HM Procurator General and Treasury Solicitor

Annual Report and Accounts 2014–15

For the year ended 31 March 2015

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Accounts presented to the House of Commons pursuant to section 6(4) of the Government Resources and Accounts Act 2000.

Annual Report presented to the House of Commons by Command of Her Majesty

Ordered by the House of Commons to be printed on 16 June 2015

HC 10

This is part of a series of departmental publications which, along with the Main Estimates 2015-16 and the document Public Expenditure: Statistical Analyses 2015, present the Government's outturn for 2014-15 and planned expenditure for 2015-16

This publication is available at www.gov.uk/government/publications

Any enquiries regarding this publication should be sent to us at Government Legal Department, One Kemble Street, London, WC2B 4TS

Print ISBN 9781474120319

Web ISBN 9781474120326

ID 27051522 06/15

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

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HM Procurator General and Treasury Solicitor

Introduction

The Office of the Solicitor for the affairs of Her Majesty's Treasury (the Treasury Solicitor) was incorporated as a corporation sole by the Treasury Solicitor Act 1876. Since then the nature of the work of the Treasury Solicitor's Department (TSol) has expanded greatly and today provides a comprehensive legal service to other government departments in England and Wales and is one of the largest legal organisations in the country. The Treasury Solicitor is also Head of the Government Legal Service (GLS).

The Treasury Solicitor's Department was established as an executive agency on 1 April 1996. On 1 April 2015 the Department's name was changed to the Government Legal Department. There will be no change to the statutory role of the Treasury Solicitor.

In addition to being responsible for all financial activity within the Department, the Treasury Solicitor is responsible for financial matters at the Attorney General's Office and Her Majesty's Crown Prosecution Service Inspectorate (HMCPSI).

The financial statements on pages 52 to 78 cover all these bodies and have been prepared under an accounts direction issued by HM Treasury in accordance with section 5(2) of the Government Resources and Accounts Act 2000. The accounts demonstrate the resources that have been consumed in delivering the Department's objectives. They have been prepared in accordance with the guidance set out in the *Government Financial Reporting Manual (FReM)*.

Entities within the Accounts

These accounts present the consolidated results for 2014-15 of:

- Treasury Solicitor's Department Agency (TSol)
- Attorney General's Office (AGO)
- HM Crown Prosecution Service Inspectorate (HMCPSI)

Vision

TSol's vision, announced in December 2014 is to be:

- **trusted** by government to provide consistently excellent and value for money services so government departments want to come to it to meet their legal needs
- known throughout the legal profession for the **quality** of its legal work
- the **best** employer for its people

Principal Activities

The principal activities of the **Treasury Solicitor's Department** are as follows:

- **Litigation Group** provides civil litigation services to the majority of government departments and many other publicly funded bodies. It is one of the largest practices of its kind in the country, handling more than 62,000 cases in 2014-15 (48,000 in 2013-14). Among its major areas of work are: administrative law; immigration; personal injury; planning; and charity matters. The Group also plays a major role in public inquiries. Its work often raises questions of constitutional importance. It instructs private-sector barristers and solicitors to undertake work on cases where it is appropriate to do so.
- **Employment Group** is one of the largest employment law practices in the country. Since 1 April 2014, when the HM Revenue and Customs (HMRC) employment teams in London and Manchester joined it, TSol has been doing all the government's' employment litigation and the vast majority of its employment advisory work. The Group does the full range of employment litigation from unfair dismissal to large scale equal pay and pensions cases. In addition to advising departments, the Group also advises the Cabinet Office and Civil Service Employee Policy on the large cross Civil Service employment issues of the day such as the Civil Service Reform Plan and its implementation.
- **Commercial Law Group** was created in June 2014, bringing together the majority of central government's commercial advisory and litigation lawyers into a single dedicated unit. This is now one of the largest commercial law practices in the country. It includes a specialist commercial litigation and dispute resolution team. It also supports individual departments in their commercial arrangements and its lawyers can expect to be involved in some of the most high profile, complex and far reaching commercial issues in government.
- **Advisory Divisions** provide legal advice to ministers and officials of all central government departments aside from BIS, DECC, HMRC and MOD, with MOD joining on 1 May 2015, and to a number of smaller departments, agencies and public bodies in England and Wales. European Law Group coordinates consideration of EU legal issues across Whitehall and represents the United Kingdom before the Court of Justice of the European Union.
- **Bona Vacantia Division** administers the estates of people who die intestate and without relatives entitled to inherit, and collects the assets of dissolved companies and failed trusts in England, Wales and Northern Ireland, except in the Duchies of Cornwall and Lancaster. The costs of the Division are recovered from the estates and assets it administers. The proceeds of *bona vacantia* are accounted for in the Crown's Nominee Accounts and separately notified to Parliament as prescribed in the Treasury Solicitor (Crown's Nominee) Rules 1997 (SI.1997/2870).
- **Government Legal Service Secretariat** advises and supports the Treasury Solicitor in his role as professional Head of the Government Legal Service and works with government departments to ensure lawyers of the right quality and experience are recruited, retained and have their careers properly managed. It also liaises with the Law Society and Bar Council on matters affecting the legal profession.
- **Corporate Resources Group** is responsible for leading and co-ordinating work across TSol to ensure that it meets clients' needs with cost effective and value for money legal and other services; leading and co-ordinating programmes of effective engagement and communication internally and for clients; and for providing the central services required to support the rest of the business including communications and engagement, finance and performance, human resources, facilities management, information and communications technology (ICT), business assurance and library services.

The Attorney General's Office

The AGO is a specialist ministerial department serving the Attorney General and the Solicitor General (the Law Officers) across the full range of their functions.

The Law Officers are the Government's chief legal advisers. They also have superintendence responsibilities in relation to public prosecutions, including answering in Parliament for the Crown Prosecution Service and the Serious Fraud Office. They take a close interest in any matters of criminal justice policy and practice bearing on the role of the prosecutors. In addition, they perform a range of civil and criminal law litigation functions exercisable in the public interest, including referring sentences which may be unduly lenient to the Court of Appeal, bringing proceedings for contempt of court, and making applications for fresh inquests. The Attorney General is ministerial head of the government legal profession and responsible for the Treasury Solicitor's Department, which now includes most of the Whitehall departmental advisory legal teams and government litigators. The Attorney General is also head of the Bar and exercises a leadership role in relation to the wider legal professions. In recent times the Attorney General has additionally been appointed to the role of Advocate General for Northern Ireland.

HM Crown Prosecution Service Inspectorate is an independent statutory body which was established on 1 October 2000 by the Crown Prosecution Service Inspectorate Act 2000. The Chief Inspector is appointed by and reports to the Attorney General. He also fulfils the function of a Chief Executive. Michael Fuller's term of office as Chief Inspector ended on 31 March 2015 and Kevin McGinty's appointment as Chief Inspector began on 1 April 2015.

The purpose of the Inspectorate's work is to enhance the quality of justice and make an assessment of prosecution services so as to improve their efficiency, effectiveness and fairness. It produces reports that provide assurance to ministers, government and the public on the standard of the service delivered.

HMCPSI achieves its strategic objectives by:

- assisting the CPS to improve the quality of service it offers the public
- highlighting CPS work where poor performance represents a risk to the public or to the reputation of the CPS
- actively participating in joint inspections in order to identify opportunities for increased efficiency and improved outcomes
- being flexible so that work can be undertaken at short notice if necessary
- carrying out effective scrutiny of the work of the CPS in order to give assurance to the Attorney General and the public

Since it was established, the Inspectorate's statutory remit has been broadened to include the Revenue and Customs Prosecutions Office which is now part of the Crown Prosecution Service. HMCPSI also undertakes work in Northern Ireland on a delegated basis at the request of the Chief Inspector of Criminal Justice for Northern Ireland in accordance with his powers under the Justice (Northern Ireland) Act 2002. In addition HMCPSI was empowered on 2 June 2014 (ASBCP Act 2014 - section 149 commencement) to inspect the Serious Fraud Office on a statutory basis.

Strategic Report

Performance Measures

TSol agreed the following performance measures with HM Treasury (HMT):

Performance Measure	Outturn 2014-15	Outturn 2013-14
To meet client satisfaction ratings as measured by % of clients rating TSol services as 'Good' or 'Excellent' - *at least 95%*	Achieved	Achieved
To recover from clients the full operating costs of chargeable services	Achieved	Achieved
To retain Lexcel accreditation	Achieved	Achieved

These figures are not subject to audit by the NAO

Client Satisfaction

95% of TSol's clients rated its services as "Good" or Excellent". This reflects well on the high quality legal work done across TSol and the strong client relationships it has established.

Lexcel

TSol retained its Lexcel reaccreditation, the Law Society's "gold star legal quality mark", and was highly commended for continuing to achieve an extremely high level of compliance against the standard. TSol remains an extremely efficient and very well run organisation and can be regarded as a "centre of excellence" in Lexcel terms.

Full cost recovery

TSol is primarily funded from the fees charged to clients for legal services. Its fee rates are set in accordance with HM Treasury guidance *Managing Public Money* and are designed to recover the direct costs incurred by the organisation. Throughout the year, performance is monitored and on a quarterly basis a formal exercise is undertaken to forecast the financial outturn for the year. TSol's commitment to its clients is to ensure that they benefit promptly from better than budgeted performance; so if this forecasting exercise predicts a significant surplus, the underlying reasons are evaluated and an assessment made of whether a fee reduction or rebate should be made in-year. This year, due to the growth of the organisation, significant increases in demand for litigation services and lower corporate costs, a rebate of £2.78m was provided - £2.6m was shared amongst litigation clients and £0.18m to advisory clients. This was in addition to a £4m rebate in 2013-14, and a 5% hourly fee reduction from 1 April 2011 with a further 2% reduction from 1 December 2012.

Significant events during the financial year

Treasury Solicitor's Department

In 2014-15 further significant progress was made in developing the new shared legal service for government. The legal advisory teams from DWP and DH and the HMRC Employment team joined on 1 April 2014 and the advisory team from Department for Transport joined on 1 October 2014. The programme was completed when the MOD advisory team joined on 1 May 2015. In June 2014 another expert service was established - the Commercial Law Service. This brought together the majority of the government's commercial advisory and litigation lawyers into a single dedicated unit. This is now one of the largest commercial law teams in the country.

To lead the organisation through a period of significant transition and transformation to establish a new and larger department the appointment of TSol's new executives and senior leadership teams were finalised in June 2014. A new governance structure was also introduced in June 2014, in readiness to support TSol's core purpose, vision and strategy which were formally launched in December 2014.

TSol has also implemented a number of other key actions to support delivery of the Civil Service Reform Plan.

TSol's legal teams have continued to deliver a wide range of high quality legal work and it has provided a working environment which supports its people on training and career development.

The Treasury Solicitor's Department Annual Report and Accounts 2014-15 provides substantial details of significant events and achievements. It is available at www.gov.uk/gld

Attorney General's Office

The AGO's Business Plan set out its priorities for 2014-15.

The AGO has continued to support the Law Officers in providing timely, problem-solving legal and constitutional advice across all areas of the Government's work, responding in particular to pressures on policies arising from domestic and European litigation and other legal risks, and to the pressures of world events, politics and conflicts.

The Law Officers have handled a wide variety of parliamentary business in both Houses over the 2014-15 session. Both the current and former Solicitors General led for the Government at Commons Committee stage for parts of the Deregulation Bill and the Serious Crime Bill. The Solicitor General responded for the Government in an Adjournment debate on corruption in the FIFA World Cup bidding process and a Westminster Hall debate on the links between UK and Gibraltar prosecutors.

Ministers participated in managing the government's legislation programme through the Parliamentary Business and Legislation (PBL) Committee. The AGO developed, consulted on and piloted a new Legal Issues Memorandum (LIM) to accompany primary legislation to the Committee. The new format was warmly welcomed by PBL as a major improvement in meeting Ministers' needs. Since its adoption Parliamentary Counsel are finding less need to rehearse legal issues in their notes to PBL, and AGO is needing to provide far less supplementary PBL briefing for the Law Officers – a significant exercise in streamlining an important process, improving quality and saving official and ministerial time.

The Attorney General represented the government in an arbitration hearing in Istanbul which will determine the claim that Mauritius has brought against the UK under the UN Convention on the Law of the Sea.

In November the Solicitor General represented the United Kingdom at the Overseas Territories Attorney Generals' Conference. In December the Attorney General delivered the UK's oral submissions before the 17-judge Grand Chamber of the European Court of Human Rights in Al-Dulimi v Switzerland. The Attorney General argued that a UN Security Council Resolution (UNSCR) should trump the European Convention of Human Rights when a country is expected to comply with both. In the case of Al-Dulimi V Switzerland, which concerns the UN Security Council's regime of sanctions following Iraq's invasion of Kuwait, a UNSCR directed its Member States to freeze and confiscate the assets of specific individuals and companies linked to Saddam Hussein's regime.

In July the AGO hosted the annual conference of the Quintet of Attorneys General, welcoming delegations from the US, Canada, Australia and New Zealand for a three-day programme. A range of subjects were discussed, including coordinated approaches to tackling international crime such as cybercrime, terrorism and asset recovery. A number of joint working groups are now taking forward the subjects discussed including closer cooperation on mutual legal assistance, sharing best practice on the issue of foreign fighters and responses to cybercrime.

Casework volumes handled across the office have increased. It has handled a 38% rise in the number of cases of consents to prosecution in 2014 and a 45% increase in inquest requests. The number of unduly lenient sentence (ULS) cases referred to the AGO in 2014 also increased by 35% from 2013. The number of offenders who were considered by the Law Officers rose by 32% and the number of offenders referred to the Court of Appeal for permission rose by 62%. The number of cases (offenders) substantively heard by the Court of Appeal rose by 74%. 89% of the 122 cases heard by the Court of Appeal were held to be unduly lenient and almost all of those sentences were increased. AGO's ULS practice is evidently increasingly well-established in the public mind, assisted by a number of high-profile cases of non-recent sex offenders; the Law Officers regularly appear in person as advocates in these cases.

The AGO has also led this year on the recruitment of a new Crown Solicitor for Northern Ireland and Chief Inspector of Her Majesty's Crown Prosecution Service Inspectorate (HMCPSI). Both campaigns have been successfully completed: the first under the auspices of Civil Service Commissioners' Code of Practice, and the second of the Office of the Commissioners for Public Appointments.

HM Crown Prosecution Service Inspectorate

HM Crown Prosecution Service Inspectorate has delivered a full inspection programme of the CPS. It also published its report on the follow up inspection of the Serious Fraud Office.

In 2014-15 the Inspectorate, along with the four other home and justice inspectorates, was the subject of an NAO study into the impact of the inspectorates, and how this in turn was influenced by the strategic framework for inspection and whether the inspectorates carry out their work effectively. The resulting report is published on www.nao.org.uk

HM Chief Inspector's Report 2014-15 provides further details of significant events. This is available at www.justiceinspectorates.gov.uk/hmcpsi

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Future Development

Government Legal Department

As a visible sign of the progress made in building a strong, unified legal function for government TSol changed its name to the Government Legal Department (GLD) on 1 April 2015. The Government Legal Department aims to be a professional, efficient and high performing legal organisation which helps the government to govern well within the rule of law. Its unified structure will enable it to identify and share best practice, and eliminate duplication. This will also enable it to take a more consistent and coherent approach to the recruitment, training and development of staff, how it develops and manages talent and helps people plan their careers and manage moves around the system. It anticipates continued high demand for its legal services and a greater expectation that it needs to work in different ways, including more remote working. Its accommodation and technology strategies will address the issues of how and where GLD works in future, including action to move away from being a central London centric organisation.

Further details of GLD's plans and objectives for 2015-16 are contained in the Government Legal Department 2015-16 Business Plan which will be available at www.gov.uk/gld

Attorney General's Office

The AGO will continue to provide a range of high quality legal and strategic policy advice and casework in support of the Law Officers. The AGO will continue to improve partnership working, build capability and ensure increased efficiency for the Office and the Law Officers' Departments as a whole.

Further details are contained in the AGO 2015-16 Business Plan, which will be available at www.gov.uk/ago

Her Majesty's Crown Prosecution Service Inspectorate

HMCPSI inspections are focussed on improving the performance of the Crown Prosecution Service (CPS) and Serious Fraud Office (SFO), holding the organisations to account and providing assurance to the Attorney General. It works with the inspected agencies to identify good practice and drive improvement by undertaking a robust follow-up process, which was commended in the recent NAO report. It remains committed to producing high quality inspection reports.

A further role of the inspectorate is to assess value for money and identify where financial savings can be made in the CPS, the SFO and the criminal justice system (CJS) as a whole, whilst ensuring a high quality service is still delivered in the difficult economic climate.

