays and bottlenecks within both the civil and criminal justice systems by taking more work out of courts, moving from a paper-based system to a digital platform, and strengthening our relationships with those in the legal professions.

Performance Area	Type of indicator	Previous Performance			Current Period	Performance Analysis
Average disposal duration of "Children in Care" cases (average time from application of a care or supervision order to first valid disposal)	Weeks	49.5 (2012)	38.2 (2013)	29.9 (2014)	28.3 (2015)	<p>Performance within Average disposal duration "Children in Care" cases has improved year on year for four years.</p> <p>We will continue to work with family justice stakeholders and the judiciary to improve the family court, simplifying processes and procedures where possible and helping to achieve timely outcomes that are in the best interests of the child. Our aim remains to protect children at risk of significant harm.</p>

3. Uphold the rule of law, defend the independence of the judiciary, safeguard essential liberties and restore historic freedoms

We support the Lord Chancellor in the exercise of his duties in relation to guaranteeing the independence of the judiciary and upholding the rule of law which includes responsibility for matters relating to the judiciary (including appointments, conduct, terms and conditions and pensions); courts and tribunals; civil and family law; legal aid; legal services and the legal professions.

The Government was elected with a mandate to reform and modernise the UK human rights framework and will bring forward proposals for a Bill of Rights, which will replace the Human Rights Act. The Bill will take into account our common law traditions and commitment to free speech and parliamentary sovereignty. It will make clear where the balance lies between Strasbourg and UK courts.

4. Delivering efficiently in MoJ: ensure the best possible service for citizens by making our Department more efficient and more open, with policy driven by evidence

We are reforming MoJ to create a smarter, simpler, and smaller department which delivers the government's priorities and meets our financial challenges. The MoJ Review was established in May 2015 to determine future structural options for the Department and to meet our financial challenge. The review ran from May to December 2015 and gathered a significant volume of data, benchmarked, challenged, generated and tested hypotheses about where opportunities were and how we could realise them.

The findings of the Review included a recommendation to reduce our reliance on expensive central London property, reform our policy operating model with an enhanced use of data to drive policy and planning and conduct a service by service review and redesign of our corporate functions. We have identified £280m savings over the course of the Parliament by driving efficiencies throughout non-frontline functions.

To live within the budget we will need to transform the Department. MoJ Transformation will drive a range of cross-cutting initiatives, including becoming a department which is more data driven and nationally dispersed, alongside transformation plans in each of our business groups to deliver these savings.

Our policy resources will be aligned to ministerial reform priorities with regular reviews to ensure that resource allocation remains optimised. We will reduce duplication and develop policy in a more transparent and open way, while reducing the size of the Whitehall department. We will support public service innovation by improving and sharing our evidence about what works, and by reducing centralised bureaucracy and control.

Evidence will be at the heart of what we do. We will improve our data, analysis, and research capability so that we can give officials and frontline staff access to evidence about what works, helping to deliver the best outcomes for citizens. This will include the creation of a new Data, Evidence and Science Advisory Board chaired by Sir Michael Barber. We will also build on the success of the Justice Data Lab by exploring ways of opening our data, learning from academia and drawing on evidence of best practice internationally.

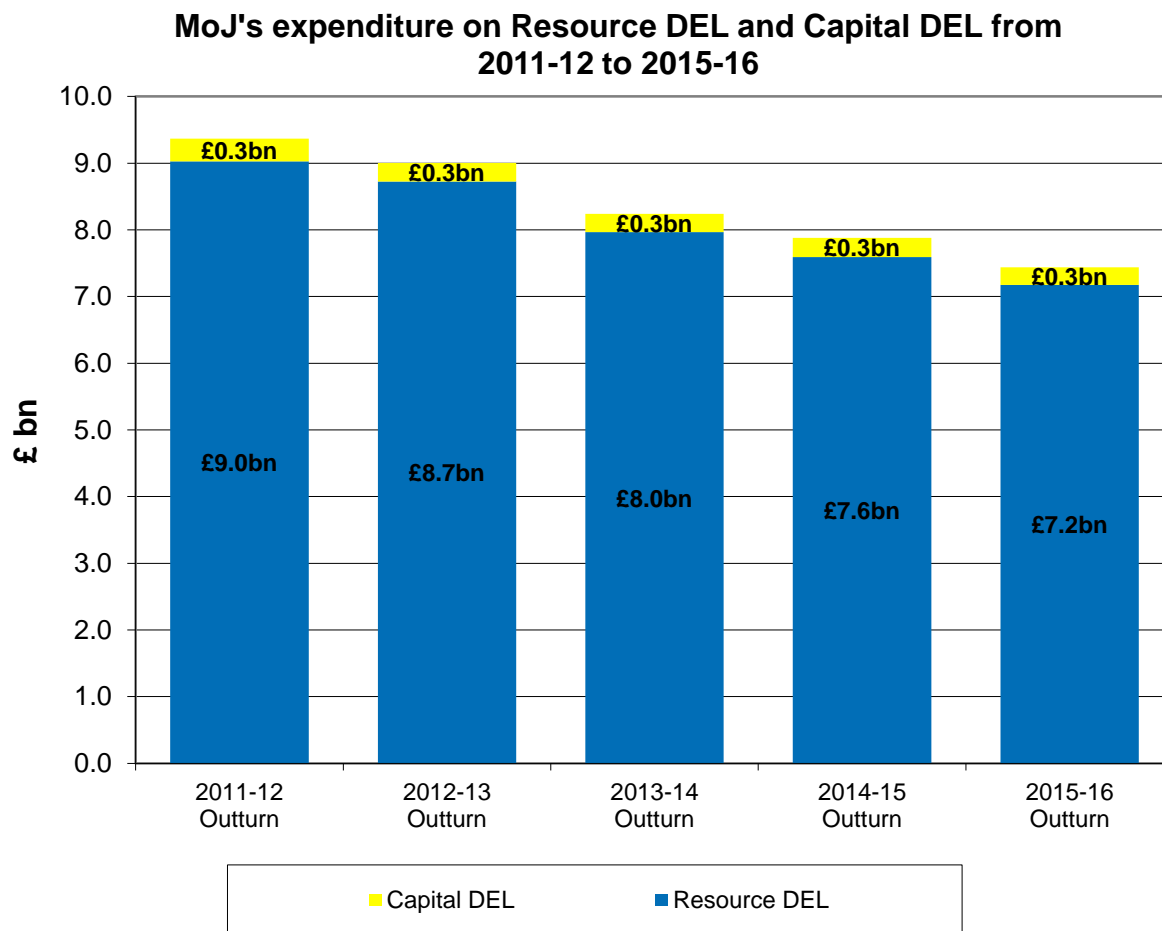
We will ensure that both the overall size and the cost per square metre of the Department's property portfolio falls. We will be fully transparent about staffing numbers and costs, in order to demonstrate that our staff are deployed as effectively as possible.

The cost and nature of every item of HQ expenditure above £25,000 will be published, and we will improve our debt collection year on year in line with the MoJ Debt Management Strategy.

Our finances

The Ministry agrees its budget with HM Treasury as part of the Government's Spending Review process following which detailed spending plans are approved by Parliament as part of the Supply Estimates process¹. Parliament approves expenditure plans for all departments twice a year – in the Main Estimate at the start of the financial year and via the Supplementary Estimate in January reflecting any agreed changes throughout the year.

The Ministry has faced a challenging year in terms of its finances. Our spending review settlement for 2015-16 was a demanding one to begin with, our baseline further reduced at the Summer Budget which followed the May 2015 election. This followed successful delivery of substantial savings in prior financial years. The diagram below shows MoJ Resource and Capital DEL expenditure from 2011.



A combination of factors including increased demand in the justice system, lower fee income than originally expected and under delivery against some savings targets has meant that we were unable to meet our revised settlement, and were forecasting a significant overspend for much of the year.

Throughout the year, the Ministry introduced a range of measures to control expenditure including the introduction of emergency spending controls over discretionary spend categories such as recruitment, travel and training and completed a number of deep dives to identify expenditure that could be stopped or delayed. These measures combined with a reserve claim

¹ Process by which Government seeks Parliaments authority for its spending plans.

of £400m and an agreed Capital to Resource DEL switch of £45m, have enabled us to bring our expenditure in line with revised budgets.

2015-16 - outturn against estimate

The table below shows performance against our 2015-16 control totals as agreed by Parliament in the 2015-16 Supplementary Estimate. A further breakdown of these figures by agency/area can be seen in table SoPS 1.1 on page 65.

	Supplementary Estimate provision £m	Outturn £m
Resource DEL	7,298	7,205
<i>Of which administration</i>	576	570
Capital	279	266
Resource AME	751	258
Net Cash	7,120	6,964

Resource DEL: DEL stands for 'Departmental Expenditure Limit' and is a key budgetary control total for all Government Departments. As discussed above, MoJ's DEL settlement has been extremely challenging. A number of key assumptions underpinning the 2015-16 budget did not go in the Ministry's favour. This included demand assumptions, assumptions about increasing fee income and assumptions about the level of savings delivered to date. We ended the year with a Resource DEL underspend of £102.5m which was largely driven by lower than expected depreciation.

Administration: Within the Resource DEL budget, there is an element that specifically relates to administration costs which covers non-frontline areas of spend. This enables Government to control and monitor expenditure more akin to 'back office' spend. We ended the year with an administration underspend of £5.4m which was largely driven by activity throughout the year to control costs on areas of discretionary expenditure.

Resource AME: AME stands for Annually Managed Expenditure and this relates to spend that is largely driven by factors outside the direct control of Government Departments. The Ministry has a relatively small but highly volatile AME budget that is largely made up of accounting provisions relating to pension scheme liabilities, property impairments and provisions relating to work incurred but yet to be billed to the Department. We ended the year with an underspend of £493m on AME which reflects the inherent volatility in this budget and the fact that we made provision based on prudent assumptions about the valuation of these provisions when we confirmed our Supplementary Estimate budget with HM Treasury.

Capital: Capital expenditure represents money incurred on investing in capital assets. We ended the year with a capital underspend of £13m which was broadly in line with budget

Net Cash: Net Cash is the limit on amount of cash spend over the course of the year. We ended the year at £155.7m lower than our anticipated net cash requirement. This is driven by a combination of Resource DEL and Capital DEL outturns and favourable working capital movements (e.g. receiving cash in from debtors year on year).

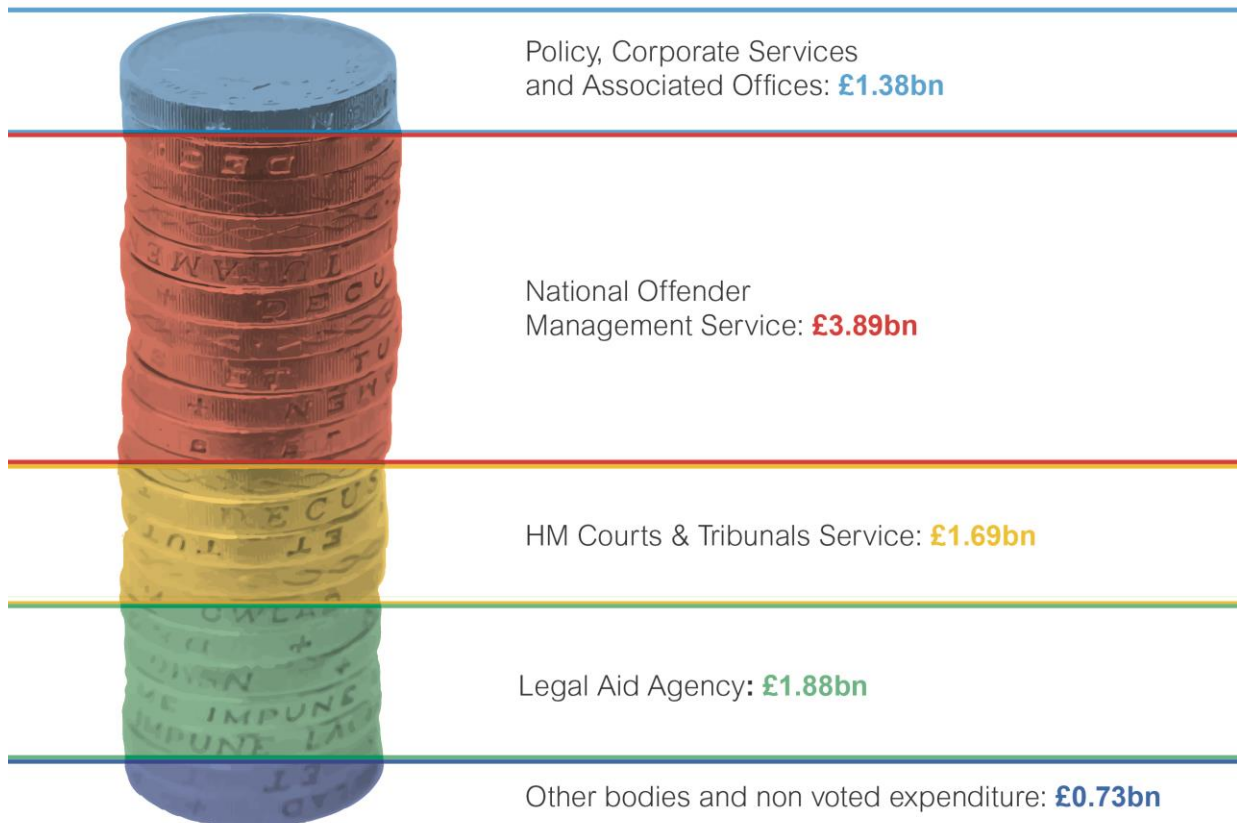
Public expenditure tables can be found in Annex A.

2015-16 – where we spent our money

In 2015-16 MoJ spent £7.2bn in Resource DEL and £266m in capital DEL. This compares to £7.6bn (Resource DEL) and £289m (Capital DEL) in 2014-15.

The reduction of £410m fiscal DEL since last financial year is partly driven by an increase in fee income due to the introduction in March 2015 of enhanced fees for high value civil money claims and partly due to efficiency savings across a number of areas.

Total Gross Expenditure (£bn's) £9.56bn



The figures included above are total departmental spending, which is the sum of the gross resource budget and capital budget.

Richard Heaton
Accounting Officer

5 July 2016

Sustainable Development

Introduction and Scope

The Ministry is committed to making sustainable development standard in everything we do. Priorities include reducing carbon emissions, water consumption and waste to landfill.

The bodies included within the scope of this element of the Annual report are Ministry of Justice HQ buildings, National Offender Management Service, HM Courts & Tribunals Service, Leal Aid Agency, Office of the Public Guardian and Criminal Injuries Compensation Authority².

Sustainable Procurement

In line with MoJ Commercial policy to embrace best ethical, environmental, and health and safety practice in meeting business needs, procurement should always be conducted using a sustainable approach.

Defra provides details of Government Buying Standards for a range of products. The minimum standards required by these standards are mandated for use by MoJ and are included as part of all tendering activity where they apply.

The current MoJ Food tender is the first large scale procurement to use Defra's new Balanced scorecard, adopting not just the mandatory standards but going beyond to establish continuing development in a number of areas.

MoJ excels in its performance against the Government's stated target of 33% of government procurement expenditure is to go to SMEs.

Carbon Reduction Commitment

This is a mandated energy reporting system for medium to large scale energy consumers. Participants must prepare detailed annual consumption reports and purchase sufficient allowances to cover their respective carbon impact. The associated carbon allowances for 2015-16 are forecasted to be £7,223,473.

Biodiversity Action Planning

The MoJ continues support the National Biodiversity Network (NBN) strategy and objectives set out in the Biodiversity 2020 report³. The MoJ Ecology network are drafting a national pollinator strategy in support of the UK's National Pollinator strategy for 2016. In addition, the network is drafting a statement to provide guidance and benchmarks on supporting the conservation and long term preservation of natural habitats across the MoJ estate.

Rural Proofing

The MoJ estate Sustainable Operations Team provides guidance to the operational estates, whilst developing a robust programme to respond to important planning issues, such as; transport plans, ecological impact assessments and social and community plans. Its collaboration with internal estate project and technical design teams on new builds and ongoing maintenance projects has helped deliver important carbon saving measures along with environmental sensitive site protection, which aids both rural diversification and ecosystem services on a landscape scale.

Greenhouse Gas Emissions

Overall the Department, as at December 2015, achieved a 19% reduction against the 2009-10 Greenhouse Government Commitments baseline (rolling 12 months) for carbon, with the non-

² Information Commissioners Office has previously been included in the MoJ sustainability report but was transferred to the Department of Culture Media and Sport in September and therefore is now included in their sustainability reporting.

³ Biodiversity 2020 report: www.gov.uk/government/uploads/system/uploads/attachment_data/file/69446/pb13583-biodiversity-strategy-2020-111111.pdf

custodial estate showing a 34% reduction and the custodial estate an 11% reduction. We have exceeded the GGC carbon target on the non-custodial estate by reducing the size of our administrative estate, enhancing maintenance working, working with our facility management providers to enhance building performance and delivering carbon reduction projects. Where full year performance data is unavailable at the reporting date, estimates based on previous periods have been reported in the table below.

We recognise that our custodial estate, comprising of older less efficient buildings, presents a challenge. A Sustainable Development Steering Group has been set up to monitor performance and drive improvements.

Greenhouse gas (GHG) emissions		2015-16	2014-15	2013-14
Non-financial indicators (tCO ₂ e)	Scope 1 (Direct) Site based emissions & owned transport.	195,591	206,749	213,578
	Scope 2 (Indirect) Supplied energy (Electricity and heat)	224,224	238,317	219,583
	Scope 3 (Other indirect) Business travel & transmission losses from supplied energy	39,679	37,659	30,651
	Total gross GHG emissions	459,494	482,725	463,812
	Electricity: green/renewable	55,797	59,159	54,442
	Total net GHG emissions	403,697	423,566	409,370
Non-financial indicators (MWh)	Electricity: grid, CHP & non-renewable	335,636	361,061	369,232
	Electricity: renewable	111,515	119,653	122,210
	Gas	903,080	951,013	987,458
	Other energy sources	84,267	88,608	84,320
	Total energy	1,434,498	1,520,335	1,563,220
Financial indicators	Expenditure on energy (£m)	96,788	102.8	108.8
	Expenditure on official business travel (including GCOF) (£m)	25.2	26.6	32.5

Waste

All disposed waste by type (tonnes)			2015-16	2014-15	2013-14
Non Non-financial indicators	Non- Hazardous Waste (tonnes)	Landfill waste	10,807	14,625	17,204
		To recovery	1,921	1,343	3,306
		To incineration	109	167	121
		Reused/recycled waste	25,846	27,065	28,771
		Energy from waste	9,297	8,466	7,802
		Total waste arising	47,980	51,666	57,204
Financial indicators	All types	Total costs (£m)	7.0	8.3	6.8

The Ministry of Justice waste target is 25% and we have exceeded the GGC waste target which currently stands at 32%. This can be attributed to digitalisation, better data collection and behavioural change.

On average, a prison waste management unit employs 10 prisoners working a 29 hour week, sorting through the waste to separate out items suitable for reuse and processing materials for recycling. Having gained work experience in the prison waste management unit, around 50 prisoners eligible for release on temporary licence work out in the waste and recycling industry

each week. Industry accredited training has also been introduced and 582 prisoners were successful in gaining waste management qualifications which will assist them in gaining employment on release.

Water

Water		2015-16	2014-15	2013-14
Non-financial indicators	Total water consumption (m3 '000)	8,356	8,796	8,964
Financial indicators	Total water supply costs (£m)	24.3	24.7	24.3

Paper

Paper		2015-16	2014-15	2013-14
	Cost excluding VAT (£m)	2.4	2.2	2.7

Accountability

Accountability

Corporate Governance Report

Director's Report

The table below sets out names and titles of all Ministers and members of the Management Board who have had responsibility for the Ministry over 2015-16.

Departmental Board, Audit and Risk Committee and Nominations Committee Member Attendance 1 April 2015 to 31 March 2016			
Members	Meetings attended per member out of those eligible to attend		
	Departmental Board	Audit & Risk Committee ³	Nominations Committee
Ministers			
The Rt Hon Michael Gove MP, Lord Chancellor and Secretary of State for Justice (from 15 May 2015)	5 of 5	-	-
The Rt Hon Chris Grayling MP, Lord Chancellor and Secretary of State for Justice (to 14 May 2015)	1 of 1	-	-
The Rt Hon Simon Hughes MP, Minister of State for Justice and Civil Liberties (to 8 May 2015)	1 of 1	-	-
The Rt Hon Mike Penning MP, Minister of State for Policing, Criminal Justice and Victims	0 of 6	-	-
Lord Faulks QC, Minister of State for Civil Justice and Legal Policy	4 of 6	-	-
Shailesh Vara MP, Parliamentary Under-Secretary of State, Minister for the Courts and Legal Aid	2 of 6	-	-
Andrew Selous MP, Parliamentary Under Secretary of State for Prisons, Probation, Rehabilitation and Sentencing	5 of 6	-	-
Caroline Dinenage MP, Parliamentary Under Secretary of State for Women, Equalities and Family Justice (from 12 May 2015)	2 of 5	-	-
Dominic Raab MP, Parliamentary Under Secretary of State, Minister for Human Rights (from 12 May 2015)	5 of 5	-	-
Executive Management			
Richard Heaton, Permanent Secretary (from 29 August 2015)	3 of 4	2 of 2	1 of 1
Dame Ursula Brennan DCB, Permanent Secretary (to 31 August 2015)	2 of 2	3 of 4	1 of 1
Catherine Lee, Director General, Law & Access to Justice	5 of 6	-	-
Ann Beasley CBE, Director General, Finance, Assurance and Commercial Group	5 of 6	6 of 6	-
Indra Morris, Director General, Criminal Justice Group (from 30 March 2015)	6 of 6	-	-
Matthew Coats, Chief Executive, Legal Aid Agency and Director General, Corporate Services	6 of 6	-	-

³ Permanent Secretary and DG Finance and Corporate Services Group attend the Departmental Audit and Risk Committee meetings in the capacity of additional attendees.

Departmental Board, Audit and Risk Committee and Nominations Committee Member Attendance 1 April 2015 to 31 March 2016			
	Meetings attended per member out of those eligible to attend		
Members	Departmental Board	Audit & Risk Committee³	Nominations Committee
Michael Spurr, Chief Executive, National Offender Management Service	5 of 6	-	-
Natalie Ceeney, Chief Executive, Her Majesty's Courts & Tribunals Service	4 of 6	-	-
Non-Executive or Independent Member			
Tim Breedon CBE, Lead Non-Executive (to 5 June 2015)	1 of 1	-	1 of 1
Fields Wicker-Miurin, Non-Executive (to 30 June 2015)	0 of 1	-	1 of 1
Dame Sue Street DCB, Non-Executive (to 30 June 2015)	1 of 1	2 of 2	1 of 1
Bill Griffiths, Departmental Audit & Risk Committee Chair and Non-Executive (to 30 June 2015)	1 of 1	3 of 3	1 of 1
Sir Theodore Agnew, Non-Executive (from 2 June 2015 to 16 July 2015)	-	1 of 1	-
Sir Theodore Agnew, Lead Non-Executive (from 16 July 2015)	5 of 5	-	1 of 1
Sir Martin Narey, Non-Executive (from 12 August 2015)	4 of 4	-	-
Lizzie Noel, Non-Executive (from 12 August 2015)	4 of 4	-	1 of 1
Liz Doherty, Departmental Audit & Risk Committee Chair and Non-Executive (from 19 August)	3 of 4	2 of 2	-
Sir Michael Barber, Non-Executive (from 29 October 2015)	1 of 3	-	-
Peter Conway, Independent member of Audit & Risk Committee	-	6 of 6	-
Kathryn Ayton, Independent member of Audit & Risk Committee (from 1 August 2015)	-	2 of 2	-

Personal data related incidents

The following gives a summary report of significant personal data related incidents in 2015-16 categorised according to Cabinet Office requirements. Incidents, the disclosure of which would in itself create an unacceptable risk of harm, may be excluded in accordance with exemptions contained in the Freedom of Information Act 2000 or may be subject to limitations of other UK information legislation.

Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
June 2015	Papers containing prison staff information placed in error in recycling waste rather than confidential waste and found by a prisoner.	Personal information relating to prison staff.	Over 300 people were potentially affected.	Reported to the ICO in August 2015. An investigation found the information was several years old. All affected individuals were notified. The ICO closed its investigation and took no action.
September 2015	Temporary member of probation staff accessed prisoner data without authorisation.	Data relating to one offender.	One individual was potentially affected	The police and ICO were notified. The ICO closed its investigation and took no action. They were satisfied with the actions taken by NOMS and plans to vet all temporary and agency staff in future.
November 2015	Discovery of probation files in sealed outbuilding of disused former Probation Trust site.	Probation files including offender and victim details dated 2003 and earlier.	The poor condition of the files makes determining the exact number impossible.	The MoJ notified the ICO in February. The ICO closed its investigation and took no action.
Further action on information risk	The Department will continue to monitor and assess its information risks in order to identify and address any weaknesses and ensure continuous improvements of its systems.			

The Department manages millions of records of personal data and takes all incidents of personal data loss very seriously. All staff are required to undertake compulsory information assurance training upon joining the Department and yearly thereafter.

Effective implementation of security is monitored at a local level by a network of trained security and information assurance practitioners. MoJ is applying the 'Government's Security Policy Framework' to control risks across the organisation. This comprises the requirement to identify and manage threats to the security (confidentiality, integrity and availability) of its information assets and control these by applying proportionate measures.

Complaints to the Parliamentary and Health Service Ombudsman

The Parliamentary and Health Service Ombudsman addresses complaints made by members of the public, brought to her attention by Members of Parliament, where there has been alleged maladministration by government departments and other bodies within their jurisdiction.

Complaints provide an opportunity for the Department not only to put right any mistakes we might have made, but also to improve the overall standard of the service we provide. They are therefore treated very seriously.

In the Parliamentary and Health Service Ombudsman's most recent report on complaint handling by government the MoJ performance for the year ended December 2014 was as follows:

Number of completed investigations*	Investigations upheld or partly upheld		Investigations not upheld		Investigations resolved without a finding or discontinued	
	Number	%	Number	%	Number	%
348	107	31	192	55	49	14

*Includes inquiries about organisations that are accountable to the Department.

The Parliamentary and Health Service Ombudsman provides an annual analysis of the complaints it has received for each government department, including the MoJ. The report also provides further details on investigations, compliance and recommendations and can be found at:

www.ombudsman.org.uk/reports-and-consultations/reports/parliamentary

Department spending

	2015-16	Restated 2014-15
Publicity and advertising	£929,639	£1,401,056
Sponsorship spend over £5,000	nil	nil
Political donations and expenditure	nil	nil
Research and development charged to Consolidated Statement of Comprehensive Net Expenditure	£1,167,264	£2,147,726

Audit

The notional cost of the audit for the Core Department was £537,000 (2014-15: £557,000) which also includes the audit of the Consolidated Accounts, Official Solicitor and Public Trustee, Office of the Accountant General and the Judicial Pension Scheme.

The total cost of audits across the Departmental Group was £1,693,500, of which £234,000 was cash and £1,459,000 notional cost (2014-15: £2,866,500 comprising £1,327,500 cash and £1,539,000 notional cost). Notional audit cost includes the cost of the HM Courts & Tribunals Service Trust Statement audit which is not consolidated as part of these Accounts.

Health & Safety

Occupational health and is important. Sound occupational health and safety performance contributes to overall success.

Our recently updated MoJ Corporate Health & Safety Policy, endorsed by the Permanent Secretary, focuses on performance outcomes which is reported and tracked in-year. Our health and safety policy continues to be underpinned by our strategic fire, health and safety committee and governance structure. This enables corporate health and safety oversight and assurance, where the primary operational responsibility for proportionate health and safety risk management rests with Accounting Officers across the MoJ, its Executive Agencies and ALBs.

Ministerial correspondence

Correspondence from Members of the House of Commons and the House of Lords is given a high priority by MoJ staff and Ministers.

MoJ aims to respond to 90% of correspondence from parliamentarians within 15 working days of it being received. The target is 20 days in the case of NOMS when the Chief Executive replies on behalf of Ministers and 10 days for OPG when the Chief Executive replies on behalf of Ministers.

During 2015 Ministers and Chief Executives on their behalf, replied to 6,240 items of correspondence (compared to 6,167 in 2014). MoJ has learnt from good practice in other departments and has put in place measures to improve performance in 2016, focusing on increasing the quality and timeliness of responses.

Ministerial correspondence from Members of Parliament and peers 1 January 2015 to 31 December 2015¹

	Number of letters received	% of replies (where reply required) within targets
Ministry of Justice Headquarters ²	4,025	64%
HM Courts & Tribunals Service (where CEO replied)	252	93%
HM Courts & Tribunals Service (where Ministers replied)	692	57%
Official Solicitor & Public Trustee (where CEO replied)	18	94%
Official Solicitor & Public Trustee (where Ministers replied)	20	45%
OPG (where CEO replied)	55	94%
OPG (where Ministers replied)	46	74%
NOMS (where CEO replied)	310	96%
NOMS (where Ministers replied)	822	65%

1. Figures are given for the calendar year rather than financial year, to be consistent with previous Annual Reports and the method in which this data is presented to Parliament

2. Includes LAA correspondence.

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000 (the GRAA), HM Treasury has directed MoJ to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held or disposed of, and the use of resources, during the year by the Department (inclusive of its Executive Agencies) and its sponsored Non-Departmental and other Arms Length Bodies (ALBs) designated by order made under the GRAA by Statutory Instrument 2013 No 3187 (together known as the 'Departmental Group', consisting of the Department and sponsored bodies listed at Note 28 to the Accounts). The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and the Departmental Group and of the net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the Accounts, the Accounting Officer of the Department is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Ensure that the Department has in place appropriate and reliable systems and procedures to carry out the consolidation process;
- Make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by Non-Departmental and other ALBs;
- 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 Accounts; and
- Is not aware of any relevant audit information of which the entity's auditors are unaware of, and has taken all steps that ought to have been taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information;
- Confirm that the annual report and accounts as a whole is fair, balanced and understandable, and takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable;
- Prepare the Accounts on a going concern basis.

HM Treasury has appointed the Permanent Secretary of the Department as its Accounting Officer.

The Accounting Officer of the Department has also appointed the Chief Executives or equivalents of its sponsored Non-Departmental and other ALBs as Accounting Officers of those bodies. The Accounting Officer of the Department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the Department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource Accounts. Under their terms of appointment, the Accounting Officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the Department or Non-Departmental and other ALBs for which the Accounting Officer is responsible, are set out in 'Managing Public Money' published by HM Treasury.

The Governance Statement

Introduction

In my first year as Principal Accounting Officer, there has been a mixed level of performance in a number of medium and high risk areas for the Department; as well as inconsistency in the way in which the Department has complied with the control framework. My view is that, whilst we have progressed in a number of areas including contract management, we still have a distance to go in achieving consistent, sustainable performance. I acknowledge the independent rating of 'moderate' provided by the internal audit function, which provides an independent balanced view of our control environment; my own assessment is that despite progress, the Department's position is in the lower end of the 'moderate' conclusion banding. This statement sets out my personal view for why this is the case, and the urgent and collective steps which I and my senior team are now taking to address gaps in our control environment.

The Department has continued to lead and deliver a number of major change programmes to implement the priorities of the new Secretary of State for Justice and his Ministerial Team, along with other change programmes already agreed and in progress. The scale and the pace of these reforms have continued to combine to be the most significant challenge facing the Department. The most significant of these are HMCTS Reform, the reform of prisons, the implementation of probation reform, a reform of the youth justice system and contracts for the electronic monitoring of offenders.

These changes are being delivered against a backdrop of significant financial restraint and an agreed 50 per cent reduction in spending on administration and the headquarters' functions. To facilitate this, there is a fundamental review of the way in which the MoJ operates, involving a significant restructure for the Department. There are also very significant change programmes necessary to improve the cost and efficiency of the support services and the Department's Information and Communications Technology.

This statement sets out in more detail how we have continued to develop our governance frameworks to ensure that we maintain our focus on delivering our ongoing business objectives and the significant change agenda. It also sets out the key risks and issues facing the Department and the key assurance frameworks we have in place to identify, mitigate and respond to these risks and issues.

