



Government
Legal Department

Government Legal Department Annual Report and Accounts 2019-20

HC 310

Government Legal Department

Annual Report and Accounts 2019-20

For the year ended 31 March 2020

Accounts presented to the House of Commons pursuant to section 7 of the Government Resources and Accounts Act 2000

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

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Preface

About this Annual Report and Accounts

This document integrates performance and financial data to help readers gain a better understanding of the work of the Government Legal Department (GLD). It covers the activities of the GLD from 1 April 2019 to 31 March 2020 and is split into three main sections:

The **Performance Report** includes a summary of progress achieved in 2019-20 in delivering our key priorities and meeting key performance measures (the Overview) followed by a fuller review of the achievement of our strategic outcomes and key priorities (the Performance Analysis).

The **Accountability Report** is further split into three sub sections and includes:

- a **Corporate Governance Report**, which includes the Directors' Report, the Statement of Accounting Officer's responsibilities and a Governance Statement;
- a **Remuneration and Staff Report**, which includes pay and benefits received by executive and non-executive Board members and details of staff numbers and costs; and
- a **Parliamentary Accountability and Audit Report**, which includes a copy of the Audit Certificate and Report made to the House of Commons by the Comptroller and Auditor General setting out his opinion on the financial statements and other information in the annual report.

The **Financial Statements** show GLD's income and expenditure for the financial year, the financial position of GLD as at 31 March 2020, and additional information designed to help readers understand these results.

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Chief Executive's Report



I am pleased to share the Government Legal Department's Annual Report and Accounts for 2019-20. As we reflect on our achievements over a successful and exceptionally challenging year, our core purpose remains as vitally important as ever - to help the government govern well, within the rule of law.

Our legal work spans the breadth of issues happening across the UK and global agenda, from supporting the government in the UK's exit from the EU, helping the UK to become the first major economy to legislate for net zero greenhouse gas emissions, to most recently working tirelessly to support the government in dealing with the Covid-19 pandemic. These and other high profile cases are highlighted in this report and showcase our unique ability to work collaboratively across GLD to respond quickly to major issues and changing priorities.

We achieved our performance measures, as agreed with HM Treasury, which reflect our continued commitment to high professional standards and providing an excellent service to clients. In our annual client satisfaction survey, 96% rated our services 'good' or 'excellent'. Furthermore, our litigators across Litigation, Employment and Commercial Law Groups again successfully met the Lexcel standard, with an improved performance on last year. We also recovered the full operating cost of chargeable services to our clients. In addition this year we successfully moved over 1300 GLD

colleagues across London to our new head office in 102 Petty France. This major move took place with minimal disruption to our services, and we are already seeing the benefits of being closer to our main London client departments and the GLD teams which are co-located with them.

As part of a review of GLD governance structures, we introduced a Shadow Board, a group of 12 members of staff representing each of the directorates and expert services within GLD, in addition to representation from the diversity networks, to inform Board discussions and include a wider range of views on strategic decision making.

As Civil Service Health and Wellbeing Champion, I have kept wellbeing issues, particularly mental health, high up the agenda with the launch of our 2019-20 Health and Wellbeing Action Plan and guidance for managers. In October, we published our first departmental voluntary report on disability, mental health and wellbeing on GOV.UK, highlighting the progress we have made following the launch of our Diversity and Inclusion Strategy 2019-22, which set out how we intend to deliver on our ambition of being recognised as a leading employer in relation to diversity, inclusion and wellbeing. A key element of this is our SCS representation targets for BAME (12%) and disabled (10%) employees, which we have achieved. This will remain a key strategic priority for the coming year.

Our diversity networks in GLD remain as engaged as ever and, in part through their hard work and constructive challenge, we are proud to have been recognised for our inclusive culture and were ranked 78th in Stonewall's Top 100 Employers in 2020.

As the financial year came to an end, we faced the unprecedented challenge of responding to the Covid-19 pandemic. I am pleased to say that all parts of the department have responded in an exemplary manner. Our corporate services teams have worked quickly to facilitate remote working for the vast majority of our people, such that we have been able to provide the intense legal support necessary for the government's response to the pandemic, as well as for its other domestic and international priorities.

As we head into our fifth anniversary year - which is already shaping up to present us with even more new and exceptional challenges - I could not be more proud of all our staff and everything they have achieved throughout the last year.