The Inspectorate continues to place importance on working with other criminal justice inspectorates on those topics where more value is added through joint inspection. Its priorities for 2015-16 are to:

- carry out effective scrutiny of the work of the CPS and SFO in order to give assurance to the Attorney General
- assist the CPS and SFO to improve the quality of service they offer the public
- highlight aspects of CPS and SFO work where poor performance represents a risk to the public or to the reputation of the CPS or SFO
- highlight aspects of CPS and SFO performance which represent good practice
- undertake joint inspections with Her Majesty's Inspectorate of Constabulary (HMIC), Her Majesty's Inspectorate of Prisons and Her Majesty's Inspectorate of Probation in order to identify opportunities for greater efficiency and improved outcomes in the criminal justice system as a whole
- be flexible so that work can be undertaken at short notice if necessary

Further details are shown in HMCPSI's 2015-16 Business Plan available at www.justiceinspectorates.gov.uk/hmcpsi

Efficiency

TSol is committed to minimising client costs through improvements in efficiency without compromising the quality of advice and the level of service.

The ambition is to deliver savings in line with those faced by clients. A key design principle of the shared legal service is the provision of greater central scrutiny and challenge and this is applied in setting TSol's budget and client fees where a series of 'panel reviews' are now held to challenge, assess and advise the Board.

The **Attorney General's Office** continues to support shared services and work with other government departments to achieve this. It shares its premises with the Office for Budget Responsibility and the Department for Business, Innovation and Skills, which has helped defray the cost of rent, maintenance, utilities and infrastructure. The AGO has responded to its increasing caseload by initiating a review of caseworking systems. This has improved resilience within the caseworking teams.

HMCPSI continues to concentrate on cost-reduction measures whilst enhancing performance. This has been achieved by implementing a significant office-based inspection programme (ACEP) that involved the reading of over 800 CPS files from across all its operational areas. The analysis of this will enable HMCPSI to focus future inspection activity on specific issues and areas, which will in turn enable the CPS to improve its efficiency and performance.

The three entities have established a shared communications service. A shared service for procurement advice and services includes the Crown Prosecution Service. This procurement service is being used to identify further areas where savings can be found on contracts and benefits from greater awareness of contracts that are already in place with other government departments.

Sustainability Performance

All departments are required to participate actively in developing action plans to achieve, and report their performance against the "Greening Government Commitments" (GGC).

A summary of the Department's performance and action taken in 2014-15 to improve sustainability is provided in the Sustainability Report at Annex A (page 46).

Health and Safety

TSol is committed to providing a safe and healthy working environment and has a number of initiatives in place to promote health and wellbeing in the workplace. These include:

- an annual flu jab programme
- biennial health screening check ups
- monthly GP surgeries at its One Kemble Street premises
- health and safety assessments of work stations and further ergonomic/disability assessments if needed
- access to an employee assistance counselling service
- a health and wellbeing portal, *Health Matters*, which provides access to information, support and advice on a range of topics to help staff look after their health in work and at home

The **AGO** applies the TSol approach to identifying and handling of health and safety issues within the Department. The health and counselling services which TSol provides are available to AGO staff.

HMCPSI has continued to complete quarterly inspections with support from its landlords. In 2014-15 it ensured that it had sufficient staff qualified as First Aid providers and fire marshals to enhance coverage at all times. In addition support staff have received training in DSE (Display Screen Equipment – Work Station Assessment) and HMCPSI can now ensure that all employees in both its office locations (London and York) have received an assessment and where necessary been provided with a professional assessments to ensure the wellbeing of all employees. Where necessary new equipment has been purchased and installed where the assessments identified a need. In line with the move to Foss House, relevant staff will be receiving training as fire wardens and first aiders to complement the CPS arrangements.

Diversity and Equality

The Department, including AGO and HMCPSI, continues to promote equality for all and, in particular, continues to maintain a strong profile of women, black and minority ethnic, and disabled staff at senior civil service (SCS) level and in feeder grades to the SCS.

The gender breakdown as at 31 March 2015 was as follows:

	Male	**Female**
Officials as disclosed in the Remuneration Report [1]	5	3
Non-executive directors	1	2
SCS (excluding officials disclosed in the Remuneration Report)	70	60
Employees	713	1,138

1. *Includes TSol Board members, Director General of HMCPSI and the Chief Inspector, HMCPSI*

The proportion of black minority and ethnic staff in the SCS is 8%. The proportion overall for staff is 15.2%. Levels of disabled staff (3.6% of the SCS) compare favourably with comparable grades elsewhere, supported by efficient arrangements for assessments and the implementation of reasonable adjustments for those who require them.

TSol supports and promotes the government's agenda for a "dramatic improvement in diversity" and published new Diversity and Equality Objectives for 2014 to 2016 in December 2014 relating to:

- better diversity information
- positive action
- best management practice
- diversity in the legal profession

TSol's Diversity and Equality Group (chaired by Claire Johnston, Director General B) continues to play an important role, supporting obligations under the Equality Act 2010. The Group helps to ensure that equality and diversity are embedded in all projects and policy making. It has developed guidance and worked with project teams to ensure that diversity and equality considerations have been taken into account in a range of areas, including assisting with and reviewing equality analyses. Equality analyses are conducted by TSol for all proposed new policies developed by Civil Service Employee Policy, before they are implemented in the Department.

The Group has reviewed the results of the 2014 People Survey to ensure that TSol continues to promote equality and is seen as a fair and diverse place to work, and has developed action plans for areas identified for development. This includes working with Human Resources to encourage all staff to ensure that their personal data is up to date on the Human Resources system. In this way the Department can monitor its employment activities to ensure there is no adverse effect on protected groups; this is now an objective in the Diversity Action Plan.

TSol has three Diversity Officers who act independently of management and who support colleagues in confidence with diversity issues in a variety of situations, including allegations of discrimination or harassment. One of these has a specific role as a Disability Officer.

TSol's Equality and Diversity Statement and information on its diversity profile and gender pay gap is available at www.gov.uk/gld

The Government Legal Service (GLS) Secretariat monitors the diversity position at GLS level using data produced by the GLS external recruitment provider (TMP) and the GLS Database.

HMCPSI's Diversity and Equality Group continues to play a key role in HMCPSI, supporting its quest to promote equality for all throughout the organisation and in support of its obligations under the Equality Act 2010, including the development of diversity objectives to meet the specific duties in the Act. The Group helps to ensure that equality and diversity are embedded in all of HMCPSI's inspections, projects and policy making.

Recruitment practice

The Department (including AGO and HMCPSI) is bound by the Civil Service Commission's recruitment principles on fair and open competition and selection on merit. Disability adjustments are provided at all stages of the recruitment process. All interviewers are trained in TSol interview board policy, which covers, amongst other things, diversity issues to ensure no discrimination at the sift or interview and to indicate appropriate questions which may be asked about disability issues. The Department operates the Guaranteed Interview Scheme (GIS) for candidates who meet the basic criteria. The position is monitored by the TSol Diversity and Equality Group on a regular basis.

Systems are subject to internal review and TSol and AGO were last audited on behalf of the Civil Service Commission in 2014. TSol completed an on-line self-assessment on compliance with the Civil Service Commission's recruitment principles in April 2014. The result was that TSol was compliant.

A freeze on external recruitment into the Civil Service has been in place since May 2010. This freeze does not apply to existing Civil Servants. Frontline staff, which includes civil litigation staff, are exempt. The Treasury Solicitor has delegated authority from the Attorney General to approve external recruitment to "business critical posts." Between 1 April 2014 and 31 March 2015, 226 new members of staff were recruited to TSol, AGO and HMCPSI by means of fair and open competition.

Grade	Number	Male	Female	Ethnic Minority	Disabled
Grade 6	4	3	1	–	–
Grade 7	80	30	50	11	–
Legal Officer	53	23	30	10	–
Legal Trainee	17	7	10	1	1
EO	41	17	24	9	2
AO	31	14	17	11	–
Total	**226**	**94**	**132**	**42**	**3**

During the period specified above, there were four exceptions to the Civil Service Commission Recruitment Principles (three reinstatements and one fixed term appointment).

Recruitment of temporary lawyers and administrative staff

In April 2014 TSol signed an agreement to recruit contingent labour via the Contingent Labour 1 framework introduced by Crown Commercial Services. Contingent labour forms part of the common goods and services as defined by the Public Expenditure Committee.

Following a review of how central government procures contingent labour, in 2013 Crown Commercial Services introduced a framework for departments with contingent labour requirements. The framework was designed to make savings and provide benefits such as; common technology, managed rate cards with clearly defined HMG business rules and standard contractual terms and conditions throughout the supply chain.

Under the terms of this agreement, Capita Business Services Ltd and Brook Street (UK) Ltd, represents the interface between TSol and recruitment agencies to supply temporary agency staff, (professional, technical and administrative).

The Treasury Solicitor has agreed to the placement of temporary lawyers and administrators in front line posts as vacancies occur and where permanent recruitment is not appropriate. During 2014-15, TSol recruited 162 temporary people – 113 administrators and 49 lawyers.

SCS by Payband

The number of SCS staff by SCS pay band as at 31 March 2015 was as follows:

	TSol	AGO	HMCPSI
SCS 4 – Permanent Secretary	1	–	–
SCS Pay Band 3	3	1	–
SCS Pay Band 2	20	1	–
SCS Pay Band 1A	2	–	–
SCS Pay Band 1	105	2	1
Total	131	4	1

In addition, the Chief Inspector of HMCPSI, which is a Public Appointment, holds a role equivalent to SCS Pay Band 2.

High paid off-payroll appointments

Following the *Review of Tax Arrangements of Public Sector Appointees* published by the Chief Secretary to the Treasury on 23 May 2013 departments must publish information on their highly paid and/or senior off-payroll engagements.

For TSol these engagements were principally made up of two categories of individuals:

- for the ICT area, the TSol Board had agreed that there should be a mixed economy of permanent and temporary staff for practical business reasons. During 2014-15 TSol had a number of temporary agency ICT staff in on a short term basis (between 6 and 9 months) to undertake specific IT tasks, in addition to some who were there for longer periods
- temporary agency lawyers via the Capita contract, filling business critical posts. During 2014-15 TSol ran a number of external recruitment exercises to bring in permanent staff, and to consequentially reduce the dependency on temporary agency staff

Details are as follows:

Table 1: For all off-payroll engagements as of 31 March 2015, for more than £220 per day and that last longer than six months

	TSol	AGO	HMCPSI
No of existing engagements as at 31 March 2015	57	–	–
Of which			
No that have existed for less than one year at time of reporting	23	–	–
No that have existed for between one and two years at time of reporting	25	–	–
No that have existed for between two and three years at time of reporting	–	–	–
No that have existed for between three and four years at time of reporting	3	–	–
No that have existed for four or more years at time of reporting	6	–	–

Table 2: For all new off-payroll engagements or those that reached 6 months in duration, between 1 April 2014 and 31 March 2015 for more than £220 per day and that last longer than six months

	TSol	AGO	HMCPSI
No of new engagements, or those that reached six months in duration, between 1 April 2014 and 31 March 2015	27	–	–
No of the above which include contractual clauses giving the Department the right to request assurance in relation to income tax and National Insurance obligations	27	–	–
No for whom assurance has been requested	23	–	–
Of which			
No for whom assurance has been received	15	–	–
No for whom assurance has not been received	8	–	–
No that have been terminated as a result of assurance not being received	–	–	–

Assurance was sought from off-payroll engagements as at 31 March 2015 who are paid more than £220 per day and were in post longer than 6 months. Temporary staff directly employed by Capita, Brook Street and other temp agencies were excluded. All the temporary staff agencies used by GLD have agreed to include a contractual clause allowing the Department to seek assurance. Of the eight temporary staff that have not provided the requested assurance, four have left and four have not provided sufficient assurance but have undertaken to do so.

Assurance was not sought from four individuals who left before the process for seeking assurance commenced.

Table 3: For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2014 and 31 March 2015

	TSol	AGO	HMCPSI
No of off payroll engagements of board members, and/or senior officials with significant financial responsibility during the financial year	–	–	–
Total no of individuals on payroll and off-payroll that have been deemed Board members and/or senior officials with significant financial responsibility during the financial year.	11	1	1

Complaints to the Parliamentary Ombudsman

There were no complaints to the Parliamentary Ombudsman regarding TSol, AGO or HMCPSI.

Performance in responding to correspondence from the public

The Treasury Solicitor's Department does not normally receive enquiries from members of the public since it conducts the majority of its business with other government departments. The complaints it does receive normally relate to the way cases have been handled or people feeling they have been treated unfairly. Nine formal complaints were received between 1 April 2014 and 31 March 2015 and were dealt with within the published target of 10 working days.

In the calendar year 2014 AGO received 1,342 items of correspondence from the public. 99.7 % were dealt with within 20 working days.

HMCPSI received 22 items of correspondence relating to complaints against the Crown Prosecution Service. Responses were made within 20 days.

Consultation with employees

People survey

TSol, HMCPSI and AGO participated in the Civil Service People Survey which took place in October 2014.

TSol

In the face of on-going departmental expansion and wider civil service change, TSol's Engagement Index in the 2014 Civil Service People Survey was 60%, with no statistically significant change in six of the nine drivers of engagement. This was just one point lower than in 2013 and very slightly higher than the civil service average. 79% of its staff responded to the survey, which was significantly higher than the civil service average of 59%.

The feedback in many areas was encouraging, in particular on access to learning and development, confidence in decisions made by managers and belief in the action taken as a result of the survey. Understandably, less positive was the feedback on pay, benefits and reward where there were low scores across the civil service.

While there was no change to the response to questions relating to resources and work load, and inclusion and fair treatment, it was encouraging to see that it scored higher than the civil service average, especially during a period of significant change, for both.

Perhaps not surprisingly though, as it continues through its change programme and as the shape of the organisation evolves, its ratings fell slightly in answer to questions relating to organisational objectives and purpose, and some of the questions relating to leading and managing change (although on leading and managing change it still remains above the civil service average). Its core purpose and vision published in December 2014 now provides more certainty about the future of TSol.

Overall, the results show that there is still room for improvement and a corporate action plan has been agreed to address the issues raised. This has been well received by staff engagement representatives and divisions who have produced their own local action plans. The overall focus is on understanding and embedding the TSol Strategy; upskilling and supporting managers; recognising and rewarding the work done; and on an organisation that does more to include, respect and value one another. A new People Strategy is bringing together much of this work in its focus on leadership and managing change; developing the career deal; and changing culture and behaviours.

AGO

AGO had an employee engagement index of 79% in the 2014 Civil Service People Survey with a response rate of 93%. The engagement index was up 7% on the 2013 survey and is 20% higher than the Civil Service average and was the highest result of any participating department.

HMCPSI

HMCPSI achieved a response rate of 86%. The engagement score was 56%, 7% higher than last year which, although 2% lower than the Civil Service average, is a significant improvement given the challenges that it faced this year as an organisation.

The feedback in many areas is encouraging. Scores on organisational objectives and purpose increased significantly. Scores also increased on “my work”, “my manager”, “my team”, “resources and workload”, and “leading and managing change”.

The lowest scoring area was pay.

A full report has been produced and discussed at the Inspectorate Management Board. Plans on how to move forward have been made, which include the production of an action plan and the creation of a staff working group.

Partnership

TSol has continued to maintain a positive working relationship with the trade unions. Human Resources regularly meet the unions on an informal basis to discuss a range of issues that have an impact on union members, and there are also formal Partnership meetings which include representatives from across the business. Business managers are also encouraged to meet trade union colleagues at an early stage where resourcing levels or workloads may be changing. During 2014-15 there have been discussions on a number of topics including: chargeable hours’ targets, particularly for non-lawyer grades; distribution of performance box markings across diversity groups; the shared legal services implementation programme; and future accommodation issues. There has also been a series of meetings on how GLD could look to harmonise terms and conditions, and pay structures, across the organisation as a result of the series of mergers of legal teams with TSol.

TSol manage the working relationship with the trade unions on behalf of AGO.

HMCPSI supports the HMCPSI Whitley Council comprising a maximum of eight representatives (four each for the management side and the Union side). A Service Level Agreement with TSol confirmed that, for HMCPSI Public and Commercial Services Union (PCS) members, pay negotiations will be undertaken by the TSol union representatives. However the First Division Association (FDA) has its own representation at branch (i.e. local level) in HMCPSI.