Governance Framework

The Departmental Board has overall responsibility for advising and challenging on performance and delivery, including setting the Department's strategic direction, overseeing delivery of the MoJ's Single Departmental Plan and the progress of programmes within the MoJ portfolio. The Board was supported by the Audit and Risk Committee and Nominations Committee:

- Audit and Risk Committee - provides advice and assurance on risk, control and governance issues and on the internal and external audit work programmes.
- Nominations Committee - provides assurance on senior talent and performance management.
- I oversee the Department's top level executive management structures, which consists of the Executive Committee, the ExCo Workforce Committee, the Finance Management Committee and the Commercial and Contract Governance Committee. Each of these are described below:
- Executive Committee (ExCo) - is the senior Committee which has overall management responsibility for the Department and meets on a weekly basis. The ExCo has played an

important role in the scrutiny and approval of financial decisions for major projects and programmes.

- ExCo Workforce Committee - a monthly meeting of ExCo and the HR Director to manage talent, workforce and capability issues.
- Financial Management Committee - provides advice to the Executive Committee on budget allocations and monitors the in-year financial performance of the Department and the Department's ability to achieve its multi-year financial plans.
- Commercial and Contract Governance Committee (CCGC) – provides advice to the Executive Committee on commercial capability, management of contracts, supplier relationships and relevant procurement, contract and category strategies.

Since its establishment as a sub-committee of ExCo in July 2014, all contracts on the MoJ “gold list” (the largest and highest risk contracts within the Department) have been reviewed. This has ensured that the management of these contracts is scrutinised more formally, frequently and thoroughly. At the start of 2016 the Chair of the Committee reconfirmed the intention to continue with the cycle of contract reviews for all gold list contracts in the forthcoming year. To further support the contract Senior Business Owners (SBOs) and improve the efficiency of the Committee, a contract review schedule has been cascaded to all SBOs for these meetings across the coming year. This will continue to reduce the number of contracts for which I have incomplete assurance.

The Departmental Board has undergone significant change in the last year with numerous changes in membership. This includes the Chair, Permanent Secretary and non-executive team. Sir Theodore Agnew was appointed as the Lead Non-Executive Board Member in July 2015. Between August and October 2015 the Department appointed four further non-executive board members: Sir Martin Narey, Liz Doherty, Lizzie Noel and Sir Michael Barber.

Liz Doherty is the Chair of the Audit and Risk Committee working with our independent members Peter Conway and Kathryn Ayton, the latter joining the Committee on 1 August 2015. In January 2016 Liz Doherty was invited to join the HMCTS Board as the MoJ Representative at my request. She also attends Financial Management Committee meetings when possible. Lizzie Noel attends the Commercial & Contract Governance Committee and plays an active part in public appointments as a panel member. Sir Michael Barber has been supporting the Department in developing its performance reporting tool for the board and in February 2016 chaired the first Data, Evidence & Science Board. Sir Martin Narey has provided his advice and expertise across the Department, in particular on prison reform and sentencing.

The Board determined that it continues to operate in compliance with the Code of Corporate Governance (“the Code”) through the recent annual formal board effectiveness evaluation completed by the lead Non-Executive Board member. This review found that the Board is working effectively with a good understanding of the work of the Board and its Committees and with a high diversity of views within the Board. There were also areas identified for improvement, specifically the induction of Board members, as well as improving their understanding of departmental delivery, financial and ALB performance. An action plan to address these areas has been approved by the lead Non-Executive Board Member and will be carried out over the coming year.

There has been a marked change in the role of Non-Executive Board Members in the last year, with the Lead Non-Executive in particular being generous with his time and having much more direct engagement and involvement in the direction and operation of the Department. This has brought a new and helpful level of challenge into our decision-making processes, drawing on expertise from outside the Department, as envisaged in the Code. The Lead Non-

Executive attends ExCo to provide direct support, challenge and guidance; he has a role in challenging expenditure in the context of the spending controls framework; and he and other Non-Executives provide operational scrutiny in other areas as guided by the Secretary of State or myself. Senior officials across the Department have recognised and worked with this type and level of challenge, scrutiny and support. They will, therefore, often seek out Non-Executive advice ahead of formal governance. But the formal roles are clear: the additional engagement and involvement of Non-Executive Board Members have not interfered with the proper delegation of decision-making authority.

Key risks and issues facing the Department

A number of the most significant issues faced by the Department during this period warrant further disclosure. These are described below and include updates on issues that were disclosed last year.

Contract Management (update from 2014-15)

Last year's Governance Statement referred to the actions being taken by the Department to improve contract management following problems with electronic monitoring contracts and the consequent review which identified areas of good practice but also significant and long-standing weaknesses. I set out below the progress the Department has made with improving contract management as reported to the Public Accounts Committee in February 2016:

- Governance – the Commercial and Contract Governance Committee (CCGC) was established and continues to meet monthly. All major contracts (the 'Gold List' contracts i.e. all contracts with an annual spend greater than £10m or where there are other high risks) are reviewed on a rolling basis and Internal Audit has developed a programme of contract reviews, to give the Accounting Officer assurance that contract management is effective.
- Integration – we have implemented a common operating model for contract management, which recognises that contract management is a cross-organisation competence.
- Visibility and information - Contract Management Plans are required for all complex, high value contracts. These plans set out in detail how the contract will be managed, roles and responsibilities and how performance data is reviewed and verified. A Contract Scorecard is produced for each of these contracts on a monthly basis. A combined report, summarising all scorecards, provides a consistent view of contract performance to the Commercial and Contract Governance Committee.
- Capability – the Department has developed its commercial capability through a restructuring to recruit more senior and experienced staff and through large scale and training programmes with over a hundred staff having commenced the training modules and completed some assessments and an additional cohort of over one hundred staff having enrolled.

Whilst much progress has been made it is clear from the work of the CCGC and from internal audit reports that further work is required to ensure the agreed improvements are consistently applied to raise the quality of contract management across all of the largest contracts in the Department.

Shared Services (update from 2014-15)

Following the outsourcing of Shared Services in 2014 to Shared Services Connected Ltd (SSCL), the internal client and contracts team have been managing the service delivery of SSCL. The business processes followed continue to be those that were in place prior to the transfer pending the completion of the Transformation programme and the adoption of the cross government Single Operating Platform.

In February 2016 ExCo approved the plan to work towards a November 2016 implementation and migration to the Single Operating Platform, whilst recognising the requirement that additional investment in relation to a number of business critical change requests was needed. The Ministry continues to work with SSCL regarding the delay in implementation of the Single Operating Platform across all departments covered by SSCL.

In April 2016 the contract will move from being a fixed price service to a volumetric priced service. This change is one of the bigger catalysts for benefits within the original business case, the level of the benefit is directly related to the accuracy of our original forecasts.

The Future IT Sourcing (FITS) Programme

The FITS Programme has been delayed with the result that savings that were due to be realised from 2015-16 will not now be realised until 2017-18. Delays have occurred as for two of the contracts more work was needed than originally envisaged.

Since the FITS contracts have been awarded the structure of MoJ has changed and will continue to change as a result of the recent MoJ review, meaning a redesign of the FITS programme has been required. More specifically, the Transforming Rehabilitation Programme has resulted in the creation of Community Rehabilitation Companies which will provide their own IT infrastructure and services, reducing the size and scope of the central technology services that will be required by approximately 10,000 users. Also the e-Judiciary project has created a separate, Office 365 based service for the Judiciary which will further reduce the FITS volumes. Planned Prisons and Courts reforms are, in time, likely to further reduce the size and scope of MoJ's requirement for a central common IT infrastructure and services.

The combination of MoJ's changing needs and recent developments in Cloud Based IT Services created the opportunity for MoJ to reduce delivery complexity and technology costs. As a result, ExCo agreed in November 2015 a revised approach which will deliver a significantly improved solution offering much more versatile and modern services.

Extremism

Managing the threat from extremism and radicalisation is one of the government priorities as part of tackling the wider Counter Terrorism threat. The introduction of the Prevent Duty has also placed a wider duty on NOMS staff to help prevent people from being drawn into terrorism and to ensure that they are given appropriate advice and support. We have continued to work closely with the Home Office, Police and other agencies to tackle extremism and radicalisation in line with the Government's Contest Strategy and the obligations placed on us by the Prevent Duty.

Violence and Self Inflicted Deaths

The levels of violence, self-inflicted deaths and self-harm in prisons remain an area of serious concern, particularly as the position has deteriorated further despite efforts to improve the situation.

The number of serious assaults has continued to increase. The nature of offenders currently in custody and the widespread availability of new psychoactive substances have both contributed to making prisons less safe. There is no single, simple solution to increased violence in prison but a number of initiatives have been introduced by NOMS across the prison estate and there are similar issues affecting the Youth Offender Institutions. The number of self-inflicted deaths in prisons also continues to increase. Again NOMS has put in place a range of responses to seek to address the issue and has put in place additional resources and improved processes.

Electronic Monitoring

The electronic monitoring programme has a complex and challenging history and has experienced a series of unacceptable delays. The new Secretary of State decided to review

the programme and concluded that it was overly complex and in particular that it would be more appropriate to pursue our goals using off-the-shelf technology rather than continuing to develop bespoke tags. The Department has therefore terminated the contract with the contracted hardware provider and is starting a new procurement process for proven tags that are already on the market. In the meantime the Department will continue to deliver electronic monitoring through contract with Capita who deliver the service using hardware and software provided by G4S.

Probation Case Volumes

Community Rehabilitation Companies (CRCs) manage medium and low risk offenders. Supervision in the community of the highest risk offenders managed directly by NOMS is through the National Probation Service (NPS), which is part of the Department. During the year, the volume of cases managed by CRCs have been lower than initial anticipated estimates and the volume of cases managed by the NPS has been higher than initial estimates. The variation appears to be largely driven by a change in the mix of cases coming through the courts, with a reduction in lower risk cases and an increase in the more serious cases. NOMS is undertaking a review of service levels and allocation principles; recruiting and training new staff; and is engaged in commercial negotiations with suppliers to ensure that contracts continue to operate effectively in the court operating environment.

Medway Secure Training Centre

In January 2016 the BBC and other media reported allegations, arising from a BBC Panorama programme, of verbal and physical mistreatment of young people detained at Medway Secure Training Centre which is managed by G4S. Allegations included claims of mismanagement and poor care of young people in the facility. As a result G4S suspended a number of staff and an investigation by Kent Police and the Medway Council child protection team began. The Youth Justice Board (YJB) has increased its monitoring activity at Medway and is working with those involved in the investigation. G4S subsequently dismissed five members of staff.

On 26 January 2016 the Secretary of State appointed an Independent Improvement Board for the Medway Secure Training Centre. In parallel three internal audits covering each of the secure training centres were also commissioned. Internal audit work is continuing but emerging findings have identified a need to improve contract management within the YJB. The Medway Improvement Board has made a series of recommendations which will aim to strengthen external scrutiny, safeguarding and monitoring arrangements and clarify the responsibilities of organisations and individuals involved in providing services at STCs. The Secretary of State has accepted all their recommendations and these measures are also being applied to the other Secure Training Centres. A working group will be set up to support the implementation of those measures.

On the 12 May the Secretary of State announced that NOMS will take over the operation of Medway STC on an interim basis by the end of July. An experienced Governor from NOMS will take over at that time. The YJB will put in place enhanced monitoring arrangements in all STCs and work with NOMS to make sure these are delivered at Medway STC. He also announced that a Youth Custody Improvement Board will be appointed and that Governing Bodies will be set up for each of the STCs.

The Youth Custody Improvement Board will work with children and staff in STCs, Young Offender Institutions (YOIs), NOMS, YJB and the inspectorates to improve standards of behaviour management and provide feedback to the Secretary of State on risks to safety and well-being in STCs and YOIs, including those currently run by NOMS.

The Governing Bodies will scrutinise the strategic plans for the STCs and the leadership capability to deliver that plan. They will make an assessment of the culture and ethos which is instilled by leadership within the centre. They will have free access to the site and be able to speak with children and staff. They will observe practice and delivery within the centre, forming

a judgement on the relationships and boundaries which exist between children and staff. The Governing Bodies will provide explicit opportunities for representations to be made to them by young people, in order for them to raise any issues they wish in relation to their care and experiences within the centre.

Criminal Legal Aid Competition

In order to encourage greater efficiency in the provision of criminal legal aid litigation services, the coalition Government decided to adopt a system known as 'dual contracting'. Under the dual contracting system, two types of contract were to be awarded to criminal legal aid firms - an unlimited number of contracts for 'own client' work and a total of 527 'duty' contracts awarded by competition, giving firms the right to be on the duty legal aid rota in 85 geographical procurement areas around the country.

In June 2014, 1,808 firms were awarded own client contracts, enabling them to provide legally aided representation to their own clients and also bid for the 527 duty provider contracts over 85 procurement areas. The Legal Aid Agency received over 1,000 bids for the 527 duty provider contracts.

However, two significant developments occurred since the beginning of the tender. As a result of economies made elsewhere in the Department, HM Treasury gave MoJ a settlement which allows greater flexibility in the allocation of funds for legal aid. Secondly, the Department faced 99 separate legal challenges over the procurement process, which would have required us to stay the award of new contracts at least until April 2016. In addition, a judicial review challenging the entire process had raised additional implementation challenges.

To provide stability to the market Ministers therefore decided not to proceed with the introduction of the dual contracting system and suspended, for a period of 12 months from 1 April 2016, the second fee cut which was introduced in July last year. The decision was driven in part by the recognition that the litigation would have been time consuming and costly for all parties, whatever the outcome and to avoid the Department and the legal aid market facing months, if not years, of continuing uncertainty. The Legal Aid Agency put in place new contracts to ensure continuing service.

Facilities management

Total Facilities Management services to HMCTS, including cleaning, security and maintenance, are provided through contracts with private sector suppliers. Concerns have been raised regarding the performance of these contracts, including some specific concerns regarding lift maintenance and statutory compliance by one of the suppliers. Despite some action to mitigate these identified concerns statutory compliance remained a significant concern and in January 2016 MoJ instructed another third party provider to provide management oversight.

In April 2015, Internal Audit carried out an audit of the same contract, based on the systems and transactions in 2013-14. It found that roles and responsibilities in contract management were unclear, proper payment mechanisms had not been set up from the beginning of the contract and that there were different processes for authorising payments. It also identified the scope for overpayments to have been made. Additional work has been carried out to investigate these concerns further, using a forensic approach and covering the full first three years of the contract. The findings from this work support the conclusions of the internal audit review.

MoJ Estates have made significant changes to the structure, processes and contract management since late 2014 with a particular focus on more technical demand challenge, implementing consistent processes including the payment mechanism and defects notices and more rigorous contract management along with increasing the commercial skills of the contract management team.

Off - payroll engagement

An instance of non-compliance with HM Treasury's off-payroll controls has been identified within HMCTS. An individual with significant financial responsibility was engaged via an off-payroll engagement for longer than six months. The non-compliance was found during HMCTS's regular review of tax arrangements of off-payroll appointees which is conducted to comply with HM Treasury's controls.

Immediate action was taken when the non-compliance was identified by engaging with the individual and HM Treasury. HMCTS attempted to regularise the arrangement and obtain assurance on the individual's tax arrangements due to their importance to key projects in HMCTS. The individual is no longer engaged in activities on behalf of HMCTS or the MoJ.

Although immediate action was taken, it was not possible to avoid a period of irregular spend as a result of non-compliance with HM Treasury's off-payroll controls and this represents a control failure. HMCTS has taken further steps to avoid this happening in the future, including strengthening the controls in place at the point of procurement of off-payroll services and removing delegated budgets from individuals procured through off-payroll engagements.

Office for Legal Complaints (OLC) – Financial Governance (update from 2014-15)

Last year's Governance Statement referred to a review of transactions in the OLC, dating back to 2013-14 which identified a number of specific issues, as well as a general lack of appropriate oversight, relating to the approval and control of expenses incurred by the former Chief Executive. The review also identified further problems with the two staff benefit schemes.

In her statement in the OLC's 2013-14 Accounts, Dame Ursula Brennan, the former Permanent Secretary, said that the MoJ and OLC would undertake a review of governance and controls at the OLC, and report the findings. The MoJ is working with OLC to finalise the Action Plan to deliver the recommendations in the Governance Review and take forward those actions.

The OLC's 2014-15 accounts were laid in Parliament on 28 January 2016 and were qualified due to continued irregular expenditure. The governance disclosures in these Accounts refer to the final irregular expense issues for the former Chief Executive, as well as the action taken to regularise the staff flexible benefit schemes. They also refer to the conclusions of the Governance Review.

The staff flexible benefits schemes were closed and final payments made before the end of the 2015-16 financial year.

The 2015-16 OLC Annual Report and Accounts may also be qualified as the irregular expenditure on staff flexible benefits continued this year, as the OLC had to continue to meet its contractual obligations to pay these to staff, while a business case for closure of the schemes was finalised and implemented. The new Chief Executive is working to establish a strong governance framework to enable the Permanent Secretary to consider delegating Accounting Officer responsibilities back to OLC during 2016-17.

Assurance Arrangements

Assurance Frameworks

Under the direction of ExCo, an Assurance Framework for the Ministry continues to be developed. This Framework, which is consistent with HM Treasury guidance, sets out the sources of assurance over the "three lines of defence" and seeks to give continuous and reliable assurance on organisational stewardship and the management of major risks. An assessment of the strength of the assurances provided under each of the dimensions forms an integral part of the assurance process that underpins this Statement.

Risk Management

Senior managers consider risks to delivery in each business area through a comprehensive framework of risk reporting across Business Groups, Executive Agencies and ALBs; with a route to escalate significant risks to ExCo. There are also arrangements in place to consider risks in respect of programmes and projects, health and safety, business continuity and information assurance.

The Departmental Strategic Risk Register provides a high level overview of the risk profile of the Department and identifies the key cross-cutting risks to the achievement of the Department's objectives. The Register is updated bi-monthly for review by ExCo along with additional 'deep dives' conducted on key strategic risks/themes. ExCo focus on the strength and quality of the mitigation actions that seek to manage and mitigate strategic risks and considers any risks that have been escalated from business areas. The Strategic Register is also subject to review and challenge by the Departmental Audit and Risk Committee.

The Department uses other mechanisms and approaches for managing risk that work alongside and in conjunction with the formal risk registers. These include the performance scorecards, MoJ Portfolio reporting that ExCo, the Departmental Board and Executive Agency Boards review on a regular basis. Much of ExCo's agenda is devoted to managing the key risk areas of resources, people, contracts and reform.

In response to a review of the effectiveness of risk management across MoJ, processes have been revised and strengthened. Actions include an update of the Corporate Risk Management Policy; a full refresh of the Strategic Risk Register by ExCo; promotion of good practice across MoJ through a dedicated Risk Week; with follow up work to continue to raise risk awareness and capability, including new training material and periodic learning events.

Business Continuity Planning

All MoJ business areas (HQ, Executive Agencies and ALBs) have trained and dedicated business continuity practitioners. Each business unit has a resilience plan in place designed to provide an effective response to disruptive events and a structured return to business as normal.

A schedule of desktop training exercises is in place to test planning assumptions, both internally and at a national level with other government departments.

Information Assurance

The MoJ Senior Information Risk Owner (SIRO), HQ business group and executive agency SIROs met quarterly as a SIRO Board. This enabled active senior monitoring of the Department's key and cross-cutting information risks. The SIRO Board is supported by Information Assurance (IA) leads from HQ business groups and agencies, and Corporate Security and Cyber Security teams. The Department processes large volumes of data, some of which is highly sensitive, stored across extensive IT infrastructures and hence is committed to minimising the risks arising from cyber threats. In recognition of these risks and in responding to the challenges set out in a recent cross-Government security review and a recent Internal Audit report, the Department is making further and continuing improvements to its strategy, governance and the level of technical capability.

The Governance Statement for 2014-15 reported on a significant data loss of two computer discs, created at the request of a member of staff and sent in error through the general post, contrary to Departmental guidance. The discs contained information relating to three high profile investigations. The Department conducted a full investigation into the conduct of individuals and the organisational safeguards against information security breaches of this kind and is continuing to act on the findings from its investigation.

A summary of incidents involving personal data reported to the Information Commissioner's Office (ICO) during 2015-16 is contained in the Annual Report.

Counter Fraud Activity

The Department's Counter-Fraud, Error, Debt and Grants Champion leads on measures within the Department, its Executive Agencies, and other public bodies to tackle fraud. The MoJ Counter-Fraud, Error, Debt and Grants Champion is part of a network, based in all major government departments and supports the work of the Cabinet Office Fraud, Error, Debt and Grants Team.

The Department reports regularly to the Cabinet Office on progress to deliver commitments contained in the Departmental Fraud and Error Action Plan which will enhance our ability to detect, measure, prosecute and prevent fraud, including implementation of a common case management system that is being used by investigation teams across MoJ; increased intelligence and data sharing with other agencies and bodies; an exercise to match LAA, HMCTS and Home Office data to assess fraud and error in Mental Health Tribunal and Immigration and Asylum Tribunal cases; and achieving preventative fraud savings of £2.2m. In addition, the Department reports against Fraud Metrics for 2015-16 and, as required by Cabinet Office, completed a second random sampling exercise on a high risk payment system.

During February 2016 the Department held a Fraud and Whistleblowing Awareness week. During the week, staff had the opportunity to enhance their understanding through a series of intranet based articles and short awareness sessions led by subject matter experts.

Whistleblowing

In March 2015, the MoJ launched a refreshed whistleblowing policy and in April 2015 created a central database to capture all cases providing for improved trend analysis and progress tracking. There are eight whistleblowing Nominated Officers across the MoJ, including a Non-Executive Director. During the period, April 2015 to 31 March 2016, there were four reported whistleblowing cases, a level in line with previous years.

MoJ staff survey results provide a measure of the effectiveness of the whistleblowing policy. Employees are asked to respond to questions including awareness of how to raise a concern and confidence in the investigation process. A comparison of data from the 2015 survey with historical data from 2010, indicates that there has been a positive increase in awareness and confidence in these areas. MoJ will continue to monitor responses on an annual basis.

Quality Assurance of Analysis (Modelling) and quality of data seen by the board

The Modelling Governance Board, established in response to recommendations made in the Griffiths Review of 2013, has met regularly to pursue its remit to:

- Ensure the right modelling is being done;
- Provide confidence that appropriate and proportionate quality assurance activities have been completed;
- Establish and share knowledge and common modelling assumptions across the analytical community;
- Clarify accountability, especially on cross-cutting modelling; and
- Pursue Macpherson review recommendations, and feed into the annual progress update.

The Department's dedicated analytical quality assurance team within the Analytical Services Directorate has continued to provide guidance, challenge and scrutiny of modelling and

analysis and, supported by a network of analytical quality assurance champions across the analytical community, has improved the quality of the analysis behind business cases.

The Department has taken a leading role on the cross-Government quality assurance working group to deliver the recommendations of the Macpherson review of quality assurance of business critical models. In particular, the Department has led on the development of the Analytical Quality Assurance (AQA) book now published on GOV.UK.

The Department has reviewed its business critical models as part of the Macpherson recommendation assessment. To ensure consistent standards across models a new 'Tailoring & Prioritisation Tool' has been developed that gives proportionate QA guidance at each stage of the modelling process. All new models are being built according to the detailed advice in this tool and existing models are being transitioned including business critical models in ALBs.

All data provided to the Board through the Analytical Services Directorate is also underpinned by the AQA guidance, to support its accuracy and giving confidence to the Board.

Oversight of Assurance Arrangements

The Board exercised oversight of the performance of the Department using a new, more comprehensive performance dashboard, with separate reports each month on our major change programmes and on business as usual. Additionally, the Board considers information from a range of external sources including:

- NAO reports (including Value for Money) and the audit report for the Annual Report and Accounts;
- HM Chief Inspector of Prisons publications and (Annual) report;
- HM Chief Inspector of Probation publications and (Annual) report; and
- Feedback from the Major Projects Review Group.

One of the key sources of independent assurance within the Department comes from the activities of its Internal Audit and Assurance Division. The internal audit programme is closely linked to the key risks of the Department, its Executive Agencies and ALBs. Arrangements are in place to ensure that I am made aware of any significant issues which indicate that key risks are not being effectively managed. The internal audit service complies with the Public Sector Internal Audit Standards.

The Group Chief Internal Auditor's overall opinion for 2015-16 is '**moderate assurance**' on the adequacy and effectiveness of the system of governance, risk management and internal control. 'Moderate' is defined as 'some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control'. Whilst this is the second highest opinion rating available to The Group Chief Internal Auditor, with the significant majority of reports being rated as 'substantial' or 'moderate', he has indicated that the judgement is finely balanced between 'Moderate' and 'Limited', with some specific concerns regarding aspects of the control frameworks across the Department, particularly within MoJ 'Core'. In 2015-16 internal audit has continued to focus more resources to review the systems and payments made by the Department to third parties through its contracts.

Other sources of internal assurance from which the Board also draws include:

- Head of Security's Annual Security Report;
- Security Policy Framework & Information Risk: Annual Report to the Cabinet Office;

- Head of MoJ Corporate Health and Safety Annual Report; and
- Reports from the Chairs of Nominations and Audit and Risk Committee following each of the respective sub-committee meetings.

Assurance about the extent to which our Executive Agencies, NDPBs and Associated Offices comply with their respective Framework Document and Financial Memoranda is provided by sponsorship units, which are also responsible for monitoring their performance. The following annual cycle exists for exercising control over ALBs:

- January - March: Annual impact assessments undertaken by the sponsor with ALBs which are moderated by the ALB Governance Division and the results are reported to ExCo;
- On-going sponsorship relationship: Regular on-going contact, as required, and proportionate, informed by impact assessment;
- Quarterly: Holding to account meetings between sponsors and ALBs on basis of impact assessment, with relevant risks escalated as appropriate to Business Group risk register or Department;
- Bi-Monthly: Performance update to ExCo on all high impact ALBs and others by exception; and
- Year end: Governance Statements are completed by Director Generals and Directors provide assurance on the sponsorship they provide to ALBs.

Following an internal audit in 2014-15 which found weaknesses and inconsistencies in the sponsorship provided outside of the ALB Governance Division, the Department now has a Sponsorship Model which has been published and widely disseminated. The sponsorship model describes the MoJ approach to sponsorship and includes examples of best practice. Roll out of the SM has been supported by regular meetings of the Department wide peer network of sponsors.

Spending by Grant Recipients

As Accounting Officer, I need to be assured that resources made available to locally governed organisations are used for the purpose intended, and that the expenditure represents value for money.

The Youth Justice Board for England and Wales (YJB) is one of the Department's largest ALBs and received £192.9m from MoJ in 2015-16. Of this, £76m was allocated by the YJB to Youth Offending Teams (YOTs). The YJB has the power to make grants for the purposes of the operation of the youth justice system and the provision of youth justice services with approval from the Secretary of State

HM Inspectorate of Probation undertakes risk-based inspections of YOTs "with poor performance and low capability and capacity to improve themselves." In addition, the YJB undertakes additional monitoring of YOTs and Internal Audit undertakes an annual review of controls operating over the use of the YOT grant.

During the year YOTs provided a range of additional documentation to show how they complied with the purpose of the grant and were required to submit a summary of income and expenditure: detailing expenditure against the grant and the wider YOT budget.

Consistent with the Department's commitment to support victims of crime, £94.5m was awarded by the Core Department in grants during 2015-16 for the delivery of services to support victims of crime. Of this £62.5m went to Police and Crime Commissioners. £22m went

to a number of organisations to fund the National Homicide Service, Court Based Witness Service, services for victims of sexual violence, and a Victims Information Line. All recipients of grants are required to provide the Department with management information in support of their use of the grant in-year and to provide the Department with a letter of assurance for the financial year ending 31 March 2016 which confirms that their recipient has complied with the Grant Agreement and that MoJ funding was used only for the purposes specified in the Grant Agreement.

There are a number of other smaller grants administered by the Department and assurance mechanisms are in place for these.

Criminal Injuries and Compensation Authority (CICA)

The Criminal Injuries and Compensation Authority is responsible for awarding victims of crime compensation in accordance with relevant legislation. We have identified some payment errors as part of the audit process which senior management are currently investigating to understand root causes and immediate action needed. Further details will be published in the CICA annual report and accounts in due course. The payment errors identified are not material to the group financial statements.

Overall Conclusions

I have taken over the role of Principal Accounting Officer for the Department from Dame Ursula Brennan during 2015-16 and inherited a working governance framework. The challenges are significant: delivering an extensive change programme and taking forward the priorities of the Secretary of State for Justice; improving and restructuring the Department; continuing to improve our contract and commercial capability; and managing to deliver with fewer resources, through transformation, better use of technology and estates, and increased efficiency. I continue to focus on these challenges during the coming year and will work to ensure that the Department's governance remains fit for purpose.

Richard Heaton
Accounting Officer

5 July 2016

Remuneration and staff report

Remuneration policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975 (as amended).

In reaching its recommendations, the Review Body has regard to the following considerations:

- The need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- Regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- The funds available to departments as set out in the government's departmental expenditure limits; and
- The government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at: www.gov.uk/government/organisations/review-body-on-senior-salaries.

Board members and senior civil servants remuneration

The salaries of MoJ Departmental Board members (excluding the ministerial and non-executive members) are determined in line with the Cabinet Office SCS Reward policy. Non-consolidated performance-related payments for senior civil servants are determined by the MoJ Executive Committee – Workforce (SCS Pay Band 1 and 2) and the Nominations Committee (SCS Pay Band 3). Details of the Nominations Committee are provided in the Governance statement on page 35.

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended and to which a notice period of three months would usually apply. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Further information about the work of the Civil Service Commission can be found at: www.civilservicecommission.org.uk.

Remuneration and pension entitlements

This section has been subject to audit.

The following sections provide details of the remuneration and pension interests of the Ministers and most senior management of the Department.

Remuneration (salary and payments in kind)

Remuneration	2015-16				2014-15			
	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension related benefits (nearest £1,000)^	Total (nearest £1,000)	Total amount salary and fees	All taxable benefits (nearest £100)	Pension related benefits (nearest £1,000)^	Total (nearest £1,000)
Ministers	£	£	£	£	£	£	£	£
The Rt Hon Chris Grayling MP, Lord Chancellor and Secretary of State for Justice (until 14 May 2015)	8,166 (67,505 FYE)	-	37,000	45,000	67,505	-	22,000	90,000
The Rt Hon Michael Gove MP, Lord Chancellor and Secretary of State for Justice (from 15 May 2015)	59,339 (67,505 FYE)	-	29,000	88,000	n/a	n/a	n/a	n/a
The Rt Hon Simon Hughes MP, Minister of State for Justice and Civil Liberties (until 8 May 2015)	3,321 (31,680 FYE)	-	1,000	4,000	31,680	-	8,000	40,000
Lord Faulks QC#, Minister of State for Civil Justice	73,319 (FYE 82,651)	-	-	73,000	n/a	n/a	n/a	n/a
Dominic Raab MP, Parliamentary Under Secretary of State for Human Rights (from 12 May 2015)	19,849 (22,375 FYE)	-	-	20,000	n/a	n/a	n/a	n/a
Caroline Dinenage MP, MP, Parliamentary Under Secretary of State for Women, Equalities and Family Justice (from 12 May 2015)	19,849 (22,375 FYE)	-	5,000	25,000	n/a	n/a	n/a	n/a
Shailesh Vara MP, Parliamentary Under Secretary of State for Courts and Legal Aid	22,375	-	10,000	32,000	22,375	-	8,000	30,000

Notes to the table:

^ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

Lord Faulks received no remuneration for his role as Minister of State for Civil Justice in 2014-15. In 2015-16 he received remuneration for his role from 12 May 2015.

Information disclosed above relates to the period in which the individuals were in post as Ministers.

The Minister of State for Policing, Crime, Criminal Justice and Victims is responsible for criminal justice strategy, reporting on this jointly to the Secretary of State for Justice and the Secretary of State for Home Department. This position is held by the Rt Hon Mike Penning. His emoluments are borne by the Home Office and are disclosed in the Home Office Accounts.