Sir Jonathan Jones KCB QC (Hon)
Treasury Solicitor



Performance Report

Performance Report

Performance Overview

Who we are

The Government Legal Department (GLD) is a non-ministerial government department and executive agency providing legal services to the majority of government departments and other publicly funded bodies in England and Wales.

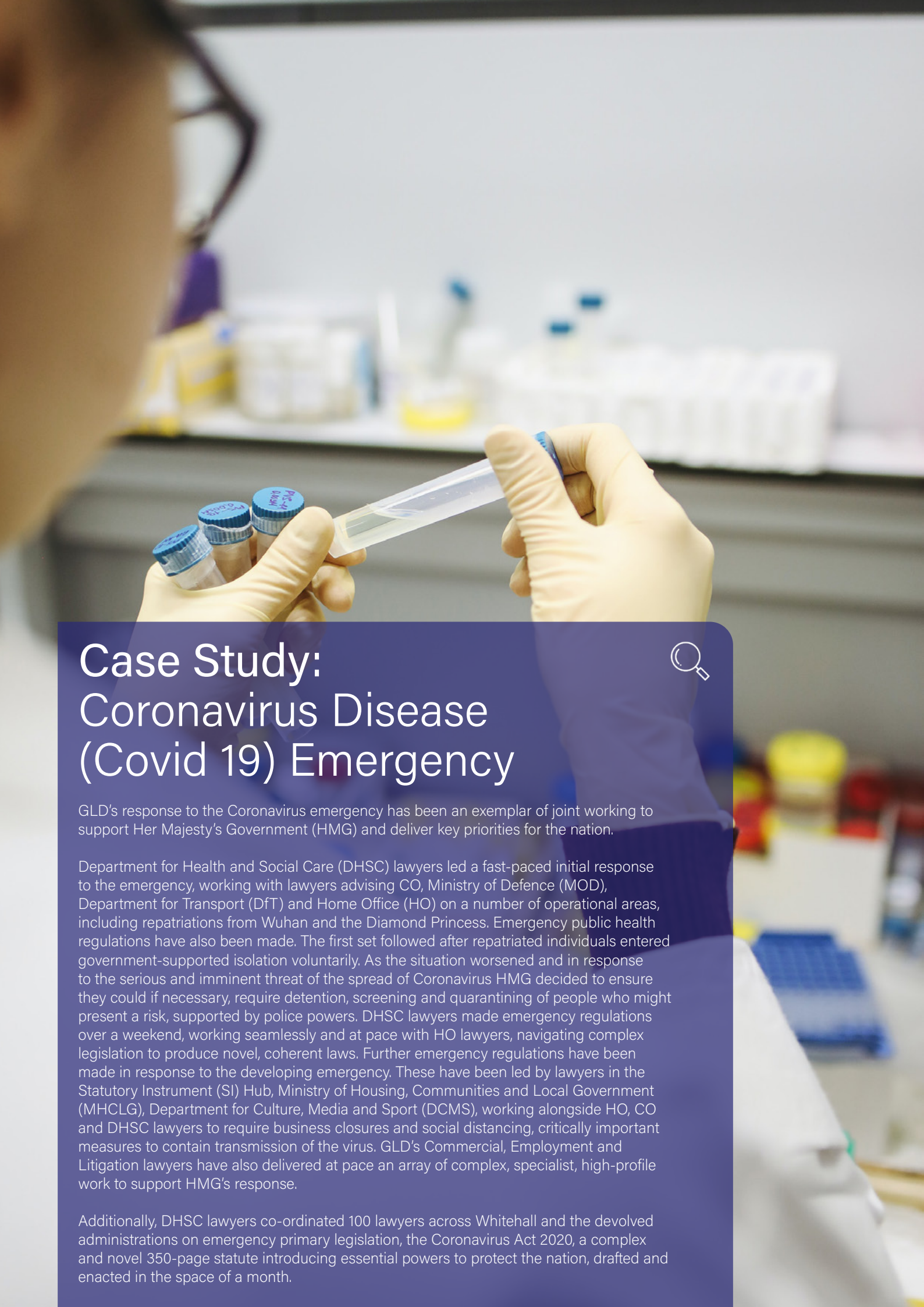
We are currently one of the largest legal organisations in the country, with around 2,800 staff, of whom the majority (c 2,050) are lawyers and paralegals based in more than 20 locations.