Financial Review

Resources Available

The Department’s planned expenditure over the spending review period as agreed with HM Treasury is as follows:

	2014-15 £’000	2015-16 £’000
DEL Administration	9,253	8,533
DEL Capital	1,800	1,350
Resource Annually Managed Expenditure	–	–
Capital Annually Managed Expenditure	–	–

The Departmental Expenditure Limit (DEL) administration spending is to cover the cost of the Attorney General’s casework (time and disbursements), the Government Legal Service Secretariat

(GLSS), and the administration costs of AGO and HMCPSI.

The DEL Capital funding allows investment in improving and developing systems to support the business and to meet its accommodation needs.

Core Tables

The Core Tables are required to be included by HM Treasury and are based on the outline guidance issued by HM Treasury.

Outturn data is consistent with previous years' published accounts and plan years' information is consistent with the Spending Review settlement, adjusted for the Budget Exchange between 2012-13 and 2013-14 and the reductions to 2013-14, 2014-15 and 2015-16 announced in the 2013 Budget and 2012, 2013 and 2014 Autumn Statements.

Table 1 is a summary of the public spending by the Department and this is supplemented by Table 2 which shows the 2014-15 outturn information compared to the original and final budgetary control limits. The variances between the 2014-15 net resource outturn and budget are explained in the comparison of Estimate and Outturn in this Financial Review Section.

The staff numbers in Table 5 are consistent with the numbers disclosed in Note 3.2.

Approval for the spending plans for 2015-16 are set out in the HM Procurator General and Treasury Solicitor Main Estimate 2015-16. The document is available at the HM Treasury website at www.hm-treasury.gov.uk

Table 1: Public Spending

£'000	2009-10 Outturn	2010-11 Outturn	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn	2014-15 Outturn	2015-16 Plans
Resources							
Spending in Departmental Expenditure Limits							
A TSol Administration (Net)	3,270	513	(1,543)	(2,707)	(2,566)	1,760	1,333
B AGO (Net)	5,262	4,580	4,322	4,241	4,161	4,303	4,250
C HMCPSI (Net)	3,663	3,360	3,525	2,832	2,537	2,628	2,950
Spending in Annually Managed Expenditure							
D Provisions (Net)	1,414	(596)	(672)	1,417	(689)	(474)	–
Total Resources	**13,609**	**7,857**	**5,632**	**5,783**	**3,443**	**8,217**	**8,533**
Total DEL	12,195	8,453	6,304	4,366	4,132	8,691	8,533
Total AME	1,414	(596)	(672)	1,417	(689)	(474)	–
Capital							
Spending in Departmental Expenditure Limits							
A TSol Administration (Net)	2,281	2,581	929	1,102	1,622	1,621	1,350
B AGO (Net)	10	–	9	88	–	12	–
C HMCPSI (Net)	–	68	18	14	–	–	–
Spending in Annually Managed Expenditure							
B AGO (Net)	–	–	–	63	–	–	–
Total Capital	**2,291**	**2,649**	**956**	**1,267**	**1,622**	**1,633**	**1,350**

Table 2: Public Spending Control

£'000	2014-15 Outturn	2014-15 Original Budgetary Control Limits	2014-15 Final Budgetary Control Limits
Spending in Departmental Expenditure Limits £'000			
A TSol Administration			
Gross Administration Expenditure	173,036	181,889	181,889
Administration income	(171,276)	(179,900)	(179,900)
Net Administration	1,760	1,989	1,989
Gross Capital	1,621	1,700	1,700
B Attorney General's Office			
Gross Administration Expenditure	4,850	4,406	4,406
Administration income	(547)	(100)	(100)
Net Administration	4,303	4,306	4,306
Gross Capital	12	100	100
C HM Crown Prosecution Inspectorate			
Gross Administration Expenditure	2,632	2,958	2,958
Administration income	(4)	–	–
Net Administration	2,628	2,958	2,958
Gross Capital	–	–	–
Total Spending in DEL			
Resource	**8,691**	**9,253**	**9,253**
Capital	**1,633**	**1,800**	**1,800**
Spending in Annually Managed Expenditure £'000			
D Provisions			
Gross Programme Resources	(702)	–	–
Programme Income	228	–	–
Net Programme	(474)	–	–
Total Spending in AME	**(474)**	**–**	**–**
Total for Estimate	**9,850**	**11,053**	**11,053**
of which			
Voted	9,850	11,053	11,053
Non Voted	–	–	–

Table 3: Capital Employed

£'000	2009-10 Outturn	2010-11 Outturn	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn	2014-15 Outturn
Assets and liabilities on the Statement of Financial Position at end of year:						
Assets						
Non Current Assets						
Intangible Assets	1,634	2,011	2,039	1,816	1,471	732
Property, Plant and Equipment (PPE)	4,507	4,619	3,679	3,758	3,776	3,969
of which						
Leasehold improvements	*1,635*	*1,837*	*1,647*	*1,444*	*1,098*	*888*
Assets under Construction	*343*	*74*	*7*	*308*	*1,231*	*99*
IT and Network	*950*	*1,387*	*937*	*1,086*	*704*	*2,397*
Furniture, Fittings and equipment	*1,579*	*1,321*	*1,088*	*920*	*743*	*585*
Investments	0	0	0	0	*0*	*0*
Current Assets	30,309	29,009	30,782	29,478	30,421	38,874
Liabilities						
Payable (< 1 year)	(14,920)	(19,907)	(24,122)	(21,826)	(16,390)	(32,401)
Payable (> 1 year)	0	0	0	0	0	0
Provisions	(3,686)	(3,090)	(1,892)	(3,394)	(2,767)	(1,459)
Capital Employed	17,844	12,642	10,846	9,832	16,511	9,715

Table 4 Administration Budgets

£'000	2009-10 Outturn	2010-11 Outturn	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn	2014-15 Outturn	2015-16 Plans
Spending in Departmental Expenditure Limits							
Resources							
A TSol Administration (Net)	3,270	513	(1,543)	(2,707)	(2,566)	1,760	1,333
B AGO (Net)	5,262	4,580	4,322	4,241	4,161	4,303	4,250
C HMCPSI (Net)	3,663	3,360	3,525	2,832	2,537	2,628	2,950
Total Administration Budget	12,195	8,453	6,304	4,366	4,132	8,691	8,533
of which							
Paybill	*61,774*	*58,273*	*61,893*	*66,517*	*84,033*	*114,040*	*128,922*
Expenditure	*51,796*	*51,671*	*55,613*	*48,419*	*56,372*	*66,478*	*59,724*
Income	*(101,376)*	*(101,491)*	*(111,202)*	*(110,570)*	*(136,273)*	*(171,827)*	*(180,000)*

Table 5 Staff in Post

	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn	2014-15 Outturn
Payroll staff [1]	975	1,002	1,159	1,495
Non-payroll staff [2]	91	123	194	241
of which				
Contingent Labour	91	123	194	241
Consultants [3]	0	0	0	0

1. *Excludes ministers*
2. *Includes specialist contractors who are not included in agency staff numbers*
3. *Based on annual spend and average daily rates*

Financial Results

In delivering its wide range of legal services to its clients, legal and strategic policy advice and support to the Law Officers, and inspection and assessment of prosecution services, the Department spent £179,816k. After taking into account income of £171,599k, the net resource requirement for 2014-15 was £8,217k, £1,036k less than the sum approved by Parliament in the 2014-15 Main Estimate for HM Procurator General and Treasury Solicitor.

Total operating income was £171,599k; operating income of £123,008k was generated through charges for legal services provided to clients; £40,405k from the recovery of disbursements incurred in providing legal services to clients; £3,686k was recovered from the Crown's Nominee's Account and other income of £4,500k including rent, service charges, subscription services and recovery of costs of outward secondments was received. After taking into account costs which are met from the Vote, including the cost of the Attorney General's Office and HMCPSI, TSol met its financial objective to recover the full cost of its chargeable services.

There was capital expenditure of £1,633k against voted capital provision of £1,800k. The Department's strategy is to invest in improving and developing its systems to support its business. In doing so it takes a measured approach to its capital investment programme to ensure that it has the capacity to deliver it. This year TSol has invested in maintaining the IT infrastructure. The investment also supported flexible working and the provision of a modern workplace.

Comparison of Estimate and outturn

TSol underspent by £229k. TSol operates largely on a demand led, full cost recovery basis. During 2014-15 income for provision of legal services was higher than budget due to significantly increased demand for its services and higher utilisation of staff plus income from the teams that joined TSol this year. Expenditure was higher than budget due to increased staff costs as staff numbers have increased as a result of the transfer in of in house legal teams from other government departments to TSol and as demand for services has increased. Fees are set to achieve full cost recovery based on forecasts of future throughput and the cost base which is a mix of fixed and variable costs. Where productivity outperforms forecast or efficiencies are achieved in the cost base the fees are revisited periodically to determine whether a fee reduction or fee rebate can be made in year. This year a £2.78m rebate was made, shared between litigation and advisory clients.

AGO spend was in line with the Estimate with only a £3k underspend.

HMCPSI underspent by £330k due lower staff costs.

The Department used 13.6% of its net cash requirement.

Capital expenditure was lower than the Estimate.

Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

£'000	**2014-15**	**2013-14**
Net Resource Outturn (Estimates)	**8,217**	**3,443**
Net Operating Cost (Accounts)	**8,217**	**3,443**
Resource Budget Outturn (Budget)	**8,217**	**3,443**
of which		
Departmental Expenditure Limits	*8,691*	*4,132*
Annually Managed Expenditure	*(474)*	*(689)*

Publicity and advertising

During the year TSol applied the required controls in granting exemptions from the freeze on new advertising and marketing spend as follows:

- advertising for the recruitment of Panel Counsel to the Attorney General's A, B and C Panels
- advertising for the recruitment of commercial lawyers
- advertising for the GLS Trainee 2015 and 2016 Competitions

Spending on consultants and contingent labour

Controls on spending on consultancy were introduced during 2010-11. Expenditure on consultants has been kept to a minimum with spend in 2014-15 of £24k compared to £4k in 2013-14. Spend relates to the cost of professional advice provided to HMCPSI by Dr Jacki Tapley. The spend has been reported to the Cabinet Office on a monthly basis. In addition TSol has used professional, programme and technical service resources, incurring spend of £127k in 2014-15 (2013-14: £312k). This spend largely related to the development of TSol's Case Management System.

Temporary staff are employed where it is of operational necessity. Agency staff expenditure was £11,935k in 2014-15 (£9,097k in 2013-14).

Payment of suppliers

The Department is committed to adhering to the Late Payment of Commercial Debts (Interest) Act 1998, by paying all invoices not in dispute within agreed contractual provisions or within 30 days of the presentation of a valid invoice (or delivery, if later). As a small government department the government's 5-day target for SME (small and medium enterprise) suppliers to receive payment does not apply to TSol.

During the year the Department paid 77% (2013-14: 79%) of all undisputed invoices within 10 days of receipt in line with the commitment to pay all suppliers promptly.

Significant Remote Contingent Liabilities

The Treasury Solicitor's Department has no contingent liabilities that need to be disclosed under Parliamentary reporting requirements.

Reporting Cycle

The Treasury Solicitor's Department (TSol) Annual Business Plan is submitted by the Chief Executive to the Attorney General in March and sets out the Department's priorities, objectives and annual performance measures for the forthcoming financial year. It is the definitive document against which the Department's annual performance will be measured.

The Treasury Solicitor's Department's statutory authority to consume resources and spend the cash that finances its spending plans comes from the annual Main Estimate which is presented to Parliament, as part of the Supply Procedure, by HM Treasury around the start of the financial year to which the Estimate relates. A Supplementary Estimate is presented as necessary during the year as the means for seeking Parliament's approval to additional resources and/or cash or revisions to the Main Estimate.

The Annual Report and Accounts covering the Department's work for the preceding year is published each year. This includes information on the Department's performance against business plan targets. The Annual Report and audited Accounts are laid before Parliament as a House of Commons paper.

The HM Procurator General and Treasury Solicitor Annual Report and Accounts also include Attorney General's Office (AGO) and HM Crown Prosecution Inspectorate (HMCPSI). They are audited, published and laid before Parliament annually.

The GLD Annual Business Plan, and both Annual Reports and Accounts may be accessed at www.gov.uk/gld.

The AGO Business Plan may be accessed at www.gov.uk/ago

HMCPSI's Business Plan may be accessed at www.justiceinspectorates.gov.uk/hmcpsi

Events after the reporting period

There have been no events that would have a material impact on the financial statements for the year ended 31 March 2015. The Accounting Officer authorised these accounts for issue on 11 June 2015.

Jonathan Jones
Accounting Officer
9 June 2015

Directors' Report

Directors

The Governance Statement on page 27 includes the ministerial titles and names of ministers who had responsibility for the Department for the year, the name of the permanent head of the Department and the composition of the TSol Board.

Pension Liabilities

The employees of the Department are covered by the Principal Civil Service Pension Schemes, which are defined benefit schemes. The rates of the employer's contribution are determined from time to time by the Government Actuary and advised by HM Treasury.

Employees joining after 1 October 2002 could opt to open a partnership pension, a stakeholder pension with an employer contribution.

Details of pension arrangements can be found in the Remuneration Report and Note 1.11 to the accounts.

Register of interests

No directorships or other significant interests which may have caused a conflict with their management responsibilities were held by Board Members. Note 17 to the accounts confirms that no members of the Board, including non executives has any related party interests.

Remuneration to auditors for non audit work

TSol did not pay any remuneration to the NAO for non audit work. The notional audit fee for the departmental audit was £88k.

Sickness absence data

Overall sickness absence for TSol, AGO and HMCPSI was an average of 5.3 working days lost per person per year (6.2 days 2013-14). There has been a reduction in both short and long term absence, but the main focus has been on reducing long term absences. A quarterly update of sickness absence can be found on www.data.gov.uk

Personal data related incidents

All government departments are required to publish information about any serious personal data related incidents which have to be reported to the Information Commissioner.

Table 1: Summary of protected personal data related incidents formally reported to the Information Commissioner's Office in 2014-15

Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
December	A litigant sent personal documents to TSol. The TSol caseholder filed a witness statement at Court and inadvertently exhibited these documents to it, in unredacted form	Medical records, bank account opening documents and birth certificates	Three	Following a complaint from the data subject, TSol reported the incident to the ICO in January 2015

There have been no other protected personal data related incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner's Office, but which have to be recorded by the Department.

Statement on Information Risk

TSol holds personal data relating to TSol employees and keeps data owned by other government departments in relation to its role as solicitor to government. It continues to work with delivery partners and third parties to manage effectively the risk of loss of personal data held by these other bodies.

During 2014-15, the framework for handling data and to provide assurance over the management of information held within TSol has included:

- continued review and production of data handling policies, guidance and awareness training promoting best practice within TSol including completion by all staff of the Cabinet Office's Responsible for Information e-learning course
- ongoing review of information assets and their associated risks, including twice yearly assessments of the third party delivery chain, and the incorporation of information risks within the risk management policy and processes. This year, we have reviewed our processes for collating this information with a view to streamlining the process to incorporate Information Asset Owners assurance. This revised process will be rolled out during 2015-16
- the Department updated its ISO 27001 information security certification from the 2005 standard to the 2013 standard and adheres to current Cabinet Office security requirements

In 2013-14, the ICO issued an Undertaking committing TSol to agree to implement a clear documented procedure for staff to follow when preparing information for disclosure, including a defined checking process with emphasis on the steps to be taken prior to release. All of the requirements of the ICO Undertaking have been completed and the ICO is content with the work that TSol has carried out. Consequently, the undertaking is in the process of being concluded. Data Protection Act training for all staff associated with the Undertaking has either been completed or scheduled to complete by 13 May 2015; completion was delayed by the Kingsway fire and our evacuation from 1 to 20 April 2015.

Audit

HM Procurator General and Treasury Solicitor Accounts are audited by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General.

The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information. So far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware.

The NAO also audit the Crown's Nominee Accounts administered by the Bona Vacantia Division of the Department.

No further assurance or other advisory services were provided by the auditors.

Jonathan Jones
Accounting Officer
9 June 2015

Governance Statement

The Office of the Solicitor for the affairs of Her Majesty's Treasury (the Treasury Solicitor) was incorporated as a corporation sole by the Treasury Solicitor Act 1876.

The Treasury Solicitor's Department (TSol) is a non-ministerial department and was established as an Executive Agency on 1 April 1996. Ministerial responsibility lies with the Attorney General. The Department is led by HM Procurator General and Treasury Solicitor, in the role of Chief Executive. In addition to being responsible for all financial activity within TSol the Treasury Solicitor is also responsible for financial matters at the Attorney General's Office (AGO) and Her Majesty's Crown Prosecution Service Inspectorate (HMCPSI).