The Parliamentary Under Secretary of State, for Prisons, Probation and Rehabilitation, reports jointly to the Secretary of State for Justice and the Chief Whip. This position is held by Andrew Selous MP. His emoluments are borne by HM Treasury and are disclosed in the HM Treasury Accounts.

Senior Managers	2015-16					2014-15				
	Total amount of salary and fees £000	All taxable benefits (nearest £100) £000	Bonuses paid £000	Pension related benefits (nearest £1,000) £000	Total £000	Total amount of salary and fees £000	All taxable benefits (nearest £100) £000	Bonuses paid £000	Pension related benefits (nearest £1,000) £000	Total £000
Dame Ursula Brennan DCB, Permanent Secretary (until 31 August 2015)	75-80 (180-185 FYE)	-	-	n/a ¹	75-80	180-185	-	-	n/a ¹	180-185
Richard Heaton CB, Permanent Secretary (from 29 August 2015)	105-110 (175-180 FYE)	-	-	79	185-190	n/a	n/a	n/a	n/a	n/a
Ann Beasley CBE, Director General, Finance, Assurance and Commercial	140-145	-	-	35	175-180	140-145	-	-	19	160-165
Indra Morris, Director General, Criminal Justice	130-135	-	-	58	190-195	0-5 (125 130 FYE)	-	-	-	0-5
Catherine Lee CBE, Director General, Law and Access to Justice Group	110-115	-	-	115	225-230	100-105	-	-	82	185-190
Michael Spurr CB, Chief Executive, NOMS	140-145	-	-	37	180-185	145-150	-	-	22	165-170
Matthew Coats, Chief Executive, LAA and Director General Corporate Services	140-145	-	-	77	220-225	140-145	-	10-15	62 ⁵	220-225
Natalie Ceeney CBE, Chief Executive, HM Courts & Tribunals Service	175-180	-	-	69	245-250	40-45 (175-180 FYE)	-	-	8	50-55

Notes to the table:

1. Dame Ursula Brennan DCB chose not to be covered by the Civil Service pension arrangements during the reporting year and prior year.
2. Ann Beasley left the Board on 31 March 2016. Mike Driver was appointed Chief Financial Officer on 1 April 2016.
3. Matthew Coats was appointed MoJ Chief Operating Officer on 1 April 2016.
4. Natalie Ceeney left the Board on 31 May 2016. Indra Morris left the Board on 26 April 2016.
5. Amounts have been restated as revised information has been received from our pension provider.

Remuneration	2015-16			2014-15		
	Fees (excluding performance related remuneration) £000	All taxable benefits nearest £100 £000	Bonuses paid £000	Fees (excluding performance related remuneration) £000	All taxable benefits nearest £100 £000	Bonuses paid £000
Tim Breedon CBE*, Lead Non-Executive Director (until 5 June 2015)	-	-	-	-	-	-
Dame Sue Street DCB, Non-Executive Director (until 30 June 2015)	0-5 (10-15 FYE)	-	-	10-15	-	-
Bill Griffiths#, Audit and Risk Committee Chair and Non-Executive Director (until 30 June 2015)	0-5 (15-20 FYE)	0.4	-	15-20	9.1	-
Fields Wicker-Miurin OBE, Non-Executive Director (until 30 June 2015)	0-5 (10-15 FYE)	-	-	10-15	-	-
Sir Theodore Agnew^, Lead Non-Executive Director (from 16 July 2015)	-	-	-	n/a	n/a	n/a
Liz Doherty+, Audit and Risk Committee Chair and Non-Executive Director (from 19 August 2015)	10-15 (15-20 FYE)	-	-	n/a	n/a	n/a
Lizzie Noel, Non-Executive Director (from 12 August 2015)	5-10 (10-15 FYE)	-	-	n/a	n/a	n/a
Sir Martin Narey, Non-Executive Director (from 12 August 2015)	5-10 (10-15 FYE)	-	-	n/a	n/a	n/a
Sir Michael Barber^, Non-Executive Director (from 29 October 2015)	-	-	-	n/a	n/a	n/a

Notes to the table:

* Tim Breedon CBE waived his fee for 2015-16.

For Bill Griffiths, the 2014-15 benefits in kind figure had 60% of the total cost relate to train travel and 40% relate to tax incurred on the train travel.

^ Sir Theodore Agnew and Sir Michael Barber waived their fees for 2015-16.

+ Liz Doherty is the MoJ representative on the HM Courts & Tribunals Service Board. Her remuneration for that role is disclosed in the HM Courts & Tribunals Service annual report and accounts.

Information disclosed above relates to the period in which the individuals were in post as senior managers or non-executive directors.

Since 20 April 2011 all appointed non-executive directors were entitled to an annual honorarium of £15k. Liz Doherty was entitled to an additional £5k for her duties as Chair of the Audit Committee and Sir Theodore Agnew was entitled to an additional £5k for his duties as Lead Non-Executive Director. Sir Theodore Agnew has declined his annual honorarium entitlement for 2015-16. None of the non-executive directors have pension entitlements with MoJ.

Salary

'Salary' 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 Department and thus recorded in these accounts. In respect of Ministers in the House of Commons, departments bear only the cost of the additional

Ministerial remuneration; the salary for their services as an MP (£67,060 from 1 April 2014, £74,000 from 8 May 2015) and various allowances to which they are entitled are borne centrally. However, the arrangement for Ministers in the House of Lords is different in that they do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their Ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the Department and is therefore shown in full in the figures above.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HM Revenue & Customs as a taxable emolument. Benefits in kind balances recognised relate to travel and subsistence. Benefits in kind are an estimate, as the final value is to be agreed between the Secretary of State for Justice and HM Revenue & Customs.

Bonuses

Permanent Secretary bonuses are determined by the Permanent Secretary Remuneration Committee (within Cabinet Office).

Bonuses for SCS Payband 3 are determined by the Permanent Secretary, with the advice of the Nomination Committee, which is chaired by Richard Heaton and includes a Non-Executive Director and the Group Human Resources (HR) Director. Bonuses are subject to in year performance which is measured and captured using Cabinet Office HR Practitioners Guidance. The policy for Non- consolidated Performance Related Pay remains that such payments should be restricted to the top 25% of performers.

Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2015-16 relate to performance in 2014-15 and the comparative bonuses reported for 2014-15 relate to the performance in 2012-13.

Pension entitlements

Ministerial pensions

Pension Benefits						
Ministers	Accrued pension at age 65 as at 31 March 2015	Real increase in pension at age 65	CETV at 31 March 2016	CETV at 31 March 2015*	Real increase/ (decrease) in CETV	
	£000	£000	£000	£000	£000	
The Rt Hon Chris Grayling MP [▲] , Lord Chancellor and Secretary of State for Justice (until 14 May 2015)	5-10	0-2.5	124	96	24	
The Rt Hon Michael Gove MP, Lord Chancellor and Secretary of State for Justice (from 15 May 2015)	5-10	0-2.5	121	97	15	
The Rt Hon Simon Hughes MP, Minister of State for Justice and Civil Liberties (until 8 May 2015)	0-5	0-2.5	15	14	1	
Lord Faulks QC, Minister of State for Civil Justice	n/a	n/a	n/a	n/a	n/a	
Dominic Raab MP, Parliamentary Under Secretary of State for Human Rights (from 12 May 2015)	n/a	n/a	n/a	n/a	n/a	

Pension Benefits					
Ministers	Accrued pension at age 65 as at 31 March 2015	Real increase in pension at age 65	CETV at 31 March 2016	CETV at 31 March 2015*	Real increase/ (decrease) in CETV
	£000	£000	£000	£000	£000
Caroline Dinenage MP, MP, Parliamentary Under Secretary of State for Women, Equalities and Family Justice (from 12 May 2015)	0-5	0-2.5	4	0	1
Shailesh Vara MP, Parliamentary Under Secretary of State for Courts and Legal Aid	0-5	0-2.5	44	34	7

Notes to the table:

Information disclosed above relates to the full year, whereas dates included above relate to the period in which the individuals were in post as Ministers.

▲ The Lord Chancellor is no longer eligible to contribute or build up benefits within the Parliamentary Contributory Pension Fund (PCPF) and no longer holds an entitlement to any benefits within the PCPF. For 2015-16 and 2014-15 the Rt Hon Chris Grayling MP waived his rights to receive the Lord Chancellor's pension, and chose to instead receive benefits commensurate with what they would have received had they been permitted to remain a member of the PCPF. These benefits were paid from the Consolidated Fund.

* The "CETV at start date" figure this year does not match the "CETV at end date" figure from last year. This is due to the change in transfer factors used by the PCPF.

Ministerial pension benefits

Pension benefits for Ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). The scheme is made under statute and the rules are set out in the Ministers' etc. Pension Scheme 2015, available at www.parliament.uk

Those Ministers who are Members of Parliament may also accrue an MP's pension under the PCPF (details of which are not included in this report). A new MP's pension scheme was introduced from May 2015, although members who were aged 55 or older on 1 April 2013 have transitional protection to remain in the previous final salary pension scheme.

Benefits for Ministers are payable from State Pension age under the 2015 scheme. Pensions are re-valued annually in line with Pensions Increase legislation both before and after retirement. The contribution rate from May 2015 is 11.1% and the accrual rate is 1.775% of pensionable earnings.

The figure shown for pension value includes the total pension payable to the member under both the pre- and post-2015 Ministerial pension schemes.

Cash Equivalent Transfer Value of ministerial pensions

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension 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 that the individual has accrued as a consequence of their total Ministerial service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in Cash Equivalent Transfer Value on ministerial pensions

This is the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the Minister. It is worked out using common market valuation factors for the start and end of the period.

Civil Service pensions

Pension Benefits					
Senior Managers	Accrued pension and related lump sum at pension age as at 31 March 2016 £000	Real increase in pension and related lump sum at pension age £000	CETV at 31 March 2016 £000	CETV at 31 March 2015 £000	Real increase/ (decrease) in CETV £000
Dame Ursula Brennan DCB, Permanent Secretary (until 31 August 2015)	n/a	n/a [#]	n/a	n/a	n/a
Richard Heaton CB, Permanent Secretary (from 29 August 2015)	45-50 plus lump sum of 130-135	2.5-5 plus lump sum of 0-2.5	831	761 [#]	42
Ann Beasley CBE, Director General, Finance, Assurance and Commercial	60-65 plus lump sum of 190-195	0-2.5 plus lump sum of 5-7.5	1,387	1,260	33
Indra Morris, Director General, Criminal Justice	30-35 plus lump sum of 0	2.5-5 plus lump sum of 0	325	277 [^]	20
Catherine Lee CBE, Director General, Law and Access to Justice Group	40-45 plus lump sum of 125-130	5-7.5 plus lump sum of 17.5-20	955	772	111
Michael Spurr CB, Chief Executive, NOMS	60-65 plus lump sum of 185-190	0-2.5 plus lump sum of 5-7.5	1,258	1,129	31
Matthew Coats Chief Executive, LAA and Director General Corporate Services	50-55 plus lump sum of 0	2.5-5 plus lump sum of 0	843	721 [^]	48
Natalie Ceeney CBE, Chief Executive, HM Courts & Tribunals Service	5-10 plus lump sum of 0	5-7.5 plus lump sum of 0	66	7	44

Notes to the table:

[^] Amounts have been restated as revised information has been received during the year from our pension provider.

[#] CETV value disclosed relates to the date Richard Heaton started on the MoJ Board.

* Dame Ursula Brennan DCB chose not to be covered by the Civil Service pension arrangements during the reporting year and prior year.

Civil Service pension benefits

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: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

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

Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for members of **classic** (and members of **alpha** who were members of **classic** immediately before joining **alpha**) and between 4.6% and 8.05% for members of **premium**, **classic plus**, **nuvos** and all other members of **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. 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 0.8% of pensionable salary up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 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 Value (CETV) of Civil Service pensions

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in Cash Equivalent Transfer Value on Civil Service pensions

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

Pay multiples (as at 31 March 2016)

This section has been subject to audit.

	2015-16	2014-15 restated
Band of highest paid director's total remuneration (£000)	180-185	180-185
Median total remuneration (£)	25,007	25,949
Ratio	7.3:1	7:1

Reporting bodies are required to disclose the relationship 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 MoJ in the financial year 2015-16 was £180-185k (2014-15: £180-185k). This was 7.3 times (2014-15: 7.0) the median remuneration of the workforce, which was £25,007 (2014-15: £25,949. Amounts have been restated as revised information relating to agency staff has been received during the year).

In 2015-16, five (2014-15: eight) members of the workforce received remuneration in excess of the highest-paid director. Remuneration ranged from £10-15k to £210-215k (2014-15: £10-15k to £210-215k). These figures exclude any severance pay in respect of compulsory redundancies and voluntary early departures disclosed on page 59.

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the Cash

Equivalent Transfer Value (CETV) of pensions. Benefits in kind have been excluded as the final value is to be agreed between the Secretary of State for Justice and HM Revenue & Customs. The omission of benefits in kind is not considered material.

Compensation for loss of office

No senior managers received compensatory payments in 2015-16 (2014-15: nil).

Staff numbers and composition

This section has been subject to audit.

Staff costs

Departmental Group

	2015-16					Restated 2014-15
	Permanently employed staff	Other	Ministers	Special advisors	Total	Total
	£000	£000	£000	£000	£000	£000
Wages and salaries	1,979,445	180,741	214	230	2,160,630	2,216,132
Social security costs	145,454	1,183	21	25	146,683	152,558
Other pension costs	431,907	504	3	36	432,450	396,152
Sub Total	2,556,806	182,428	238	291	2,739,763	2,764,842
Early departure costs	42,264	-	-	-	42,264	40,195
Early departure provisions	(8,497)	-	-	-	(8,497)	10,493
Add inward secondments	1,699	3,957	-	-	5,656	9,377
Less recoveries in respect of outward secondments	(12,323)	-	-	-	(12,323)	(16,958)
Total Net Costs	2,579,949	186,385	238	291	2,766,863	2,807,949
<i>Of which:</i>						
Core Department and Agencies	2,464,465	167,989	238	291	2,632,983	2,564,802
NDPBs	115,484	18,396	-	-	133,880	243,147
	2,579,949	186,385	238	291	2,766,863	2,807,949

During the year £9.9m of staff costs (2014-15: £14.8m) have been capitalised.

Under the Ministerial and Other Salaries Act 1975, the salary and social security costs of the Lord Chancellor, included under Ministers above, are paid from the Consolidated Fund. In 2015-16 the Lord Chancellors' full year equivalent salary was £67,505 (2014-15: £67,505) and the associated combined social security costs were £6,878 (2014-15: £7,053).

The PCSPS is an unfunded multi-employer defined benefit scheme but MoJ is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the scheme as at 31 March 2012. Details can be found in the Accounts of the Cabinet Office: Civil Superannuation at: www.civilservice.gov.uk/pensions.

For 2015-16, employers' contributions of £321,180k were payable to the PCSPS (2014-15: £298,553k) at one of four rates which ranged from 20.0% to 24.5% (2014-15: 16.7% to 24.3%) of pensionable pay, based on salary bands (27.9% for prison officer grades with reserved rights). The Scheme Actuary reviews employer contributions approximately 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.

In addition, employer pension contributions equivalent to 0.5% 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 employees in the PCSPS.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions to partnership pension accounts were £464k (2014-15: £686k) and were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related which ranged from 8.0% to 14.75% (2014-15: 3.0% to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

For 2015-16 employers' pension contributions and contribution rates for the LSC pension scheme and Probation pension schemes, refer to Note 29.

166 persons (2014-15: 264 persons) retired early on ill health grounds; the total additional accrued pension liabilities in the year amounted to £386k (2014-15: £406k).

Judicial costs

Departmental Group

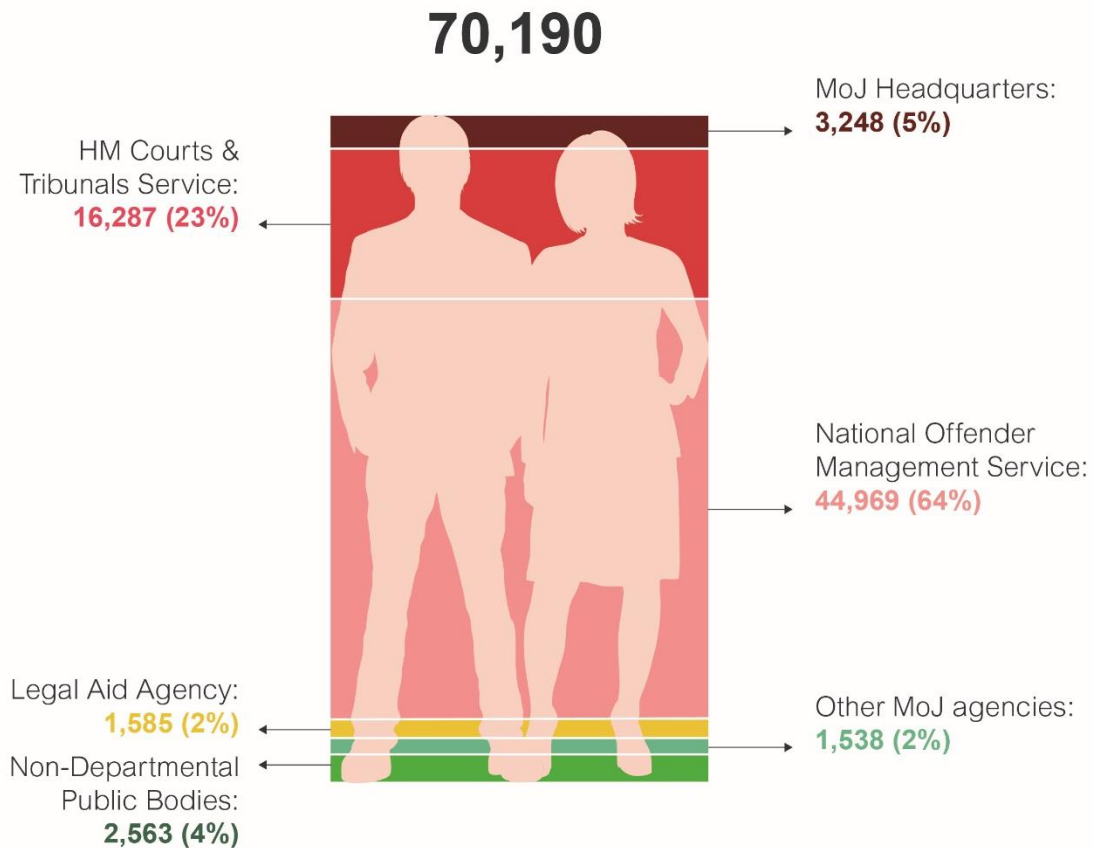
	2015-16				Restated 2014-15
	Senior judicial salaries	Other judicial salaries	Fee paid judiciary	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	126,421	99,277	107,801	333,499	342,411
Social security costs	15,594	11,779	10,108	37,481	38,879
Other pension costs	48,588	38,000	11,204	97,792	73,149
Total Net Costs	190,603	149,056	129,113	468,772	454,439
<i>Of which:</i>					
Core Department and Agencies	190,603	149,056	129,113	468,772	454,439
NDPBs	-	-	-	-	-
	190,603	149,056	129,113	468,772	454,439

The Judicial Pension Scheme (JPS) is an unfunded multi-employer defined benefit scheme which prepares its own accounts, but for which MoJ (through HM Courts & Tribunals Service) is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as of 31 March 2012. Details can be found in the JPS Accounts at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/377468/jps-report-scheme-actuary.pdf.

Judicial pensions are paid out of the Consolidated Fund where the judicial office holder's salary was paid from that fund, or the JPS where the salary has been paid from the Department's supply estimate. Contributions to the JPS have been made at a rate of 38.45% (2014-15: 32.15%).

The benefits payable are governed by the provisions of either the Judicial Pensions Act 1981 for those judicial office holders appointed before 31 March 1995, or the Judicial Pensions and Retirement Act 1993 for those newly appointed or appointed to a different judicial office on or after that date.

Average number of staff employed



Departmental Group

	2015-16					Restated 2014-15
	Permanently employed staff	Other	Ministers	Special advisers	Total	Total
MoJ Headquarters and Associated Offices						
Corporate Services	798.7	233.1	0.1	0.4	1,032.3	1,733.0
Law and Access to Justice	708.3	8.8	2.0	0.4	719.5	676.2
Criminal Justice	492.0	1.1	1.7	0.4	495.2	506.2
Finance, Assurance & Commercial	906.1	93.9	0.6	0.4	1,001.0	955.4
Agencies						
HM Courts & Tribunals Service	15,209.0	1,077.0	0.6	0.4	16,287.0	17,033.9
Office of the Public Guardian	984.0	87.0	0.4	0.1	1,071.5	865.0
National Offender Management Service	43,523.0	1,445.0	0.9	0.4	44,969.3	43,910.2
Legal Aid Agency	1,366.0	218.0	0.6	0.4	1,585.0	1,488.0
Criminal Injuries Compensation Authority	273.0	-	0.1	0.1	273.2	301.0
Non-Departmental Public Bodies						
Non-Departmental Public Bodies	2,285.5	277.5	-	-	2,563.0	5,370.7
Capital Projects						
Staff engaged on capital projects	52.0	141.0	-	-	193.0	263.0
Total	66,597.6	3,582.4	7.0	3.0	70,190.0	73,102.6
<i>Of which:</i>						
Core Department and Agencies	64,312.1	3,304.9	7.0	3.0	67,627.0	67,731.9
NDPBs	2,285.5	277.5	-	-	2,563.0	5,370.7
Total	66,597.6	3,582.4	7.0	3.0	70,190.0	73,102.6

Ministers and special advisers are employed and paid by MoJ Headquarters. However, the Full Time Equivalent analysis for Ministers and special advisers reflects the proportion of time spent across the different functions within the Departmental Group.

Average number of judiciary in post Departmental Group

	2015-16			2014-15
	Senior judicial salaries	Other judicial salaries	Fee paid judiciary	Total
Agencies				
HM Courts & Tribunals Service	913.0	900.0	936.0	2,749.0
Total	913.0	900.0	936.0	2,749.0
<i>Of which:</i>				
Core Department and Agencies	913.0	900.0	936.0	2,749.0
NDPBs	-	-	-	-
	913.0	900.0	936.0	2,749.0

The Judiciary is independent. Their payroll costs are met either from the Consolidated Fund, in the case of senior judiciary, or by MoJ for other judiciary. All costs are included within these Accounts to ensure that the full cost of operations is disclosed.

Civil Service and other compensation schemes - exit packages

This section has been subject to audit.

Departmental Group

	2015-16			2014-15		
	Compulsory redundancies	Other departures	Total exit packages	Compulsory redundancies	Other departures	Total exit packages
	Number	Number	Total number	Number	Number	Total number
Exit package cost band						
< £10,000	38	82	120	7	66	73
£10,000 - £25,000	7	435	442	1	250	251
£25,001 - £50,000	-	371	371	-	343	343
£50,001 - £100,000	-	340	340	-	149	149
£100,001 - £150,000	-	8	8	-	34	34
£150,001 - £200,000	-	-	-	-	6	6
£200,001 - £250,000	-	1	1	-	1	1
£250,001 - £300,000	-	-	-	-	1	1
Total number of exit packages by type	45	1,237	1,282	8	850	858
Total cost of exit packages by type (£000)	249	46,719	46,968	39	31,156	31,195
Number of exit packages						
<i>Of which:</i>						
Core Department and Agencies	-	1,236	1,236	-	828	828
NDPBs	45	1	46	8	22	30
	45	1,237	1,282	8	850	858
Cost of exit packages (£000)						
<i>Of which:</i>						
Core Department and Agencies	-	46,558	46,558	-	30,532	30,532
NDPBs	249	161	410	39	624	663
	249	46,719	46,968	39	31,156	31,195

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year the exit package is confirmed. Where

the Department has agreed early retirements, the additional costs are met by the Department and not by the Principal Civil Service Pension Scheme. Ill health retirement costs are met by the pension scheme and are not included in the table above.

Other departure exit costs include 472 medical inefficiency dismissal exit packages at an average value of £29,609 (2014-15 restated: 398 at an average of £28,088) within payment bands not exceeding £150k.

Ill health retirement costs are met by the pension scheme and are not included in the table above.

Spend on consultancy and temporary staff

	2015-16			Restated 2014-15		
	Core and Agencies	NDPBs	Total	Core and Agencies	NDPBs	Total
	£000	£000	£000	£000	£000	£000
Consultancy	11,255	6	11,261	34,193	170	34,363
Temporary staff	152,797	6,500	159,297	145,744	19,824	165,568
Total	164,052	6,506	170,558	179,937	19,994	199,931

The decrease in consultancy costs is a due to the one off additional costs for professional services in relation to the Transforming Rehabilitation programme in 2014-15.

The decrease in NDPB temporary staff costs is a result of the sale of Probation Trusts.

Our Staff

Recruitment

Recruitment processes are based on the principle of selection on merit through fair and open competition, as described in the Civil Service Commission Recruitment Principles.

Strict controls on all external recruitment were introduced across the Department on 24 May 2010 (in line with wider government controls) and remain in place. These controls apply to all external recruitment of permanent, fixed term contract and agency staff.

From October 2015, these controls were further strengthened, freezing internal recruitment across the MoJ family. These measures prevent any recruitment outside of the MoJ, including the wider Civil Service, with the exception of some business critical and frontline roles. Any recruitment during 2015 - 16 had to be authorised by the relevant approver on behalf of the Secretary of State for Justice

Employment and employee involvement

The Department continues to attach importance to ensuring the fullest involvement of employees in delivering its aims and objectives. Staff involvement is actively encouraged as part of the day-to-day process of line management and we regularly engage with our constituent Trade Unions at all levels of the organisation. A variety of media is used to keep staff up-to-date with the challenges that the Department faces, the Board's vision for transforming and modernising our services, and the progress we are making.

The Department participated in the Civil Service People Survey in October 2015. Our overall Engagement Index, a measure that reflects the extent to which employees contribute through their effort and enthusiasm to the success and performance of their organisation, increased to

53 (from 52). This is six points below the Civil Service benchmark of 58, and placed MoJ third out of the five largest departments.

Employment of disabled persons

The Department is committed to ensuring equality of opportunity for all disabled staff, as set out in our Disability policy. We promote a culture that enables disabled staff to participate fully in working life and guidance on supporting disabled staff is provided through the Departmental Ability Manual. In practical support of this, the Reasonable Adjustment Support Service acts as a central point of contact for enquiries relating to reasonable adjustments for disabled staff. This provides guidance and advice to staff and managers to support the ability of disabled staff to operate most effectively in the workplace. Information on reasonable adjustments is also included in Performance Management and Attendance Management guidance for staff. The Department is an authorised user of the Two Ticks Scheme and participates in the Guaranteed Interview Scheme for candidates with a disability. Disabled staff have access to targeted career development support and advice including the Coaching Squared programme and the Civil Service Learning 'Positive Action Pathway'. All staff have access to Disability Awareness, Mental Health Awareness and Unconscious Bias training.

The Department continues to promote positive attitudes towards disability through a number of initiatives including: supporting the 'Time to Change' campaign to promote awareness and eliminate discrimination and stigma around mental ill health; running regular Dementia Friends sessions for staff to increase understanding of dementia; raising awareness of disability issues through events and communications across the Department throughout the year, such as a 'Positive Images of Disability' communications campaign; and the work of the SCS Disability Champions, and Staff Disability Network to support the Department's progress on disability equality and staff understanding of disability.

Diversity and Inclusion

The Department values the diversity of its workforce and promotes a culture where all staff are treated with fairness and respect. We are working to improve the diversity of staff representation in the Senior Civil Service, and the feeder grades to this, to ensure a strong and diverse 'pipeline' of talented staff. We support under-represented staff to build skills to support their development and potential progression through targeted training such as the Positive Action Pathway, Coaching Squared and Minority Ethnic Talent Association programmes. We are continuing to take action to improve the quality of declared workforce diversity data to ensure we have the best information possible on the diversity profile of our staff and can be confident that this is strong and robust data for ensuring that our policies and processes are applied fairly. We publish diversity information annually in our MoJ Diversity Data Report at:

<https://www.gov.uk/government/publications/diversity-report-2014-to-2015>

Sickness absence data

The Average number of Working Days Lost due to sickness for staff across the MoJ in the year to March 2016 for civil servants was 9.5 and public servants 7.1. The average number of working days lost for the year to 31 March 2015 was 10.2 for civil servants. The public servants average working days lost was not available at the time.

Promoting wellbeing and reducing sickness absence aligns with our wider civil service commitment and remains a priority within the Department. A new attendance management policy has been introduced in MoJ (excluding NOMS) and there are continuing initiatives to reduce sickness absence. Improving attendance management continues to be a priority for all senior leaders. Progress against plans is monitored regularly by MoJ Executive Committee of the Board and through other senior boards

Workforce composition

The number of staff split between male and female as at 31 March 2016

	Male	Female
Board Members	50	48
Senior Civil Service equivalent *	145	126
MoJ employees (excluding Senior Civil Service equivalent)	32,250	38,404

* Excludes Board members whom are senior civil servants and are shown in row above

Senior Civil Service (SCS) equivalent staff by band

Salary Band	SCS or equivalent within band as at 31 March 2016	
	Number	Percentage
£60,000-£70,000	63	21%
£70,000-£80,000	54	18%
£80,000-£90,000	71	24%
£90,000-£100,000	59	20%
£100,000-£110,000	16	5%
£110,000-£120,000	1	0%
£120,000-£130,000	15	5%
£130,000-£140,000	6	2%
£140,000-£150,000	6	2%
£150,000-£160,000	-	-
£160,000-£170,000	3	1%
£170,000-£180,000	-	-
£180,000-£190,000	3	1%
Total	298	100%

The current year disclosure has been revised inline with reporting guidance requirements. The prior year disclosure below, included MoJ HQ and Executive Agencies but excluded NDPBs.

	Number of staff as at 31 March 2015
SCS Payband 1	151
SCS Payband 2	42
SCS Payband 3	6
SCS Permanent Secretary	1
Total	200

Off-payroll engagements

As part of the 'Review of Tax Arrangements of Public Sector Appointees' published by the Chief Secretary to the Treasury on 23 May 2012, departments and their ALBs published information in relation to the number of off-payroll engagements. As at 31 March 2016 the Department has produced three tables providing data on off-payroll engagements for the Core Department, Executive Agencies and its NDPBs. The tables are shown in Annex C and form part of the Accountability report.

Parliamentary Accountability

Statement of Parliamentary Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRM) requires MoJ to prepare a Statement of Parliamentary Supply (SoPS) and supporting notes, reporting outturn against the Supplementary Estimate presented to Parliament in respect of each budgetary control limit. The SoPS and related notes are subject to audit.

Summary of Resource and Capital Outturn 2015-16


		2015-16						Restated 2014-15	
		Estimate			Outturn			Voted Outturn compared with Estimate: saving/ (excess)	Outturn
Note		Voted £000	Non-Voted £000	Total £000	Voted £000	Non-Voted £000	Total £000	Total £000	
Departmental Expenditure Limit									
- Resource	SoPS 1.1	7,172,706	125,279	7,297,985	7,070,159	134,529	7,204,688	7,593,363	
- Capital	SoPS 1.2	278,963	-	278,963	266,007	-	266,007	288,977	
Annually Managed Expenditure									
- Resource	SoPS 1.1	751,010	-	751,010	258,037	-	258,037	(295,587)	
- Capital	SoPS 1.2	-	-	-	-	-	-	-	
Total Budget		8,202,679	125,279	8,327,958	7,594,203	134,529	7,728,732	7,586,753	
Total Resource		7,923,716	125,279	8,048,995	7,328,196	134,529	7,462,725	7,297,776	
Total Capital		278,963	-	278,963	266,007	-	266,007	288,977	
Total		8,202,679	125,279	8,327,958	7,594,203	134,529	7,728,732	7,586,753	

Net Cash Requirement 2015-16

		2015-16			Restated 2014-15
		Estimate	Outturn	Outturn compared with Estimate: saving/ (excess)	Outturn
Note		£000	£000	£000	£000
Net cash requirement	Annex A, SoPS 3	7,119,852	6,964,146	155,706	7,183,010

Administration Costs 2015-16

		2015-16		Restated 2014-15
		Estimate	Outturn	Outturn
		£000	£000	£000
Administration costs		575,925	570,498	552,405



Figures in the areas outlined in bold are voted totals subject to Parliamentary control. In addition, although not a separate voted limit, any breach of the administration budget will also result in an excess vote. Explanations of variances between the Estimate and outturn are 83 given in the Our Finances section on page 20.