Our responsibilities include:

- legal support for the UK's withdrawal from the European Union
- advising ministers and policymakers on domestic, public and private law, trade policy, international law and human rights
- providing litigation services to government departments and public bodies, covering public and private law issues
- drafting statutory instruments and other subordinate legislation
- preparing instructions for bills to be drafted by Parliamentary Counsel and advising ministers and policymakers during the passage of bills through Parliament
- providing legal services to support public inquiries
- advising the Cabinet Office (CO) and Her Majesty's Treasury on cross Civil Service wide employment issues and policies, as well as dealing with individual employment issues, including in the Employment Tribunal
- supporting complex government procurement transactions and dispute resolution
- collecting, managing and disposing of bona vacantia (ownerless personal and corporate property and other assets) on behalf of the Crown's Nominee
- the Government Legal Secretariat supports the Treasury Solicitor in his role as the professional Head of the Government Legal Profession

GLD also provides support to the Attorney General's Office (AGO), which provides legal and policy advice to the Attorney General and the Solicitor General (the Law Officers), and HM Crown Prosecution Service Inspectorate (HMCPSI), the independent inspectorate of the Crown Prosecution Service.

The financial statements at pages 61 to 64 relate to activity carried out by the GLD in the year 2019-20 and are prepared under a direction issued by HM Treasury (HMT), in accordance with Section 7(2) of the Government Resources and Accounts Act 2000.



Case Study: Coronavirus Disease (Covid 19) Emergency



GLD's response to the Coronavirus emergency has been an exemplar of joint working to support Her Majesty's Government (HMG) and deliver key priorities for the nation.

Department for Health and Social Care (DHSC) lawyers led a fast-paced initial response to the emergency, working with lawyers advising CO, Ministry of Defence (MOD), Department for Transport (DfT) and Home Office (HO) on a number of operational areas, including repatriations from Wuhan and the Diamond Princess. Emergency public health regulations have also been made. The first set followed after repatriated individuals entered government-supported isolation voluntarily. As the situation worsened and in response to the serious and imminent threat of the spread of Coronavirus HMG decided to ensure they could if necessary, require detention, screening and quarantining of people who might present a risk, supported by police powers. DHSC lawyers made emergency regulations over a weekend, working seamlessly and at pace with HO lawyers, navigating complex legislation to produce novel, coherent laws. Further emergency regulations have been made in response to the developing emergency. These have been led by lawyers in the Statutory Instrument (SI) Hub, Ministry of Housing, Communities and Local Government (MHCLG), Department for Culture, Media and Sport (DCMS), working alongside HO, CO and DHSC lawyers to require business closures and social distancing, critically important measures to contain transmission of the virus. GLD's Commercial, Employment and Litigation lawyers have also delivered at pace an array of complex, specialist, high-profile work to support HMG's response.

Additionally, DHSC lawyers co-ordinated 100 lawyers across Whitehall and the devolved administrations on emergency primary legislation, the Coronavirus Act 2020, a complex and novel 350-page statute introducing essential powers to protect the nation, drafted and enacted in the space of a month.

Core Purpose and Vision

We help the government to govern well, within the rule of law.

Our vision is to be:

- An outstanding legal organisation, committed to the highest standards of service and professionalism
- A brilliant place to work, where we can all thrive and fulfil our potential

Achieving this vision means:

- Everyone, whatever their role, taking pride in what we do and performing to the highest possible standards
- Demonstrating and building on our unique range of legal knowledge, expertise and understanding of government
- Delivering value for money legal services to clients
- Working together to achieve the best results
- Investing in the high-quality skills, tools and infrastructure we need
- Continually seeking opportunities to improve and innovate, including through new technology and smarter ways of working

For our people in particular it also means:

- Giving clear leadership and direction, continually developing the skills of leadership and management across the organisation
- Providing unrivalled opportunities for interesting, varied, high-quality, challenging work and careers in a professional environment
- Being an inclusive, engaging and motivating employer, valuing the diversity of our people, the range of talent and experience they bring
- Listening to our people and giving everyone the opportunity to challenge and contribute their ideas
- Ensuring our people are fairly rewarded for the work they do
- Proudly celebrating and rewarding our successes and achievements



Case Study: Passage through Parliament of the EU (Withdrawal Agreement) Act 2020

GLD lawyers worked intensively on the European Union (Withdrawal Agreement) Act 2020, which implements in UK law the Withdrawal Agreement between the UK and the EU, and paved the way for the UK to leave the EU on 31 January 2020. The Act gives effect to provisions in the agreement such as those concerning the transition period, citizens' rights, the financial settlement and the Protocol on Ireland/Northern Ireland.