From 1 April 2015, the Treasury Solicitor's Department was renamed the Government Legal Department, the role of the Treasury Solicitor remains unchanged.

Ministers

The ministers who had responsibility for the Department during the year were:

- **The Rt Hon Dominic Grieve QC, MP**, Attorney General (until 15 July 2014)
- **The Rt Hon Jeremy Wright QC, MP**, Attorney General (from 16 July 2014)
- **Oliver Heald MP**, Solicitor General (until 14 July 2014)
- **Robert Buckland QC, MP**, Solicitor General (from 15 July 2014)

The Treasury Solicitor, as Chief Executive and Accounting Officer of TSol, is accountable to the Attorney General and responsible for the management of TSol. He is supported in delivering his responsibilities by the TSol Board. Management matters in the Attorney General's Office are the responsibility of the Director General (Rowena Collins Rice) and HMCPSI is led by the Chief Inspector (Kevin McGinty from 1 April 2015) who also fulfils the function of a Chief Executive. The Chief Inspector has been appointed as Accounting Officer for HMCPSI. The Director General, AGO and the Chief Inspector meet regularly with the Treasury Solicitor and each provides an annual assurance report. The AGO Director General and AGO officials meet the Law Officers regularly to provide high quality legal and strategic policy advice and support. The HMCPSI Chief Inspector meets regularly with the Law Officers to discuss the work of HMCPSI and agree its inspection priorities.

The governance arrangements for AGO and HMCPSI can be found at: https://www.gov.uk/government/organisations/attorney-generals-office/about/our-governance

Board and committees

The TSol Board is the main decision-making body and supports the Chief Executive in providing leadership of TSol, framing the overall strategic direction and overseeing its delivery, managing the overall performance of the organisation and governance and managing relations with key stakeholders.

Membership of the TSol Board as at 31 March 2015 was as follows:

Executive members

- **Jonathan Jones**
  HM Procurator General and Treasury Solicitor
- **Stephen Braviner-Roman**
  Director General A
- **Claire Johnston**
  Director General B
- **Peter Fish**
  Director General C
- **Valerie Cain**
  People and Change Director
- **Nick Payne**
  Finance and Operations Director

Non Executive members:

- **Celia Carlisle** (appointed September 2013) – A consultant who has spent most of the last 20 years in commercial roles working on major infrastructure projects and is currently General Counsel to the Thames Tideway Tunnel Ltd, having been appointed in January 2015. Previous roles include: General Counsel at the Olympic Delivery Authority 2006 to 2012; Director at Jarvis PLC 2001 to 2004; Senior Counsel at Edison Capital 1999 to 2001.
- **Oonagh Harpur** (appointed September 2013) – Senior Advisor to Tomorrow's Company and the Global eHealth Foundation as well as a board member of the City Values Forum. Previous roles include: Partnership Secretary at Linklaters LLP 2002 to 2011; CEO at Enterprise Insight 2000 to 2002; CEO at HUB Initiative, Institute of Directors 1997 to 2000; Principal Executive at Berwin Leighton, 1988 to 1994.
- **Jeremy Newman** (appointed September 2013) – A Chartered Accountant and Chair of the TSol Audit and Risk Committee. Also Chair of the Single Source Regulations Office since July 2014 and the Audit Commission from October 2012 until its closure on 31 March 2015; a non executive and Chair of the Audit and Risk Committee of the Crown Prosecution Service since 2012; a non executive director, member of the Investment Committee and Chair of the Audit Committee of the Social Investment Business Group, and its parent charity, Social Investment Business Foundation, since 2013; and a member of the Council and Finance Committee of the Open University since August 2014. He is Honorary Visiting Professor at the Cass Business School. Previously Global CEO of BDO, one of the world's largest accounting firms, and prior to that Managing Partner of BDO's UK firm.

Work of the TSol Board and attendance

The Board met eleven times during 2014-15 with attendance as follows:

Executive Members	Attendance
Jonathan Jones	11/11
Peter Fish	10/11
Claire Johnston	11/11
Stephen Braviner-Roman (joined Board in June 2014)	10/10
Valerie Cain	10/11
Nick Payne (joined Board in June 2014)	9/10
Tim Hurdle (until 31 May 2014)	1/1
Non Executive Members	
David Crowther (until June 2014)	1/1
Celia Carlisle	11/11
Oonagh Harpur	9/11
Jeremy Newman	10/11

Its work covers the five main areas expected by the Corporate Governance Code:

- strategy – setting the vision
- commercial focus – scrutinising the allocation of resources to achieve plans; ensuring controls are in place to manage risk and evaluation of the Board
- talented people – the Board has a People Strategy to help ensure that TSol has the capability to deliver and to plan and meet current and future needs
- results focus – the Board agrees the annual Business Plan and monitors and steers performance against the plan
- management information – the Board receives a Monthly Performance Report containing clear consistent and comparable performance information to drive improvements

Board sub-committees

TSol has an Audit and Risk Committee with an independent, non-executive Chair, David Crowther, until May 2014, and now Jeremy Newman. The committee supports the Accounting Officer by monitoring and reviewing the Department's risk, control and governance processes, and the associated assurance processes including external and internal audit. The membership of the committee includes one non-executive director (Celia Carlisle), in addition to the Chair, and an additional external member. Until May 2014, the external member was Paul Coombs, a qualified accountant, and Director of VOSA who was previously Director of Finance and Planning for the Audit Commission. Paul has been succeeded by Simon Parkes, Chief Financial Officer, Education Funding Agency.

The Audit and Risk Committee met four times in 2014-15. In addition to providing the Treasury Solicitor, as Accounting Officer, with assurance over the preparation and audit of the Annual Report and Accounts for 2013-14, the Committee considered the findings contained in 16 management letters and reports prepared by the Head of Internal Audit based on an audit programme agreed in advance by the Committee and monitored the implementation of audit recommendations. These reports covered a range of issues including the Advisory Divisions' Management Information and Reporting, Finance Key Controls, Financial Arrangements, Security of Information, Contracting Out, ICT Change Governance, the Case Management System, and Directors' Assurance reports. In addition, the Committee considered key controls, evidence supporting the Governance Statement and regular updates on the work of the Business Assurance Team.

As a result of the shared legal service programme, TSol reviewed its governance arrangements to ensure that they are fit for purpose to support a much larger and more dispersed organisation and to align the committee structure with its strategic objectives. This resulted in the Operations Committee, which oversaw the performance of TSol against its Business Plan and management of departmental risks and issues, and the Sharing Legal Services Programme Board, being replaced with the following governance committees, from June 2014:

- Performance and Client Committee, which is responsible for overseeing the health of the business by monitoring the services delivered to all our clients both external and internal. It reviews TSol's performance against standards and targets, celebrating success and identifying improvement activities where needed. This Committee is chaired by Stephen Braviner-Roman, Director General A. It met eight times in 2014-15.
- People Committee, which is responsible for ensuring TSol has arrangements in place to recruit, retain, develop, organise and deploy our people of all grades and roles to meet the objectives of the organisation. This Committee is chaired by Claire Johnston, Director General B. It met eight times in 2014-15.
- Legal Quality Committee, which looks at the quality of TSol's legal service provision to make sure it is delivering the highest possible quality to its clients. It champions improvements in quality and provides a forum to share best practice across the organisation. This Committee is chaired by Peter Fish, Director General C. It met four times in 2014-15.
- Change Delivery Committee, which manages change in TSol by taking the long term corporate strategy and policies and turning them into programmes and projects with defined outcomes. This Committee is chaired by Valerie Cain. It met seven times in 2014-15.

Membership of each committee is drawn from TSol's Senior Leadership Team.

The Board's performance

TSol adheres to centrally set standards of good governance practice for Government departmental Boards and follows the three stage Board effectiveness evaluation process recommended in guidance produced by the Cabinet Office.

TSol was due to complete the third stage evaluation, namely to review the maturity and effectiveness of the Board, in March 2014. However, as a new Board was constituted in June 2014, it was agreed that the three stage evaluation process should be repeated but over a shorter period. Stages 1 (establishing the Board) and 2 (developing the Board) were carried out over the summer 2014 and the final stage 3 (maturity and effectiveness) was completed in March 2015.

The process involved interviews with Board members and effectiveness questionnaires to the Board and its sub-committees together with an independent review by a non executive at the Ministry of Justice through a peer review of the Board and observation of two Board meetings to assess its culture and dynamics.

The results of the Board effectiveness review, which were considered in conjunction with a review of the governance structure introduced in June 2014, were positive overall and showed that the recently formed Board had strategic focus, a dynamic approach and an appropriate focus on costs which were all key to the organisation's fundamental business of providing a high quality legal service to clients. The review identified improvements that could be made to build upon the firm foundations already in place to develop new ways of communicating messages across the Department, confirm the accountabilities of the executives and the sub-committees, continued focus on relationships at senior levels with clients, and to look for additional ways to enhance the contribution made by the Board's non executives.

Compliance with the Corporate Governance Code

The Corporate Governance Code and accompanying Protocol apply primarily to ministerial departments. This means that the key provisions relating to composition of boards do not apply to TSol; specifically the involvement of ministers and the requirement to have roughly equal numbers of ministers, senior civil servants, and non executive directors (NEDs).

Further to the shared legal services programme, the Department reviewed its governance arrangements during 2014 to ensure they were appropriate to support a larger dispersed organisation. As a result, and taking into account good practice in the Corporate Governance Code as appropriate for a non-ministerial department, the Board reduced in size to now comprise six executive and three non executive members. In addition, although TSol is not required to have a "Lead NED" (whose role is one of "supporting the Secretary of State in his or her role as Chair of the Board"), Jeremy Newman has been appointed as deputy chair of the Board and the remaining Lead NED functions have been shared between all of the non executive members.

Risk Management

Risk management is carried out in accordance with HM Treasury risk management guidance. Regular risk reviews are undertaken and risk registers are maintained corporately and for each group and division. The TSol Board identifies, monitors and manages key strategic risks.

The Audit and Risk Committee provides a challenge function to the risk management arrangements and Internal Audit reviews and assures the processes.

Risk management is embedded at every level in the business by encouraging empowerment and delegation so that risks can be managed proactively by those with the local knowledge and experience, and who are held accountable for the effective management of those risks.

The process is to identify and evaluate a risk, determine an appropriate response and actively manage the response to ensure that TSol's exposure is limited to an acceptable level.

The Risk Improvement Group, which is not part of the governance structure, met in July 2014 to consider options for simplifying and harmonising risk management in TSol. Its recommendations were considered by the Audit and Risk Committee, the Performance and Client Committee and the Board, which agreed the new framework to be adopted. They also reviewed and revised TSol's risk appetite.

Strategic risks are agreed with the TSol Board and the Audit and Risk Committee and each key strategic risk is owned by a Board member. The risks and actions to mitigate them are reported to the Performance and Client Committee and the Board. The strategic risks and the actions to mitigate them are detailed in the Business Plan.

Risk Profile

TSol's current key strategic risks are:

- demands placed on TSol do not match expected levels
- provision of legal services does not meet the requirements of its clients in terms of quality, management of cases and/or cost and outcomes
- lack of resource capacity and/or capability to deliver the service clients need
- failure to provide value for money by procuring or using resources efficiently to meet client needs
- failure of clients to use TSol efficiently
- injury or harm to staff, loss of TSol or client assets, or major loss of sensitive or confidential information
- significant external events have an adverse impact on TSol's ability to deliver services to its clients

The AGO manages its strategic risks through a regular review of its risk register. Its strategic risks relate to resourcing, systems, business delivery and reputation.

HMCPSI risks relate to resourcing and the loss of corporate knowledge and the ability to deliver services due to the absence or departure of key staff, and the risk of unforeseen events.

Security and business continuity

Client data security remains critical and is assured by TSol's adherence to Cabinet Office Security Standards, maintaining ISO 27001 certification and Public Service Network (PSN) accreditation.

TSol implemented the new Government Security Classifications Policy from April 2014 and rolled out replacement security passes for all TSol staff in line with the Common Access Control Policy initiative. TSol has also continued to contribute to work carried out by the Cabinet Office on the wider security transformation agenda.

Further information on information risk is contained in the Directors' Report on page 25.

TSol enjoys a high level of client satisfaction and it is essential that it is able to maintain its high quality service whatever the circumstances. Business continuity is assured through the maintenance of an ISO22301 aligned business continuity management system and a comprehensive suite of recovery plans. Incident management exercises are carried out and TSol's disaster recovery facilities are tested on a regular basis. Facilities and plans were robustly and successfully tested during a major incident between 1 and 20 April 2015, following TSol's evacuation and denial of access to its Central London Head Office.

The TSol disaster recovery site has remote access capacity, resilience and security which reduces the risk of service disruption should its Central London Head Office be unavailable. Cyber resilience is maintained through comprehensive penetration testing, vulnerability management and protective monitoring policies.

Effectiveness of the risk management and governance framework

Assurance is provided, inter alia, by the work of Internal Audit. In his Annual Report and Opinion, which offers an opinion on the adequacy and effectiveness of risk management, control and governance, the Head of Internal Audit gave a Moderate level of assurance.

Assurance on information handling is provided by the Senior Information Risk Owner, Nick Payne, Finance and Operations Director, supported by the Security Team and the work of the Security Advisory Group.

Directors provide an annual end of year Assurance Report highlighting any risks that crystallised during the year. These assurances have been reviewed by the Audit and Risk Committee.

As part of the financial planning process the Treasury Solicitor holds Panel Reviews with his Directors General to review performance against business plan objectives, and to challenge their bids for resources and proposed client fees for the following year.

At the end of each quarter, TSol conducts a formal forecasting exercise. Directors are asked to review their income and expenditure against budget and to forecast their year end position. This information enables the Performance and Client Committee and the Board to identify areas of concern and, if necessary, to review and consider the allocation of resources in meeting TSol objectives. From quarter two, it also enables consideration of the in-year fee reductions and rebates, where a surplus is forecast.

External assurance of standards is provided by the Law Society (the Lexcel Standard), and by Lloyd's Register Quality Assurance Ltd ISO27001.

These processes have highlighted no issues of significance to the corporate health or operations of HM Procurator General and Treasury Solicitor in 2014-15.

Jonathan Jones
Accounting Officer
9 June 2015

Departmental Remuneration Report

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. 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 Policy

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

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
- 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.ome.uk.com.

Permanent Secretaries are paid within the Permanent Secretaries pay range. The exact position on the pay range is set individually for each Permanent Secretary by the government on the recommendation of the Permanent Secretaries Remuneration Committee (which the government normally expects to accept). The Committee comprises members of the Senior Salaries Review Body (SSRB), the Head of the Home Civil Service and the Permanent Secretary of HM Treasury.

Senior Civil Service (SCS) Pay Committee

The function of TSol's SCS Pay Committee is to determine TSol's SCS pay strategy and, after performance appraisals have been completed, to assess the relative contribution of the Department's SCS members in achieving the Department's corporate objectives, before determining non-consolidated performance related pay awards, and to make final pay decisions.

The SCS Pay Committee in TSol at the relevant time (April to July 2014) comprised: Celia Carlisle – Non Executive Director and chair, Jonathan Jones, Peter Fish, Rowena Collins-Rice, Claire Johnston, Stephen Braviner-Roman and Susanna McGibbon, with Mark Burch acting in an advisory capacity.

Consolidated awards (salary increase)

1% of the SCS paybill was available for distribution in 2014 to those in performance groups 1 and 2, but not to those in performance group 3. It was for individual SCS Pay Committees to determine how the 1% was distributed in departments, and the decision by the TSol Pay Committee was to:

- move people up to the new minima of the SCS Pay Bands from 1 April, as per the Cabinet Office guidance
- award group 1 performers (top 25%) a flat rate £1,000 increase to salary
- address what was perceived by the Pay Committee as an anomaly in terms of those in SCS Pay Band 1 who had been in the SCS for some time being on or near the bottom of the pay scale eg all those receiving a performance group 1 or 2 in 2014 were moved to a minimum of £70,250

Non-consolidated performance related pay awards

In deciding SCS non consolidated performance awards in 2014, the following criteria were used:

Jobholders were ranked and assigned to a performance group relative to their peers, as follows:

- group 1 – top 25%
- group 2 – next 65%
- group 3 – bottom 10%

The assessment of performance against objectives included:

- the leadership behaviours exhibited in the achievement of objectives
- an assessment of the management of resources
- the degree to which the jobholder fostered an ethos of volunteering in their teams and/or the wider department

In addition, the following conditions applied for performance group distribution in 2013-14:

- if an individual did not meet an individual finance/efficiency objective then they were not marked higher than Group 2
- an individual was only awarded the Group 1 performance mark if they exceeded at least one finance/efficiency objective

Non-consolidated performance related pay awards were awarded to those achieving Performance Group 1 (the top 25%).