SoPS note 3 and 4 in Annex A form part of the Statement of Parliamentary Supply.

SoPS 1. Net outturn

SoPS 1.1 Analysis of net resource outturn by section

							2015-16				Restated
	Administration			Programme			Outturn			2015-16	2014-15
										Estimate	Outturn
	Gross	Income	Net	Gross	Income	Net	Net Total	Net Total	Net Total	Net Total	Net Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Spending in Departmental Expenditure Limits (DEL)											
Voted expenditure											
A Policy, Corporate Services and Associated Offices	301,276	(24,369)	276,907	822,778	(432,686)	390,092	666,999	755,786	88,787	88,787	905,470
B National Offender Management Service	144,058	(4,892)	139,166	3,668,414	(290,522)	3,377,892	3,517,058	3,509,362	(7,696)	(7,696)	3,345,479
C HM Courts & Tribunals Service	23,059	(88)	22,971	1,549,460	(738,948)	810,512	833,483	846,344	12,861	12,861	944,099
D Office of the Public Guardian	52	-	52	48,564	(65,857)	(17,293)	(17,241)	(15,908)	1,333	1,333	(14,821)
E Youth Justice Board (net)	6,705	-	6,705	157,841	-	157,841	164,546	163,628	(918)	(918)	191,467
F Parole Board (net)	1,444	-	1,444	12,738	-	12,738	14,182	14,060	(122)	(122)	12,961
G Criminal Cases Review Commission (net)	1,137	-	1,137	4,161	-	4,161	5,298	5,255	(43)	(43)	5,504
H Judicial Appointments Commission (net)	248	-	248	3,584	-	3,584	3,832	4,525	693	693	4,032
I Office for Legal Complaints (net)	-	-	-	13,214	-	13,214	13,214	11,888	(1,326)	(1,326)	13,657
J Legal Services Board (net)	-	-	-	3,364	-	3,364	3,364	4,298	934	934	3,921
K Legal Aid Agency - Administration	101,218	(787)	100,431	64	-	64	100,495	98,668	(1,827)	(1,827)	99,306
L Legal Aid Agency - Fund: Criminal	-	-	-	891,282	(30,151)	861,131	861,131	909,900	48,769	48,769	888,754
M Legal Aid Agency - Fund: Civil	-	-	-	769,478	(169,050)	600,428	600,428	592,500	(7,928)	(7,928)	684,984
N Legal Aid Agency - Central Funds	-	-	-	49,088	-	49,088	49,088	47,100	(1,988)	(1,988)	62,814
O Criminal Injuries Compensation Authority	12,189	(38)	12,151	154,928	(27,290)	127,638	139,789	108,500	(31,289)	(31,289)	194,650
P Children and Family Court Advisory and Support Service (net)	9,286	-	9,286	105,207	-	105,207	114,493	116,800	2,307	2,307	119,418
Total Voted expenditure in DEL	600,672	(30,174)	570,498	8,254,165	(1,754,504)	6,499,661	7,070,159	7,172,706	102,547	102,547	7,461,695
Non-Voted expenditure											
Q Higher Judiciary Judicial Salaries	74	-	74	149,391	-	149,391	149,465	141,465	(8,000)	(8,000)	148,066
R Levy Income - Legal Services Board and Office for Legal Complaints (CFER)	-	-	-	-	(14,936)	(14,936)	(14,936)	(16,186)	(1,250)	(1,250)	(16,398)
Total Non-voted expenditure in DEL	74	-	74	149,391	(14,936)	134,455	134,529	125,279	(9,250)	(9,250)	131,668
Total Resource DEL Spending	600,746	(30,174)	570,572	8,403,556	(1,769,440)	6,634,116	7,204,688	7,297,985	93,297	93,297	7,593,363

					2015-16 Outturn			2015-16 Estimate			Restated 2014-15 Outturn	
		Administration			Programme							
								Net Total compared to Estimate adjusted for virements				
		Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Net Total £000	Net Total £000	Net Total £000	Net Total £000	
Spending in Annually Managed Expenditure Limits (AME)												
Voted expenditure												
S	Policy, Corporate Services and Associated Offices	-	-	-	1,108	-	1,108	1,108	503,161	502,053	501,862	(296,893)
T	National Offender Management Headquarters (HQ)	-	-	-	68,881	-	68,881	68,881	139,347	70,466	70,466	140,115
U	HM Courts & Tribunals Service	-	-	-	98,355	-	98,355	98,355	11,000	(87,355)	(87,355)	(89,709)
V	Criminal Cases Review Commission (net)	-	-	-	231	-	231	231	515	284	284	261
W	Legal Aid Agency - Administration	-	-	-	990	-	990	990	15,033	14,043	14,043	4
X	Legal Aid Agency - Fund: Criminal	-	-	-	3,908	-	3,908	3,908	7,835	3,927	3,927	30,282
Y	Legal Aid Agency - Fund: Civil	-	-	-	51,607	-	51,607	51,607	26,757	(24,850)	(24,850)	(62,607)
Z	Legal Aid Agency - Central Funds	-	-	-	(1,029)	-	(1,029)	(1,029)	622	1,651	1,651	(18,576)
AA	Criminal Injuries Compensation Authority	-	-	-	26,882	-	26,882	26,882	41,963	15,081	15,081	(10,541)
AB	Children and Family Court Advisory and Support Service (net)	-	-	-	6,913	-	6,913	6,913	4,777	(2,136)	(2,136)	4,020
	Youth Justice Board (net)	-	-	-	1	-	1	1	-	(1)	-	8,467
	Judicial Appointments Commission (net)	-	-	-	-	-	-	-	-	-	-	(6)
	Office of the Public Guardian	-	-	-	-	-	-	-	-	-	-	15
	Office for Legal Complaints (net)	-	-	-	57	-	57	57	-	(57)	-	(367)
	Parole Board (net)	-	-	-	133	-	133	133	-	(133)	-	(52)
	Legal Services Board (net)	-	-	-	-	-	-	-	-	-	-	-
Total Resource AME Spending		-	-	-	258,037	-	258,037	258,037	751,010	492,973	492,973	(295,587)

SoPS 1.2 Analysis of net capital outturn by section

	2015-16 Outturn			2015-16 Estimate			Restated 2014-15 Outturn
	Gross	Income	Net Total	Net Total	Net Total	Net Total	Net Total
	£000	£000	£000	£000	£000	£000	£000
Spending in Departmental Expenditure Limits (DEL)							
Voted expenditure							
A Policy, Corporate Services and Associated Offices	255,090	(29,784)	225,306	233,692	8,386	8,386	242,428
B National Offender Management Service	11,968	(289)	11,679	14,500	2,821	2,821	24,497
C HM Courts & Tribunals Service	17,005	(1,144)	15,861	16,800	939	939	-
D Office of the Public Guardian	3,331	(179)	3,152	4,654	1,502	1,502	4,298
E Youth Justice Board (net)	844	-	844	850	6	6	2,250
F Parole Board (net)	46	-	46	20	(26)	(26)	86
G Criminal Cases Review Commission (net)	47	-	47	47	-	-	84
H Judicial Appointments Commission (net)	-	-	-	-	-	-	553
I Office for Legal Complaints (net)	34	-	34	-	(34)	(34)	1,406
J Legal Services Board (net)	-	-	-	-	-	-	112
K Legal Aid Agency – Administration	8,552	-	8,552	7,800	(752)	(752)	11,806
L Legal Aid Agency - Fund: Criminal	-	-	-	-	-	-	-
M Legal Aid Agency - Fund: Civil	-	-	-	-	-	-	-
N Legal Aid Agency - Central Funds	-	-	-	-	-	-	-
O Criminal Injuries Compensation Authority	486	-	486	600	114	114	1,457
P Children and Family Court Advisory and Support Service (net)	-	-	-	-	-	-	-
Total Voted expenditure in DEL	297,403	(31,396)	266,007	278,963	12,956	12,956	288,977
Non-voted expenditure							
Q Higher Judiciary Judicial Salaries	-	-	-	-	-	-	-
R Levy Income - Legal Services Board and Office for Legal Complaints (CFER)	-	-	-	-	-	-	-
Total Non-voted expenditure in DEL	-	-	-	-	-	-	-
Total Capital DEL Spending	297,403	(31,396)	266,007	278,963	12,956	12,956	288,977
Spending in Annually Managed Expenditure Limits (AME)							
Voted expenditure							
S Policy, Corporate Services and Associated Offices	-	-	-	-	-	-	-
T National Offender Management HQ	-	-	-	-	-	-	-
U HM Courts & Tribunals Service	-	-	-	-	-	-	-
V Criminal Cases Review Commission (net)	-	-	-	-	-	-	-
W Legal Aid Agency – Administration	-	-	-	-	-	-	-
X Legal Aid Agency - Fund: Criminal	-	-	-	-	-	-	-
Y Legal Aid Agency - Fund: Civil	-	-	-	-	-	-	-
Z Legal Aid Agency - Central Funds	-	-	-	-	-	-	-
AA Criminal Injuries Compensation Authority	-	-	-	-	-	-	-
AB Children and Family Court Advisory and Support Service (net)	-	-	-	-	-	-	-
Youth Justice Board (net)	-	-	-	-	-	-	-
Judicial Appointments Commission (net)	-	-	-	-	-	-	-
Office of the Public Guardian	-	-	-	-	-	-	-
Office for Legal Complaints (net)	-	-	-	-	-	-	-
Parole Board (net)	-	-	-	-	-	-	-
Legal Services Board (net)	-	-	-	-	-	-	-
Total Capital AME Spending	-	-	-	-	-	-	-

Significant variances between Estimate and Outturn are explained in the Our Finances section on page 20.

SoPS 2 Reconciliation of outturn to net operating expenditure

SoPS 2.1 Reconciliation of net resource outturn to net operating expenditure

		2015-16	Restated 2014-15
		Outturn	Outturn
	Note	£000	£000
Total resource outturn in SoPS			
Voted DEL	SoPS 1.1	7,070,159	7,461,695
Non-voted DEL	SoPS 1.1	134,529	131,668
Total DEL		7,204,688	7,593,363
Total AME	SoPS 1.1	258,037	(295,587)
		7,462,725	7,297,776
Add:			
Capital grants (net of European Union contributions)		(59)	615
Other			
Adjustment for other capital expenditure in CSoCNE		(4,934)	319
		(4,993)	934
Less:			
Income payable to the Consolidated Fund (excluding non-voted levy income)		(1,380)	(5,003)
Other			
Private Finance Initiatives adjustments		(10,368)	(40,717)
		(11,748)	(45,720)
Net Operating Expenditure in CSoCNE		7,445,984	7,252,990

Losses and special payments

This section has been subject to audit

Losses statement

Values	31 March 2016		Restated 31 March 2015	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Cash losses	776	776	2,045	2,067
Claims abandoned	136	136	53	113
Administrative write-offs	9,344	9,346	6,416	6,497
Fruitless payments	5,939	5,985	1,180	1,212
Store losses	1,881	1,881	1,134	1,134
Constructive losses	18,330	18,330	2,362	3,175
Total value of losses	36,406	36,454	13,190	14,198

Numbers	31 March 2016		Restated 31 March 2015	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	Cash losses	2,850	2,850	2,951
Claims abandoned	16	16	3	7
Administrative write-offs	4,387	4,390	2,538	2,601
Fruitless payments	41	88	20	64
Store losses	10,208	10,208	7,041	7,041
Constructive losses	7	7	1	2
Total number of losses	17,509	17,559	12,554	12,707

In 2015-16 there were six losses (2014-15: three) over £300k as follows:

A loss totalling £3.9m was incurred following the decision to terminate a contract with a third party for the provision of services in relation to Electronic Monitoring of offenders. In addition, a number of fruitless payments totalling £5.2m were made in relation to this termination, individually no payments was above £300k.

A loss of £9.0m was recognised in respect of preparatory expenditure which is no longer required on a project to outsource criminal court compliance and enforcement services. Following the reconsideration of service requirements, it was decided that outsourcing these services to a single supplier was not the best option for HM Courts & Tribunals Service.

A fruitless payment of £359k in relation to premium cost for early exit of land and buildings lease was recognised.

A constructive loss of £4.8m in respect of costs incurred on a project to build a secure college for Youth Offenders which was announced in July 2015 would not go ahead.

In January 2016, the Secretary of State for Justice announced the abandonment of the criminal legal aid tender. This resulted in a total constructive loss of £0.6m for additional resources required to support the assessment of tender applications, and external legal costs for the creation of contracts and advice on the procurement process.

Three supplier balances were written off of £320,513, £347,356 and £374,250 relating to debts arising in the normal course of business in the Legal Aid Agency.

Potential loss

There is an ongoing investigation into a data anomaly between the legal aid claims made by a provider firm and those that could be supported by tribunal and/or patient records. This was identified through routine Contract Management activity and triggered an Official Investigation that has been referred to the Metropolitan Police.

Action is being taken to understand the cause of the anomaly, and should the investigation identify that the LAA have made overpayments to the firm, the LAA will take all reasonable steps to recover. Any amount which cannot be recovered may give rise to a loss in the 2016-17 Accounts.

Special payments

Values	31 March 2016		Restated 31 March 2015	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Compensation payments	57,497	58,056	138,995	139,148
Ex gratia	1,397	1,397	1,741	1,741
Extra-contractual payments	81	81	1,043	1,076
Extra-statutory and extra-regulatory payments	-	-	16,800	16,800
Special severance payments	-	-	411	411
Total value of special payments	58,975	59,534	158,990	159,176

Numbers	31 March 2016		Restated 31 March 2015	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	Compensation payments	10,253	10,562	18,308
Ex gratia	1,834	1,834	1,685	1,685
Extra-contractual payments	462	462	395	395
Extra-statutory and extra-regulatory payments	-	-	1	1
Special severance payments	-	-	25	25
Total number of special payments	12,549	12,858	20,414	20,456

In 2015-16 there were 27 (2014-15: eight) special payments over £300k in respect of:

- 17 compensation payments are due to be made to contracted IT service providers totalling £23.1m in NOMS.
- Two compensation payments to prisoners, of £321,797 and £451,746 relating to NOMS.
- Five compensation payments to operational members of NOMS staff injured in the course of their duties, of £316,512, £465,159; £541,922; £1,000,000 and £1,021,624.
- HM Courts & Tribunals Service entered into commitments to make expenses payments to three senior members of the judiciary of an estimated total value of £330,000.

280 cases totalling £7.2m relating to claims paid by the MoJ in respect of the Fee Paid Judicial litigation claims as noted in Note 19. Included in 2014-15 payments there was a calculation error in the compensation payments in respect of the Fee Paid Judicial members which led to a cohort of settlements being paid in excess of entitlement. The overpayment was £3.0m.

Fees and charges

This section has been subject to audit.

MoJ is required, in accordance with HM Treasury's 'Managing Public Money', to disclose results for the areas of its activities where fees and charges are levied. The analysis provided below is for fees and charges purposes and is not intended to meet the requirements of IFRS 8 'Operating Segments'.

	2015-16					Restated 2014-15
	Gross income	Full cost	Surplus/ (deficit)	Fee recovery actual	Fee recovery target	Fee recovery actual
	£000	£000	£000	%	%	%
Office of the Accountant General	3,709	3,709	-	100%	100%	100%
Official Solicitor and Public Trustee						
Litigation	1,778	6,373	(4,595)	28%	11%	25%
Trust and Estates	596	789	(193)	76%	39%	75%
HM Courts & Tribunals Service						
Family	160,719	202,510	(41,791)	79%	100%	87%
Civil	521,847	404,024	117,823	129%	100%	94%
Asylum & Immigration	12,705	94,921	(82,216)	13%	0%	11%
Employment Tribunals	12,477	65,844	(53,367)	19%	0%	17%
Other Tribunals	1,206	15,408	(14,202)	8%	0%	9%
Office of the Public Guardian	72,620	53,211	19,409	136%	100%	143%
Legal Services Board	3,587	3,587	-	100%	100%	100%
Office for Legal Complaints	12,014	12,014	-	100%	100%	100%
	803,258	862,390	(59,132)			

Office of the Accountant General

The Office of the Accountant General (OAG) invests money on behalf of its clients in the Court Funds Investment Account (CFIA) which pays interest or in the Equity Index Tracker Fund for long term investments. Clients do not pay fees for investment services but the operational costs of OAG are paid out of the surplus interest earned on their funds. OAG therefore runs at nil net cost to the MoJ Vote and in terms of the principles of cost recovery is 100% self-funding. If the surplus interest earned on the CFIA is not sufficient to cover OAG's costs then it has a legal entitlement to call on the Consolidated Fund through its parent Department MoJ.

Official Solicitor and Public Trustee

The Official Solicitor's litigation services continue to be largely publicly funded due to the nature of the cases dealt with. However, where appropriate to do so, the Official Solicitor charges clients at full cost for services provided.

The Official Solicitor and the Public Trustee (OSPT) charge for their work in administering their Trusts and Deputy Services (TDS) cases. The TDS caseload continues to diminish as cases are only now accepted on the basis of 'last resort'. As at 31 March 2016 the caseload was 199 (2014-15: 240). The fee income associated with Public Trustee cases is capped by a Fees Order and there are some cases for which the OSPT is not empowered to charge fees.

HM Courts & Tribunals Service

HM Courts & Tribunals Service collects and reports upon fee charges, at rates that appear in statutory instrument fees orders. Government introduced cost recovery fee reform on 22 April 2014, enhanced fee charging for money claims on 9 March 2015, and further enhanced fees including divorce and possession on 21 March 2016. The system of Help With Fees (fee remissions) exists to ensure that individuals are not denied access to the courts if they genuinely cannot afford the fee. Only the Civil and Tribunal businesses have systems for charging fees.

HM Courts & Tribunals Service reports on both the civil and tribunal business segments. Civil business contains two business streams: family (including non-contentious probate and court of protection) and civil (including civil business in county courts, higher courts and magistrates' courts); whilst tribunal business contains three business streams: asylum and immigration, employment and other fee charging tribunals (including lands, residential property, gambling and gender recognition).

Further detail regarding current fees orders can be found within the HM Courts & Tribunals Service Accounts.

Office of the Public Guardian

The financial objective agreed with HM Treasury, for OPG to achieve full cost recovery (excluding fee exemptions and remissions), was met and exceeded, achieving 136% in 2015/16, a further reduction from 143% achieved in 2014/15.

As reported last year, this over-recovery was anticipated as it was not possible to change our fees during the year. We have successfully delivered significant resource investment and improved the quality of our services.

Discussions are being held between MoJ and HM Treasury to review the financial objective and if necessary amend our fee structure at the earliest opportunity.

Legal Services Board and Office for Legal Complaints

LSB and OLC income relates to levies receipted from approved regulators. This income is surrendered to the Consolidated Fund in line with the Legal Services Act 2007. In return, LSB and OLC receive Grant in Aid (GiA) funding from the MoJ Core Department equal to the income surrendered.

Remote contingent Liabilities

Contingent liabilities not required to be disclosed under IAS 37 but included for Parliamentary reporting and accountability purposes below.

Heathrow Airport Holdings Limited indemnity: An indemnity of up to £50m (2014-15: £50m), in respect of any one accident, has been given to Heathrow Airport Holdings Limited (previously British Airports Authority). This is in respect of damage or injury caused to third parties arising out of any negligence of NOMS in their use of vehicles travelling airside for the repatriation of prisoners.

Privately managed prisons: NOMS would be liable as underwriter or last resort to meet certain losses incurred by the privately managed prisons, for costs which are uneconomic to insure commercially.

Local Government Pension Scheme (LGPS) Guarantee: The Secretary of State for Justice has provided a guarantee to the GMPF in respect of the CRCs' participation in the GMPF for pension liabilities that transferred to the CRCs. In addition, the responsibility for funding the past service liabilities associated with the original employees who are deferred or pensioner members of the LGPS was transferred to NOMS.

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the Ministry of Justice and of its Departmental Group for the year ended 31 March 2016 under the Government Resources and Accounts Act 2000. The Department consists of the core Department and its agencies. The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2015. The financial statements comprise: the Department's and Departmental Group's Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Remuneration and Staff Report and the Parliamentary Accountability Disclosures within the Accountability Report that is described in those reports and disclosures as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Department's and the Departmental Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for 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.

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 2016 and shows that those totals have not been exceeded; and
- 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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's and the Departmental Group's affairs as at 31 March 2016 and of the Department's net operating cost and Departmental Group's net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Parliamentary 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 Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General

Date 6 July 2016

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

Financial Statements

Financial Statements

Consolidated Statement of Comprehensive Net Expenditure

for the year ended 31 March 2016

	Note	2015-16		Restated 2014-15	
		Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
		£000	£000	£000	£000
Income from sale of goods and services	3	(64,954)	(64,954)	(60,689)	(60,689)
Other operating income	4	(1,719,002)	(1,701,404)	(1,546,636)	(1,537,422)
Total Operating Income		(1,783,956)	(1,766,358)	(1,607,325)	(1,598,111)
Staff costs	5	2,632,983	2,766,863	2,564,802	2,807,949
Judicial costs	5	468,772	468,772	454,439	454,439
Purchase of goods and services	6	1,926,449	1,942,108	1,966,032	1,974,621
Depreciation, amortisation and impairment charges	7	624,524	628,157	461,309	474,731
Provision expense	8	312,939	313,119	183,327	183,284
Net (gain)/loss on disposal of assets	9	(2,916)	(2,871)	(10,235)	(10,150)
Revaluation of non-current and financial assets	10	(115,017)	(115,017)	(244,580)	(244,580)
Other operating expenditure	11	3,268,882	3,106,470	3,373,134	2,842,132
Total Operating Expenditure		9,116,616	9,107,601	8,748,228	8,482,426
Net Operating Expenditure before financing		7,332,660	7,341,243	7,140,903	6,884,315
Finance expense	12	84,943	90,565	81,187	96,152
Borrowing cost on provisions		14,099	14,169	9,710	9,711
Net Operating Expenditure before tax		7,431,702	7,445,977	7,231,800	6,990,178
Taxation		-	7	-	(416)
Discontinued operations:					
Results of discontinued operations		-	-	-	263,228
Movement in net assets of discontinued operations		-	-	365	-
Net Operating Expenditure		7,431,702	7,445,984	7,232,165	7,252,990
Net (gain)/loss on transfers by absorption*		-	-	1,515,047	-
Net Expenditure for the year ended 31 March 2016		7,431,702	7,445,984	8,747,212	7,252,990
Other Comprehensive Net Expenditure					
<i>Items that will not be reclassified to operating expenditure:</i>					
Net (gain)/loss on revaluation of:					
Property, plant and equipment		(706,822)	(710,734)	(546,989)	(550,159)
Intangible assets		(1,906)	(1,943)	(1,428)	(1,428)
Assets held for sale		-	-	1,847	1,847
Remeasurement of pension schemes:					
Cafcass pension scheme		-	(15,817)	-	32,748
LSC pension scheme		(22,501)	(22,501)	(7,924)	(7,924)
By-analogy pension schemes		(58)	(153)	221	676
Probation pension schemes		(313,700)	(313,700)	143,296	104,689
Net (gain)/loss on recognition of investment **		-	-	(505)	-
Total Comprehensive Net Expenditure for the year ended 31 March 2016		6,386,715	6,381,136	8,335,730	6,833,439

* The net loss on transfers by absorption represents the proportionate transfer of the net liabilities from the Probation Trusts to the newly formed National Probation Service in NOMS and the net liabilities of CICA, formally a NDPB of MoJ.

** The net gain on recognition of investments represents the gain on the investment in the net assets of the Community Rehabilitation Companies (CRCs). This investment is eliminated on consolidation and does not affect the Departmental Group position.

The Notes on pages 84 to 131 form part of these Accounts.

Consolidated Statement of Financial Position

as at 31 March 2016

	Note	31 March 2016		Restated 31 March 2015	
		Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
		£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	13	10,315,783	10,384,122	9,855,155	9,922,083
Intangible assets	14	338,116	344,340	319,964	326,572
Investments		465	465	367	367
LSC pension asset	29	68,964	68,964	45,022	45,022
Trade and other receivables	16	3,714	3,715	2,602	2,602
Total non-current assets		10,727,042	10,801,606	10,223,110	10,296,646
Current assets					
Assets held for sale	15	15,399	15,399	22,010	22,010
Inventories		38,770	38,770	37,731	37,731
Trade and other receivables	16	436,768	427,192	427,054	423,612
Cash and cash equivalents	17	183,058	212,404	144,163	193,196
Total current assets		673,995	693,765	630,958	676,549
Total assets		11,401,037	11,495,371	10,854,068	10,973,195
Current liabilities					
Trade and other payables	18	(1,482,206)	(1,484,707)	(1,426,239)	(1,442,237)
Bank overdraft	17	(12,605)	(12,605)	(19,090)	(19,090)
Provisions	19	(844,477)	(846,716)	(774,816)	(777,163)
Total current liabilities		(2,339,288)	(2,344,028)	(2,220,145)	(2,238,490)
Total assets less current liabilities		9,061,749	9,151,343	8,633,923	8,734,705
Non-current liabilities					
Trade and other payables	18	(829,707)	(842,179)	(916,087)	(929,260)
Provisions	19	(645,310)	(646,039)	(604,026)	(604,472)
Cafcass pension liability	29	-	(166,069)	-	(174,827)
By-analogy pension liabilities		(5,031)	(11,642)	(4,908)	(11,524)
Probation pension liability	29	(1,193,400)	(1,193,400)	(1,441,995)	(1,441,995)
Total non-current liabilities		(2,673,448)	(2,859,329)	(2,967,016)	(3,162,078)
Assets less liabilities		6,388,301	6,292,014	5,666,907	5,572,627
Taxpayers' equity					
General fund		3,666,624	3,545,881	3,536,947	3,421,683
Revaluation reserve		2,721,677	2,746,133	2,129,960	2,150,944
Total taxpayers' equity		6,388,301	6,292,014	5,666,907	5,572,627

The Notes on pages 84 to 131 form part of these Accounts.

Richard Heaton
Accounting Officer

5 July 2016

Consolidated Statement of Cash Flows

for the year ended 31 March 2016

		2015-16		Restated 2014-15	
		Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Note		£000	£000	£000	£000
Cash flows from operating activities					
	Net operating expenditure	CSoCNE (7,431,702)	(7,445,984)	(7,232,165)	(7,252,990)
	Adjustments for non-cash transactions	900,335	933,409	491,639	571,864
	Finance (income)/costs	19,970	19,970	21,051	21,290
	Movements in pensions	18,691	20,218	7,319	9,108
	Interest received	-	-	-	1
	Interest paid	-	-	-	(1)
	(Increase)/decrease in trade and other receivables	16 (10,826)	(4,693)	(12,676)	4,526
	<i>Less: Movements in receivables not passing through the CSoCNE and receivable impairments</i>	(8,817)	(8,431)	(18,815)	(34,607)
	(Increase)/decrease in inventories	(1,039)	(1,039)	950	950
	Increase/(decrease) in trade and other payables	18 (30,413)	(44,611)	118,615	(20,624)
	<i>Less: Movements in payables relating to items not passing through the CSoCNE</i>	11,296	(2,901)	(55,130)	77,495
	Utilisation of provisions	19 (207,596)	(207,809)	(363,688)	(365,965)
Net cash outflow from operating activities		(6,740,101)	(6,741,871)	(7,042,900)	(6,988,953)
Cash flows from investing activities					
	Purchase of property, plant and equipment	(224,087)	(224,125)	(239,175)	(240,204)
	Purchase of intangible assets	(88,545)	(89,171)	(105,319)	(108,060)
	Proceeds on disposal of property, plant and equipment	109	109	253	260
	Proceeds on disposal of assets held for sale	31,998	31,998	70,705	71,210
	Proceeds on disposal of investments	-	-	505	-
Net cash outflow from investing activities		(280,525)	(281,272)	(273,031)	(276,794)
Cash flows from financing activities					
	From the Consolidated Fund (Supply)	7,014,950	7,014,950	7,173,500	7,173,500
	From the Consolidated Fund (Non-Supply)	149,465	149,465	148,066	148,066
	Advances from the Contingencies Fund	460,000	460,000	900	900
	Repayments to the Contingencies Fund	(460,000)	(460,000)	(900)	(900)
	Machinery of Government transfers	-	-	(3,700)	(3,700)
	Capital element of finance leases and on-balance sheet Private Finance Initiative (PFI) contracts	(54,906)	(72,076)	(42,204)	(85,899)
	Repayment of Met Police and local authority loans	(2,093)	(2,093)	(2,717)	(2,717)
	Movement in third party balances	(14)	(14)	9	9
	Interest paid	(19,970)	(19,970)	(21,051)	(21,290)
Net cash inflow from financing activities		7,087,432	7,070,262	7,251,903	7,207,969
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		66,806	47,119	(64,028)	(57,778)
	Receipts due to the Consolidated Fund outside the scope of the Department's activities	-	-	16,398	-
	Payments of amounts due to the Consolidated Fund	(21,730)	(21,730)	(52,541)	(52,541)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		45,076	25,389	(100,171)	(110,319)
Cash and cash equivalents at the beginning of the period		125,073	174,106	138,882	284,425
	Transfers within group	-	-	86,362	-
	Transfer out of boundary	304	304	-	-
Cash and cash equivalents at the end of the period		170,453	199,799	125,073	174,106

The Notes on pages 84 to 131 form part of these Accounts.

Consolidated Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2016

	Note	Core Department & Agencies			Departmental Group		
		General fund	Revaluation reserve	Total reserves	General fund	Revaluation reserve	Total reserves
		£000	£000	£000	£000	£000	£000
Balance at 31 March 2015		3,536,947	2,129,960	5,666,907	3,421,683	2,150,944	5,572,627
Net Parliamentary Funding - drawn down		7,014,950	-	7,014,950	7,014,950	-	7,014,950
Net Parliamentary Funding - deemed		104,642	-	104,642	104,642	-	104,642
Unspent Supply drawn down repayable to the Consolidated Fund		(155,446)	-	(155,446)	(155,446)	-	(155,446)
Consolidated Fund Standing Services							
- Judicial salaries		141,943	-	141,943	141,943	-	141,943
- Lord Chancellor's salary		74	-	74	74	-	74
- Utilisation of Judicial Service Award		7,448	-	7,448	7,448	-	7,448
CFERs payable to the Consolidated Fund		(1,380)	-	(1,380)	(16,316)	-	(16,316)
Net expenditure for the year	CSoCNE	(7,431,702)	-	(7,431,702)	(7,445,984)	-	(7,445,984)
Net gain/(loss) on revaluation of							
- Property, plant and equipment		-	706,822	706,822	-	710,734	710,734
- Intangible assets		-	1,906	1,906	-	1,943	1,943
Remeasurement of pension schemes							
- Cafcass pension scheme	29	-	-	-	15,817	-	15,817
- LSC pension scheme	29	22,501	-	22,501	22,501	-	22,501
- By-analogy pension schemes		58	-	58	153	-	153
- Probation pension schemes	29	313,700	-	313,700	313,700	-	313,700
Non-cash adjustment							
- Auditors' remuneration	6	1,459	-	1,459	1,459	-	1,459
- Corporate overhead charges	11	(7,018)	-	(7,018)	-	-	-
Movements in reserves							
- Transfers from revaluation reserve		117,011	(117,011)	-	117,488	(117,488)	-
Adjustment in respect of prior periods		1,351	-	1,351	1,351	-	1,351
Other		86	-	86	418	-	418
Balance at 31 March 2016		3,666,624	2,721,677	6,388,301	3,545,881	2,746,133	6,292,014

Consolidated Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2015 (Restated)

	Note	Core Department & Agencies			Departmental Group		
		General fund	Revaluation reserve	Total reserves	General fund	Revaluation reserve	Total reserves
		£000	£000	£000	£000	£000	£000
Restated balance at 1 April 2014		5,013,287	1,670,275	6,683,562	3,403,503	1,690,452	5,093,955
Net Parliamentary Funding - drawn down		7,173,500	-	7,173,500	7,173,500	-	7,173,500
Net Parliamentary Funding - deemed		117,852	-	117,852	117,852	-	117,852
Other - Machinery of Government Transfer		(3,700)	-	(3,700)	(3,700)	-	(3,700)
Unspent Supply drawn down repayable to the Consolidated Fund		(104,642)	-	(104,642)	(104,642)	-	(104,642)
Consolidated Fund Standing Services							
- Judicial salaries		140,520	-	140,520	140,520	-	140,520
- Lord Chancellor's salary		75	-	75	75	-	75
- Utilisation of Judicial Service Award		7,471	-	7,471	7,471	-	7,471
CFERs payable to the Consolidated Fund		(5,003)	-	(5,003)	(21,401)	-	(21,401)
Net expenditure for the year	CSoCNE	(8,747,212)	-	(8,747,212)	(7,252,990)	-	(7,252,990)
Net gain/(loss) on revaluation of							
- Property, plant and equipment		-	546,989	546,989	-	550,159	550,159
- Intangible assets		-	1,428	1,428	-	1,428	1,428
- Assets held for sale		-	(1,847)	(1,847)	-	(1,847)	(1,847)
Remeasurement of pension schemes							
- Cafcass pension scheme	29	-	-	-	(32,748)	-	(32,748)
- LSC pension scheme	29	7,924	-	7,924	7,924	-	7,924
- By-analogy pension schemes		(221)	-	(221)	(676)	-	(676)
- Probation pension schemes	29	(143,296)	-	(143,296)	(104,689)	-	(104,689)
Net gain/(loss) on recognition of investment		505	-	505	-	-	-
Non-cash adjustment							
- Auditors' remuneration	6	1,469	-	1,469	1,469	-	1,469
- Corporate overhead charges	11	(9,599)	-	(9,599)	-	-	-
Movements in reserves							
- Transfers from revaluation reserve		86,885	(86,885)	-	87,847	(87,847)	-
- Absorption accounting transfers between reserves		-	-	-	1,401	(1,401)	-
Intra-departmental adjustment		1,150	-	1,150	-	-	-
Other		(18)	-	(18)	967	-	967
Balance at 31 March 2015		3,536,947	2,129,960	5,666,907	3,421,683	2,150,944	5,572,627

The Notes on pages 84 to 131 form part of these Accounts.