This was a constitutionally significant piece of legislation, that had to come into force in time to allow the UK to leave the EU in an orderly fashion. An initial version of the Bill was published on 21 October 2019, and a new version was introduced in the House of Commons on 19 December 2019, a week after the General Election. The Bill, which ran to 108 pages, went through all of its Parliamentary stages between 19 December 2019 and 22 January 2020, over 12 sitting days.

Legal support for the Bill was led by a team of 13 GLD lawyers in Department for Exiting the EU (DExEU) legal advisers, working closely with Parliamentary Counsel and officials in DExEU. They were supported by GLD lawyers from across government, including HO, Ministry of Justice (MOJ), HMT, Department for Business, Innovation and Skills (BEIS), Department for Environment, Farming and Rural Affairs (Defra), Department for Work and Pensions (DWP), DHSC and Northern Ireland Office (NIO), as well as Her Majesty's Revenue and Customs (HMRC) and Foreign and Commonwealth Office (FCO). The Bill contains complex provisions which required careful and detailed legal analysis. By working closely together, and taking full advantage of technology to facilitate collaboration, GLD lawyers played a central part in enabling the Act to pass through Parliament smoothly.



Our Strategy

Our five year GLD strategy for the period 2019-2024 describes how we will achieve **our purpose** - to help the government to govern well, within the rule of law, and how we intend to attain **our vision** - of being an outstanding legal organisation, committed to the highest standards of service and professionalism, and a brilliant place to work, where we can all thrive and fulfil our potential.

At the centre of our work are those areas where GLD provides a unique perspective and expertise – because of our trusted role at the heart of government, our strategic insights, and our strong relationships with clients, based on a shared perspective, as civil servants, to support the government of the day. Our people are our most important assets, as the environment around us changes we need to meet the resourcing challenge, adapt and build capacity and capability, valuing talent and experience across the organisation, including through pay progression. We will have defined career pathways and varied opportunities for all, with transparent succession planning and a strong employee experience to support development, attraction, wellbeing and retention.

To ensure we meet the increasing demand for high quality and value for money legal services across government, we will work in partnership with the private sector, identifying access to valuable areas of expertise. We have put in place three frameworks for general legal services, finance and complex work, and rail franchising. During the period covered by this strategy, we will refresh these frameworks and put in place a new framework on Trade Law, to meet the need for specialist advice following our exit from the EU.

How will we attain our vision? By achieving our Strategic Outcomes:

- **Leadership** - improve our leadership at all levels by developing and embedding a leadership framework with clear standards linked to progression and retention, with a shared expectation, confidence and accountability.
- **Be recognised** - across the Civil Service, and externally, as a leading employer in relation to diversity and inclusion and wellbeing.
- **Improved offer** - put in place an improved offer to attract, retain, reward and develop the talented people we need to be an outstanding organisation.
- **Connected** - increase our numbers outside London whilst operating as a fully integrated department, connected across our many sites within and outside London and exploiting the opportunities technology provides to enhance the working experience of our staff and the quality of our service for clients.
- **Capability** - enhance the capability and capacity of our staff through the operation of a fully integrated digital Knowledge Management system accessible to all throughout GLD, an enhanced training offer through the use of digital delivery platforms alongside traditional techniques and the further development of GLD Digital.
- **Professionalise** - and modernise all aspects of our service, both corporate and legal services, using a 'fail fast/learn quickly' approach to encourage innovation.

Elements of this we will achieve quickly, whilst some may take the full lifecycle of the strategy. Alongside this, success will only be possible with investment in our individual and collective leadership capability, at all levels of the organisation, visibly demonstrating the Civil Service Leadership Statement and our departmental values.

What we do

Our principal activities are delivered as follows:

Advisory Divisions provide legal advice to ministers and officials of all central government departments, other than the Foreign and Commonwealth Office and HM Revenue and Customs, and to a number of smaller departments, agencies and public bodies in England and Wales.

Litigation Group provides civil litigation services to government departments, agencies and a number of other publicly funded bodies. It is one of the largest practices of its kind in the country. Among its major areas of work are: administrative law; immigration; personal injury; planning; and charity matters. The Group also plays a major role in supporting public inquiries. Its work often raises questions of constitutional importance. It instructs private-sector barristers and solicitors to undertake work on cases where this approach represents good value for public funds and is appropriate to do so.