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the ministers and most senior management (i.e. Board members) of the Department. This information has been subject to audit.

Remuneration (salary, benefits in kind and pensions):

Single total figure of remuneration

Ministers	Salary (£)		Pension Benefits (to nearest £1,000)[1]		Total (to nearest £1,000)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
The Rt Hon Jeremy Wright QC MP *Attorney General (from 16 July 2014)*	66,067[2]	–	18,000	–	84,000	–
The Rt Hon Dominic Grieve QC MP *Attorney General (until 15 July 2014)*	36,474[3]	68,169	7,000	27,000	43,000	95,000
Robert Buckland QC MP *Solicitor General (from 15 July 2014)*	41,265[4]	–	14,000	–	56,000	–
Oliver Heald MP *Solicitor General (until 14 July)*	31,144[5]	58,590	6,000	22,000	37,000	80,000

1. *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 transfer of pension rights*
2. *Full year equivalent was £94,450*
3. *Full year equivalent was £67,505 (did not claim full salary). In addition £16,876 in severance pay was received for loss of office. This is equivalent to three months' pay*
4. *Full year equivalent was £57,926*
5. *Full year equivalent was £57,926. In addition £14,482 in severance pay was received for loss of office. This is equivalent to three months' pay*
6. *No ministers were in receipt of benefits in kind*

Remuneration (salary, benefits in kind and pensions):

Single total figure of remuneration

Officials	Salary (£'000)		Bonus Payments (£'000)		Pension Benefits (to nearest £1,000)[1]		Total (£'000)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Jonathan Jones *HM Procurator General, Treasury Solicitor and Chief Executive*	160-165	65-70[2]	–	–	97,000	23,000	255-260	90-95
Stephen Braviner-Roman *Director General A (from 2 June 2014)*	95-100[4]	–	–	–	59,000	–	155-160	–
Claire Johnston *Director General B*	105-110	80-85[3]	–	10-15	117,000	13,000	225-250	105-110
Peter Fish *Director General C*	120-125	120-125	15-20	15-20	18,000	15,000	155-160	150-155
Valerie Cain *People and Change Director*	90-95	90-95	–	10-15	44,000	(1,000)	135-140	105-110

Nick Payne *Finance and Operations Director (from 19 May 2014)*	100-105[5]	–	–	–	13,000	–	110-115	–
Tim Hurdle *Finance Director (until 31 May 2014)*	15-20[6]	90-95	–	–	15,000	25,000	25-30	110-115
Michael Fuller QPM *HM Chief Inspector of the Crown Prosecution Service Inspectorate*	150-155[7]	150-155	–	–	–	–	150-155	150-155
Rowena Collins-Rice *Director General of Attorney General's Office*	130-135	130-135	15-20	–	24,000	1,000	170-175	130-135

1. *The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to transfer of pension rights*
2. *Figure quoted for the period 1 October to 31 March 2014.*
3. *This represents 0.92 of a full-time equivalent salary as a Divisional legal Director, and full-time as a Director General. The full year equivalent as a Director General is £100 – 105k*
4. *Full year equivalent is £115-120k*
5. *Full year equivalent is £120-125k. From 19 May to 31 May was paid by MOD.*
6. *Full year equivalent is £90-95k*
7. *Michael Fuller is not a member of the SCS but is a Public Appointment on a salary of £150k*
8. *No Directors were in receipt of any benefits in kind*

The non-executive directors were paid salaries in the following bands:

	Contract end	**Salary £'000**		**Benefits in kind (to nearest £100)**		**Total (£'000)**	
		2014-15	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**
David Crowther	June 2014	0-5[2]	15-20	100	1,100	0-5	15-20
Jeremy Newman	September 2015	15-20	5-10[1]	700	500	15-20	10-15
Celia Carlisle	September 2015	15-20	5-10[1]	400	100	15-20	5-10
Oonagh Harpur	September 2015	15-20	5-10[1]	–	–	15-20	5-10

1. *The figures quoted are for the period 9 September 2013 to 31 March 2014. The full year equivalent is £15-20k*
2. *The figure quoted is for the period 1 April 2014- to 13 June 2014. The full year equivalent is £15-20k.*

The Department's non-executive directors necessarily incur travelling and other expenses to attend departmental meetings. The tax liability arising on their reimbursement by TSol is met by TSol and is shown in the table above as a benefit in kind.

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 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 (£66,396 from 1 April 2013, £67,060 from 1 April 2014) and various allowances to which they are entitled are borne centrally.

Benefits in kind

The monetary value of benefits-in-kind covers any benefits provided by the Department and treated by HM Revenue and Customs as a taxable emolument. The estimated monetary value of benefits in kind which relate solely to the provision of interest free loans for the purchase of season tickets for home to office travel is not included. The amounts involved are disclosed in the salary, allowances and taxable benefit table.

Bonuses

Bonus payments (non consolidated performance related pay awards) are based on performance levels attained and are made as part of the appraisal process. As the timing of appraisal process does not allow us to accrue for individual bonuses relating to 2014-15 performance, the awards reported in 2014-15 relate to performance in 2013-14 and the comparative awards reported for 2013-14 relate to the performance in 2012-13.

Pay Multiples

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 the Treasury Solicitor's Department in the financial year 2014-15 was £160K to £165k (2013-14: £175-180k).This was about 3.23 times (2013-14: about 3.64 times) the median remuneration of the workforce, which was £49,489 (2013-14: £48,999). The increase in median remuneration represents the 1% average pay award, whilst the reduction in the highest paid director's remuneration reflects the fact the highest paid director in 2013-14, who has since retired, received a non consolidated performance award in 2013-14, but the new incumbent did not.

In 2014-15, no (2013-14: 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £21k to £165k (2013-14 £21k - £180k). 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.

Pension Benefits

Ministers	Accrued pension at age 65 as at 31/3/15	Real increase in pension at age 65	CETV at 31/3/15[1]	CETV at 31/3/14	Real increase in CETV funded by taxpayer
	£'000	£'000	£'000	£'000	£'000
The Rt Hon Jeremy Wright QC MP *Attorney General (from 16 July 2014)*	0-5	0-2.5	40	-	4
The Rt Hon Dominic Grieve QC MP *Attorney General (until 15 July 2014)*	5-10	0-2.5	114	102	5
Robert Buckland QC MP *Solicitor General (from 15 July 2014)*	0-5	0-2.5	12	-	6
Oliver Heald MP *Solicitor General (until 14 July)*	0-5	0-2.5	69	58	4

1. *CETV at end date for Ministers in post until July 2014.*

Ministerial pensions

Pension benefits for ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). The scheme is made under statute (the regulations are set out in Statutory Instrument SI 1993 No 3253, as amended).

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). The accrual rate has been 1/40th since 15 July 2002 (or 5 July 2001 for those that chose to backdate the change) but ministers, in common with all other members of the PCPF, can opt for a 1/50th accrual rate and a lower rate of member contribution. An additional 1/60th accrual rate option (backdated to 1 April 2008) was introduced from 1 January 2010.

Benefits for ministers are payable at the same time as MPs' benefits become payable under the PCPF or, for those who are not MPs, on retirement from ministerial office from age 65. Pensions are re-valued annually in line with Pensions Increase legislation. From 1 April 2014 members paid contributions between 8.4% and 17.9% depending on their level of seniority and chosen accrual rate.

The accrued pension quoted is the pension the minister is entitled to receive when they reach 65, or immediately on ceasing to be an active member of the scheme if they are already 65.

In line with reforms to other public service pension schemes, it is intended to reform the Ministerial Pension Scheme in 2015. The new scheme will be a career average pension scheme, have an accrual rate of 1.775%, revaluation based on the change in prices, a Normal Pension age equal to State Pension age and a member contribution of 11.1%.

The Cash Equivalent Transfer Value (CETV)

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 Pensions 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.

The real increase in the value of the CETV

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.

Officials	**Accrued pension at pension age as at 31/3/15 and related lump sum**	**Real increase in pension and related lump sum at pension age**	**CETV at 31/3/15**	**CETV at 31/3/14**	**Real increase in CETV**[1]	**Employer contribution to partnership pension accounts to the nearest £100**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£**
Jonathan Jones *HM Procurator General, Treasury Solicitor and Chief Executive*	45-50 plus lump sum of 140-145	2.5-5 plus lump sum 12.5-15	858	742	75	–
Stephen Braviner-Roman *Director General A (from 2 June 2014)*	25-30 plus lump sum of 85-90	2.5-5 plus lump sum of 7.5-10	459	399	38	–
Claire Johnston *Director General B*	30-35 plus lump sum of 100-105	5-7.5 plus lump sum of 15-17.5	683	554	99	–
Peter Fish *Director General C*	30-35 plus lump sum of 95-100	0-2.5 plus lump sum of 2.5-5	621	575	14	–
Valerie Cain *People and Change Director*	55-60 plus lump sum of 105-110	2.5-5 plus lump sum of 0-2.5	1,222	1,178	42	–
Nick Payne *Finance and Operations Director (from 19 May 2014)*	45-50	0-2.5	708	665	7	–
Tim Hurdle *Finance Director (until 31 May 2014)*	20-25	0-2.5	276	258	9	–
Michael Fuller[2] *HM Chief Inspector of the Crown Prosecution Service Inspectorate*	–	–	–	–	–	–
Rowena Collins-Rice *Director General of Attorney General's Office*	45-50 plus lump sum of 145-150	0-2.5 plus lump sum of 2.5-5	939	874	19	–

1. *Where the real increase in CETV is negative this is because, taking account of inflation, the CETV funded by the employer has decreased in real terms.*
2. *Michael Fuller is not a Civil Servant but a Public Appointment, and was appointed on a non-pensionable contract with a salary of £150,000.*
3. *Non Executive Directors do not receive pension entitlement from TSol*

Civil Service Pensions

Pension benefits are provided through the civil service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos**). 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** and **nuvos** are increased annually in line with Pensions Increase legislation. 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 1.5% and 6.85% of pensionable earnings for **classic** and 3.5% and 8.85% for **premium, classic plus** and **nuvos.** 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 their 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. 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% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three 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 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** and 65 for members of **nuvos**.

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

New Career Average pension arrangements (**Alpha**) will be introduced from 1 April 2015 and the majority of **classic, premium, classic plus,** and **nuvos** members will join the new scheme. Further details of this new scheme are available at http://www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) 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 Pensions 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 CETV

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

Jonathan Jones
Accounting Officer
9 June 2015

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the Treasury Solicitor's Department to prepare, for each financial year, accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Department during the year. 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 of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

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

HM Treasury has appointed the Permanent Head of the Department as principal Accounting Officer of the Department.

In addition, the principal Accounting Officer has appointed HM Chief Inspector Michael Fuller QPM, as Accounting Officer for HMCPSI, to be accountable for that part of the Department's accounts relating to HMCPSI. This appointment does not detract from the Head of Department's overall responsibility as Accounting Officer for the Department's accounts.

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 Treasury Solicitor's Department's assets, are set out in *Managing Public Money* published by HM Treasury.

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 HM Procurator General and Treasury Solicitor ('the Department') for the year ended 31 March 2015 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. I have also audited the Statement of Parliamentary Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report 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 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 2015 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 affairs as at 31 March 2015 and of its 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 part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Financial Review and Management Commentary (Strategic Report and Directors' 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
- the financial statements and the part of the Remuneration 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

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

11 June 2015

Annex A

Sustainability Report for the year ended 31 March 2015

Introduction

The scope of the report is the Department's performance against the Greening Government Commitments (GGC) which will run to 2015, with a 2009-10 baseline wherever possible.

Performance relates to TSol's central London Head Office occupation of Floors 5-12 and 15 of One Kemble Street (OKS), and its disaster recovery site at Southern House in Croydon, AGO's occupation of 20 Victoria Street, London and HMCPSI's occupation of Floor 4 of One Kemble Street, London.

Summary of performance

The main challenge on energy reduction is that TSol has no control over the use of oil to heat and electricity to cool One Kemble Street which it sublets from the Civil Aviation Authority.

Nevertheless, it has taken various initiatives over the years to reduce its energy consumption, including the installation of safety and security film on the windows to minimise solar gain and a contribution to the cost of a new Building Management System controlled by the landlord to improve the energy efficiency of the comfort cooling system in use in the building.

TSol continue to encourage the landlord to take a more proactive approach to sustainability and this has been a standing item on meeting agendas for the past year. The TSol landlord has installed LED lighting in the communal lift lobbies and in the two cafés on the 6th and 15th floor. The landlord has also introduced solenoids for the urinals with the aim of reducing the amount of water used. They are currently trialling a food recycling initiative which, if successful, will be implemented in OKS. HMCPSI as a sub tenant of TSol at OKS, relies on the action taken by TSol in relation to scope 1 and 2 emissions.

The following factors have had an affect on performance this year:

- the weather. There was a warmer than average summer followed by the third warmest autumn since 1910, which helped keep oil consumption down in OKS. It was possible to reduce electricity use because, although the summer was warm, it was cooler than the previous summer
- an in-house printing service was introduced by TSol in 2013-14 which has increased its direct paper usage. However, it has still achieved a 26% reduction in paper used in comparison to the baseline figure. It has also reduced its outsourced printing requirement
- an increase in the number of TSol staff in OKS (from 929 in April 2014 to 1,047 in March 2015), mainly as a result of growth in demand for TSol services
- the sharing legal service programme which has increased TSol's geographical spread. At the end of March TSol had staff in 21 locations across England and Wales. A video conferencing facility went live across TSol, including at a number of our client sites, in October 2014. This will allow staff to connect with clients and colleagues virtually across the UK and should avoid the need to travel and reduce travel costs and business related travel emissions

Sustainable procurement

The GGC also ensure the procurement of sustainable and efficient products whilst reducing the impact of the supply chain on the environment. This includes embedding efficient procurement practices and improving and publishing data on supply chain impact.

TSol's overall procurement strategy principally includes the use of Crown Commercial Service framework contracts and TSol is subject to the Sustainability Policy which it operates.

The Department promotes sustainability in procurement by:

- working closely with its suppliers – particularly in the areas of catering, cleaning and stationery to improve sustainable processes and the use of products
- buying products and services which are less environmentally damaging; for instance use of "thin client" units which use less energy than conventional "base unit" desktop computers
- complying with environmental legislation and regulatory requirements
- including relevant environmental conditions or criteria in specifications and tender documents, and evaluating supplier offers accordingly
- raising awareness of environmental issues within the Department, and amongst suppliers and contractors

The following suppliers are ISO 14001 accredited:

- TSol's off-site storage provider has won the Green Fleet award for their efforts to reduce the environmental impact of their transport fleet.
- TSol's catering provider is also certified Carbon Neutral. All the disposable containers and cups used within the two cafes in OKS are environmentally responsible to reduce waste associated impacts on the business
- TSol's print service provider complies with the WEEE (Waste Electrical and Electronic Equipment) regulations for disposal of equipment
- AGO's supplier for all guarding, facilities management and cleaning services, as is its off-site storage provider

Governance

The Department's strategy is to work with the other Law Officers' departments to meet GGC targets. TSol's sustainability performance is monitored quarterly by the TSol Performance and Client Committee via a sustainability dashboard. Performance is also reported to the Law Officers' departments Sustainable Development Steering Group.

TSol has re-established a "Green Team" this year following a hiatus, to take another look at good practice across government and reinforce good behaviour on sustainability. It remit is to:

- raise the profile of sustainability within the organisation, highlighting the GGC to all and engaging everyone's support to reach the targets
- identify areas where it can improve its green credentials, given the limitations of being a tenant in a managed building

Future Activities

The TSol Green Team is looking at its next campaign and is likely to focus on the challenge of reducing water usage and options to reduce food waste. Consideration will also be given to the increasing occupation of OKS and its impact on the total resources consumed and waste generated, recognising that per capita figures are demonstrably decreasing.

At AGO, as many of their staff have moved on since a number of initiatives were introduced, a new office awareness campaign is now needed to keep up the momentum. The plan is to use the intranet to engage new staff, remind existing staff and encourage fresh ideas.