Notes to the Accounts for the year ended 31 March 2016

1a) Statement of accounting policies

1.1 Basis of preparation

These Accounts have been prepared in accordance with the Financial Reporting Manual (FReM) 2015-16 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 has been judged to be the most appropriate to the particular circumstances of MoJ for the purpose of giving a true and fair view has been selected. The particular policies adopted by MoJ are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

The functional and presentational currency of MoJ is the British pound sterling (£).

1.2 Accounting convention

These Accounts have been prepared on an accruals basis under the historical cost convention, modified to account for the revaluation of non-current assets, inventories and assets held for sale, where material.

1.3 Basis of consolidation

These Accounts consolidate the Core Department, Executive Agencies and NDPBs which fall within the Departmental Boundary as defined in the FReM and make up the Departmental Group. A list of entities included within the Departmental Boundary is given at Note 28.

All significant intra-departmental balances and transactions between entities within the Departmental Boundary are eliminated.

All consolidated entities have accounting reference dates that align with the Core Department.

1.4 Changes in accounting policy and disclosures

a) Changes in accounting policies

There have been no changes in accounting policies for the period ended 31 March 2016.

b) New and amended standards adopted

IFRS 13 'Fair Value Measurement' is effective for accounting periods beginning on or after 1 April 2015, and is applied prospectively in this accounts. This standard defines fair value, sets out a uniform framework for measuring fair value and provides related disclosure requirements. The aim of this standard is to create a consistent methodology for the calculation of fair values that is to be applied across other IFRSs.

In conjunction with the release of IFRS 13, the FReM have adapted and interpreted IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets' for public sector application. These changes have been applied as being effective from 1 April 2015 and as such is reflected in this set of accounts.

c) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2015 and not early adopted

IFRS 15 Revenue from contracts with customers, IFRS 9 Financial Instruments and IFRS 16 Leases are not yet effective for public sector reporting. IFRS 9 may have an impact on the impairment methodology used by the LAA to value its outstanding debt however these are not expected to have a material impact on the Departmental Group's future accounts. IFRS 16 will change the way MoJ recognises, measures, presents and discloses leases that it holds. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The full impact of IFRS 16 on the Department has yet to be determined and will not be until it has been adopted for use in the public sector by the FReM.

d) Changes in presentation and reclassifications

In line with HM Treasury's implementation of the Simplifying and Streamlining Accounts project, the presentation of the Consolidated Statement of Comprehensive Net Expenditure (CSoCNE) have been revised to align closer with the presentation of IAS 1. Comparative figures in CSoCNE have been reclassified to the new headings, to provide a consistent presentation with current year.

In addition, details of staff and judiciary costs and numbers are disclosed in the Staff numbers and composition section in the Accountability report. This presentation complies with IAS 1 as interpreted by the FReM.

Aside from the changes due to the Streamlining project, MoJ also reclassified 'Bailiff fees' income to 'Other contracted out services' expense, of £24,633k in the CSoCNE. This reclassification is made to better reflect the nature of the transaction in the CSoCNE. The reclassification has a net nil impact on net operating cost and as such comparatives have not been restated

1.5 Machinery of Government changes and restatement of comparatives

Machinery of Government changes, which involve the transfer of functions between two or more parts of the public sector/government departments, are required to be accounted for using merger accounting principles where the transfer is between departmental groups within central government in accordance with the FReM. The operating results and cash flows of all transferred out functions are excluded from this Accounts from the beginning of the financial year in which the transfer takes place. Where material the prior year comparatives are restated as appropriate, so that it appears that the entity has always existed in its present form.

MoG transfer of National Archives and Information Commissioner's Office

On 17 September 2015, the MoJ transferred the sponsorship of National Archives and Information Commissioner's Office (ICO) to the Department for Culture, Media and Sport. The National Archives, a non-ministerial department, do not receive any funding from MoJ and therefore the transfer of this function has nil impact on this Accounts. The impact of the transfer of ICO, is shown in Note 31.

1.6 Property, plant and equipment

Initial recognition and capitalisation threshold

Property, plant and equipment, including subsequent expenditure on existing assets, are initially recognised at cost. The Core Department's capitalisation threshold for individual assets is £10,000. The thresholds across the Departmental Group range from £500 to £10,000.

Where significant purchases of individual assets which are separately below the capitalisation threshold arise in connection with a single project, they are treated as a grouped asset. The Core Department's capitalisation threshold for grouped assets is £1m. The thresholds across the Departmental Group range from £500 to £1m. Where an item costs less than the prescribed limit, but forms an integral part of a package whose total value is greater than the capitalisation level, then the item is capitalised. All thresholds include irrecoverable Value Added Tax.

Subsequent valuation method

Subsequent to initial recognition, land and buildings (including dwellings) are recorded at fair value, as interpreted by the FReM, on the basis of professional valuations, which are conducted for each property at least once every five years. In between professional valuations, carrying values are adjusted by the application of indices or through desktop valuations.

Criminal courts, prisons and some parts of the probation estate are mostly classified as specialised buildings which cannot be sold on the open market. Specialised properties are valued at Depreciated Replacement Cost (DRC) to a modern equivalent basis in accordance with the 'Red Book', taking into account the functional obsolescence of the property. Leasehold improvements are fair valued using the Building Cost Information Service Tender Price Index, compiled by Royal Institute of Chartered Surveyors.

Assets which were recently held for their service potential but are surplus are valued at current value in existing use where there are restrictions on MoJ or the asset, which would prevent access to the market at the reporting date. Otherwise, surplus assets are valued at fair value in accordance with IFRS 13.

In determining whether a non-operational asset is surplus, MoJ assesses whether there is a clear plan to bring the asset back into future use as an operational asset. Where there is a clear plan, the asset is not considered as surplus and is maintained at current value in existing use. Otherwise, the asset is assessed as being surplus and valued at fair value under IFRS 13.

For other property assets in continuing use, fair value is interpreted as market value or value in use. In the 'Red Book', this is defined as 'market value on the assumption that property is sold as part of the continuing enterprise in occupation'. The 'value in use' of a non-cash-generating asset is the present value of the asset's remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential.

Depreciated historical cost is used as a proxy for fair value for those assets with short useful lives or low values, as allowed by the FReM.

Revaluation

Gains arising on revaluation are credited to the revaluation reserve and shown in Other Comprehensive Net Expenditure, unless they reverse a revaluation decrease on the same asset. Reversals are credited to the CSocNE to the extent of the previous amount expensed, and any excess is credited to the revaluation reserve.

A revaluation decrease (other than as a result of a permanent diminution) is reversed against any existing amount held in the revaluation reserve in respect of that same asset, with any residual decrease taken to net operating costs in the CSocNE.

Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the CSocNE and depreciation based on the asset's original cost is transferred from the revaluation reserve to the general fund.

Depreciation

Depreciation is charged on a straight-line basis at rates calculated to write-off the value of assets less estimated residual value evenly over their estimated useful lives. The useful lives of buildings are reviewed annually. Where a change in asset life is determined, the asset is depreciated on a straight-line basis over its remaining assessed life. Depreciation commences in the month following the acquisition of a non-current asset for buildings and dwellings and in-month for all other non-current assets.

If an item of property, plant and equipment comprises two or more significant components, with substantially different useful lives, then each component is treated separately for depreciation purposes and depreciated over its individual useful life.

Estimated useful asset lives are within the following ranges:

Freehold land	Not depreciated
Leasehold land	Shorter of remaining life or remaining lease period
Freehold buildings (including dwellings)	Shorter of remaining life or 60 years
Leasehold buildings (including dwellings)	Shortest of remaining life, remaining lease period or 60 years
Grouped assets	Various depending on individual asset types
Information technology	Shorter of remaining lease period or 3 to 15 years
Furniture, fixtures and fittings	Shorter of remaining lease period or 3 to 20 years

Assets under construction

Assets under construction are valued at historical cost within property, plant and equipment and intangible assets, and are not depreciated or amortised until completed. On completion, the asset's carrying value is transferred to the respective asset category.

Expenditure is capitalised where it is directly attributable to bringing an asset into working condition, such as external consultant costs, relevant employee costs and an appropriate portion of relevant overheads.

Disposal of non-current assets

Gains and losses on disposal of non-current assets are determined by comparing the proceeds with the carrying amount and are recognised in the CSoCNE.

When revalued assets are sold, the amounts included in the revaluation reserve are transferred to the general fund.

1.7 Intangible assets

Intangible assets comprise of internally developed software for internal use (including such assets under construction), software developed by third parties, and purchased software licences.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by MoJ are capitalised when they meet the criteria specified in the FReM, which has been adapted from IAS 38 'Intangible Assets'.

Other expenditures that do not meet these criteria are recognised as an expense as incurred. Costs previously recognised as an expense are not recognised as an asset in a subsequent period.

The useful lives of internally developed software range from three to 15 years (2014-15: three to ten years).

In accordance with IAS 38 the MoJ reviews the useful economic lives of its intangible assets each financial year.

As a result of this review, the amortisation period of some assets were changed to appropriately reflect the expected pattern of consumption of future economic benefits (service potential) of those assets. These changes were appropriately accounted for as changes in accounting estimates in accordance with IAS 8.

Purchased software licences are recognised when it is probable that future service potential will flow to MoJ and the cost of the licence can be measured reliably. Such licences are initially measured at cost. Purchased software licences are amortised over the licence period.

The Core Department's capitalisation threshold for software projects is £1m (including irrecoverable VAT). The thresholds across the Departmental Group range from £500 to £1m (including irrecoverable VAT).

Subsequent to initial recognition, intangible assets are recognised at fair value. As no active market exists for MoJ's intangible assets, fair value is assessed as replacement cost less any accumulated amortisation and impairment losses. Intangible assets are revalued at each reporting date using the Producer Price Index (PPI) produced by the Office for National Statistics.

1.8 Impairment

Each year, MoJ performs an impairment review across all significant asset categories. If indicators of impairment exist, the assets in question are tested for impairment by comparing the carrying value of those assets with their recoverable amounts.

When an asset's carrying value decreases as a result of a permanent diminution in the value of the asset due to a clear consumption of economic benefit or service potential, the decrease is charged directly to net operating costs in the CSocNE, with any remaining revaluation reserves balance released to the general fund. In contrary, reversal of an impairment loss is then recognised in the CSocNE to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised, with any remaining amount recognised in the revaluation reserve.

1.9 Leases

Finance leases

Leases of assets where MoJ retains substantially all the risks and rewards of ownership are classified as finance leases. At the commencement of the lease term, finance lease assets and liabilities are capitalised at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in either short term or long-term payables, depending on the dates MoJ is contractually obliged to make rental payments. The interest element of the finance cost is charged to the CSocNE over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each

period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

Operating leases

Leases other than finance leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the CSoCNE on a straight-line basis over the period of the lease. Any upfront payments not yet released to the CSoCNE are recognised as a lease prepayment in the Consolidated Statement of Financial Position (CSoFP).

1.10 Service Concession Arrangements

Service Concession Arrangements (SCAs), including Private Finance Initiatives (PFI) arrangements, are where private sector operators are contractually obliged to provide services to the public in relation to certain infrastructure assets. MoJ defines such arrangements as SCAs if they meet the conditions set out in the FReM and IFRIC 12 'Service Concession Arrangements'.

The future payment streams of SCAs are assessed to separately identify the infrastructure interest and service components.

MoJ recognises the infrastructure asset at fair value (or the present value of the future minimum infrastructure payments, if lower) as a non-current asset in the CSoFP with a corresponding liability for future payments under the agreement.

The interest element is charged to the CSoCNE over the contract period to produce a constant periodic rate of interest on the remaining balance of the liability. The service element is charged to the CSoCNE in the period in which the services are rendered by the operator.

For budgeting purposes, SCAs are evaluated according to the balance of risks and reward of ownership as defined by the European System of Accounts 10. This means that some SCAs recognised in the Accounts are treated differently for budgetary purposes against HM Treasury budgeting controls.

1.11 Non-current assets held for sale

Non-current assets are classified as 'held for sale' when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Assets held for sale are stated at the lower of their carrying amount immediately prior to classification as 'held for sale' or their fair value less the costs of selling the asset. Any subsequent impairment or reversal of impairment is recognised in the CSoCNE. Assets classified as held for sale are not depreciated.

1.12 Employee benefits

Employee leave accrual

An accrual is made for untaken employee annual leave and flexi-leave. Performance bonuses are not accrued as the annual appraisal process which determines performance pay is not finalised at the time these Accounts are prepared and are not expected to have a material impact.

Defined benefit pension schemes

Principal Civil Service Pension Scheme and Judicial Pension Scheme

The provisions of the Principal Civil Service Pension Scheme (PCSPS) cover most past and present employees, and salaried judicial office holders are covered by the Judicial Pension Scheme (JPS). Both the PCSPS and the JPS are unfunded defined benefit schemes although, in accordance with FReM section 9, MoJ accounts for these as defined contribution schemes. MoJ recognises contributions payable to defined contribution schemes as an expense in the year in which it is incurred, and the legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

MoJ is responsible for the administration of the JPS that provides for the pension entitlements of salaried judicial office holders of five participating departments across government. The JPS is not consolidated within these Accounts.

In February 2013, the UK Supreme Court ruled that a retired fee paid judicial office holder is entitled to a pension on terms equivalent to those of a salaried judicial office holder. This lead case set the precedent for other stayed cases.

Consistent with the accounting for salaried judicial office holders, and in accordance with FReM, MoJ accounts for employer contributions payable to the JPS for eligible fee paid judicial office holders as they are incurred, but does not recognise a liability in respect of back payments or the pension liability arising pursuant to the claim. Accordingly, provision for the fee paid judicial pension entitlement is recognised in the JPS Accounts.

However, provisions have been recognised in these Accounts for both the liability to fee paid judicial office holders in respect of the Judicial Service Award, and a separate element of the pension liability relating to retired fee paid judges, as neither of these is a liability covered by the JPS and its governing Acts. Additionally, further claims that relate to fee paid judicial office holders' employment terms and conditions that historically have not matched salaried comparators have also been provided. Further information about these provisions is set out in Note 1(b) and Note 19.

Funded pension schemes

Unlike the schemes described above, funded pension schemes are accounted for through MoJ's CSoFP, applying IAS 19 'Employee Benefits' in full. These Accounts contain the Local Government Pension Scheme (LGPS) for past and present employees of the NPS and CRCs (previously The Probation Trusts), Cafcass and the Legal Services Commission Pension Scheme (LSCPS). The cost of providing benefits is determined using the projected unit credit method, with formal actuarial valuations being carried out at the end of every third reporting period (the most recent valuations being 31 March 2013).

The liability or asset recognised in the CSoFP is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. LSCPS surplus is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan (the 'asset ceiling').

The present values of the schemes are calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, and the fair values of plan assets are deducted.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling (including irrecoverable surplus adjustments), and the return on plan assets (excluding interest) are recognised within Other Comprehensive Expenditure in full in the period in which

they arise. Service costs are recognised immediately in the CSocNE in the period in which they are incurred. Past service cost, and gains and losses on curtailments and settlements are recognised in the CSocNE in the period of plan amendment. The net interest charge to the CSocNE is calculated by applying the discount rate to the net defined benefit liability or asset.

Other defined benefit pension schemes

MoJ has separate schemes that are 'by-analogy' or similar to the PCSPS. Provision has been made for the future cost of benefits under these schemes.

Early departure and injury benefit costs

MoJ is required to pay the additional cost of benefits beyond the normal PCSPS and LGPS benefits in respect of employees who retire early. The total cost is provided in full when the early departure programme has been announced and is binding on MoJ.

The Civil Service Injury Benefits Scheme (CSIBS) requires MoJ to pay benefits to any individual who is injured in connection with their employment. Benefits are paid only in respect of loss of earning capacity, and a provision is made for expected future costs.

The early departure and injury benefit provisions are discounted in accordance with Note 1.17.

1.13 Operating income

Operating income is generated directly from the operating activities of the Departmental Group and includes both budgetary and non-budgetary income. Non-budgetary income is outside the ambit of the Departmental Group and is surrenderable to the Consolidated Fund as CFERs, refer to Annex A, SoPS 4.

Operating income is stated net of VAT and comprises mainly fees and charges for services which are set on a full cost recovery basis, refer to Accountability section.

Details regarding the treatment of operating income by individual bodies within the Departmental Group can be found in the accounts of each consolidated body.

In accounting for levy income of the Office of Legal Complaints (OLC) and Legal Services Board (LSB), the Legal Services Act 2007 requires all levy income collected by OLC and LSB to be surrendered to the Consolidated Fund. In return, OLC and LSB receive Grant in Aid (GiA) funding from the MoJ Core Department (MoJ Core) equal to the income surrendered.

1.14 Grants payable and paid

GiA financing to MoJ's NDPBs is reported on a cash basis in the period in which payments are made. Co-funding grants from other government departments are paid to NDPBs via MoJ Core, and are included as part of the GiA funding for the year. All GiA and Supply funding made by MoJ Core to its Agencies and NDPBs are fully eliminated within the Departmental Group.

MoJ also makes a small number of grants to a variety of public sector, private sector and voluntary bodies including £42.5m in 2015-16 (2014-15: £92.2m) to Youth Offending Team partnerships. These grants are recognised at the point at which an authorised request is received from the recipient body, in accordance with the terms of the relevant financial memoranda.

1.15 Costs borne by the Consolidated Fund

The salary and social security costs of senior judges are included in these Accounts as a cost and are funded from the Consolidated Fund. Senior judges also receive service award payments under an agreement with MoJ which are paid from the Consolidated Fund.

1.16 Notional costs

Notional costs comprise external auditors' remuneration, which represents the National Audit Office's (NAO's) cost for the audit of MoJ and Executive Agencies' Accounts, and notional costs for corporate overheads which are recharged to business areas. Such notional costs are credited directly to the general fund.

1.17 Provisions

Provisions are recognised when MoJ has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and for which a reliable estimate can be made for the amount of the obligation.

Where the effect of discounting is material, provisions are measured at their present value using the below current discount rates set by HM Treasury based on the underlying cash flows. Where future cash flows related to the obligation are forecast in monetary amounts, rather than on the basis of current cost, these discount rates are adjusted upwards based on HM Treasury's forecasts for inflation in the relevant time period. Early departure and injury benefit provisions are discounted using the HM Treasury post-employment benefits real discount rate of 1.37%.

	Real rate	Nominal rate
Short-Term (due within 5 years)	-1.55%	0.70%
Medium-Term (due between 6-10 years)	-1.00%	1.60%
Long-Term (due after 10 years)	-0.80%	2.70%

1.18 Contingent liabilities

A contingent liability is disclosed when the likelihood of a payment is less than probable, but more than remote. Where the time value of money is material, contingent liabilities required to be disclosed under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' are stated at discounted amounts.

1.19 Value Added Tax

Most of the activities of MoJ are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase costs of non-current assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1.20 Third party assets

MoJ holds, as custodian or trustee, certain assets belonging to third parties. These assets are not recognised in the CSoFP and are disclosed within Note 27 since neither MoJ nor the government has a direct beneficial interest in them.

Other third party monies held at the Government Banking Service (GBS) or Office of HM Paymaster General at 31 March are recognised as both Cash and cash equivalents (refer to

Note 17) and Trade and other payables (refer to Note 18), and therefore have no net impact on the CSoFP.

1.21 Financial instruments

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase and sale of non-financial items (such as goods or services), which are entered into in accordance with MoJ's normal purchase, sale or usage requirement, are recognised when, and to the extent to which, performance occurs. All other financial assets and liabilities are recognised when MoJ becomes party to the contractual provisions to receive or make cash payments.

De-recognition

Financial assets are derecognised when the contractual rights to receive future cash flows have expired or are transferred and MoJ has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Classification and measurement - financial assets

In addition to cash and cash equivalents, MoJ has two categories of financial assets:

Loans and receivables

Loans and receivables comprise trade receivables, other receivables and accrued income that have fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method net of any impairment, in accordance with IAS 39 'Financial Instruments: Recognition and Measurement'.

Financial Assets at fair value through profit and loss (FVPL)

Fair value is equal to the market value at the reporting date, and the movement in the value of the assets is recognised immediately in the CSocNE, as income or as an expense.

MoJ, through NOMS, holds a number of investment shares in limited companies as a result of its farming activities. MoJ has designated its quoted and unquoted investments as fair value through profit and loss. The fair values of quoted investments are based on bid prices in an active market at the reporting date. The fair value of unlisted securities is established using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and earnings multiples.

Impairment of financial assets

At the end of each reporting period, MoJ assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. If there is objective evidence that an impairment loss on such an asset has been incurred, MoJ recognises this in the CSocNE as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Classification and measurement - financial liabilities

MoJ has financial liabilities, comprising finance lease liabilities, trade payables, other payables and accruals. All financial liabilities are recognised initially at fair value, net of any transaction costs incurred, and then measured at amortised cost using the effective interest rate method. Where the effect is material, the estimated cash flows of financial liabilities are discounted.

1.22 Cash and cash equivalents

Cash and cash equivalents recorded in the CSoFP and Consolidated Statement of Cash Flows include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less at inception and bank overdrafts.

1.23 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee. The segmental analysis at Note 2 presents the financial information based on the structure reported to Executive Committee.

1.24 Events after reporting period

In accordance with the requirements of IAS 10 'Events After the Reporting Period', post CSoFP events are considered up to the date on which the Accounts are authorised for issue. This is interpreted as the same date the Accounts are certified by the Comptroller and Auditor General.

1b) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Departmental Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Valuation of non-current assets

Land and buildings (including dwellings) comprise mainly prisons and court facilities that are shown at fair value, based on professional valuations. The value of land and buildings fluctuates with changes in construction costs and the current market conditions.

Net pension assets and liabilities

The present value of the net pension assets and liabilities detailed in Note 29 depends on a number of actuarially derived assumptions about inflation, salary and pension trends, discount factors and mortality rates. The estimated net liability or asset is subject to fluctuation and uncertainty due to changes in these assumptions over time and differences between assumptions and actual events.

Provisions for liabilities and charges

Provisions rely on the application of professional judgment, historical experience, and other factors expected to influence future events. Where the likelihood of a liability crystallising is deemed probable and can be measured with reasonable certainty, a provision is recognised. Provision balances which contain regular, homogeneous transactions are often derived from complex financial models. Estimates and assumptions applied in these models are continually evaluated and reviewed. Further information is set out in Note 19.

Critical judgements in applying MoJ's accounting policies

Lease accounting

Judgement is required on initial classification of leases as either operating leases or finance leases. Where a lease is taken out for land and buildings combined, both the building and land elements may be capitalised as separate finance leases if they meet the criteria for a finance lease. If the contracted lease payments are not split between land and buildings in the lease contract, the split is made based on the market values of the land and buildings at the inception of the lease.

Service Concession Arrangements

The Departmental Group is party to a number of SCAs, including PFI. The classification of such arrangements as SCAs requires MoJ to determine, based on an evaluation of the terms and conditions of the arrangements, whether it controls the infrastructure. Where the Departmental Group is judged to control or regulate the infrastructure, the contract assets are reflected in the CSoFP.

Accounting for receivables impairment

Legal Aid Agency (LAA) provides for impairment of receivables based on historical cash collection experience and management assessment of likely recoveries, for each category of debt. Consideration is given to macroeconomic factors such as the downturn in the economy, and inherent risks, such as potential changes to recoveries arising from revisions to legal aid schemes, in assessing the levels of impairment. For further detail regarding LAA impairment refer to Note 24.

Valuation of court buildings and prisons earmarked for closure

As part of an ongoing justice transformation strategy, Ministers have identified a number of under-utilised court buildings and prisons no longer fit for purpose, for closure over the next few years.

At present these are considered specialised assets and are valued at Depreciated Replacement Cost. The reduction in the remaining estimated useful life of these assets represents an impairment indicator. All impairment expenses are taken directly to the CSoCNE, with the balance of any revaluation reserve taken to the general fund. The valuation method will be altered from DRC to the appropriate valuation methodology when the asset is transferred to held for sale or when it becomes surplus.

2. Statement of Operating Expenditure by Operating Segment

The following segmental analysis shows the information based on the structure reported to Executive Committee of the Board.

For reporting and operational management the Department is split into seven segments. The Core Department is split into four business groups plus the Department's three largest Executive Agencies. These segments are: Finance, Assurance and Commercial Group (FACG), Criminal Justice Group (CJG), Law & Access to Justice Group (LAJG), Corporate Services, HM Courts & Tribunals Service, NOMS, and LAA.

FACG focuses on the key role of finance, analysis and assurance in challenging and supporting MoJ's business. It also leads on all commercial activities that support the Department and incorporates Criminal Injuries Compensation Authority (CICA).

CJG brings together the three criminal justice priority programmes of Transforming Rehabilitation and includes Parole Board, Youth Justice Board (YJB) and Criminal Cases Review Commission.

LAJG leads on all other justice issues (including civil and family justice and legal aid), and on law, rights and international policy. LAJG incorporates Office of the Public Guardian (OPG), LSB, OLC, and Judicial Appointments Commission (JAC). As of 17 September 2015 ICO ceased to be a NDPB of MoJ and is excluded from LAJG due to MoG change.

Corporate Services brings together, into a single group, the key cross-cutting corporate functions which provide the support to help MoJ deliver its objectives.

Executive Committee of the Board does not receive a CSoFP analysed by operating segment and therefore such an analysis is not presented here. Instead, they receive a summary CSoFP that excludes the NDPBs. This analysis equates to the amounts shown in the Core Department & Agencies column in the CSoFP reported on page 80.

With the exception of discontinued operations, there are no reconciling items between individual operating segments' net expenditure and their share of the Departmental Group's net expenditure as reported in the CSoCNE.

	2015-16									
	FACG	CJG	LAJG	Corporate Services	HM Courts & Tribunals Service	NOMS	LAA	Gross Total	Elimination	Net Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Gross expenditure	279,712	405,651	303,435	188,261	1,919,752	4,297,686	1,877,178	9,271,675	(59,333)	9,212,342
Income	(370,655)	(73,234)	(86,154)	(16,529)	(741,224)	(337,907)	(199,988)	(1,825,691)	59,333	(1,766,358)
Net expenditure	(90,943)	332,417	217,281	171,732	1,178,528	3,959,779	1,677,190	7,445,984	-	7,445,984

	Restated 2014-15									
	FACG	CJG	LAJG	Corporate Services	HM Courts & Tribunals Service	NOMS	LAA	Gross Total	Elimination	Net Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Gross expenditure	281,051	510,677	261,560	115,997	1,794,764	3,803,819	1,894,425	8,662,293	(74,420)	8,587,873
Income	(288,864)	(82,441)	(76,213)	(23,430)	(697,278)	(305,371)	(198,934)	(1,672,531)	74,420	(1,598,111)
Net expenditure	(7,813)	428,236	185,347	92,567	1,097,486	3,498,448	1,695,491	6,989,762	-	6,989,762

	2015-16							
	FACG	CJG	LAJG	Corporate Services	HM Courts & Tribunals Service	NOMS	LAA	Gross Total (pre-eliminations)
	£000	£000	£000	£000	£000	£000	£000	£000
Income								
Revenues from external customers	(369,275)	(73,235)	(71,187)	(16,529)	(68,185)	(261,701)	(199,988)	(1,060,100)
Revenues from transactions with other operating segments of MoJ	-	-	-	-	-	(54,910)	-	(54,910)
Interest revenue	-	1	(31)	-	-	-	-	(30)
Material items of income								
EU Grant	-	-	-	-	-	(21,296)	-	(21,296)
CFERs	(1,380)	-	(14,936)	-	-	-	-	(16,316)
Fee income	-	-	-	-	(673,039)	-	-	(673,039)
Total income	(370,655)	(73,234)	(86,154)	(16,529)	(741,224)	(337,907)	(199,988)	(1,825,691)
Individual items of income and expenditure								
Depreciation	369	2,276	1,951	25,315	116,230	239,491	2,931	388,563
Amortisation	794	394	1,831	18,772	8,317	27,679	7,296	65,083
Material items of expenditure								
Accommodation, maintenance and utilities	538	6	9,029	18,735	226,052	345,136	3,107	602,603
Offender related costs	-	-	-	-	-	915,767	-	915,767
Service concession charges	22	-	85	109,676	33,401	559,822	-	703,006
IT services and telecommunications (non-SCAs)	4,417	2,303	7,499	6,141	111,426	80,210	11,682	223,678
Payments of GiA to NDPBs which eliminate with receipts of GiA by NDPBs	-	168,305	135,336	-	-	-	-	303,641
Cost of legal services and disbursements (crime)	-	-	-	-	-	-	886,002	886,002
Cost of legal services and disbursements (civil)	-	-	-	-	-	-	773,989	773,989
Provisions provided for in year	173,602	(9,535)	20,548	35,417	13,391	30,583	40,616	304,622
Corporation Tax	-	1	6	-	-	-	-	7
Rentals under operating leases	532	119	584	20,964	78,712	2,112	2,836	105,859
Finance charges on leases and SCAs	-	3	-	10,958	7,722	20,927	-	39,610
Current Grants	5,915	160,799	5,337	-	19	-	-	172,070

								Restated 2014-15
	FACG	CJG	LAJG	Corporate Services	HM Courts & Tribunals Service	NOMS	LAA	Gross Total (pre-eliminations)
	£000	£000	£000	£000	£000	£000	£000	£000
Income								
Revenues from external customers	(288,264)	(82,441)	(59,784)	(23,430)	(113,605)	(214,113)	(198,934)	(981,171)
Revenues from transactions with other operating segments of MoJ	-	-	-	-	-	(64,491)	-	(64,491)
Interest revenue	-	-	(31)	-	-	-	-	(31)
Material items of income								
EU Grant	-	-	-	-	-	(26,767)	-	(26,767)
CFERs	-	-	(16,398)	-	-	-	-	(16,398)
Fee income	-	-	-	-	(583,673)	-	-	(583,673)
Total income	(288,864)	(82,441)	(76,213)	(23,430)	(697,278)	(305,371)	(198,934)	(1,672,531)
Individual items of income and expenditure								
Depreciation	607	2,648	1,032	28,151	111,304	216,473	2,982	363,197
Amortisation	631	372	1,172	11,557	17,168	26,588	11,326	68,814
Material items of expenditure								
Accommodation, maintenance and utilities	1,508	380	9,925	20,701	247,186	306,806	3,478	589,984
Offender related costs	-	-	-	-	-	516,671	-	516,671
Service concession charges	2,916	4,998	109	107,965	37,838	552,360	-	706,186
IT services and telecommunications (non-SCAs)	3,410	11,086	6,961	1,243	106,842	61,160	13,955	204,657
Payments of GiA to NDPBs which eliminate with receipts of GiA by NDPBs	-	209,104	136,879	-	-	-	-	345,983
Cost of legal services and disbursements (crime)	-	-	-	-	-	-	901,822	901,822
Cost of legal services and disbursements (civil)	-	-	-	-	-	-	834,692	834,692
Provisions provided for in year	169,311	(40,222)	29,045	(116)	394	75,482	(50,610)	183,284
Corporation tax	-	-	8	-	-	(424)	-	(416)
Rentals under operating leases	1,765	180	1,145	23,860	81,794	2,058	2,825	113,627
Finance charges on leases and SCAs	-	241	-	11,338	8,249	22,496	-	42,324
Current Grants	5,914	199,598	3,675	-	15	-	-	209,202

3. Income from sale of goods and services

	2015-16		Restated 2014-15	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
External sales of prison industries	10,285	10,285	10,162	10,162
Retail prison shop income	52,739	52,739	48,584	48,584
In-cell TV income	1,930	1,930	1,943	1,943
Total income from sale of goods and services	64,954	64,954	60,689	60,689

Income has been generated within NOMS from the sale of goods and services in prisons.