Employment Group is one of the largest employment law practices in the country. It handles all the government's employment litigation and the vast majority of its employment advisory work. The Group undertakes 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 Unit on major cross Civil Service employment issues of the day.

Commercial Law Group is a specialist commercial litigation and dispute resolution team and it also supports individual departments in their commercial arrangements. Its lawyers are involved in some of the most high profile, complex and far-reaching commercial issues in government.

The Finance and Operations, and Strategy, People and Culture Divisions are responsible for developing the department's strategy and plans and leading and co-ordinating programmes of activity across the department to deliver cost effective legal and support services that address the needs of our clients and staff. This includes the provision of corporate services covering governance and strategy, communications and engagement, finance, planning and performance, human resources, procurement, facilities management, security, information and communications technology (ICT), business assurance and resilience, and library and records management services.

Bona Vacantia Division, on behalf of the Crown's Nominee 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 Secretariat advises and supports the Treasury Solicitor in his role as professional Head of the Government Legal Profession and works with government departments to ensure lawyers of the right quality and experience are recruited, retained and developed. It also liaises with the Law Society and Bar Council on matters affecting the legal profession.

The Knowledge and Innovation Division lead on developing the department's first integrated Legal Knowledge, Capability and Innovation Strategy, working with legal divisions to professionalise legal knowledge and learning activity and to develop innovative and flexible approaches to meeting client needs.

How we are funded

We are funded almost entirely through the fees we charge clients for legal services. Approval to make capital investment and spend the income generated each year is obtained through the Parliamentary Supply process and allocated in the HM Procurator General and Treasury Solicitor Main Estimate (available on the HMT website: www.gov.uk/government/organisations/hm-treasury).

The table below provides a more detailed analysis of how we fund our work. As agreed with HMT, we do not seek to make a surplus, although accidental surpluses may arise. The charging regime for 2019-20 reflects the mutual relationship we have with our clients.

Group/Divison	Funding
Advisory	Fixed fees. A small proportion of work is charged at hourly rates
Litigation	Primarily hourly rates to client departments. A small proportion of general public interest work is funded from the Parliamentary Estimate
Employment	A mix of fixed fees and hourly rates, depending on the nature of the work
Commercial	A mix of fixed fees and hourly rates, depending on the nature of the work
Bona Vacantia	Costs are funded from the proceeds of bona vacantia
Corporate Services*	Recovered by the charges for our legal service to our clients

*Corporate Services includes Finance and Operations, Strategy, People and Culture, the Knowledge and Innovation Division and the Government Legal Services Secretariat.

Risk Management

In carrying out its activities, GLD is exposed to a number of risks. GLD has a risk management framework in place to ensure that all significant risks to the delivery of legal services to our clients and the achievement of our strategic outcomes and key priorities are identified. Further information on our specific risks and our risk management is included in the Governance Statement from page 40.

Case Study: Legislating for net zero greenhouse gas emissions



In summer 2019, the UK became the first major economy to legislate for net zero greenhouse gas emissions.

GLD lawyers in BEIS were at the centre of this, demonstrating that some of the biggest changes can be achieved with the briefest legislation – it took just four words in article 2 of the Climate Change Act 2008 (2050 Target Amendment) Order 2019 for the UK to commit to a 100% reduction in greenhouse gas emissions compared to 1990, replacing the existing 80% reduction enacted in the Climate Change Act 2008. As well as drafting the Order, we supported BEIS in taking the Order through Parliament and in consulting with the Committee on Climate Change and devolved administrations before the Order was laid before Parliament for debate and approval.



Performance Measures

Our performance measures reflect our continued commitment to high professional standards as well as delivering client satisfaction, whilst recovering our operating costs in full by the year end.

Client Satisfaction

To improve our client satisfaction rating(s)

To improve our client satisfaction rating(s)	2019-20	2018-19
% Good or Excellent	96%	96%
Average score (Excellent: 10, Good: 5, Acceptable: 0, Poor: -5, Unacceptable: -10)	7.85	7.50

Our aim is to improve our ratings in our annual survey of client satisfaction. Overall we achieved a 5% improvement in our average score and a marginal improvement in the % Good or Excellent. Given the challenging operational context over the past year, improving our ratings, with 96% Good or Excellent, is a positive outcome, and testament to the hard work and professionalism of our staff. Our clients rated us highly for the quality of our individual relationships with them, however, as in previous years the two areas where the results suggest we could do more are: keeping our clients informed of progress, and understanding their business/policy environment. These results have fed into our Client Care Plan for 2020-21, the objectives of which are to strengthen client relationships, improve client capability and share best practice in client care.