2014-15 Treasury Solicitor's Department Sustainability Report

Greenhouse gas emissions

		Baseline 2009–10	2011-12	2012-13	2013-14	2014-15
Non-Financial Indicators (tCO_2e)	Scope 1 and 2 emissions[1]	2,646	1,833	1,961	1,939	2,064
	Scope 3 emissions (indirect – official business travel)[2]	16	90	102	103	111
	Total emissions[3]	2,808	1,923	2,063	2,042	2,175
Other Non-Financial Indicators	Number of domestic flights	250	160	146	171	170
Related Energy Consumption (KWh)	Electricity	4,411,463	3,432,175	3,406,560	3,646,166	3,639,016
	Gas	207,645	2,413	–	–	–
	Oil	991,178	642,689	946,110	671,862	503,120
Financial Indicators (£)	Expenditure on energy	395,242	245,208	351,886	407,384	408,070
	Expenditure on accredited offsets (e.g. GCOF)	1,489	26	209	42	–
	Expenditure on official business travel	343,057	309,974	317,418	368,768	449,298

1. *2013-14 figures have been updated*
2. *2013-14 figures have been updated*
3. *2013-14 figures have been updated*

Performance commentary

The GGC are that by 2015, the government will reduce:

- greenhouse gas emissions by 25%
- domestic business travel flights by 20%

Headcount has increased by 21% yet a 23% reduction in total GHG has been achieved.

Electricity consumption figures have reduced marginally in year and stand at 18% below baseline.

Oil usage is 49% below baseline.

TSol's two café facilities are extensively used by up to 400 non-TSol staff in the building, and there has been an increase in staff numbers resulting in additional water and electricity consumption. The café facilities also include an extensive hospitality service provided by one of TSol's sub-tenants to its clients.

TSol is continuing to work with contractors and the OKS landlord over the use of new technology and initiatives to reduce its carbon footprint. In particular it is maintaining pressure on its landlord to take a more proactive approach to sustainability in the building as a whole.

The practical measures the AGO takes to reduce its emissions and energy consumption include:

- turning off all lights, heating, printers and hot water boilers (in tea points) as the last person leaves the floor each evening
- not heating halls, stairs or toilets
- a policy in place to maintain floor temperatures at between 20°C and 21°C throughout year
- routine use of Oyster cards for local official travel

Both HMCPSI and TSol now have access to video conferencing facilities.

The total number of domestic flights has reduced by 32% compared to baseline.

Waste

		Baseline 2009–10	2011-12	2012-13	2013-14	2014-15
Non-Financial Indicators (tonnes)	Non-Recycled	83	6	3	3	5
	Total Reused/Recycled	101	140	85	105	107
	Energy recovery[4]	–	–	53	69	94
	Total waste	184	146	141	177	206
Financial Indicators (£)	Total disposal cost	22,360	82,114	34,937	28,517	29,348

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

Performance commentary

The GGC are that by 2015:

- the government will reduce waste generated by 25%:
- ensure that redundant ICT equipment is re-used (within government, the public sector or wider society) or responsibly recycled

There has been an increase in total waste, which is now 12% above baseline. However headcount has increased by 21% and 98% is reused/recycled or used for energy recovery compared to the baseline year when this was 55%. TSol has tried various ideas to reduce its waste such as replacing hand towels with hot air dryers and its Green Team has changed the collection bins on the floors to make recycling easier. It has also relabelled the waste bins in OKS using relevant pictures to ensure ease of use and it will continue to identify possible areas for improvement. However there are now more people in the building and there have been some accommodation moves this year which are likely to have contributed to the increase in site waste.

The increase in recyclable/energy recover waste means that there is a large reduction in non-recyclable waste and waste per full time equivalent (FTE) member of staff has decreased by 8% compared to baseline.

AGO has twice weekly collections of recycled waste including glass, plastic, paper, cardboard, cartons and cans.

The Department's policy and practice is to recycle all redundant ICT equipment using Waste Electrical and Electronic Equipment (WEEE) approved suppliers.

Finite resource consumption: PAPER

	Baseline 2009–10	2011-12	2012-13	2013-14	2014-15
Non-Financial Indicators A4 Reams	49,443	38,163	29,484	35,655	36,517

Performance commentary

The GGC are that by 2015 the government will achieve a reduction in paper usage.

The paper used by TSol is recycled and used to create closed loop paper. It does not use closed loop paper, due to issues with the print quality and increased printer maintenance.

AGO uses the closed loop paper system.

TSol's paper usage has increased since 2012-13, as expected following the implementation of a new internal print room service in 2013-14. However, while its direct paper usage has increased (5000 reams of paper are attributed to the print room this year) this will have resulted in a reduction in paper consumption by its external suppliers. Recycling bins are placed on all floors in OKS.

HMCPSI has been committed to moving to a paperless office for some time It has also developed its Records Management processes with an emphasis on electronic filling. With the introduction of technology enabling it to save electronically in preference to printing out paper HMCPSI is, year on year, closer to reducing its reliance on paper. Behaviour change is encouraged with a "think before you print" scheme and double sided printing whenever practical. These initiatives have led to a 50% reduction in the amount of paper HMCPSI use compared to baseline.

Despite TSol's increase consumption overall is 26% below baseline and consumption per FTE has reduced from 54.39 reams in 2009-10 to 33.10 reams in 2014-15.

Finite resource consumption: WATER

		Baseline 2009–10	2011-12	2012-13	2013-14	2013-14
Non-Financial Indicators (m^3)	Water Consumption	8,018	7,422	6,283	7,186	8,641
	m^3 per FTE	8.82	8.89	7.50	7.80	7.08
Financial indicators (£k)	Water Supply and disposal costs	19,962	21,457	12,580	13,131	18,728

Performance commentary

The GGC are that by 2015 the government will reduce water consumption with reports on water use against best practice benchmarks (ie 4 m^3 per FTE).

Water consumption in OKS has increased due to a significant increase in staff numbers over the year. Although total usage increased, usage per FTE has decreased and is now 11% below the baseline figure.

OKS water consumption is affected by the provision of two cafés in the building which are used by TSol and non-TSol staff.

TSol continue to work with its landlord and small savings were made by monitoring overnight usage where they were able to make minor adjustments. The landlord has also introduced solenoids for the urinals with the aim of reducing the amount of water used.

OKS water supply and disposal costs are recharged by the landlord from the water supply company.

AGO suffered a large increase in water consumption in 2014-15. This was due to a number of leaking water boilers and taps, and running water in the toilets.

Statement of Parliamentary Supply

In addition to the primary statements prepared under IFRS, the *Government Financial Reporting Manual (FReM)* requires the Treasury Solicitor's Department to prepare a Statement of Parliamentary Supply and supporting notes to show resource outturn against the Supply Estimate presented to Parliament, in respect of each budgetary control limit.

Summary of Resource and Capital Outturn 2014-15

								2014-15	2013-14
				Estimate			Outturn	Voted Outturn	Outturn
	Note	Voted	Non-Voted	Total	Voted	Non-Voted	Total	compared with Estimate saving/ (excess)	Total
		£000	£000	£000	£000	£000	£000	£000	£000
Departmental Expenditure Limit									
Resource	SOPS 2.1	9,253	-	9,253	8,691	-	8,691	562	4,132
Capital	SOPS 2.2	1,800	-	1,800	1,633	-	1,633	167	1,622
Annually Managed Expenditure									
Resource	SOPS 2.1	-	-	-	(474)	-	(474)	474	(689)
Capital	SOPS 2.2	-	-	-	-	-	-	-	-
Total Budget		**11,053**	**-**	**11,053**	**9,850**	**-**	**9,850**	**1,203**	**5,065**
Non-Budget									
Resource		-	-	-	-	-	-	-	-
Total		**11,053**	**-**	**11,053**	**9,850**	**-**	**9,850**	**1,203**	**5,065**
Total Resource	SOPS 2.1	9,253	-	9,253	8,217	-	8,217	1,036	3,443
Total Capital	SOPS 2.2	1,800	-	1,800	1,633	-	1,633	167	1,622
Total		**11,053**	**-**	**11,053**	**9,850**	**-**	**9,850**	**1,203**	**5,065**

Net cash requirement 2014-15

		2014-15	2014-15	Outturn compared with Estimate saving/ (excess)	2013-14
	Note	Estimate	Outturn		Outturn
		£000	£000	£000	£000
Net cash requirement	SOPS 4	9,827	1,333	8,494	10,034

Administration costs 2014-15

	Note	2014-15	2014-15	2013-14
		£000	£000	£000
Total administration costs	SOPS 3.2	9,253	8,691	4,132

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 result in an excess vote.

Explanations of variance against Estimate and Outturn are given in SOPS Note 2 and in the Strategic Report (page 22).

Notes to the Departmental Resource Accounts (Statement of Parliamentary Supply)

SOPS1.Statement of accounting policies

The Statement of Parliamentary Supply and supporting notes have been prepared in accordance with the 2014-15 *Government Financial Reporting Manual (FReM)* issued by HM Treasury. The Statement of Parliamentary Supply accounting policies contained in the *FReM* are consistent with the requirements set out in the 2014-15 Consolidated Budgeting Guidance and Supply Estimates Guidance Manual.

SOPS1.1 Accounting convention

The Statement of Parliamentary Supply and related notes are presented consistently with Treasury budget control and Supply Estimates. The aggregates across government are measured using National Accounts, prepared in accordance with the internationally agreed framework 'European System of Accounts' (ESA95). ESA95 is in turn consistent with the System of National Accounts (SNA93), which is prepared under the auspices of the United Nations.

The budgeting system, and the consequential presentation of Supply Estimates and the Statement of Parliamentary Supply and related notes have different objectives to IFRS-based accounts. The system supports the achievement of macro-economic stability by ensuring that public expenditure is controlled, with relevant Parliamentary authority, in support of the Government's fiscal framework. The system provides incentives to departments to manage spending well so as to provide high quality public services that offer value for money to the taxpayer.

The Government's objectives for fiscal policy are set out in the Charter for Budget Responsibility. These are to:

- ensure sustainable public finances that support confidence in the economy, promote intergenerational fairness, and ensure the effectiveness of wider government policy; and
- support and improve the effectiveness of monetary policy in stabilising economic fluctuations.

SOPS1.2 Comparison with IFRS-based accounts

Many transactions are treated in the same way in National Accounts and IFRS-based accounts, but there are a number of differences. Those differences relevant to the Department's accounts are explained below.

SOPS1.2.1 Provisions - Administration and Programme expenditure

Provisions recognised in IFRS-based accounts are not recognised as expenditure for national accounts purposes until the actual payment of cash (or accrual liability) is recognised. To meet the requirements of both resource accounting and national accounts, additional data entries are made in the Statement of Parliamentary Supply across AME and DEL control totals, which do not affect the Statement of Comprehensive Net Expenditure. As the Administration control total is a sub-category of DEL, Administration and Programme expenditure reported in the Statement of Parliamentary Supply is different from that reported in the IFRS-based accounts. A reconciliation is provided in SoPS note 3.2.

SOPS2. Net outturn

SOPS2.1 Analysis of net resource outturn by section

									2014-15	2013-14
	Outturn							Estimate		
	Administration			Programme			Total			
	Gross	Income	Net	Gross	Income	Net		Net total	Net total outturn compared with Estimate saving/ (excess)	Prior-year outturn
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Spending in Departmental Expenditure Limit										
Voted										
A: TSDA	173,036	(171,276)	1,760	–	–	–	1,760	1,989	229	(2,566)
B: AGO	4,850	(547)	4,303	–	–	–	4,303	4,306	3	4,161
C: HMCPSI	2,632	(4)	2,628	–	–	–	2,628	2,958	330	2,537
Non-Voted	–	–	–	–	–	–	–	–	–	–
Annually Managed Expenditure										
Voted										
D: Provisions	–	–	–	(702)	228	(474)	(474)	–	474	(689)
Non-Voted	–	–	–	–	–	–	–	–	–	–
Total	**180,518**	**(171,827)**	**8,691**	**(702)**	**228**	**(474)**	**8,217**	**9,253**	**1,036**	**3,443**

The variance between Estimate and Outturn is due to:

TSDA (TSol) underspent by £229k. TSol operates largely on a demand led, full cost recovery basis. During 2014-15 income for provision of legal services was higher than budget due to significantly increased demand for its services and higher utilisation of staff plus income from the teams that joined TSol this year. Expenditure was higher than budget due to increased staff costs as staff numbers have increased as a result of the transfer in of in house legal teams from other government departments to TSol and as demand for services has increased. Fees are set to achieve full cost recovery based on forecasts of future throughput and the cost base which is a mix of fixed and variable costs. Where productivity outperforms forecast or efficiencies are achieved in the cost base the fees are revisited periodically to determine whether a fee reduction or fee rebate can be made in year. This year a £2.78m rebate was made, shared between litigation and advisory clients.

AGO spend was in line with the Estimate with only a £3k underspend.

HMCPSI underspent by £330k due lower staff costs.

SOPS2.2 Analysis of net capital outturn by section

					2014-15	2013-14
	Outturn			Estimate		
	Gross	Income	Net	Net total	Net total outturn compared with Estimate saving / (excess)	Prior year outturn
	£000	£000	£000	£000	£000	£000
Spending in Departmental Expenditure Limit						
Voted						
A: TSDA	1,625	(4)	1,621	1,700	79	1,622
B: AGO	12	–	12	100	88	–
C: HMCPSI	–	–	–	–	–	–
Non-Voted	–	–	–	–	–	–
Annually Managed Expenditure						
Voted						
D: Provisions	–	–	–	–	–	–
Non-Voted	–	–	–	–	–	–
Total	**1,637**	**(4)**	**1,633**	**1,800**	**167**	**1,622**

The variance between Estimate and Outturn is due to:

Capital expenditure was lower than the Estimate.

SOPS3.Reconciliation of outturn to net operating cost and against Administration Budget

SOPS3.1 Reconciliation of net resource outturn to net operating cost

			2014-15	2013-14
		Note	**£000**	**£000**
Total resource outturn in Statement of	Budget	SOPS 2.1	8,217	3,443
Parliamentary Supply	Non-Budget		–	–
Net operating cost in Statement of Comprehensive Net Expenditure			**8,217**	**3,443**

SOPS3.2 Outturn against final Administration Budget and Administration net operating cost

	2014-15	2013-14
	£000	**£000**
Estimate – Administration Cost Limit	**9,253**	**10,238**
Outturn – Gross Administration Costs	180,518	140,405
Outturn – Gross Income relating to administration costs	(171,827)	(136,273)
Outturn – Net administration costs	**8,691**	**4,132**
Reconciliation to operating cost		
Plus AME recognised in the Statement of Comprehensive Net Expenditure as administration cost but in the Statement of Parliamentary Supply as Programme	(35)	(188)
Less: provisions utilised (transfer from Programme)	(439)	(501)
Net Operating Costs	**8,217**	**3,443**

SOPS4. Reconciliation of Net Resource Outturn to Net Cash Requirement

				2014-15
	Note	**Estimate**	**Outturn**	**Net total outturn compared with estimate saving/ (excess)**
		£000	**£000**	**£000**
Resource outturn	**SOPS 2.1**	**9,253**	**8,217**	**1,036**
Capital outturn	**SOPS 2.2**	**1,800**	**1,633**	**167**
Adjustments to remove non cash items:	**4**			
Depreciation		(2,100)	(2,161)	61
Movement on provisions		–	35	(35)
Supported capital expenditure (revenue)		–	4	(4)
Other non cash		(126)	(110)	(16)
Adjustments to reflect movements in working capital balances:				
Increase/(decrease) in receivables	9	–	587	(587)
(Increase)/decrease in payables	11	1,000	(15,177)	16,177
Less movement in supply creditor	11	–	7,866	(7,866)
Use of provisions	12	–	439	(439)
Net cash requirement		**9,827**	**1,333**	**8,494**

The net cash requirement was not fully utilised.

Statement of Comprehensive Net Expenditure

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

for the period ended 31 March 2015

		2014-15	2013-14
	Note	£000	£000
Administration costs			
Staff costs	3	114,040	84,033
Other costs	4	21,059	18,505
Disbursements	5	44,717	36,625
Income	6	(171,599)	(135,720)
Net Operating Costs		**8,217**	**3,443**
Total expenditure		179,816	139,163
Total income		(171,599)	(135,720)
Net Operating Costs		**8,217**	**3,443**

Other Comprehensive Income

	2014-15	2013-14
	£000	£000
Items that will not be reclassified to net operating costs		
Net (gain) on:		
– revaluation of property, plant and equipment	–	–
– revaluation of intangibles	–	–
Total Comprehensive Net Expenditure	**8,217**	**3,443**

All income and expenditure is derived from continuing operations.

The notes on pages 62 to 78 form part of these accounts.