4. Other operating income

	2015-16		Restated 2014-15	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Fines income	325,506	325,506	250,962	250,962
Fee income*	744,979	745,202	641,980	641,980
Victims surcharge	28,587	28,587	52,953	52,953
Bailiff fees**	-	-	45,167	45,167
Legal Aid Agency - Civil representation recoveries	169,050	169,050	171,829	171,829
Legal Aid Agency – Criminal cases recoveries	30,151	30,151	26,318	26,318
Youth Justice Board remand income	-	21,920	-	27,166
Income from NHS and other healthcare providers	54,725	54,725	59,345	59,705
Income from Communities Rehabilitation Companies	60,815	60,815	-	-
Recoveries from other government department	156,030	156,030	160,524	160,525
European Social Fund and other European funding	21,296	21,296	25,736	26,767
Miscellaneous income	126,483	71,806	106,819	52,649
Other operating income within the Department's ambit	1,717,622	1,685,088	1,541,633	1,516,021
Consolidated Fund Extra Receipts***	1,380	16,316	5,003	21,401
Total other operating income	1,719,002	1,701,404	1,546,636	1,537,422

* Fee income consists of amounts for services rendered to civil, family court and tribunal users. Further details can be found within the HM Courts and Tribunals Service Accounts.

** Bailiff fees income have been reclassified to other contracted out services (Note 6). There is no restatement of prior year figures as the impact on net operating expenditure is nil.

*** Analysis of income payable to the Consolidated Fund is shown in Annex A, SoPS 4.

Miscellaneous income includes Criminal Court charges and income received from SSCL for the use of MoJ owned IT infrastructure. Income in relation to the provision of youth custody places between the Youth Justice Board and NOMS is eliminated at the Departmental group.

5. Staff and Judiciary costs

Staff costs

	2015-16				Restated 2014-15	
	Permanently employed staff	Other	Ministers	Special advisors	Total	Total
	£000	£000	£000	£000	£000	£000
Wages and salaries	1,979,445	180,741	214	230	2,160,630	2,216,132
Social security costs	145,454	1,183	21	25	146,683	152,558
Other pension costs	431,907	504	3	36	432,450	396,152
Sub Total	2,556,806	182,428	238	291	2,739,763	2,764,842
Early departure costs	42,264	-	-	-	42,264	40,195
Early departure provisions	(8,497)	-	-	-	(8,497)	10,493
Add inward secondments	1,699	3,957	-	-	5,656	9,377
Less recoveries in respect of outward secondments	(12,323)	-	-	-	(12,323)	(16,958)
Total Net Costs	2,579,949	186,385	238	291	2,766,863	2,807,949
<i>Of which:</i>						
Core Department and Agencies	2,464,465	167,989	238	291	2,632,983	2,564,802
NDPBs	115,484	18,396	-	-	133,880	243,147
	2,579,949	186,385	238	291	2,766,863	2,807,949

Judicial costs

	2015-16			Restated 2014-15	
	Senior judicial salaries	Other judicial salaries	Fee paid judiciary	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	126,421	99,277	107,801	333,499	342,411
Social security costs	15,594	11,779	10,108	37,481	38,879
Other pension costs	48,588	38,000	11,204	97,792	73,149
Total Net Costs	190,603	149,056	129,113	468,772	454,439
<i>Of which:</i>					
Core Department and Agencies	190,603	149,056	129,113	468,772	454,439
NDPBs	-	-	-	-	-
	190,603	149,056	129,113	468,772	454,439

For staff and judiciary costs and numbers details, and exit packages refer to the Staff numbers and composition section in Accountability.

6. Purchase of goods and services

	2015-16		Restated 2014-15	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Lease/service concession charges:				
PFI service charges	637,222	620,052	653,060	614,545
Other service concession service charges (non-PFI)	82,954	82,954	91,641	91,641
Rentals under operating leases	105,643	105,859	113,251	113,627
Other services:				
Accommodation, maintenance and utilities	595,580	602,603	581,138	589,984
Communications, office supplies and services	40,403	42,762	46,255	50,870
Travel, subsistence and hospitality	42,656	47,313	40,083	47,403
Training and other staff related costs	43,868	45,191	50,821	53,768
IT services and telecommunications (non-service concession arrangements)	219,434	223,678	200,031	204,657
Professional services	55,012	57,393	89,283	93,726
Other contracted out services*	102,193	112,333	98,911	111,362
Auditor's remuneration and expenses**	25	511	89	1,569
Non-cash services:				
Auditor's remuneration***	1,459	1,459	1,469	1,469
Total purchase of goods and services	1,926,449	1,942,108	1,966,032	1,974,621

* Bailiff fees income (Note 4) have been reclassified to other contracted out services. There is no restatement of prior year figures as the impact on net operating expenditure is nil.

** Fees decrease from prior year due to sale of Probationary Trusts in 2014-15.

*** Non-cash auditors' remuneration represents the external audit fees of Core Department and Agencies. Refer to page 32 in the Director's Report, for a detail of total external audit fees.

7. Depreciation, amortisation and impairment charges

	2015-16		Restated 2014-15	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Depreciation	386,055	388,563	360,013	363,197
Amortisation	63,958	65,083	67,955	68,814
Impairment charge on non-current assets:				
Property, plant and equipment*	187,019	187,019	-	8,567
Intangible assets	2,487	2,487	3,345	4,157
Assets held for sale	(5,142)	(5,142)	4,275	4,275
Investments	22	22	-	-
Increase/(decrease) in receivables impairment	(9,875)	(9,875)	25,721	25,721
Total depreciation, amortisation and impairment charges	624,524	628,157	461,309	474,731

* A significant amount of the 2015-16 impairment charge is as a result of the ongoing court rationalisation review and the prison estate modernisation strategy. In HM Courts & Tribunals Service, Ministers earmarked a total of 86 underutilised court buildings for closure (none of which are classified as assets held for sale as at 31 March 2016) over the next two years. Given these courts are no longer expected to form part of the operational estates in the future, their valuation have been impaired to reflect the reduction in the remaining useful life. The total court closure impairment for 2015-16 was £150.4m (2014-15: £nil).

On 25 November 2015 the Secretary of State announced the closure of Holloway prison. Following this announcement, an impairment charge of £30.0m (2014-15: £nil) on Holloway prison was made. Impairments are charged directly to the CSocNE, with the balance of any Revaluation Reserve taken to the General Fund.

8. Provision expense

	2015-16		Restated 2014-15	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Provisions provided in year net of release	272,711	272,891	215,653	215,610
Civil legal help and representation – solicitors' charges, counsel fees and disbursements	41,963	41,963	(62,607)	(62,607)
Criminal cases – solicitors' charges, counsel fees and disbursements	(1,735)	(1,735)	30,281	30,281
Total provision expense	312,939	313,119	183,327	183,284

9. Net gain / loss on disposal of assets

	2015-16		Restated 2014-15	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Net (gain)/loss on disposal of:				
Property, plant and equipment	1,278	1,313	3,669	3,721
Intangible assets	233	243	144	177
Assets held for sale	(4,427)	(4,427)	(14,048)	(14,048)
Total net gain / loss on disposal of assets	(2,916)	(2,871)	(10,235)	(10,150)

10. Revaluation of non-current and financial assets

	2015-16		Restated 2014-15	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
(Increase)/decrease in the valuation of:				
Property, plant and equipment	(115,918)	(115,918)	(240,492)	(240,492)
Intangible assets	568	568	(169)	(169)
Assets held for sale	453	453	(3,919)	(3,919)
Investments	(120)	(120)	-	-
Total revaluation of non-current and financial assets	(115,017)	(115,017)	(244,580)	(244,580)

11. Other operating expenditure

	2015-16		Restated 2014-15	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Grants:				
Current	96,034	172,070	118,682	209,202
Capital	1,013	1,013	615	615
Criminal justice costs:				
Offender related costs	915,767	915,767	888,513	516,671
Youth Offender costs	58,599	87,365	23,656	54,559
Judicial and Juror costs	88,191	88,191	89,573	89,573
Compensation payments	385	385	774	774
Cost of legal services and disbursements (civil)	773,989	773,989	834,692	834,692
Cost of legal services and disbursements (crime)	886,002	886,002	901,822	901,822
Cost from Central Funds	49,088	49,088	62,814	62,814
Other administration expenditure	15,818	16,197	16,164	16,648
Other programme costs	53,173	65,698	48,817	61,684
Grant in aid to NDPBs	303,641	-	345,983	-
Non-cash operating expense:				
Notional charges	-	16,505	-	42,475
Corporate (MoJ) notional overhead charge	(7,018)	-	(9,599)	-
Other pension costs	13,058	13,058	42,743	42,743
Other non-cash	21,142	21,142	7,885	7,860
Total other operating expenditure	3,268,882	3,106,470	3,373,134	2,842,132

12. Finance expense

	2015-16		Restated 2014-15	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Finance charges on leases and service concession arrangements	39,610	39,610	42,084	42,324
Non-cash finance expense:				
Net interest on pension	45,333	50,955	39,103	53,828
Total finance expense	84,943	90,565	81,187	96,152

13. Property, plant and equipment

Departmental Group 2015-16

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2015	1,281,279	8,501,416	61,607	371,123	325,273	60,065	172,117	10,772,880
Additions	-	5,811	-	36,127	10,761	42	172,790	225,531
Disposals	-	(4,830)	-	(1,074)	(8,421)	(4,018)	(72)	(18,415)
Reclassifications	(8,352)	144,107	(4,679)	(1,959)	(687)	682	(140,555)	(11,443)
Revaluations	107,160	460,721	489	3,303	2,974	129	-	574,776
Transfers	-	26	-	16,158	3,570	(1)	(19,911)	(158)
Impairments	4,100	(197,399)	-	(3,222)	(3,836)	-	(4,862)	(205,219)
At 31 March 2016	1,384,187	8,909,852	57,417	420,456	329,634	56,899	179,507	11,337,952
Depreciation								
At 1 April 2015	-	(333,506)	(2,642)	(265,589)	(201,025)	(48,035)	-	(850,797)
Charged in year	(518)	(311,781)	(1,313)	(41,502)	(28,234)	(5,215)	-	(388,563)
Disposals	-	3,330	-	876	7,908	3,867	-	15,981
Reclassifications	(20)	19	74	(391)	-	(208)	-	(526)
Revaluations	480	254,251	709	(1,514)	(1,919)	(131)	-	251,876
Transfers	-	-	-	(1)	(1)	1	-	(1)
Impairments	58	13,718	1	2,148	2,275	-	-	18,200
At 31 March 2016	-	(373,969)	(3,171)	(305,973)	(220,996)	(49,721)	-	(953,830)
Carrying amount at 31 March 2016	1,384,187	8,535,883	54,246	114,483	108,638	7,178	179,507	10,384,122
Carrying amount at 1 April 2015	1,281,279	8,167,910	58,965	105,534	124,248	12,030	172,117	9,922,083
Asset financing								
Owned	1,307,001	7,244,004	49,547	67,726	91,316	7,178	179,507	8,946,279
Finance leased	55,611	407,818	4,699	9,549	17,322	-	-	494,999
On-balance sheet PFI and other Service Concession Arrangements	21,575	884,061	-	37,208	-	-	-	942,844
Carrying amount at 31 March 2016	1,384,187	8,535,883	54,246	114,483	108,638	7,178	179,507	10,384,122
Of the total								
Core Department and Agencies	1,374,782	8,477,670	54,246	114,115	108,616	6,847	179,507	10,315,783
NDPBs	9,405	58,213	-	368	22	331	-	68,339
Carrying amount at 31 March 2016	1,384,187	8,535,883	54,246	114,483	108,638	7,178	179,507	10,384,122

Departmental Group 2014-15 (Restated)

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2014	1,194,547	7,767,706	64,274	378,144	327,827	68,881	203,856	10,005,235
Additions	-	13,839	4	19,912	12,302	323	196,627	243,007
Disposals	(70)	(4,499)	(12)	(34,756)	(10,701)	(9,140)	(223)	(59,401)
Reclassifications	(9,344)	220,158	(7,203)	2,829	(6,508)	(21)	(224,810)	(24,899)
Revaluations	96,146	520,631	4,544	3,205	2,468	4	(1,573)	625,425
Transfers	-	973	-	1,792	-	-	(1,760)	1,005
Impairments	-	(17,392)	-	(3)	(115)	18	-	(17,492)
At 31 March 2015	1,281,279	8,501,416	61,607	371,123	325,273	60,065	172,117	10,772,880
Depreciation								
At 1 April 2014	-	(225,614)	(2,273)	(259,872)	(188,508)	(49,560)	-	(725,827)
Charged in year	(564)	(288,266)	(1,646)	(37,377)	(29,047)	(6,297)	-	(363,197)
Disposals	-	4,419	-	33,116	10,063	7,822	-	55,420
Reclassifications	-	54	504	500	7,598	-	-	8,656
Revaluations	564	166,976	773	(1,956)	(1,131)	-	-	165,226
Impairments	-	8,925	-	-	-	-	-	8,925
At 31 March 2015	-	(333,506)	(2,642)	(265,589)	(201,025)	(48,035)	-	(850,797)
Carrying amount at 31 March 2015	1,281,279	8,167,910	58,965	105,534	124,248	12,030	172,117	9,922,083
Carrying amount at 1 April 2014	1,194,547	7,542,092	62,001	118,272	139,319	19,321	203,856	9,279,408
Asset financing								
Owned	1,206,958	6,919,513	53,262	74,050	100,017	12,030	172,117	8,537,947
Finance leased	52,925	410,760	5,703	5,109	24,231	-	-	498,728
On balance sheet PFI and other Service Concession Arrangements	21,396	837,637	-	26,375	-	-	-	885,408
Carrying amount at 31 March 2015	1,281,279	8,167,910	58,965	105,534	124,248	12,030	172,117	9,922,083
Of the total								
Core Department and Agencies	1,269,824	8,113,414	58,965	105,029	124,223	11,604	172,096	9,855,155
NDPBs	11,455	54,496	-	505	25	426	21	66,928
Carrying amount at 31 March 2015	1,281,279	8,167,910	58,965	105,534	124,248	12,030	172,117	9,922,083

Land, buildings and dwellings are shown at fair value based on professional valuations performed at 31 March each year by the Valuation Office Agency, who are independent of MoJ, in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. Each year 20% of the land, buildings and dwellings are physically visited and valued. The remaining 80% are valued on a desktop basis. The majority of operational buildings are valued at Depreciated Replacement Cost to a modern equivalent basis. All other buildings are measured at fair value determined from market-based evidence.

All assets other than land and buildings and assets under construction are revalued at each reporting date using the Producer Price Index prepared by the Office for National Statistics.

Included in the carrying values above are 57 non-operational sites with a combined value of £27.4m (2014-15: eight with a combined value of £19.5m). These sites are now vacant, but do not yet meet the criteria for classification as assets held for sale.

14. Intangible assets

Departmental Group 2015-16

	Software licences	Information technology	Internally generated software	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2015	58,024	327,438	213,058	80,959	679,479
Additions	878	344	1,211	83,908	86,341
Disposals	(1,250)	(2,158)	(114)	(192)	(3,714)
Reclassifications	(821)	4,911	28,230	(35,010)	(2,690)
Revaluations	537	754	3,599	(575)	4,315
Transfers	(4,858)	11,574	7,095	(13,634)	177
Impairments	-	-	-	(2,487)	(2,487)
At 31 March 2016	52,510	342,863	253,079	112,969	761,421
Amortisation					
At 1 April 2015	(30,765)	(164,980)	(157,162)	-	(352,907)
Charged in year	(5,815)	(35,958)	(23,310)	-	(65,083)
Disposals	1,235	2,158	78	-	3,471
Reclassifications	385	-	-	-	385
Revaluations	(1,335)	(200)	(1,405)	-	(2,940)
Transfers	36	(47)	4	-	(7)
At 31 March 2016	(36,259)	(199,027)	(181,795)	-	(417,081)
Carrying amount at 31 March 2016	16,251	143,836	71,284	112,969	344,340
Carrying amount at 1 April 2015	27,259	162,458	55,896	80,959	326,572
Asset financing					
Owned	16,251	143,836	71,284	112,969	344,340
Carrying amount at 31 March 2016	16,251	143,836	71,284	112,969	344,340
Of the total					
Core Department and Agencies	16,027	142,259	67,124	112,706	338,116
NDPBs	224	1,577	4,160	263	6,224
Carrying amount at 31 March 2016	16,251	143,836	71,284	112,969	344,340

Departmental Group 2014-15 (Restated)

	Software licences	Information technology	Internally generated software	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2014	51,717	235,209	194,720	110,251	591,897
Additions	13,444	422	-	94,289	108,155
Disposals	(7,266)	(2,277)	(314)	(51)	(9,908)
Reclassifications	(131)	38,562	11,743	(57,515)	(7,341)
Revaluations	243	785	2,054	-	3,082
Transfers	14	57,160	4,855	(63,034)	(1,005)
Impairments	3	(2,423)	-	(2,981)	(5,401)
At 31 March 2015	58,024	327,438	213,058	80,959	679,479
Amortisation					
At 1 April 2014	(32,962)	(131,627)	(131,249)	-	(295,838)
Charged in year	(5,503)	(38,324)	(24,987)	-	(68,814)
Disposals	7,181	2,252	298	-	9,731
Reclassifications	519	1,723	13	-	2,255
Revaluations	-	(248)	(1,237)	-	(1,485)
Impairments	-	1,244	-	-	1,244
At 31 March 2015	(30,765)	(164,980)	(157,162)	-	(352,907)
Carrying amount at 31 March 2015	27,259	162,458	55,896	80,959	326,572
Carrying amount at 1 April 2014	18,755	103,582	63,471	110,251	296,059
Asset financing					
Owned	26,782	162,412	55,896	80,959	326,049
Contracts	477	46	-	-	523
Carrying amount at 31 March 2015	27,259	162,458	55,896	80,959	326,572
Of the total					
Core Department and Agencies	26,556	160,781	54,785	77,842	319,964
NDPBs	703	1,677	1,111	3,117	6,608
Carrying amount at 31 March 2015	27,259	162,458	55,896	80,959	326,572

15. Assets held for sale

	2015-16		2014-15	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Balance at 1 April	22,010	22,010	59,673	59,673
Reclassifications	14,274	14,274	17,197	17,702
Disposals	(25,574)	(25,574)	(52,657)	(53,162)
Revaluations	(453)	(453)	2,072	2,072
Impairments	5,142	5,142	(4,275)	(4,275)
Balance at 31 March	15,399	15,399	22,010	22,010

The Department has committed to a plan to sell surplus properties (mainly consists of prison land and magistrates courts land and buildings) of which some are to be sold for commercial use and housing.

An active programme to locate buyers and complete the sale of each property has commenced and estate agents are actively marketing the properties. The properties are available for sale in their present condition and the sales are highly probable to occur within one year from the date of classification to assets held for sale.

16. Trade and other receivables

	31 March 2016		Restated 31 March 2015	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Amounts falling due within one year				
Trade receivables	39,789	40,044	42,411	42,408
Other receivables	32,322	39,583	21,422	26,083
Capital receivables	1,000	1,000	3,000	3,000
Contributions due from funded clients	6,634	6,634	6,296	6,296
Statutory charge and interest	79,442	79,442	61,922	61,922
Amounts due from service providers	20,161	20,161	25,865	25,865
VAT receivables	36,489	36,489	97,401	97,401
Deposits and advances	773	866	837	880
Government receivables	60,678	60,696	54,828	54,885
Prepayments and accrued income	140,174	142,269	102,361	104,860
Intra-departmental receivables	19,298	-	10,699	-
Receivables related to CFERS	8	8	12	12
	436,768	427,192	427,054	423,612
Amounts falling due after more than one year				
Other receivables	1,048	1,048	2,013	2,013
Prepayments and accrued income	2,666	2,667	589	589
	3,714	3,715	2,602	2,602

The above includes a receivables impairment provision of £202.9m (2014-15: £223.3m) for LAA. For further detail regarding the LAA impairment provision refer to Note 24.

17. Cash and cash equivalents

	31 March 2016		Restated 31 March 2015	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Balance at 1 April	125,073	174,106	138,882	284,425
Transfers within group	-	-	86,362	-
Transfers out of boundary	304	304	-	-
Net change in cash and cash equivalents	45,076	25,389	(100,171)	(110,319)
Balance at 31 March	170,453	199,799	125,073	174,106
<i>Of which:</i>				
Government Banking Service (GBS)	134,050	163,395	88,403	137,435
Commercial banks and cash in hand	49,008	49,009	55,760	55,761
	183,058	212,404	144,163	193,196
Overdraft (GBS)	(12,605)	(12,605)	(19,090)	(19,090)
Overdraft (Commercial)	-	-	-	-
	170,453	199,799	125,073	174,106

18. Trade and other payables

	31 March 2016		Restated 31 March 2015	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Amounts falling due within one year				
Trade payables	83,143	86,022	38,048	42,173
Taxation and social security	73,752	74,575	87,848	90,090
Capital payables	68,742	68,742	68,683	68,683
Other payables	104,132	104,591	104,046	104,802
Accruals and deferred income	774,844	786,575	785,989	797,696
Amounts due to solicitors, counsel and advice agencies	104,214	104,214	129,982	129,982
Contribution refunds to funded clients	2,671	2,671	1,769	1,769
Creditor for pension transfer deficit: amounts payable to LGPS	32,687	32,687	27,977	27,977
Finance lease creditors	8,056	8,056	7,184	7,184
Imputed finance lease element of on-balance sheet PFI contracts	45,412	46,113	46,303	46,968
Amounts issued from the Consolidated Fund for supply but not spent at year end	155,446	155,446	104,642	104,642
CFERs due to be paid to the Consolidated Fund:				
- received	15,006	15,006	20,416	20,244
- receivable	8	8	12	12
Intra-departmental payables	14,092	-	3,325	-
Third party monies	1	1	15	15
	1,482,206	1,484,707	1,426,239	1,442,237
Amounts falling due after more than one year				
Local Authority loan balances	28,075	28,075	30,168	30,168
Lease incentive creditors	16,839	16,839	16,951	16,951
Straight lining creditors	117,728	117,728	111,768	111,768
Accruals and deferred income	558	558	650	650
Creditor for pension transfer deficit: amounts payable to LGPS	132,710	132,710	156,654	156,654
Finance lease creditors	132,859	132,859	140,992	140,992
Imputed finance lease element of on- balance sheet PFI contracts	359,835	372,307	406,589	419,762
Other payables	41,103	41,103	52,315	52,315
	829,707	842,179	916,087	929,260

19. Provisions for liabilities and charges

	2015-16		Restated 2014-15	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Balance at 1 April	1,378,842	1,381,635	1,263,644	1,544,151
Transfers within group	-	-	275,342	-
Provided in the year	359,050	359,571	321,697	322,701
Provisions not required written back	(54,608)	(54,949)	(127,863)	(128,924)
Provisions utilised in the year	(207,596)	(207,809)	(363,688)	(365,965)
Borrowing costs (unwinding of discount)	14,099	14,169	9,710	9,711
Reclassifications (to)/from trade and other payables	-	138	-	(39)
Balance at 31 March	1,489,787	1,492,755	1,378,842	1,381,635
Analysis of expected timing of discounted flows				
Not later than one year	844,477	846,716	774,816	777,163
Later than one year but not later than five years	344,027	344,445	332,249	332,613
Later than five years	301,283	301,594	271,777	271,859
Balance at 31 March	1,489,787	1,492,755	1,378,842	1,381,635

Provisions by type

	2015-16										
	Judicial Service Award	Injury benefit scheme	Early departure costs	Costs from Central Funds	Legal claims	CICA Pre-tariff Scheme	CICA Tariff Scheme	Leasehold dilapidations	LAA outstanding balances on funded cases	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2015	151,738	103,126	132,168	6,223	93,431	5,588	257,936	60,563	544,980	25,882	1,381,635
Provided in the year	21,651	14,640	1,361	-	65,764	2,938	173,766	10,046	42,613	26,792	359,571
Provisions not required written back	-	(4,240)	(9,858)	(1,029)	(35,778)	(174)	-	(1,457)	(2,385)	(28)	(54,949)
Provisions utilised in the year	(13,565)	(5,147)	(10,775)	-	(22,987)	(3,807)	(148,379)	(1,796)	-	(1,353)	(207,809)
Borrowing costs (unwinding of discount)	1,900	-	3,860	-	4,153	-	1,806	2,448	-	2	14,169
Reclassifications (to)/from trade and other payables	-	-	-	-	-	-	-	138	-	-	138
Reclassifications between provision categories	-	-	-	-	489	-	-	-	-	(489)	-
Balance at 31 March 2016	161,724	108,379	116,756	5,194	105,072	4,545	285,129	69,942	585,208	50,806	1,492,755
Analysis of expected timing of discounted flows											
Not later than one year	28,510	4,634	14,691	5,194	46,295	4,545	113,984	14,519	585,208	29,136	846,716
Later than one year but not later than five years	62,719	17,433	30,660	-	48,644	-	164,659	19,034	-	1,296	344,445
Later than five years	70,495	86,312	71,405	-	10,133	-	6,486	36,389	-	20,374	301,594
Balance at 31 March 2016	161,724	108,379	116,756	5,194	105,072	4,545	285,129	69,942	585,208	50,806	1,492,755

Judicial Service Award and Fee Paid Judicial Claims

The Judicial Service Award (JSA) was created to equalise the tax position of judicial pensions affected by the provisions of the Finance Act 2004. In the case of salaried members of the judiciary, the liability has been estimated by the Government Actuary's Department, taking into account the number of reckonable years served by the existing judiciary and an estimate of the projected final salaries of existing members.

Following a ruling by the UK Supreme Court on 6 February 2013 that a retired fee paid judicial office holder is entitled to a pension on terms equivalent to those of a salaried judicial office holder, a provision has been recognised in the MoJ and Judicial Pension Scheme (JPS) accounts in relation to the claims made against the MoJ.

The following table summarises the liabilities arising from the fee paid judicial office holders' claims recognised in the MoJ Accounts:

	2015-16 £000	2014-15 £000
Provision recognised - MoJ		
Judicial Service Award	43,651	35,300
Separate pension liability element for retired fee paid judges (<i>see Other provisions</i>)	-	10,893
Employment Pay Related Claims (<i>see Other provisions</i>)	25,500	2,500
Total provisions recognised in relation to Fee Paid Judicial Office Holder litigation	69,151	48,693

The provisions recognised in the MoJ Accounts have been calculated based on the following assumptions as determined by the latest judgements issued by appropriate tribunal:

- **Non-legal members:** Certain members of the judiciary (medical and lay members) have been found not to have salaried comparators. As such these have been excluded from the provision calculations.
- **Time limit:** The time limit to submit a claim to the Employment Tribunal is three months from the end of each fee paid appointment. A number of judiciary who have retired or had changed their appointment lodged claims outside this time limit. These claims have been excluded from the provision calculations. Judiciary who were still in service when moratoriums were announced have been included.
- **Compensation claims:** Several types of pay related claims have been made and only certain types of judicial office holders are eligible to make these claims. The provisions have been calculated on the latest judgements available at the date of signing of these Accounts.
- **Entitlement date:** Current judgements indicate the claimant's service period commences from the date the Part Time Workers Regulations came into force (7 April 2000). This is the date the calculation of the provisions have been based upon.
- **Transitional Protection:** Claimants are seeking to strike out the age restrictions on the transitional protection arrangements in the new judicial pension scheme 2015, allowing them to remain in JUPRA rather than having to join the new 2015 scheme. The current arrangements of transitional protection have been used in the calculation of the Judicial Service Award provision.

The judgements upon which these assumptions have been based are considered lead cases which bind all related stayed cases. These judgements are subject to appeal and therefore the assumptions on which the provisions have been estimated are subject to a degree of uncertainty.

During 2015/16, MoJ settled all claims that were included in the provision balance from the prior year. As at 31 March 2016, outstanding claims largely relate to the Northern Ireland and Welsh judiciaries and these are expected to be settled in summer 2016.

Injury benefits scheme

NOMS meets the costs of the Civil Service Injury Benefit Scheme (CSIBS) for payments granted under the scheme after 1 April 1998. CSIBS pays benefits to any PCS member who suffers disease or injury which is wholly or partially attributable to the nature of their duty, or who suffers an attack or similar act which is directly attributable to employment within the service. Benefits are paid only in respect of loss of earning capacity and are designed to enhance a beneficiary's income up to a guaranteed minimum of 85%.

Early departure costs

MoJ meets the additional costs of benefits beyond normal PCSPS benefits for employees who retire early. This involves paying amounts determined by the pension administrator annually to PCSPS over the period between early departure and normal retirement date. MoJ provides for this in full when the early retirement programme becomes binding on MoJ by establishing a provision for the estimated payments discounted at the Treasury rate of 1.37% (2014-15: 1.3%) in real terms.

Included in these costs are those that relate to the Voluntary Early Departure Scheme. The terms of the scheme offered were in accordance with the Civil Service Compensation scheme introduced by the government in December 2010.

Costs from Central Funds

Under the terms of the Prosecution of Offences Act 1985, acquitted defendants who have applied for legal aid and been found ineligible may, in limited circumstances, obtain an order from the Crown Court to recover their costs. The LAA estimates the value of unbilled costs to arrive at the amount disclosed in the Accounts as a provision. The amount is an estimate of the expenditure required to settle any obligation at the reporting period end date. In estimating the provision, LAA has adopted prudent measurement techniques based on the latest data available.

Legal claims

Provision has been made for all known claims where legal advice indicates that it is more likely than not that the claim will be successful and the amount of the claim can be reliably estimated. The figures represent the best estimate of the amount payable. Legal claims which may succeed but are less likely to do so or cannot be estimated reliably are disclosed as contingent liabilities in Note 25.

CICA Pre-tariff scheme

The pre-tariff scheme provision reflects CICA's liabilities in respect of all outstanding cases incurred prior to 1996 which remain to be settled in future years. In accordance with CICA's accounting policies, the provision is reviewed annually and reflects the likely settlement values at the year-end based on the circumstances of each application at that time. CICA does not hold any assets in respect of these liabilities; compensation will be paid from supply funding in year of settlement.

The pre-tariff scheme provision has not been discounted. The total provision is composed of a small number of cases which reflect the best estimate, at reporting period end, required to settle these cases. Due to uncertainties surrounding both the final liability and settlement date it was not deemed appropriate to discount the provision or provide an analysis with regard to timing of cash flows.

CICA Tariff scheme

The tariff scheme provision, reflecting CICA's liabilities under the 1996, 2001, 2008 and 2012 Schemes, is made up of two components. Primarily, CICA recognises liabilities that are based upon an evaluation of total applications that are currently known (discounted value £245m (2014-15: £224.6m)). The additional element relates to those events, occurring on or before reporting period end, that CICA deems probable and, based upon historical evidence, provides for an estimation of the future liability (discounted value £40.1m (2014-15: £33.4m)).

CICA does not hold any assets in respect of these liabilities; compensation will be paid from supply funding in the year of settlement.

Sensitivity for CICA Tariff Scheme

In line with IAS 37, areas of uncertainty surrounding the tariff scheme provision have been noted. The valuation is based upon a financial analysis of the historical settlement averages and the assessed tariff banding attributed to cases in progress.

The following are key assumptions that affect the valuation and are variables that reflect CICA's recent operational experience in processing tariff applications:

- The apportionment of cases received, but as yet unallocated to tariff bands. Of these 78.9% of all such cases are current year and will be assessed in due course.
- The likelihood of known cases received in the current year that will resolve at £nil value based on historical averages. This estimation is only carried out for the lower tariff bands, as this is where £nil value cases are likely to be expected.
- For those cases that are not yet reported the value and timing of applications likely to be received is based on prevailing demand and historical trends. This has been reduced from prior year estimates as the impact of lower demand following the introduction of the 2012 Tariff Scheme filters through to late reported cases.

Leasehold dilapidations

Dilapidation costs are an estimate of the expenditure required to return vacated leased buildings to their original condition as at the date of commencement of the lease. The movement in year is as a result of updated information relating to property vacations, new properties leased during the year and a change in the discount rate applied.

LAA outstanding balances on funded cases

LAA estimates the value of unbilled live cases each year to arrive at the amounts disclosed as a provision. The amount is an estimate of the expenditure required to settle any obligation at the end of the reporting date. In estimating the provision, LAA has adopted prudent measurement techniques based on the latest data available.

Based on average historical case lengths and average delay data from defence cost order award date to bill payment date, substantially all of the costs for the amounts outstanding on unbilled cases and unbilled defence cost orders are expected to be incurred within the next 12 months and accordingly no discounting has been used.

LAA uses complex valuation models to estimate the value of unbilled amounts on live cases. These models utilise inputs for historical price, quantity profiles, forecast spend, and underlying business knowledge, to estimate work completed but not yet billed at the end of the reporting date. The reasonable alternative assumptions below have been arrived at by observing the maximum historical high and low points within the actual source data of the respective models. The impact of reasonable alternatives to these inputs has been quantified below.

Assumptions tested:

	Increase in provision		(Decrease) in provision	
	Assumption	£m	Assumption	£m
Price profiles	5.8%	3.3	(8.4)%	(4.8)
Quantity profiles	0.5%	0.3	(13.2)%	(7.5)
Forecast spend	4.4%	13.5	(4.0)%	(12.3)

Using these reasonable alternative assumptions, the fair value of the financial liabilities at 31 March 2016 could be higher by up to £17.1m (2014-15: £28.3m) or lower by up to £24.6m (2014-15: £29.9m).

The above assumptions exclude the model variables used in the calculation of the civil representation work in progress (WIP) provision of £311.0m (2014-15: £262.4m).

Civil Representation WIP Provision

The civil representation WIP provision is calculated on a case by case basis using past patterns of activity, with multiple potential duration and cost outcomes. The calculations are segmented between the different expenditure streams and between different milestones in a case's lifecycle. The model estimates activity to the next financial event in each expenditure stream, reflecting the business realities of billing timing. The methodology has been updated to correct an error identified in 2015-16 which had resulted in non-material error in previous years' amounts.

The reasonable alternative assumptions below have been arrived at by observing the maximum historical high and low points within the actual source data of the respective models, adjusted for projected future trends. The impact of reasonable alternatives to these inputs has been quantified below.

Civil representation assumptions tested:

	Increase in provision		(Decrease) in provision	
	Assumption	£m	Assumption	£m
Transition cost and duration profile	March 2015 profiles	10.1	March 2015 profiles	(10.1)
Billing duration	17%	7.0	(12)%	(5.4)
Dormancy cut off	25%	19.0	N/A	N/A

The inputs are case data driven, with an overlay of management judgement, for example choosing the number of years of historical case data to use in creating historical profiles. It should be noted the inherent sensitivity of the civil representation WIP provision is such that relatively small percentage movements in the inputs could lead to the estimate crystallising at a materially different amount. Furthermore a significant proportion of certificated work does not operate on a fixed fee basis and as such, case costs can be subject to fluctuations. All assumptions are reviewed periodically and amended where sufficient evidence exists that such action is appropriate.

Using these reasonable alternative assumptions, the fair value of the financial liabilities at 31 March 2016 could be higher by up to £36.1m (2014-15: £46.9m) or lower by up to £15.5m (2014-15: £21.7m).

Other provisions

The fee paid judicial office holder provisions account for £25.5m (2014-15: £13.4m) of the Other Provisions total (refer to JSA and Fee Paid Judicial Claims section above). The remaining balance relates to onerous lease and miscellaneous provisions of the Department.

20. Capital commitments

Capital expenditure contracted for at the end of the reporting period but not included in these financial statements is as follows:

	31 March 2016		31 March 2015	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Property, plant and equipment	143,165	143,165	231,757	231,757
Intangible assets	31,790	31,790	31,072	31,072
Total capital commitments	174,955	174,955	262,829	262,829

Capital commitments include capital expenditure associated with a new prison in North Wales, software development for a common platform across the MoJ group and the development of a bespoke software on the Single Operating Platform.

21. Commitments under leases

21.1 Operating leases

MoJ leases various land and buildings, primarily comprised of court facilities, under non-cancellable operating lease agreements. The lease terms are between 2 and 50 years. MoJ do not have purchase options and no contingent rents are payable on operating leases; however some leases have escalation clauses and terms of renewal. Renewals are negotiated with the lessor in accordance with the provisions of the individual lease agreements.

MoJ also leases various equipment and cars under non-cancellable operating lease agreements. The lease terms are between 1 and 6 years.

Total future minimum leases payments under operating leases are given in the table below for each of the following periods:

	31 March 2016		Restated 31 March 2015	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Land and buildings				
Not later than one year	113,274	197,756	115,675	203,737
Later than one year but not later than five years	400,253	431,652	397,685	407,852
Later than five years	1,187,213	1,188,162	1,151,674	1,153,049
Total land and buildings	1,700,740	1,817,570	1,665,034	1,764,638
Other				
Not later than one year	688	889	823	939
Later than one year but not later than five years	833	1,035	985	1,100
Later than five years	-	-	-	-
Total other	1,521	1,924	1,808	2,039
Total obligations under operating leases	1,702,261	1,819,494	1,666,842	1,766,677

The minimum lease payments are determined from the relevant lease agreements and do not reflect possible increases as a result of market based reviews.

The lease expenditure charged to the CSocNE during the year is disclosed in Note 6.

21.2 Finance leases

Total future minimum lease payments under finance leases are given in the table below for each of the following periods:

	31 March 2016		31 March 2015	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Land and buildings				
Not later than one year	17,295	17,295	16,932	16,932
Later than one year but not later than five years	72,912	72,912	71,412	71,412
Later than five years	134,966	134,966	153,878	153,878
	225,173	225,173	242,222	242,222
Less: interest element	(87,014)	(87,014)	(98,706)	(98,706)
Present value of obligations	138,159	138,159	143,516	143,516
Other				
Not later than one year	2,238	2,238	2,511	2,511
Later than one year but not later than five years	850	850	3,068	3,068
Later than five years	-	-	-	-
	3,088	3,088	5,579	5,579
Less: interest element	(332)	(332)	(919)	(919)
Present value of obligations	2,756	2,756	4,660	4,660
Total present value of obligations	140,915	140,915	148,176	148,176

The present value of obligations under finance leases for the following periods comprise:

	31 March 2016		31 March 2015	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Land and buildings				
Not later than one year	6,102	6,102	5,264	5,264
Later than one year but not later than five years	34,263	34,263	30,113	30,113
Later than five years	97,794	97,794	108,139	108,139
Present value of obligations	138,159	138,159	143,516	143,516
Other				
Not later than one year	1,954	1,954	1,920	1,920
Later than one year but not later than five years	802	802	2,740	2,740
Later than five years	-	-	-	-
Present value of obligations	2,756	2,756	4,660	4,660
Total present value of obligations	140,915	140,915	148,176	148,176

The finance lease liability primarily relates to the refurbishment of MoJ Headquarter offices at 102 Petty France, London. The liability does not contain contingent rent.

22. Commitments under PFI and Service Concession Arrangements

22.1 Arrangements not recognised on the Consolidated Statement of Financial Position

As at 31 March there are no off-balance sheet PFI commitments.

22.2 Arrangements recognised on the Consolidated Statement of Financial Position

Project name	Entity	Contract start date	Duration (years)	Description
Development, Innovation and Support Contracts (DISC)	Core Department	October 2006	10	Provision of infrastructure and application services to MoJ HQ and Executive Agencies other than NOMS. The DISC contract has been extended by three years to October 2016.
Network Optimisation Programme	Core Department	April 2012	5	Provision of infrastructure and application services to MoJ HQ and Executive Agencies other than NOMS and runs in parallel to DISC but has its own payment schedule and timeframe.
Services Integration and Management	Core Department	September 2013	5	Provision for ICT infrastructure and associated services to MoJ HQ and Executive Agencies.
Protective Monitoring	Core Department	November 2013	5	Provision of protective monitoring, cyber security detection and prevention, service to MoJ HQ and executive agencies.
Networks (Voice, Video and Integration)	Core Department	January 2014	5	Contract to deliver a range of network services including fully managed Voice, Video and Network Integration Services to MoJ HQ and Executive Agencies.
Hosting services contract	Core Department	May 2014	3	Provision of hosting service to MoJ HQ and Executive Agencies.
Print services contract	Core Department	May 2014	5	Provision of managed print service and bulk print service to MoJ HQ and Executive Agencies.
End User Computing Service	Core Department	October 2014	5	Provision of an end user computing service to MoJ HQ and Executive Agencies.
Networks (WAN and LAN)	Core Department	February 2015	5	Provision of WAN and LAN services as part of the MoJ Future IT Sourcing Programme.
Hereford & Worcester Magistrates' Courts	HM Courts & Tribunals Service	March 2000	25	Provision of serviced accommodation for Magistrates' Courts at Bromsgrove, Kidderminster, Worcester and Redditch. The contract term can be extended for another 10 years.
Humberston Magistrates' Courts	HM Courts & Tribunals Service	March 2000	25	Provision of serviced magistrates' courthouses in Hull, Beverley and Bridlington. On expiry, HM Courts & Tribunals Service has the option of taking the assets back for a nominal amount of £3m.
Manchester Magistrates Court	HM Courts & Tribunals Service	March 2001	25	Provision of an 18-courtroom courthouse.
Derbyshire Magistrates' Courts	HM Courts & Tribunals Service	August 2001	27	Provision of serviced accommodation for Magistrates' Courts at New Mills, Chesterfield and Derby. The contract term can be extended (subject to agreement of mutually acceptable terms) by up to five years.
East Anglia	HM Courts & Tribunals Service	October 2002	25	Provision of Crown Court centres in Ipswich (five criminal courtrooms) and Cambridge (three criminal courtrooms). At the end of the contract term the buildings in Ipswich and Cambridge will revert to HM Courts & Tribunals Service at no cost.
Exeter	HM Courts & Tribunals Service	November 2002	30	Provision of a courthouse comprising four Criminal Courts, one Civil Court and four District Judge hearing rooms. At the end of the contract term the building will revert to HM Courts & Tribunals Service at no cost.
Sheffield	HM Courts & Tribunals Service	November 2002	25	Provision of a Family Hearing Centre in Sheffield. At the end of the contract term HM Courts & Tribunals Service has the option of acquiring the under lease at the lower of its open market value or £2m.

Project name	Entity	Contract start date	Duration (years)	Description
Avon & Somerset Magistrates' Courts	HM Courts & Tribunals Service	August 2004	27	Provision of serviced accommodation for Magistrates' Courts and offices in Bristol, Weston-Super-Mare and Flax Bourton.
HM Prisons (HMP) Altcourse	NOMS	December 1995	25	Design, build, finance and operate an 800 place category B prison at HMP Altcourse, Liverpool.
HMP Parc	NOMS	January 1996	25	Design, build, finance and operate an 840 place category B prison near Bridgend, South Wales.
HMP Lowdham Grange	NOMS	November 1996	25	Design, build, finance and operate a 760 place category B prison at HMP Lowdham Grange, Nottingham.
HMP Ashfield	NOMS	July 1998	25	Design, build, finance and operate a 400 place young offenders and juveniles category B prison at Pucklechurch, near Bristol; converted in 2013 to hold adult offenders.
HMP Forest Bank	NOMS	July 1998	25	Design, build, finance and operate an 800 place category B prison HMP Forest Bank, on site of former Agecroft power station
HMP Rye Hill	NOMS	July 1999	25	Design, build, finance and operate a 600 place category B prison HMP Rye Hill at Onley, near Rugby.
HMP Dovegate	NOMS	September 1999	25	Design, build, finance and operate a 1060 place category B prison and therapeutic community facility at HMP Dovegate, Marchington.
HMP Bronzefield	NOMS	December 2002	25	Design, build, finance and operate a 500 place category B prison at Ashford in Middlesex.
HMP Peterborough	NOMS	February 2003	25	Design, build, finance and operate an 840 place category B prison at Peterborough in Cambridgeshire.
HMP Thameside	NOMS	June 2010	25	Design, build, finance and operate a 900 place category B prison at Woolwich in London.
Prisoner Escort and Custody Services	NOMS	August 2011	7	Supply and running of the prison vans and escorts.
IT and Telephony System	NOMS	January 2013	5	Supply and support IT and telephony systems.
Electronic Monitoring System	NOMS	July 2014	7	The supply and operation of electronic tagging and monitoring systems. A bridge contract is in place until service delivery begins under the new six year contracts in 2018.
Oakhill Secure Training Centre	YJB	May 2004	25	Design, construct and manage a secure training centre, located in Milton Keynes, Oakhill.

The total amount charged in the CSoCNE in respect of the service element of on-balance sheet (SoFP) PFI or other service concession transactions was £724.9m (2014–15: £731.2m). Details of the imputed finance lease charges under service concession arrangements recognised on the CSoFP are given in the table below for each of the following periods.

	31 March 2016		31 March 2015	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Rentals due not later than one year	70,367	71,793	74,262	75,689
Rentals due later than one year but not later than five years	196,830	202,532	225,282	230,985
Rentals due later than five years	333,815	345,577	377,347	390,533
	601,012	619,902	676,891	697,207
Less: interest element	(195,765)	(201,482)	(223,999)	(230,477)
Present value of obligations	405,247	418,420	452,892	466,730

The present value of liabilities under service concession arrangements recognised on the CSoFP are given in the table below for each of the following periods.

	31 March 2016		31 March 2015	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Rentals due not later than one year	45,412	46,113	46,303	46,968
Rentals due later than one year but not later than five years	119,818	123,030	139,597	142,642
Rentals due later than five years	240,017	249,277	266,992	277,120
Present value of obligations	405,247	418,420	452,892	466,730

Details of the minimum service charge under service concession arrangements recognised on the CSoFP are given in the table below for each of the following periods.

	31 March 2016		Restated 31 March 2015	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Service charge due within one year	668,089	685,268	727,392	744,571
Service charge due later than one year but not later than five years	1,989,810	2,058,526	1,985,181	2,053,709
Service charge due later than five years	2,047,815	2,189,542	2,310,854	2,469,325
Total	4,705,714	4,933,336	5,023,427	5,267,605

23. Other financial commitments

MoJ has entered into non-cancellable contracts (which are not leases or PFI contracts), for the provision of services including the management of prisons and other contracted out services. The payments to which MoJ is committed are as follows:

	31 March 2016		Restated 31 March 2015	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Not later than one year	717,384	762,175	717,712	764,213
Later than one year but not later than five years	2,180,831	2,290,509	2,280,728	2,311,411
Later than five years	776,851	777,890	1,197,254	1,197,254
Total other financial commitments	3,675,066	3,830,574	4,195,694	4,272,878

NOMS has financial commitments of £1,934m (2014-15: £2,551m) and £16m (2014-15: nil) relating to the Fee for Service (FfS) and Fee for Use (FfU) elements respectively of contracts with Community Rehabilitation Companies (CRCs). The CRC contracts include a Payments by Results (PbR) element, under which additional amounts will be payable to the CRCs on a sliding scale upon the achievement of targeted reductions in reoffending. Estimated payments over the duration of the contracts based on the projected volume of offenders entering each cohort are £874m. This additional value has not been disclosed in the table above, due to uncertainty of the amounts at this early stage of the contracts. Also, FfS and PbR are based on a predicted volume of offenders, changes in which will result in a corresponding increase or reduction in the amount payable to CRCs.

The YJB has entered into non-cancellable contracts, which are not a lease or PFI contracts, for the management and operation of the Medway and Rainsbrook secure training centres, secure escort services, and education services.

24. 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 Department's expected purchase and usage requirements and the Department is therefore exposed to minimal market, liquidity or interest rate risk. The Department's exposure to financial risk is mainly in respect of credit risk for LAA's activities.

The LAA's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks. Systems have been established to review and reflect changes in the legal aid market and the LAA's activities.

Credit risk

Credit risk is the risk that counterparties to financial instruments will cause a financial loss to MoJ by failing to discharge their objectives.

Legal Aid Agency receivables

LAA's immediate credit exposure is primarily in funded legal aid receivables and the maximum exposure for this category is the carrying value of outstanding trade and other receivable balances as at year end. LAA uses market knowledge and changes in credit ratings to identify significant changes to the financial profile of its counterparties.

LAA has an inherent risk within trade receivables and other current assets, as LAA is not predisposed to straightforward cash collections. LAA recognises this risk and mitigates it in the case of statutory charge debts, where repayment of the debt may be deferred, by securing land charges and using active credit management policies to recover unsecured debts. In some cases the debt collection activities are outsourced to commercial debt collectors. The size of the risk is reflected in the receivables impairment provision which totals £202.9m (2014-15: £223.3m).

The majority of LAA's trade and other receivables are the result of a statutory charge, £79.4m (2014-15: £61.9m) out of LAA's total receivables balance after impairment of £133.8m (2014-15: £111.5m). A high proportion of these are secured on property and settlement is deferred until the property is sold. These, along with other receivables, carry an impairment provision based on expected settlement receipts.

LAA provides for impairment of receivables based on historical cash collection experience and management assessment of likely recoveries, for each category of debt. Consideration is given to macroeconomic factors, such as the economy, housing market, interest rates and inherent risks, such as potential changes to recoveries arising from revisions to legal aid schemes, in assessing the levels of impairment provision. LAA's impairment model uses historical recovery profiles by debt category to estimate the provision required against debt balances. For further details please refer to the LAA Annual Report and Accounts.

Other credit risks

Credit risk related to fines and penalties collection activities is explained in the HM Courts & Tribunals Service Trust Statement.

MoJ is exposed to minimal credit risk in respect of other financial assets. The maximum exposure to credit risk is equal to the carrying amount of outstanding receivable balances. MoJ

manages its credit risk by undertaking background and credit checks prior to establishing a debtor relationship.

25. Contingent assets and liabilities

25.1 Contingent assets

LAA have four contingent assets as defined within IAS 37, in relation to costs orders from legal proceedings with a total value of £319,500 at 31 March 2016 (2014-15: £nil)

25.2 Contingent liabilities disclosed under IAS 37

MoJ has contingent liabilities as defined within IAS 37. Unless otherwise stated, the amount of each contingent liability cannot be determined with sufficient reliability or to quantify it would jeopardise the outcome of the legal case.

Fee paid judicial office holders' claims:

Pension entitlements are provided to salaried judges under the Judicial Pension Scheme (JPS). In September 2005, a retired fee paid judicial office holder brought a claim in the Employment Tribunal seeking retrospective parity of treatment with salaried judicial office holders by claiming pension entitlements under the Part Time Workers Regulations.

The UK Supreme Court ruling on 6 February 2013 set the precedent for other stayed cases, which in addition to pension entitlements, extended to non-pension entitlements relating to fee paid judicial office holders' employment terms and conditions.

During 2015-16, there were several hearings held at the Employment Tribunal and Employment Appeal Tribunal. These hearings also addressed claims for non-pension entitlements relating to fee paid judicial office holders' employment terms and conditions.

There were a number of stayed claims and outstanding appeals lodged which were not heard before the end of the reporting period or before these Accounts were finalised. These claims remain as contingent liabilities. No estimate has been made in relation to the stayed cases as whether a stayed case is even heard will depend on the individual circumstances of the claimant, and given the large number of stayed claims and outstanding appeals, this was impracticable.

Employment Tribunals: MoJ is currently defending a number of Employment Tribunal claims.

Other European Court of Human Rights claims: MoJ is currently engaged in seven cases at the European Court of Human Rights, some of which may involve possible financial liability and others which are unquantifiable.

Headquarters legal claims: There are a number of outstanding legal claims against MoJ Headquarters, some of which involve possible financial liabilities. Cases where it is probable that MoJ will incur future costs have been included within provisions. These legal claims include Judicial Reviews challenging refusal to pay compensation for miscarriages of justice and legal aid funding.

Data Protection Act: There are five claims against MoJ for alleged failure to comply with the Data Protection Act. These cases are ongoing.

Criminal Injuries Compensation: On occasion compensation cases go to judicial review. These could have an impact on the CICA's future liabilities. These cases are not included within the provision due to the fact that a possible obligation exists which will only be confirmed

by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of CICA.

CICA Pre-tariff: MoJ is currently defending a claim for the use of the discount rate set by the Lord Chancellor in the future loss calculations for the CICA pre-tariff scheme. The case was judicially reviewed, and the claim was rejected. The applicant has been given permission to appeal to the Court of Appeal. The estimated exposure upon any change to the discount rate against the current percentage is dependent on the outcome of a number of cases but has been estimated to be between £7m and £192m (2014-15: £7m and £192m).

CICA Tariff: The Court of Appeal rejected an appeal by an applicant against the decision of the Upper Tribunal in a Tariff case concerning Foetal Alcohol Spectrum Disorder. The applicant's representatives requested permission to appeal from the Supreme Court which was refused. The representatives have selected another test-case to be put before the First-tier Tribunal and this was won by CICA. The case is now pending the next stage of the legal process. There are 87 known cases. Any liability is uncertain but has been estimated between £26m and £43.5m (2014-15: £26m and £43.5m).

HM Courts & Tribunals Service: is involved in a number of legal cases dealing with ex gratia, compensation and other claims. The estimated cost of settlement for HM Courts & Tribunals Service is £5.9m (2014-15: £5.6m).

HM Courts & Tribunals Service has one contingent liability which is presently unquantifiable. The Supreme Court has allowed permission to appeal the Court of Appeal decision regarding the introduction of Employment Tribunal fees. It is not possible to accurately measure any potential financial liability to HM Courts & Tribunals Service.

NOMS: A contract is in place for a Payment by Results scheme at HMP Peterborough in relation to reducing reoffending.

The contract is based on programmes for cohorts of offenders, who are then monitored. Reoffending by members of the cohort during the monitoring period is assessed. The contract stipulates a mechanism by which an additional payment would be payable by NOMS to the contractor on a sliding scale, in the event of reoffending rates for the cohorts of offenders meeting or exceeding targets.

The maximum possible additional payments by NOMS under the contract totalled £2.75m. At 31 March 2016, the final cohort was being monitored, and NOMS considers that the likelihood of costs arising from the success of the remaining cohort remains uncertain.

Other claims: Claims against NOMS by staff, prisoners and third party amounts to £79.6m (2014-15: £56.3m), where the likelihood of a liability arising is deemed possible but not likely.

26. Related party transactions

Associated departments and other central government bodies

MoJ is the parent of the HM Courts & Tribunals Service, LAA, NOMS, CICA and OPG agencies and the sponsor of NDPBs as listed in Note 28. All of these bodies are regarded as related parties with which MoJ has had various material transactions during the year.

In addition, MoJ has had a number of transactions with other government departments and central government bodies. The most significant of these transactions have been with the: HM Revenue & Customs; Home Office; Principal Civil Service Pension Scheme (PCSPS) and HM Treasury.

Key management personnel

The son of Ann Beasley, Director General, Finance, Assurance and Commercial has been employed by PwC since September 2013. PwC are providers of professional services to MoJ.

The mother of Matthew Coats, Chief Executive, LAA and Director General Corporate Services, is a member of the Quality and Standards Committee of the Skills for Justice Enterprises Ltd. Justice Enterprises Ltd is a non-government organisation who bids for EU Funding for projects and delivers them for the Department.

The son and daughter in law of Sir Martin Narey, Non Executive Board Member, are employed by the MoJ. Both were already in post before Sir Martin Narey was appointed to the Board. Sir Martin Narey is a Non Executive Board Member of Unilink Limited who are a supplier to NOMS and private sector prisons. The remuneration of these parties in line with normal civil service terms and conditions

Other

Other interests and related parties of Ministers which do not concern MoJ are disclosed at: <https://www.gov.uk/government/publications/list-of-ministers-interests>.

27. Third party assets

MoJ holds, as custodian or trustee, certain assets belonging to third parties. These assets are not recognised in the CSofP and neither MoJ nor the government has a direct beneficial interest in them. Third party assets over and above those monies disclosed in Notes 17 and 18 are disclosed below. Due to differing accounting year ends for these monies, they are presented in two sections.

Funds in Court (as at 29 February 2016)

The OAG, previously the Courts Funds Office, manages money held in court on behalf of clients who may be involved in a civil legal action, patients who are under the Court of Protection because they are not able to manage their property and affairs, and children under the age of 18. Client assets held at year-end comprised cash, an Equity Index Tracker Fund and securities.

Cash holdings represent funds invested by UK Debt Management Office on behalf of the Accountant General in the Court Funds Investment Account and foreign exchange balances held on behalf of clients.

	29 Feb 2016	28 Feb 2015
	£000	£000
Cash at bank and on deposit	2,334,489	2,792,000
Securities	107,227	139,000
Total	2,441,716	2,931,000

Further details can be found in Funds in Court in England and Wales Annual Report and Accounts.

Other third party assets (as at 31 March 2016)

	Official Solicitor and Public Trustee (OSPT)	Criminal Injuries Awards (CICA)	Pending legal aid amounts (LAA)	Bail monies (HM Courts & Tribunals Service)	Prisoner monies (NOMS)	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Cash	4,620	66,901	18,605	21,759	12,605	124,490
Investments	48,645	-	-	-	-	48,645
Non-cash assets	6,578	-	-	-	-	6,578
At 31 March 2016	59,843	66,901	18,605	21,759	12,605	179,713
At 31 March 2015	66,468	69,549	21,096	17,942	11,969	187,024

The rationale for each principal holding of third party assets is as follows:

- The Official Solicitor administers estates and trusts as Administrator/Trustee of Last Resort. The Public Trustee acts as Executor or Trustee where they have been appointed under a will or a new settlement. The figures above represent the most up to date information available about assets managed by the OSPT on behalf of clients. The Accounts for 2015-16 have not yet been presented for audit;
- CICA holds third party compensation awards to minors. The purpose of this action is to ensure that the victim will be the sole beneficiary of the award (including accrued interest) when they reach their maturity (18 years of age). Where appropriate, interim payments are made on an 'as needs' basis against an agreed framework;
- LAA also receives awarded damages awaiting the final settlement of a case and contribution monies from clients towards legal costs, including contributions towards costs awaiting the final judgement and calculation of the total costs of a case. The outcome of the case will determine whether the contribution monies from clients transfers to LAA or is returned to the third party;
- HM Courts & Tribunals Service holds bail monies which are received and held while a criminal case progresses; and
- NOMS holds monies on behalf of prisoners.

28. The Departmental Boundary

Entities within the Departmental Boundary

Entities within the Departmental Boundary comprise of supply financed agencies and those entities listed in the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2015, known as the Designation Order, and Amendment Orders are set out below.

The Core Department

- Advisory Committees on Justices of the Peace in England and Wales;
- Assessor of Compensation for Miscarriages of Justice;
- Chief Coroner's Office;
- Civil Justice Council;
- Civil Procedure Rule Committee;
- Criminal Procedure Rule Committee;
- Family Justice Council;
- Family Procedure Rules Committee;
- Independent Advisory Panel on Deaths in Custody;
- Independent Monitoring Boards of Prisons, Immigration Removal Centres and Short Term Holding Facilities;
- Judicial Appointments and Conduct Ombudsman;
- Judicial College;
- Judicial Conduct and Investigations Office
- Judicial Office;
- Law Commission;
- Office of HM Inspectorate of Prisons;
- Office of HM Inspectorate of Probation;
- Office of the Judge Advocate General;
- Prison Service Pay Review Body;
- Office of the Official Solicitor;
- Office of the Prisons and Probation Ombudsman for England and Wales;
- Public Trustee;
- Sentencing Council for England and Wales;
- Tribunal Procedure Committee; and
- Victims' Commissioner.

Supply financed Agencies

- Criminal Injuries Compensation Authority;
- HM Courts & Tribunals Service;
- Legal Aid Agency;
- National Offender Management Service; and
- Office of the Public Guardian.

Other entities captured in the Departmental Group including Executive NDPBs

- Children and Family Court Advisory and Support Service;
- Criminal Cases Review Commission;
- Judicial Appointments Commission;
- Legal Services Board;
- Office for Legal Complaints;
- Parole Board for England and Wales; and
- Youth Justice Board for England and Wales.