Statement of Financial Position

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

as at 31 March 2015

		31 March 2015		31 March 2014	
	Note	**£000**	**£000**	**£000**	**£000**
Non-current assets					
Property, plant and equipment	7	3,969		3,776	
Intangible assets	8	732		1,471	
Total non-current assets			**4,701**		**5,247**
Current assets					
Trade and other receivables	9	30,380		29,793	
Cash and cash equivalents	10	8,494		628	
Total current assets			**38,874**		**30,421**
Total assets			**43,575**		**35,668**
Current liabilities					
Trade and other payables	11	(31,125)		(15,948)	
Provisions	12	(1,276)		(442)	
Total current liabilities			**(32,401)**		**(16,390)**
Non-current assets plus net current assets			**11,174**		**19,278**
Non-current liabilities					
Provisions	12	(1,459)		(2,767)	
Total non-current liabilities			**(1,459)**		**(2,767)**
Total assets less liabilities			**9,715**		**16,511**
Taxpayers' equity and other reserves					
General Fund			9,293		16,088
Revaluation Reserve			422		423
Total equity			**9,715**		**16,511**

The notes on pages 62 to 78 form part of these accounts.

Jonathan Jones
Accounting Officer
9 June 2015

Statement of Cash Flows

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

for the period ended 31 March 2015		**2014-15**	**2013-14**
	Note	**£000**	**£000**
Cash flows from operating activities			
Net Operating Costs		(8,217)	(3,443)
Adjustments for non-cash transactions arising in the year	4	2,237	1,865
(Increase) in trade and other receivables	9	(587)	(6,566)
Increase in trade and other payables	11	15,177	(5,374)
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		(7,640)	5,286
Use of provisions	12	(439)	(501)
Net cash inflow from operating activities		**531**	**(8,733)**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(1,816)	(947)
Purchase of intangible assets	8	(48)	(354)
Net cash (outflow) from investing activities		**(1,864)**	**(1,301)**
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		9,199	4,411
Net Financing		**9,199**	**4,411**
Net increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund	10	**7,866**	**(5,623)**
Payments of amounts due to the Consolidated Fund		–	–
Net increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	10	**7,866**	**(5,623)**
Cash and cash equivalents at the beginning of the period	10	**628**	**6,251**
Cash and cash equivalents at the end of the period	10	**8,494**	**628**

The notes on pages 62 to 78 form part of these accounts.

Statement of Changes in Taxpayers' Equity

This statement shows the movement in the year on the different reserves held by the Treasury Solicitor's Department, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). Financing and the balance from the provision of services are recorded here. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. Other earmarked reserves are shown separately where there are statutory restrictions of their use.

for the year ended 31 March 2015		**General Fund**	**Revaluation Reserve**	**Total Reserves**
	Note	**£000**	**£000**	**£000**
Balance at 1 April 2013		**9,399**	**433**	**9,832**
Changes in taxpayer's equity for 2013-14				
Net Parliamentary Funding – drawn down		4,411	–	4,411
Net Parliamentary Funding – deemed		6,251	–	6,251
Supply Payable Adjustment	11	(628)	–	(628)
Net operating costs for the year		(3,443)	–	(3,443)
Non-cash adjustments:				
Auditors' remuneration	4	88	–	88
Movements in Reserves				
Net loss on revaluation of property, plant and equipment		–		–
Net loss on revaluation of intangibles		–		–
Transfers between reserves		10	(10)	–
Total recognised income and expenditure for 2013-14		**6,689**	**(10)**	**6,679**
Balance at 31 March 2014		**16,088**	**423**	**16,511**
Changes in taxpayer's equity for 2014-15				
Net Parliamentary Funding – drawn down		9,199	–	9,199
Net Parliamentary Funding – deemed		628	–	628
Supply payable adjustment	11	(8,494)	–	(8,494)
Net operating costs for the year		(8,217)	–	(8,217)
Non-cash adjustments:				
Auditors' remuneration	4	88	–	88
Movements in Reserves				
Net gain on revaluation of property, plant and equipment		–	–	–
Net gain on revaluation of intangibles		–	–	–
Transfers between reserves		1	(1)	–
Total recognised income and expenditure for 2014-15		**(6,795)**	**(1)**	**(6,796)**
Balance at 31 March 2015		**9,293**	**422**	**9,715**

The General Fund represents the total assets less liabilities of each of the entities within the accounting boundary, to the extent that the total is not represented by other reserves and financing items.

The notes on pages 62 to 78 form part of these accounts.

Notes to the Departmental Accounts

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2014-15 *Government Financial Reporting Manual (FReM)* issued by HM Treasury. The accounting policies contained in the *FReM* apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the *FReM* permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Treasury Solicitor's Department for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Treasury Solicitor's Department are described below. They have been applied consistently in dealing with items considered material in relation to the Accounts.

In addition to the primary statements prepared under IFRS, the *FReM* also requires the Department to prepare an additional primary statement: the Statement of Parliamentary Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention and where material modified to account for the revaluation of property, plant and equipment and intangible assets at their value to the business by reference to their current costs.

1.2 Basis of consolidation

The accounts comprise a consolidation of the non-agency parts of the Department and those entities that fall within the departmental boundary as defined by the *FReM*. Transactions between entities included in the consolidation are eliminated. A list of all entities within the departmental boundary is given at Note 19. There is no "parent" department and separate financial statements are prepared for the Treasury Solicitor Department. The Attorney General's Office and HM Crown Prosecution Service Inspectorate are not required to produce financial statements; therefore only a group SOCNE and SOFP are produced.

1.3 Property, plant and equipment

Assets are carried at estimated fair value using depreciated historic cost as a proxy. The need for revaluation is reconsidered on an annual basis. Expenditure on plant, property and equipment over £5,000 is capitalised on an individual or group basis. On initial recognition they are measured at cost including any costs (such as installation) directly attributable to bringing them into working condition.

1.4 Depreciation

Plant, property and equipment are depreciated at rates calculated to write them down on a straight-line basis over their estimated useful lives. Leasehold improvements are depreciated over the term of the lease.

Assets under construction are not depreciated until they are in use. Once in use they are depreciated over their expected useful life.

Asset lives are normally within the following ranges:

• Leasehold improvements	limited to period remaining on lease (up to ten years)
• Furniture, fittings and equipment	three, five or ten years
• Information technology and network	three to five years

1.5 Intangible Assets
Purchased and internally developed software, purchased software licences and website costs are capitalised as intangible assets and are valued at depreciated historic cost as a proxy for fair value. The need for revaluation is reconsidered on an annual basis.

Intangible assets under construction are not amortised until they are in use. Once they are in use, they are amortised over the life of the associated project or their expected useful economic life. Asset lives are normally within the following ranges:

- Software development three to five years
- Software licences three to five years
- Website costs five years

1.6 Impairments
Property, plant and equipment and intangible assets are subject to an annual impairment review, if there are any indicators of such impairments arising. Any impairment will be recognised as required by IAS 36 Impairment of Assets and accounted for as set out in *FReM*.

1.7 Revaluation reserve
The unrealised element of the Revaluation Reserve is disclosed in the Statement of Financial Position. Realised elements are transferred from the reserve to the General Fund. Downward revaluations are charged to the existing balance brought forward for that particular asset. If there is no previous balance, the charge is expensed in-year and disclosed in the Statement of Comprehensive Net Expenditure.

1.8 Income
Income relates directly to the operating activities of the Department. It principally comprises fees and charges for legal services provided during the year by the Treasury Solicitor's Department on a full-cost basis to clients external to the Department (central government departments, agencies and ALBs) and recovery of disbursements incurred on their behalf. Charge-out rates are set in accordance with HM Treasury's guidance on fees and charges set out in *Managing Public Money* to achieve full cost recovery of chargeable services.

In addition, it includes other income such as charges for the administration costs of the Bona Vacantia Division which are recovered from the Crown's Nominee Account, rental income and service charge, recovery of costs for recruitment and training services provided to other government departments.

Income realised from Bona Vacantia assets is not included but reported separately in the *Crown's Nominee Account*.

Work in progress is recognised as operating income as incurred. This represents unbilled time charges which are valued at the appropriate charge-out rate, equivalent to full cost, for the financial year in which the work was undertaken and the actual and accrued cost of disbursements.

The unbilled and accrued disbursements at the year-end have been estimated based upon time taken to submit invoices for work carried out in prior years, modelling the expected disbursements for 2014-15 to the same pattern.

1.9 Debt Recovery
All aged debt is regularly reviewed to ascertain the continuing prospect of recovery and that it remains economical to continue to pursue recovery. Where recovery is considered doubtful or uneconomic, the Department will provide for or write-off the debt by reducing the value of debtors within the balance sheet.

1.10 Administration and Programme Income and Expenditure

All expenditure in the Statement of Comprehensive Net Expenditure is presented as administration expenditure.

In the Statement of Parliamentary Supply expenditure has been analysed between administration and programme income and expenditure in accordance with the *Estimates Manual* and *HM Treasury's Consolidated Budgeting Guidance 2014-15*.

Administration expenditure reflects the cost of running the Department. The Department's main administration costs relate to staff costs and accommodation. In addition, the Department also incurs substantial costs on legal disbursements. These are usually recharged to clients, except for certain costs incurred on behalf of the Attorney General's cases which are funded from the Estimate. Programme expenditure for the purposes of the Statement of Parliamentary Supply relates solely to provision movements.

1.11 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The Department recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the Department recognises the contributions payable for the year.

1.12 Early Departure Costs

Under the previous Civil Service Compensation Scheme (in place until 22 December 2010) the Department was required to meet the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date.

Under the new Civil Service Compensation Scheme the Department pays over a lump sum to PCSPS to cover these costs in full following agreement of the departure rather than on an ongoing basis and therefore these transactions are expensed when they occur rather than being recognised as provisions.

The provision recognised for early retirement therefore reflects costs associated with staff who retired before the transition to the new Civil Service Compensation Scheme. The Department provided for these payments in full when the early retirement programme became binding by establishing a provision for the estimated future payments; these have not been discounted. The provision is written off to the Statement of Comprehensive Net Expenditure, as and when the liabilities materialise.

1.13 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the Department discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote but which have been reported to Parliament in accordance with the requirements of *Managing Public Money*.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.14 Operating Leases

Operating lease rentals are charged to the Statement of Comprehensive Net Expenditure in equal amounts over the lease term from the date of occupation. Future payments as disclosed in Note 13 (Commitments under operating leases) are not discounted.

1.15 Provisions

The Department provides for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the HM Treasury's discount rate of minus 1.5 per cent in real terms for short term provisions (applied to cash flows expected to be incurred up to 5 years from the Statement of Financial Position date) and minus 1.05 per cent in real terms for medium term provisions (applied to cash flows expected to be incurred between 5 and 10 years from the Statement of Financial Position date).

Provision is made for the cost of obligations arising under onerous contracts and for the estimated costs of dilapidation repairs. The estimated costs of removing capitalised leasehold improvements are provided and capitalised, such expenditure being amortised over the term of the lease.

1.16 Taxation

The Department is exempt from Income and Corporation Tax by way of its Crown exemption.

Where VAT is recoverable by the Department, amounts are included net of VAT. Irrecoverable VAT is included in operating costs and capital additions. The amount due to or from HM Revenue and Customs in respect of VAT is included within debtors or creditors as appropriate.

Some elements of operating income are subject to and stated net of VAT.

1.17 Third Party Assets

The Department holds various funds on behalf of its clients. These relate to ongoing legal processes. These balances are not recognised in the Statement of Financial Position but are disclosed in Note 18 to these accounts.

2. Statement of operating costs by operating segment

The Department's reportable segments are as follows:

- Treasury Solicitor's Department Agency (TSol)
- Attorney General's Office (AGO)
- HM Crown Prosecution Service Inspectorate (HMCPSI)

Management monitors the operating results of the three entities separately for the purpose of making decisions about resources to be allocated and of assessing performance. Each entity's performance is evaluated against the Voted Funds. The Treasury Solicitor's Department's services are described in the Annual Report.

2014-15	**TSol**	**AGO**	**HMCPSI**	**Eliminations**	**Consolidated**
	£000	**£000**	**£000**	**£000**	**£000**
Income and Expenditure					
Revenues					
Third Party	(171,078)	(516)	(5)	-	(171,599)
Inter-segment	(245)	(30)	-	275	-
Total Revenues	**(171,323)**	**(546)**	**(5)**	**275**	**(171,599)**
Gross Expenditure	172,614	4,845	2,357	-	179,816
Inter-segment	-	-	275	(275)	-
Net Operating Cost	**1,291**	**4,299**	**2,627**	**-**	**8,217**

Income primarily relates to fees and charges for legal services provided during the year to clients from central government departments, agencies and ALBs. Government is treated as a single customer and therefore no further disclosure has been included in respect of revenues from major customers.

2013-14	**TSol**	**AGO**	**HMCPSI**	**Eliminations**	**Consolidated**
	£000	**£000**	**£000**	**£000**	
Income and Expenditure					
Revenues					
Third Party	(135,256)	(441)	(23)	-	(135,720)
Inter-segment	(250)	(30)	–	280	-
Total Revenues	**(135,506)**	**(471)**	**(23)**	**280**	**(135,720)**
Gross Expenditure	132,251	4,632	2,280	-	139,163
Inter-segment	-	-	280	(280)	-
Net Operating Cost	**(3,255)**	**4,161**	**2,537**	**-**	**3,443**

3. Staff Numbers and Related Costs

3.1 Staff costs comprise:

					2014-15	2013-14
		Permanently employed staff	**Others**	**Ministers**	**Total**	**Total**
	Note	**£000**	**£000**	**£000**	**£000**	**£000**
Wages and salaries		78,710	–	175	78,885	57,818
Social security costs		6,689	–	15	6,704	4,951
Other pension costs		16,287	–	1	16,288	11,870
Subtotal		**101,686**	**–**	**191**	**101,877**	**74,639**
Agency and contracted staff		–	11,935	–	11,935	9,097
Inward secondments		–	228	–	228	297
Total		**101,686**	**12,163**	**191**	**114,040**	**84,033**
Less recoveries in respect of outward secondments	6	(1,270)	–	–	(1,270)	(1,190)
Total Net Costs		**100,416**	**12,163**	**191**	**112,770**	**82,843**

No staff costs have been charged to capital.

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

For 2014-15, employers' contributions of £16,184,406 were payable to the PCSPS (2013-14: £11,784,868) at one of four rates in the range of 16.7 to 24.3 per cent of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually 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.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £103,887 (2013-14: £77,359) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent (2013-14: 3 to 12.5 percent) of pensionable pay. Employers also match employee contributions of up to 3% of pensionable pay. In addition, employer contributions of £nil (2013-14: £nil), 0.8 per cent of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting date were £nil. Contributions prepaid at that date were £nil.

Four members of staff retired early on ill health grounds (2013-14: one); the total additional accrued pension liabilities in the year amounted to £nil (2013-14: £nil).

3.2 Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows.

	2014-15				2013-14
				Number	Number
	Total	Permanent Staff	Others	Ministers	Total
TSDA	1,667	1,426	241	–	1,283
AGO	40	38	–	2	42
HMCPSI	31	31	–	-	29
Total	**1,738**	**1,495**	**241**	**2**	**1,354**

No staff costs were capitalised in 2014-15.

3.3 Reporting of civil service and other compensation schemes – exit packages

	2014-15			2013-14		
Exit package cost band	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**
<£10,000	–	–	–	–	1	1
£10,000 – £25,000	–	2	2	–	2	2
£25,000 – £50,000	–	7	7	–	1	1
£50,000 – £100,000	–	8	8	–	–	–
£100,000 – £150,000	–	1	1	–	1	1
£150,000 – £200,000	–	–	–	–	–	–
£200,000 – £250,000	–	–	–	–	–	–
£250,000 – £300,000	–	–	–	–	–	–
Total number of exit packages by type	**–**	**18**	**18**	**–**	**5**	**5**
Total resource cost/£	**–**	**936,644**	**936,644**	**–**	**204,249**	**204,249**

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

4. Other Administration Costs

	Note	2014-15	2013-14
		£000	**£000**
Rentals under operating leases			
Hire of plant and machinery		343	362
Other operating leases		4,510	4,237
		4,853	**4,599**
Non-cash items			
Depreciation	7	1,376	1,273
Amortisation	8	785	676
Impairment	7	18	–
Loss on disposal of non-current assets		5	16
Increase in provisions	12	47	3
Provisions not required written back	12	(55)	(123)
Unwinding of discount	12	(27)	(68)
Auditors' remuneration[1]		88	88
		2,237	**1,865**
Other expenditure			
Accommodation		2,044	2,245
Rates		1,930	1,887
IT maintenance, consumables and network services		1,849	1,384
Library information service		1,604	1,546
Recruitment		1,119	794
Early departure costs		939	204
Travel and subsistence		550	424
Training		511	427
Utilities and cleaning		355	369
Postal services		325	273
Publications		313	292
Stationery		291	276
Records management		289	248
External HR Services		218	131
Office machines and consumables		191	216
Welfare supplies and consumables		176	111
Communications		155	154
Subscription fees		129	107
Professional programme and technical services		127	312
Internal Audit		63	63
Other expenditure		791	578
		13,969	**12,041**
		21,059	**18,505**

* Auditors' remuneration represents the notional audit fees of £88k (2013-14: £88k) for the Departmental Resource Account, and Treasury Solicitor's Department Agency Account. There was no auditor remuneration for non-audit work.