Copies of Annual Report and Accounts for the individual entities can be found at: www.gov.uk

29. Pension costs

Reconciliation of net pension (liability)/asset 2015-16:

	Cafcass Pension			LSC Pension			Probation Pension		
	Present value of obligation	Fair value of plan assets	Net (liability)/asset	Present value of obligation	Fair value of plan assets	Net (liability)/asset	Present value of obligation	Fair value of plan assets	Net (liability)/asset
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2015	(575,382)	400,555	(174,827)	(303,102)	348,124	45,022	(4,579,914)	3,137,919	(1,441,995)
<i>Service costs</i>									
Current service cost	(14,542)	-	(14,542)	-	-	-	(129,086)	81	(129,005)
Past service cost	-	-	-	-	-	-	(1,900)	-	(1,900)
Net interest	(18,222)	12,832	(5,390)	(9,573)	11,014	1,441	(146,500)	99,900	(46,600)
Total recognised in the CSocNE	(32,764)	12,832	(19,932)	(9,573)	11,014	1,441	(277,486)	99,981	(177,505)
Scheme participant's contributions	(4,154)	4,154	-	-	-	-	(29,200)	29,200	-
Employer contributions	-	12,873	12,873	-	-	-	-	112,400	112,400
Benefits paid after net transfers	16,303	(16,303)	-	7,878	(7,878)	-	125,500	(125,500)	-
Total cash flows	12,149	724	12,873	7,878	(7,878)	-	96,300	16,100	112,400
<i>Actuarial gains/(losses)</i>									
Changes in financial assumptions	-	-	-	22,075	-	22,075	404,500	-	404,500
Experience gains/(losses)	25,334	-	25,334	5,324	-	5,324	56,000	-	56,000
Return on assets excluding amounts included in net interest	-	(9,517)	(9,517)	-	(4,898)	(4,898)	-	(146,800)	(146,800)
Remeasurements through Other Comprehensive Net Expenditure	25,334	(9,517)	15,817	27,399	(4,898)	22,501	460,500	(146,800)	313,700
Balance at 31 March 2016	(570,663)	404,594	(166,069)	(277,398)	346,362	68,964	(4,300,600)	3,107,200	(1,193,400)
<i>Of which</i>									
Core Department and Agencies NDPBs	-	-	-	(277,398)	346,362	68,964	(4,300,600)	3,107,200	(1,193,400)
	(570,663)	404,594	(166,069)	-	-	-	-	-	-
	(570,663)	404,594	(166,069)	(277,398)	346,362	68,964	(4,300,600)	3,107,200	(1,193,400)

Reconciliation of net pension (liability)/asset 2014-15:

	Cafcass Pension			LSC Pension			Probation Pension		
	Present value of obligation	Fair value of plan assets	Net (liability)/asset	Present value of obligation	Fair value of plan assets	Net (liability)/asset	Present value of obligation	Fair value of plan assets	Net (liability)/asset
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2014	(495,345)	358,364	(136,981)	(267,155)	302,724	35,569	(4,006,768)	2,759,612	(1,247,156)
<i>Service costs</i>									
Current service cost	(12,433)	-	(12,433)	-	-	-	(109,644)	-	(109,644)
Past service cost	(36)	-	(36)	-	-	-	(3,500)	-	(3,500)
Net interest	(21,075)	15,461	(5,614)	(11,320)	12,849	1,529	(165,674)	116,387	(49,287)
Gain/(loss) on recognition of orphan assets/liabilities held by ceding Funds	-	-	-	-	-	-	(57,248)	25,166	(32,082)
Total recognised in the CSocNE	(33,544)	15,461	(18,083)	(11,320)	12,849	1,529	(336,066)	141,553	(194,513)
Scheme participant's contributions	(4,252)	4,252	-	-	-	-	(31,027)	31,027	-
Employer contributions	-	12,985	12,985	-	-	-	-	104,363	104,363
Benefits paid after net transfers	15,007	(15,007)	-	7,815	(7,815)	-	131,863	(131,863)	-
Total cash flows	10,755	2,230	12,985	7,815	(7,815)	-	100,836	3,527	104,363
<i>Actuarial gains/(losses)</i>									
Changes in financial assumptions	-	-	-	(38,628)	-	(38,628)	(310,327)	8,274	(302,053)
Experience gains/(losses)	(57,248)	-	(57,248)	6,186	-	6,186	(27,589)	-	(27,589)
Return on assets excluding amounts included in net interest	-	24,500	24,500	-	40,366	40,366	-	224,953	224,953
Remeasurements through Other Comprehensive Net Expenditure	(57,248)	24,500	(32,748)	(32,442)	40,366	7,924	(337,916)	233,227	(104,689)
Balance at 31 March 2015	(575,382)	400,555	(174,827)	(303,102)	348,124	45,022	(4,579,914)	3,137,919	(1,441,995)
<i>Of which</i>									
Core Department and Agencies NDPBs	-	-	-	(303,102)	348,124	45,022	(4,579,914)	3,137,919	(1,441,995)
	(575,382)	400,555	(174,827)	-	-	-	-	-	-
	(575,382)	400,555	(174,827)	(303,102)	348,124	45,022	(4,579,914)	3,137,919	(1,441,995)

The key assumptions used by the actuaries were:

	Cafcass Pension	LSC Pension	Probation Pension	Cafcass Pension	LSC Pension	Probation Pension
	2015-16 %	2015-16 %	2015-16 %	2014-15 %	2014-15 %	2014-15 %
Inflation assumption	n/a	2.2	-	n/a	2.3	2.0 to 2.4
Rate of increase in salaries	2.9%	-	3.45	2.90	-	3.5 to 4.0
Pension increase rate	1.8%	2.3	2.20	1.80	2.3	1.8 to 2.1
Discount rate	3.4%	3.6	3.50	3.20	3.2	2.8 to 3.2
Pension accounts revaluation rate	1.8%	-	-	1.80	-	1.8 to 2.0

The major categories of scheme assets for 2015-16 were:

	Cafcass Pension		LSC Pension		Probation Pension	
	Value at 2015-16 £000	Value as a percentage of total scheme assets 2015-16 %	Value at 2015-16 £000	Value as a percentage of total scheme assets 2015-16 %	Value at 2015-16 £000	Value as a percentage of total scheme assets 2015-16 %
Equities	305,873	75.6	59,344	17.1	2,151,100	69.2
Gilts	41,673	10.3	222,654	64.3	24,600	0.8
Corporate bonds	18,611	4.6	-	-	493,200	15.9
Property	19,825	4.9	-	-	97,800	3.2
Cash and cash equivalents	5,260	1.3	792	0.2	78,300	2.5
Other	13,352	3.3	63,572	18.4	262,200	8.4
Total plan assets	404,594	100	346,362	100	3,107,200	100

The major categories of scheme assets for 2014-15 were:

	Cafcass Pension		LSC Pension		Probation Pension	
	Value at 2014-15 £000	Value as a percentage of total scheme assets 2014-15 %	Value at 2014-15 £000	Value as a percentage of total scheme assets 2014-15 %	Value at 2014-15 £000	Value as a percentage of total scheme assets 2014-15 %
Equities	306,024	76.4	59,347	17.0	2,281,837	72.7
Gilts	42,058	10.5	223,885	64.3	2,707	0.1
Corporate bonds	18,426	4.6	-	-	622,676	19.8
Property	16,823	4.2	-	-	1,414	0.1
Cash and cash equivalents	8,412	2.1	794	0.3	2,003	0.1
Other	8,812	2.2	64,098	18.4	227,282	7.2
Total plan assets	400,555	100	348,124	100	3,137,919	100

NOMS Sensitivity analysis - change in assumptions relative to 31 March 2016 actuarial assumptions for LGPS pension liabilities:

	Approximate monetary amount 2015-16 £000	Approximate increase to Employer Liability 2015-16 %	Approximate monetary amount 2014-15 £000	Approximate increase to Employer Liability 2014-15 %
0.5% decrease in real discount rate	421,900	10.0%	438,600	10.0%
1 year increase in member life expectancy	129,000	3.0%	135,600	3.0%
0.5% increase in the salary increase rate	124,900	3.0%	135,100	3.0%
0.5% increase in the pension increase rate	290,900	7.0%	294,700	7.0%

LSC Sensitivity analysis - change in assumptions relative to 31 March 2016 actuarial assumptions:

The sensitivity analysis is intended to provide an indication of the impact on the value of the Scheme's liabilities from the risks highlighted below.

	Actuarial value of liabilities on 31 March 2016	Actuarial value of annuities on 31 March 2015
	£000	£000
0.25% increase in discount rate	305,633	288,307
1 year increase in life expectancy	285,720	312,195
0.25% p.a. increase to pension increases and deferred pension increases	301,717	318,070

Sensitivity analysis for Cafcass can be found in its Annual report.

29.1 Cafcass pension scheme

Employees of Cafcass are members of the Local Government Pension Scheme (LGPS) through the West Yorkshire Pension Fund. The scheme provides funded defined benefits based on final pensionable salary. The assets of the scheme are held separately from those of Cafcass and are invested in managed funds. Employer contribution rates are determined by a qualified actuary and on the basis of triennial valuations.

The scheme assets are measured at realisable value. Scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

The LGPS provides benefits on a 'final salary' basis, up to 31 March 2014, at a normal retirement age of 65. Benefits accrued at the rate of 1/60th of pensionable salary for service from 1 April 2008 with no automatic lump sum. For pensionable service up to 31 March 2008, benefits accrued at the rate of 1/80th of pensionable salary for each year of service.

With effect from 1 April 2014, the scheme provides benefits on a career average revalued earnings basis. Benefits accrue at the rate of 1/49th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3/80ths of final pay of every year of total membership is payable on retirement.

The pension scheme surplus (to the extent that it is considered recoverable) or deficit is recognised in full on the face of the Statement of Financial Position. The movement in the scheme surplus/deficit is split between operating charges (within staff costs) and reserves in the case of actuarial gains and losses.

29.2 LSC pension scheme (LSCPS) - closed

On 1 April 2013, under the Legal Aid, Sentencing and Punishment of Offenders Act, the LSC was abolished and replaced by an executive agency of the MoJ, the Legal Aid Agency (LAA).

A full actuarial valuation of Scheme No. 4 and Scheme No. 3 was carried out at 31 March 2013 by qualified independent actuaries Hymans Robertson LLP.

Nature of benefits, regulatory framework, and other entity's responsibilities for governance of the LSCPS

The LSCPS is a registered defined benefit final salary scheme. It has a Crown Guarantee, with MoJ as the sponsoring employer, but in effect retains most of the UK regulatory framework for pensions including Scheme Specific Funding. The LSCPS is operated under trust and as such,

the trustees of the Scheme are responsible for operating the Scheme and they have a statutory responsibility to act in accordance with the Scheme's Trust Deed and Rules, in the interests of the beneficiaries of the LSCPS, and UK legislation (including Trust Law). Any contributions that are paid to the LSCPS are defined by a funding arrangement between the trustees and MoJ.

Risks to which the LSCPS exposes MoJ

The nature of the LSCPS exposes MoJ to the risk of paying unanticipated contributions to the Scheme in times of adverse experience. The most financially significant risks are likely to be:

- Members living for longer than expected;
- Higher than expected actual inflation;
- Lower than expected investment returns; and
- The risk that movements in the value of the Scheme's liabilities are not met by corresponding movements in the value of the Scheme's assets.

Expected contributions over the next accounting period and future funding arrangements

The MoJ does not expect to contribute to the LSCPS for the year to 31 March 2017. The Schedule of Contributions dated 16 January 2014 sets out the current contributions payable by MoJ to the Scheme. At present the only contributions are to meet Scheme expenses. Future contributions depend on the Scheme's funding position at each formal valuation and are set out in the Scheme's funding framework.

29.3 Probation pension schemes

NOMS offers retirement benefits within the Local Government Pension Scheme (LGPS) to probation staff working within the National Probation Service (NPS). Past employees of the Probation Trusts, and staff who transferred from the Trusts to CRCs and NOMS, are also covered by the provisions of LGPS via one pension fund which is with Greater Manchester Pension Fund (GMPF). The LGPS is a funded multi-employer defined benefit scheme. NOMS recognises an LGPS pension scheme liability in these accounts.

The LGPS pension liability transferred from Probation Trusts to NOMS on 1 June 2014. A liability arises as employees earn their future entitlement to payments when they retire. The pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate. The contribution rates reflect benefits as they are accrued, and reflect the past experience of the schemes.

The LGPS provides benefits on a 'final salary' basis, up to 31 March 2014, at a normal retirement age of 65. Benefits accrued at the rate of 1/60th of pensionable salary for service from 1 April 2008 to 31 March 2014 with no automatic lump sum. For pensionable service up to 31 March 2008, benefits accrued at the rate of 1/80th of pensionable salary for each year of service.

From 1 April 2014, the scheme provides benefits on a career average revalued earnings (CARE) basis. Benefits accrue at the rate of 1/49th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3/80ths of final pay of every year of total membership is payable on retirement.

The scheme permits employees to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. Members pay contributions of between

5.5% and 12.5% of pensionable earnings. Member contributions changed from 1 April 2014 and benefits accrued from this date are on a CARE basis, with protections in place for those members in the scheme before the changes took effect.

This is the first full year with GMPF. A number of orphan pension liabilities for deferred and pensioner members of former Probation Committees have also been identified and accepted as the responsibility of NOMS and are being transferred to GMPF with effect from 1 June 2015. Additional actuary reports have been obtained from the ceding Pension Funds as at 31 March 2015 and the additional pension liability was included within the pension position for 2014-15.

30. Events after the reporting period

The Secretary of State for Justice announced on 12 May 2016 that NOMS will take on the operation of Medway Secure Training Centre (STC), which looks after young people aged 12 to 17. The Ministry of Justice has an existing contract with G4S to manage Medway STC. NOMS will take over from G4S by the end of July 2016. Existing G4S staff will transfer to NOMS under TUPE arrangements.

On 23 June, the EU referendum took place and the people of the United Kingdom voted to leave the European Union. Until exit negotiations are concluded, the UK remains a full member of the European Union and all the rights and obligations of EU membership remain in force. During this period the Government will continue to negotiate, implement and apply EU legislation. It will be for the Government, under the new Prime Minister to begin negotiations to exit the EU. The outcome of these negotiations will determine what arrangements apply in relation to EU legislation and funding in future once the UK has left the EU. This is therefore a non-adjusting event for which no estimate of its financial effect on the reporting entity can be made.

31. Machinery of Government (MoG) change

Transfer of Information Commissioners Office

On 17 September 2015, the sponsorship of ICO was transferred from MoJ to DCMS as a result of a MoG change. In line with the FReM guidance this transfer was accounted for via merger accounting principles and the impact of the transfer on 2014-15 is as follows.

Restated Core and Agencies

The effect on the Core and Agencies Statement of Comprehensive Net Expenditure is a decrease of £2,928k in net expenditure, made up of a reduction in Grant in Aid expense of £3,700k and CFER income of £772k. The impact on net asset is nil, in the Statement of Financial Position.

Restated Group

The impact on the Departmental Group Statement of Comprehensive Net Expenditure is a decrease of £3,133k in net expenditure and an increase in other comprehensive items of £19k. The Departmental Group's net assets decreased by £4,842k for 2014-15 and by £4,838k for 2013-14.

Annexes

Annexes

Annex A: Other notes to the Statement of Parliamentary Supply

This section has been subject to audit.

SoPS 3. Reconciliation of Net Resource Outturn to Net Cash Requirement

		2015-16		
		Estimate	Outturn	Net total outturn compared with Estimate: saving/(excess)
Note		£000	£000	£000
Resource Outturn	SoPS 1.1	8,048,995	7,462,725	586,270
Capital Outturn	SoPS 1.2	278,963	266,007	12,956
Accruals to cash adjustments:				
Adjustments to remove non-cash items:				
Depreciation		(922,666)	(386,055)	(536,611)
New provisions and adjustments to previous provisions		(685,467)	(327,038)	(358,429)
Other non-cash items		-	(211,938)	211,938
Adjustments for Non-Departmental Public Bodies (NDPBs):				
Remove voted resource and capital		(326,663)	(327,235)	572
Add cash Grant in Aid		317,720	303,641	14,079
Adjustments to reflect movements in working balances:				
Increase / (decrease) in inventories		-	1,039	(1,039)
Increase / (decrease) in trade and other receivables		-	23,778	(23,778)
(Increase) / decrease in trade and other payables		268,500	86,066	182,434
Use of provisions		265,749	207,596	58,153
		7,245,131	7,098,586	146,545
Removal of non-voted budget items:				
Consolidated Fund Standing Services		(141,465)	(149,465)	8,000
OLC and LSB non-voted levy income		-	14,936	(14,936)
Other adjustments		16,186	-	16,186
Other adjustments to outturn:				
Capital proceeds adjustment on capital outturn		-	(5,132)	5,132
PFI and other adjustments not included in CSoCNE		-	5,221	(5,221)
Net cash requirement		7,119,852	6,964,146	155,706

Net cash requirement calculation only applies to Core Department and Executive Agencies.

SoPS 4 Income payable to the Consolidated Fund

In addition to income retained by the Department, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics).

	Outturn 2015-16		Restated Outturn 2014-15	
	Income £000	Receipts £000	Income £000	Receipts £000
Operating income outside the ambit of the Estimate	1,380	1,383	5,003	6,219
Levy income of OLC and LSB within the ambit of the Estimate	14,936	14,936	16,398	16,398
Total income payable to the Consolidated Fund	16,316	16,319	21,401	22,617

The Department also collects fines and penalties imposed by the judiciary and police; however, these are excluded from the income reported here and are reported separately in the HM Courts & Tribunals Service Trust Statement.

Annex B: Public expenditure core financial tables

Table 1 Total Departmental Spending (£000)

Section headings are based on 2015-16 Supplementary Estimate headings.

	2011-12 Restated Outturn ¹	2012-13 Restated Outturn ¹	2013-14 Restated Outturn ¹	2014-15 Restated Outturn ¹	2015-16 Outturn	2016-17 Plans	2017-18 Plans ⁸	2018-19 Plans ⁸	2019-20 Plans ⁸
Resource DEL									
Policy, Corporate Services and Associated Offices	1,036,558	880,333	766,505	905,470	666,999	(317,579)	6,759,992	6,257,392	6,125,992
National Offender Management Service	3,493,446	3,533,100	3,436,304	3,345,479	3,517,058	3,652,936	-	-	-
HM Courts and Tribunals Service	1,091,883	1,203,496	1,027,975	944,099	833,483	1,611,830	-	-	-
Office of The Public Guardian	(5,737)	(12,830)	(14,481)	(14,821)	(17,241)	(22,416)	-	-	-
Youth Justice Board (net)	377,819	326,766	224,345	191,467	164,546	212,904	-	-	-
Parole Board (net)	10,388	10,766	11,479	12,961	14,182	14,566	-	-	-
Criminal Cases Review Commission (net)	5,283	4,876	5,173	5,504	5,298	5,289	-	-	-
Judicial Appointments Commission (net)	5,013	4,921	4,202	4,032	3,832	4,440	-	-	-
Office of Legal Complaints (OLC) (net)	(117)	(5)	15,028	13,657	13,214	13,700	-	-	-
Legal Services Board (LSB) (net)	-	-	4,266	3,921	3,364	4,037	-	-	-
Legal Aid Agency ⁶	-	-	-	-	-	1,637,364	-	-	-
Legal Aid Agency - Administration	103,032	100,596	97,377	99,306	100,495	-	-	-	-
Legal Aid Agency - Fund : Criminal	1,115,359	995,394	966,504	888,754	861,131	-	-	-	-
Legal Aid Agency – Funds : Civil	965,594	945,547	824,791	684,984	600,428	-	-	-	-
Legal Aid Agency - Central Funds	100,598	97,765	81,371	62,814	49,088	-	-	-	-
Criminal Injuries Compensation Authority Agency	450,036	345,651	262,109	194,650	139,789	115,415	-	-	-
Children and Family Court Advisory and Support Service (net)	136,297	134,653	123,531	119,418	114,493	114,450	-	-	-
Higher Judiciary Judicial Salaries	142,039	152,513	148,610	148,066	149,465	145,000	150,000	150,000	150,000
OLC/LSB Levy CFER	-	-	(19,687)	(16,398)	(14,936)	(17,737)	-	-	-
Total Resource DEL	9,027,491	8,723,542	7,965,402	7,593,363	7,204,688	7,174,199	6,909,992	6,407,392	6,275,992
<i>Of which:</i>									
Staff costs	3,815,949	3,634,299	3,466,929	3,138,941	3,112,721	3,057,131	2,940,052	2,920,641	2,872,611
Purchase of goods and services	6,031,375	5,866,820	5,382,020	4,825,252	4,464,964	4,496,027	4,480,311	4,093,116	4,074,638
Income from sales of goods and services	(1,466,385)	(1,491,079)	(1,475,737)	(1,599,719)	(742,765)	(787,010)	(835,994)	(852,096)	(879,696)
Current grants to persons and non-profit bodies (net)	68,205	176,911	164,835	212,221	172,070	197,551	165,427	159,497	159,724
Net public service pensions ²	-	-	-	-	-	-	-	-	-
Rentals	5,195	5,187	-	658,051	826,030	810,500	794,995	759,533	756,975
Depreciation ³	441,780	526,006	449,420	435,107	453,891	582,500	589,200	589,600	603,200
Take up of provisions	-	-	-	-	-	-	-	-	-
Change in pension scheme liabilities	-	-	-	-	-	-	-	-	-
Unwinding of the discount rate on pension scheme liabilities	-	-	-	-	-	-	-	-	-
Other resource	131,363	5,398	(22,065)	(76,490)	(1,082,223)	(1,182,500)	(1,223,999)	(1,262,899)	(1,311,460)
Resource AME¹									
Policy, Corporate Services and Associated Offices	18,730	96,179	135,959	(296,893)	1,108	109,000	261,000	261,000	261,000
National Offender Management Headquarters (HQ)	26,559	58,780	135,896	140,115	68,881	140,000	-	-	-
Office of the Public Guardian	(3,968)	156	(187)	15	-	-	-	-	-
Youth Justice Board (net)	39	22	-	8,467	1	-	-	-	-
HM Courts and Tribunals Service	22	(202,256)	(16,508)	(89,709)	98,355	-	-	-	-

	2011-12 Restated Outturn ¹	2012-13 Restated Outturn ¹	2013-14 Restated Outturn ¹	2014-15 Restated Outturn ¹	2015-16 Outturn	2016-17 Plans	2017-18 Plans ⁸	2018-19 Plans ⁸	2019-20 Plans ⁸
Parole Board (net)	36	(107)	27	(52)	133	-	-	-	-
Criminal Cases Review Commission (net)	271	568	438	261	231	461	-	-	-
Judicial Appointments Commission (net)	(24)	(29)	(29)	(6)	-	-	-	-	-
Office of Legal Complaints (OLC) (net)	117	5	393	(367)	57	-	-	-	-
Legal Aid Agency ⁶	-	-	-	-	-	-	-	-	-
Legal Aid Agency - Administration	(22,080)	3,721	(698)	4	990	-	-	-	-
Legal Aid Agency - Fund : Criminal	(14,294)	(20,368)	(45,523)	30,282	3,908	-	-	-	-
Legal Aid Agency - Fund : Civil	58,329	(3,856)	(1,488)	(62,607)	51,607	-	-	-	-
Legal Aid Agency - Central Funds	-	-	7,699	(18,576)	(1,029)	-	-	-	-
Criminal Injuries Compensation Authority Agency	(248,440)	(154,326)	(103,392)	(10,541)	26,882	4,680	-	-	-
Children and Family Court Advisory and Support Service (net)	(11,915)	(1,004)	7,071	4,020	6,913	6,800	-	-	-
Total Resource AME	(196,618)	(222,515)	119,658	(295,587)	258,037	260,941	261,000	261,000	261,000
<i>Of which:</i>									
Staff costs	-	10,905	-	-	-	-	-	-	-
Net public service pensions ²	-	-	-	-	-	-	-	-	-
Depreciation ³	61,207	(27,580)	26,141	13,903	123,458	65,000	-	-	-
Take up of provisions	2,579,593	2,692,437	432,628	56,475	342,388	195,941	261,000	261,000	261,000
Release of provision	(2,837,418)	(2,898,277)	(339,111)	(365,965)	(207,809)	-	-	-	-
Change in pension scheme liabilities	-	-	-	-	-	-	-	-	-
Release of provisions covering payments of pension benefits	-	-	-	-	-	-	-	-	-
Other resource	-	-	-	-	-	-	-	-	-
Total Resource Budget	8,830,873	8,501,027	8,085,060	7,297,776	7,462,275	7,435,140	7,170,992	6,668,392	6,536,992
<i>Of which:</i>									
Depreciation ³	502.97	498,426	475,561	449,010	577,349	647,500	589,200	589,600	603,200
Capital DEL⁴									
Policy, Corporate Services and Associated Offices ⁴	248,513	184,028	228,964	242,428	225,306	414,032	742,150	692,150	417,150
National Offender Management Service	49,573	26,836	26,816	24,497	11,679	68,936	-	-	-
HM Courts and Tribunals Service	26,865	50,087	-	-	15,861	147,848	-	-	-
Office of The Public Guardian	861	1,067	4,288	4,298	3,152	4,305	-	-	-
Youth Justice Board (net)	4	1,654	924	2,250	844	6,058	-	-	-
Parole Board (net)	197	406	53	86	46	954	-	-	-
Criminal Cases Review Commission (net)	91	44	182	84	47	310	-	-	-
Judicial Appointments Commission (net)	-	-	134	553	-	100	-	-	-
Office of Legal Complaints (OLC) (net)	294	203	258	1,406	34	431	-	-	-
Legal Services Board (LSB) (net)	-	-	80	112	-	-	-	-	-
Legal Aid Agency ⁶	-	-	-	-	-	10,688	-	-	-
Legal Aid Agency - Administration	15,636	16,180	9,745	11,806	8,552	-	-	-	-
Legal Aid Agency - Fund : Criminal	-	-	-	-	-	-	-	-	-
Legal Aid Agency - Fund : Civil	-	-	-	-	-	-	-	-	-
Criminal Injuries Compensation Authority Agency	633	608	853	1,457	486	1,188	-	-	-
Children and Family Court Advisory and Support Service (net)	44	(1,185)	1,863	-	-	-	-	-	-
Total Capital DEL	342,711	279,928	274,160	288,977	266,007	654,850	742,150	692,150	417,150
<i>Of which:</i>									
Capital support for local government (net)	281	192	-	-	-	-	-	-	-

	2011-12 Restated Outturn ¹	2012-13 Restated Outturn ¹	2013-14 Restated Outturn ¹	2014-15 Restated Outturn ¹	2015-16 Outturn	2016-17 Plans	2017-18 Plans ⁸	2018-19 Plans ⁸	2019-20 Plans ⁸
Capital grants to persons & non-profit bodies (net)	-	6,794	-	-	-	-	-	-	-
Purchase of assets	418,225	326,052	363,119	358,687	297,403	708,875	913,150	703,150	475,150
Income from sales of assets	(75,795)	(53,110)	(88,959)	(70,028)	(31,396)	(61,000)	(179,000)	(19,000)	(67,000)
Research and development expenditure ⁷	-	-	-	-	-	6,975	8,000	8,000	8,000
Other capital	-	-	-	318	-	-	-	-	-
Total Capital Budget	342,711	279,928	274,160	288,977	266,007	654,850	742,150	692,150	417,150
Total Departmental Spending ⁵	8,670,597	8,282,529	7,883,659	7,137,743	7,151,383	7,442,490	7,323,942	6,770,942	6,350,942
<i>Of which:</i>									
Total DEL ⁵	8,928,422	8,477,464	7,790,142	7,447,233	7,016,804	7,246,549	7,062,942	6,509,942	6,089,942
Total AME ⁵	(257,825)	(194,935)	93,517	(309,490)	134,579	195,941	261,000	261,000	261,000

¹ Prior years have been restated to exclude Information Commissioners Office which was transferred to Department for Culture, Media and Sport on 1 April 2015 from MoJ as a result of a Machinery of Government change.

² Pension schemes report under International Accounting Standard 19 "Employee Benefits" accounting requirements. These figures therefore include cash payments made and contributions received, as well as certain non-cash items.

³ Includes amortisation and impairments.

⁴ In 2016-17 the Capital DEL budget for the Department has only been allocated to Agencies and NDPBs based on contractually committed expenditure at the time of the Main Estimate. As further contractually committed expenditure is incurred during the course of 2016-17 it will be allocated to the relevant Agency or NDPB. The allocation of plan numbers presented in the table above is therefore likely to change. All other Capital DEL is held within the MoJ central capital budget on the Policy, Corporate Services and Associated Offices line.

⁵ Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

⁶ From 2016-17 Legal Aid Agency is shown as one line in estimate

⁷ Research and Development expenditure has been restated due to the implementation of ESA1

⁸ Future plans for years 2017-18, 2018-19 and 2019-20 by Supplementary Estimate headings have not been finalised at the date of publication. Total planned spend for the department has been included in the Policy, Corporate Services and Associated Offices heading.

Table 2 Administration costs (£000)

Section headings are based on 2015-16 Supplementary Estimate headings.

	2011-12 Restated Outturn ¹	2012-13 Restated Outturn ¹	2013-14 Restated Outturn ¹	2014-15 Restated Outturn ¹	2015-16 Outturn	2016-17 Plans	2017-18 Plans ³	2018-19 Plans ³	2019-20 Plans ³
Policy, Corporate Services and Associated Offices	413,420	301,047	266,086	270,117	276,907	282,839	555,021	392,021	317,021
National Offender Management Service	65,152	107,758	97,232	123,395	139,166	127,100	-	-	-
HM Courts and Tribunals Service	26,293	31,823	26,932	24,979	22,971	20,750	-	-	-
Office of the Public Guardian	-	-	-	-	52	-	-	-	-
Youth Justice Board (net)	17,537	16,855	13,532	6,810	6,705	6,135	-	-	-
Parole Board (net)	1,072	1,076	862	1,021	1,444	1,242	-	-	-
Criminal Cases Review Commission (net)	903	1,071	990	1,111	1,137	1,066	-	-	-
Judicial Appointments Commission (net)	801	743	570	444	248	308	-	-	-
Legal Aid Agency - Administration	95,296	99,892	97,230	99,306	100,431	96,865	-	-	-
Criminal Injuries Compensation Authority Agency	17,449	16,646	15,871	16,090	12,151	12,953	-	-	-
Children and Family Court Advisory and Support Service (net)	14,507	12,708	10,594	9,132	9,286	7,350	-	-	-
Higher Judiciary Judicial Salaries	-	267	265	75	74	-	-	-	-
Total Administration Budget	652,430	589,886	530,164	552,480	570,572	556,608	555,021	392,021	317,021
<i>Of which:</i>									
Staff costs	392,429	331,035	323,941	342,125	385,079	360,227	354,499	242,303	190,678
Purchase of goods and services	236,837	260,506	204,485	204,371	167,405	176,466	165,742	113,286	89,150
Income from sales of goods and services	(18,218)	(25,228)	(22,092)	(24,756)	(30,174)	(20,085)	(30,046)	(20,536)	(16,161)
Rentals	214	(353)	-	7,381	24,927	-	24,821	16,965	13,351
Depreciation ²	22,764	23,926	23,830	27,617	23,330	40,000	40,000	40,000	40,000
Change in pension scheme liabilities	-	-	-	-	-	-	-	-	-
Unwinding of the discount rate on pension scheme liabilities	-	-	-	-	-	-	-	-	-
Other resource	18,404	-	-	(4,258)	5	-	5	3	3

¹ Prior years have been restated to exclude Information Commissioners Office which was transferred to Department for Culture, Media and Sport on 1 April 2015 from MoJ as a result of a Machinery of Government change.

² Includes amortisation and impairments.

³ Future plans for years 2017-18, 2018-19 and 2019-20 by Supplementary Estimate headings have not been finalised at the date of publication. Total planned spend for the department has been included in the Policy, Corporate Services and Associated Offices heading Wording to be agreed.

Annex C: Off-payroll engagements

All off-payroll engagements as of 31 March 2016, for more than £220 per day and that last for longer than six months

	HQ	NOMS	HMCTS	LAA	OPG	CICA	CAFCASS	OLC	Parole Board	CCRC	JAC	LSB	YJB	Total
Number of existing engagements as of 31 March 2016	159	35	16	16	16	-	-	-	-	-	-	-	-	242
<i>Of which:</i>														
Number that have existed for less than one year at time of reporting	79	16	7	1	10	-	-	-	-	-	-	-	-	113
Number that have existed for between one and two years at time of reporting	69	18	9	13	6	-	-	-	-	-	-	-	-	115
Number that have existed for between two and three years at time of reporting	11	1	-	2	-	-	-	-	-	-	-	-	-	14
Number that have existed for between three and four years at time of reporting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Number that have existed for four or more years at time of reporting	-	-	-	-	-	-	-	-	-	-	-	-	-	-

All of the above appointments have been subject to a risk based assessment regarding the payment of correct tax.

All new off-payroll engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016, for more than £220 per day and that last for longer than six months

	HQ	NOMS	HMCTS	LAA	OPG	CICA	CAFCASS	OLC	Parole Board	CCRC	JAC	LSB	YJB	Total
Number of new engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016	136	26	14	8	15	-	-	1	1	1	-	-	-	202
Number of the above which include contractual clauses giving the Department the right to request assurance in relation to income tax and National Insurance obligations	136	26	14	8	15	-	-	1	1	1	-	-	-	202
Number for whom assurance has been requested	136	26	14	8	15	-	-	1	1	1	-	-	-	202
<i>Of which:</i>														
Number for whom assurance has been received	124	26	13	6	13	-	-	-	1	-	-	-	-	183
Number for whom assurance has not been received*	12	-	1	2	2	-	-	1**	-	1	-	-	-	19

	HQ	NOMS	HMCTS	LAA	OPG	CICA	CAFCASS	OLC	Parole Board	CCRC	JAC	LSB	YJB	Total
Number that have been terminated as a result of assurance not being received	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* 18 of the contractors disclosed above as having not provided assurance have subsequently left MoJ. As assurance was not provided MoJ will refer these individuals to HMRC. Refer to comment below for exception.

** Contractor had left OLC as part of the normal course of business before providing assurance. Whilst individual will be referred to HMRC, as required, this does not indicate non-compliance with tax nor unwillingness to provide assurance.

Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2015 and 31 March 2016

	HQ	NOMS	HMCTS	LAA	OPG	CICA	CAFCASS	OLC	Parole Board	CCRC	JAC	LSB	YJB	Total
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	-	-	1	-	-	-	-	-	-	-	-	-	-	1
Number of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both off-payroll and on-payroll engagements	24*	16	10	8	11	4	20	7	15	4	15	10	17	161

* Includes three individuals who are also members of Agencies' Boards.

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