5. Disbursements

	2014-15	2013-14
	£000	£000
Recoverable from clients	42,487	35,052
Funded from Supply	1,216	955
Disbursements recovered from fixed fees	1,014	618
Gross expenditure	**44,717**	**36,625**

6. Income

6.1 Analysis of income by classification and activity

	Note	2014-15	2013-14
		£000	£000
Legal fees and charges to clients		123,008	92,311
Recovery of costs from Bona Vacantia		3,686	3,779
Recovery of secondments out	3.1	1,270	1,190
Rental income		1,042	1,142
Tenant service charges		888	827
LION subscriptions		1,058	1,052
Other income		242	367
Total operating income		**131,194**	**100,668**
Disbursements		40,405	35,052
Total administration income		**171,599**	**135,720**

6.2 Analysis of income from services provided

An analysis of the Treasury Solicitor's Department's income and associated costs is shown below. Charges for the provision of legal services and administration services to Bona Vacantia Division are set to recover full costs in accordance with HM Treasury's guidance on fees and charges set out in *Managing Public Money*. Disbursements are recovered at cost. This analysis is not for IFRS 8 purposes.

			2014-15			2013-14
	Income £000	Full Cost £000	Surplus/ (deficit) £000	Income £000	Full Cost £000	Surplus/ (deficit) £000
Income						
Legal fees and charges to clients	163,413	162,455	958	127,363	122,181	5,182
Recovery of costs from Bona Vacantia	3,686	3,686	–	3,779	3,779	–
Other income	4,224	4,224	–	4,364	4,364	–
Non-chargeable work	–	2,334	(2,334)	–	2,244	(2,244)
Total (TSDA)	**171,323**	**172,699**	**(1,376)**	**135,506**	**132,568**	**2,938**

In accordance with HM Treasury's guidance a notional cost of capital charge £288k is included for setting fees and charges and is also reflected in full cost figures for this analysis. The notional cost of capital is not recognized in the financial statements. The cost of capital charge is calculated at the real rate set by HM Treasury (currently 3.5 per cent) on the average carrying amount of all assets less liabilities, except for cash balances with the Government banking service, where the charge is £nil.

The income and expenditure disclosed relates solely to the Treasury Solicitors Department and excludes the Attorney General's Office and HM Crown Prosecution Service Inspectorate.

7. Property, plant and equipment

	Assets under construction	Leasehold improvements	Information technology and network	Furniture, fittings and equipment	Total
	£000	£000	£000	£000	£000
Cost or Valuation					
At 1 April 2014	**983**	**2,959**	**4,357**	**2,546**	**10,845**
Additions	99	118	1,368	6	1,591
Disposals	–	–	(54)	(21)	(75)
Reclassification	(983)	12	850	121	–
Impairment	–	–	(18)	–	(18)
At 31 March 2015	**99**	**3,089**	**6,503**	**2,652**	**12,343**
Depreciation					
At 1 April 2014	**–**	**1,861**	**3,405**	**1,803**	**7,069**
Charged in year	–	340	753	283	1,376
Disposals	–	–	(52)	(19)	(71)
At 31 March 2015	**–**	**2,201**	**4,106**	**2,067**	**8,374**
Carrying amount at 31 March 2015	**99**	**888**	**2,397**	**585**	**3,969**
Cost or Valuation					
At 1 April 2013	**308**	**2,959**	**5,109**	**2,499**	**10,875**
Additions	983	–	249	77	1,309
Disposals	–	–	(1,309)	(30)	(1,339)
Reclassification	(308)	–	308	–	–
At 31 March 2014	**983**	**2,959**	**4,357**	**2,546**	**10,845**
Depreciation					
At 1 April 2013	**–**	**1,515**	**4,023**	**1,579**	**7,117**
Charged in year	–	346	678	249	1,273
Disposals	–	–	(1,296)	(25)	(1,321)
At 31 March 2014	**–**	**1,861**	**3,405**	**1,803**	**7,069**
Carrying amount at 31 March 2014	**983**	**1,098**	**952**	**743**	**3,776**
Carrying amount at 31 March 2013	**308**	**1,444**	**1,086**	**920**	**3,758**

Reconciliation of cash flows to property, plant and equipment additions

	2014-15	2013-14
	£000	£000
Property, plant and equipment additions	1,591	1,309
Movement in accruals for property, plant and equipment	225	(362)
Cash flows for property, plant and equipment	**1,816**	**947**

All the assets are fully owned.

8. Intangible assets

	Assets under construction	Development IT Software	Software licences	Website costs	Total
	£000	**£000**	**£000**	**£000**	**£000**
Cost or Valuation					
At 1 April 2014	**58**	**4,146**	**1,158**	**590**	**5,952**
Additions	21	–	25	–	46
Disposals	–	(11)	–	–	(11)
Reclassification	(63)	(58)	121	–	–
At 31 March 2015	**16**	**4,077**	**1,304**	**590**	**5,987**
Amortisation					
At 1 April 2014	**–**	**3,678**	**686**	**117**	**4,481**
Charged in year	–	371	296	118	785
Disposals	–	(11)	–	–	(11)
At 31 March 2015	–	**4,038**	**982**	**235**	**5,255**
Carrying amount at 31 March 2015	**16**	**39**	**322**	**355**	**732**
Cost or Valuation					
At 1 April 2013	**642**	**4,247**	**866**	**44**	**5,799**
Additions	116	2	213	–	331
Disposals	–	(134)	–	(44)	(178)
Reclassification	(700)	31	79	590	–
At 31 March 2014	**58**	**4,146**	**1,158**	**590**	**5,952**
Amortisation					
At 1 April 2013	**–**	**3,463**	**484**	**36**	**3,983**
Charged in year	–	349	202	125	676
Disposals	–	(134)	–	(44)	(178)
At 31 March 2014	–	**3,678**	**686**	**117**	**4,481**
Carrying amount at 31 March 2014	**58**	**468**	**472**	**473**	**1,471**
Carrying amount at 31 March 2013	**642**	**784**	**382**	**8**	**1,816**

Reconciliation of cash flows to intangible asset additions

	2014-15	2013-14
	£000	**£000**
Intangible asset additions	46	331
Movement in accruals for intangible assets	2	23
Cash flows for intangible assets	**48**	**354**

All the assets are fully owned.

9. Trade receivables and other current assets

9.1 Analysis by type

	31 March 2015	31 March 2014
	£000	£000
Amounts falling due within one year:		
Unbilled time	6,890	5,213
Unbilled disbursements	10,198	9,731
Trade receivables	8,599	11,108
Deposits and advances	553	370
Other receivables	13	–
Prepayments and accrued income	4,127	3,371
	30,380	**29,793**

9.2 Intra–government balances

	31 March 2015	31 March 2014
	£000	£000
Amounts falling due within one year:		
Balances with other central government bodies	25,985	28,034
Balances with local authorities	–	–
Balances with NHS Trusts	–	–
Balances with public corporations and trading funds	1,484	233
Sub total: intra-government balances	**27,469**	**28,267**
Balances with bodies external to government	2,911	1,526
Subtotal	**30,380**	**29,793**
Amounts falling due after more than one year:		
Balances with bodies external to government	–	–
Total receivables and other current assets	**30,380**	**29,793**

This note provides an analysis of the amounts owed to the Department by different groups of public sector bodies and bodies external to government.

10. Cash and cash equivalents

	2014-15	2013-14
	£000	£000
Balance at 1 April	**628**	**6,251**
Net change in cash and cash equivalents	7,866	(5,623)
Balance at 31 March	**8,494**	**628**

All balances were held with the Government Banking Service.

11. Trade payables and other current liabilities

11.1 Analysis by type

	31 March 2015	31 March 2014
	£000	£000
Amounts falling due within one year:		
VAT	5,011	3,402
Other taxation and social security costs	2,215	1,684
Trade payables	34	56
Other payables	222	472
Accruals	14,835	9,466
Deferred income	314	240
	22,631	**15,320**
Amounts issued from the Consolidated Fund for Supply and not spent at year end	8,494	628
	8,494	**628**
Total payables and other current liabilities	**31,125**	**15,948**

The Department has no creditors falling due after more than one year.

11.2 Intra–government balances

	31 March 2015	31 March 2014
	£000	£000
Amounts falling due within one year:		
Balances with other central government bodies	18,463	6,080
Balances with local authorities	–	–
Balances with NHS Trusts	–	–
Balances with public corporations and trading funds	914	532
Subtotal: intra-government balances	**19,377**	**6,612**
Balances with bodies external to government	11,748	9,336
Total payables and other current liabilities	**31,125**	**15,948**

This note provides an analysis of the amounts owed by the Department to different groups of public sector bodies and bodies external to government (external suppliers).

12. Provisions for liabilities and charges

	Note	Early retirement costs	GPLA closure costs	Leasehold dilapidations	2014-15 Total	2013-14 Total
		£000	£000	£000	£000	£000
Balance at 1 April		**295**	**850**	**2,064**	**3,209**	**3,898**
Provided in the year	4	2	–	45	47	3
Capitalised dilapidations	7	–	–	–	–	–
Provisions not required written back	4	–	(55)	–	(55)	(123)
Unwinding of discount	4	–	(3)	(24)	(27)	(68)
		297	**792**	**2,085**	**3,174**	**3,710**
Provisions utilised in the year						
Costs		(110)	(557)	–	(667)	(773)
Income		-	228	–	228	272
		(110)	**(329)**	**–**	**(439)**	**(501)**
Balance at 31 March		**187**	**463**	**2,085**	**2,735**	**3,209**

Analysis of expected timing of discounted cash flows

	Early retirement costs	GPLA closure costs	Leasehold dilapidations	2014-15 Total	2013-14 Total
	£000	£000	£000	£000	£000
Not later than one year	114	463	699	1,276	442
Later than one year and not later than five years	73	–	1,386	1,459	1,628
Later than five years	–	–	–	–	1,139
	187	**463**	**2,085**	**2,735**	**3,209**

Explanatory Notes

12.1 Provision for early retirement and pension commitments

The provision recognised for early retirement reflects costs associated with staff who retired before the transition to the new Civil Service Compensation Scheme. The Department provided for these payments in full when the early retirement programme became binding by establishing a provision for the estimated future payments; these have not been discounted. The provision is written off to the Statement of Comprehensive Net Expenditure, as and when the liabilities materialise.

12.2 Provision for GPLA closure costs

The Government Property Lawyers Agency (GPLA) closed with effect from September 1999. At that time, a provision was made for the costs of closure.

In 2000, the remaining assets and liabilities of the GPLA were amalgamated with the assets and liabilities of Treasury Solicitor’s Department. The balance of the provision is for the ongoing lease costs of the building that GPLA occupied. The GPLA signed a 25-year fixed term lease on the building, which covered the period up to 25 March 2016. The offices have been sublet to a number of government bodies for a proportion of the lease term at current market rents. Provision has been made in respect of this onerous contract as allowed under IAS 37, for the unoccupied areas of the building or where an under lease term expires prior to the over lease end-date.

This provision is calculated by reference to the estimated risk-adjusted net cash flows, discounted for the effect of the time value of money, using the Treasury discount rate of minus 1.5 per cent in real terms (2013-14: minus 1.9 per cent).

12.3 Provision for Dilapidations

A provision has been made for dilapidations obligations under the Department's leases. These obligations are to remove the leasehold improvements and return the properties at the end of the leases to their original state. The estimated costs of removing capitalised leasehold improvements are provided and capitalised, such expenditure being amortised over the term of the lease. The valuation of the liability falls within typical industry ranges for dilapidations settlements of £5 to £20 per square foot. If the provision were to be increased to the top end of this range, the liability would increase by approximately £1.1m. If the provision were to be decreased to the lower end of this range, the liability would fall by approximately £1.3m. The provision is subject to an annual review to consider whether its valuation remains appropriate.

This provision is calculated by reference to the estimated risk-adjusted net cash flows, discounted for the effect of the time value of money, using the Treasury discount rate of minus 1.5 per cent in real terms for cash flows occurring within 5 years and minus 1.05 per cent in real terms for cash flows occurring between five and ten years of the reporting date (2013-14: minus 1.9 per cent and minus 0.65 per cent).

13. Commitments under operating leases

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

	2014-15		2013-14	
	Buildings	**Other**	**Buildings**	**Other**
	£000	**£000**	**£000**	**£000**
Obligations under operating leases for the following periods comprise:				
Not later than one year	4,844	268	4,844	387
Later than one year and not later than five years	14,784	71	16,808	244
Later than five years	22	4	2,833	4
	19,650	**343**	**24,485**	**635**

13.2 Total future minimum sublease payments expected to be received under non-cancellable subleases are given for each of the following periods.

	2014-15		2013-14	
	Buildings	**Other**	**Buildings**	**Other**
	£000	**£000**	**£000**	**£000**
Payments expected to be received under subleases for the following periods comprise:				
Not later than one year	1,160	–	1,150	–
Later than one year and not later than five years	3,010	–	3,404	–
Later than five years	–	–	417	–
	4,170	**–**	**4,971**	**–**

14. Financial Instruments

As the cash requirements of the Department are primarily met from income from clients (other government departments) and a limited amount through the Estimates process, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts to buy in non-financial items in line with the Department's expected purchase and usage requirements and the Department is therefore exposed to little credit, liquidity or market risk.

15. Contingent liabilities

15.1 Contingent liabilities disclosed under IAS 37
There were no contingent liabilities as at 31 March 2015 (31 March 2014: £nil).

15.2 Contingent liabilities not required to be disclosed under IAS 37 but included for parliamentary reporting and accountability purposes
The Department has not entered into quantifiable or unquantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort as at 31 March 2015 (31 March 2014: £nil).

16. Losses and special payments

Managing Public Money requires a statement showing losses and special payments by value and by type to be shown where they exceed £300k in total, and those individually that exceed £300k.

There are no significant losses and special payments that need to be reported in accordance with *Managing Public Money*.

17. Related party transactions

The Department, through its Agency, has had a significant number of material transactions with other government departments and public agencies since the nature of the Agency's business is to provide legal services to central government. The Treasury Solicitor, by virtue of the Treasury Solicitor Act 1876, is also the Crown's Nominee (see Annual Report).

The Crown Prosecution Service (CPS) provides IT and hardware and network support services to the HM Crown Prosecution Service Inspectorate (HMCPSI). The services are provided in order for HMCPSI to fulfill its monitoring role in relation to the CPS. The services are provided to HMCPSI free of charge in accordance with a protocol signed on 10 and 11 April 2003.

None of the board members, key managerial staff or other related parties has undertaken any material transactions with the Treasury Solicitor's Department during the year.

Board members' remuneration is disclosed in the Remuneration Report.

18. Third party assets: client monies

Funds are required in advance from clients to enable settlement of awards for damages and contributions toward the cost of court proceedings. The Department places these funds on deposit until the final costs of a case have been calculated and settled. These are not departmental assets, these are accounted for as funds held on behalf of third parties and as a consequence do not appear in the these accounts. As at 31 March 2015, these amounted in total to £6,394k (31 March 2014: £7,542k). An analysis of the movements on these accounts is shown in the table below:

	2014-15	2013-14
	£000	£000
Opening balance at 1 April	**7,542**	**7,210**
Gross inflows	75,180	92,457
Gross outflows	(76,328)	(92,125)
Closing balance at 31 March	**6,394**	**7,542**

These balances are held with the Government Banking Service.

19. Entities within the departmental boundary

The entities within the boundary during 2014-15 were as follows:

Supply-financed agencies:
Treasury Solicitor's Department Agency (TSol)

Non-Executive Non-Departmental Public Bodies
None

Other entities:
Attorney General's Office (AGO)

HM Crown Prosecution Service Inspectorate (HMCPSI)

The annual report and accounts of the Treasury Solicitor's Department Agency are published separately.

20. Impending application of newly issued accounting standards not yet effective

The Department has reviewed the IFRSs in issue but not yet effective, to determine if it needs to make any disclosures in respect of those new IFRSs that are or will be applicable. References to 'new IFRSs' includes new Interpretations and any new amendments to IFRSs and Interpretations. It has been determined that the new IFRSs will have no significant impact on the Department's financial statements.

21. Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General. There are none to report.

ISBN 978-1-4741-2031-9