Lexcel

Lexcel is the Law Society's legal practice quality mark for practice management and client care.

To maintain Lexcel accreditation

2019-20	Achieved
2018-19	Achieved

Our litigators across Litigation, Employment and Commercial Law Groups again successfully met the Lexcel standard, with an improved performance on last year. We met the standard with no areas of non-compliance and demonstrated 39 areas of best practice. We remain a Centre of Excellence.

Recovery of operating costs

To recover from clients the full operating cost of chargeable services

2019-20	Achieved
2018-19	Achieved

We are primarily funded from the fees charged to clients for our legal services. Our fee rates are set in accordance with HMT publication - Managing Public Money - and are designed to recover the costs incurred by the organisation. Performance is monitored throughout the year, and on a quarterly basis, we undertake a formal exercise to forecast the financial outturn for the year. Our commitment to our clients is to ensure that they benefit promptly from better than budgeted financial performance; if this forecasting exercise predicts a significant surplus, we evaluate the underlying reasons and assess whether a fee reduction or rebate should be made in-year. This year, we did not forecast a significant surplus and therefore the Board decided not to alter fees charged to clients.

Delivery of our Key Priorities

Key priority	Progress	Commentary
Support the government's EU Exit strategy by ensuring departments have ready access to high quality legal advice and support.	Achieved	Legal support was effectively provided to all aspects of EU Exit work, including the latter stages of the negotiations, the legislative programme to support the Deal, agreeing a range of new international agreements to replace EU ones and the considerable No Deal planning (which included hundreds of Statutory instruments). Coordination mechanisms were effective and valuable. The EU taskforce provided invaluable resource support on No Deal work. Comprehensive training and guidance was provided on legal issues connected with EU Exit by (amongst others) DExEU legal advisers and the SI Hub.
Successfully relocate our head office whilst maintaining delivery of a high quality legal service.	Achieved	The move to 102 Petty France was completed successfully and we exited One Kemble Street by 24 December 2019. A new Conference and Training Suite was also commissioned at 27 Queen Anne's Gate.
Reform and improve the pay offer for our people.	Subject to approval	<p>Following a period of negotiation and clarification, a final business case for market facing pay and in-grade pay progression for lawyers, and an improved pay offer for other professionals and support staff, was submitted in December 2019 to Cabinet Office and HM Treasury for approval.</p> <p>In the meantime, work to prepare for implementation has been carried out including workshops with Directors and Deputy Directors, work on associated changes to terms and conditions, engagement with the Trades Unions and scoping of the HR system and payroll amendments that will be required should approval be given.</p>
Develop and publish a strategy that will lead to an increased presence outside London.	Delayed	<p>The development of the strategy has not progressed as planned.</p> <p>Delays have been encountered in making decisions and directing the work necessary to complete the strategy, including additional engagement and research.</p> <p>The deferral of SR20 has eased the impact and timing of these delays.</p>
Plan and begin to implement the next phase of our client legal self-service offering, building on the launch of our initial gld.digital client facing platform.	Achieved	At the end of 2019, we transitioned our initial client facing online platform gld.digital to 'business as usual'. Promotion and content development are ongoing, with new state aid and insolvency resources launched in early 2020, alongside new legal awareness training courses for clients. We are beginning the next phase of our client-facing development planning.

Key priority	Progress	Commentary
Roll-out a new leadership framework, engaging all staff	Achieved	<p>A new leadership behaviours framework - Leadership The GLD Way - was agreed by the Board in May 2019. This defines the behaviours expected of leaders in GLD. It was developed with our staff and aligns to the Civil Service Leadership Statement. It has been cascaded to all teams in GLD.</p> <p>We have seen a positive measureable impact in the 2019 People Survey results, with a five percentage point increase in the Leadership and Managing Change theme.</p> <p>However, further work is required to increase the pace of transformative change and a more multi-faceted programme focussing on transformational leadership (where leaders practise skills, learn from things that go well and less well, develop insights into their behaviour and change their practice as a result) will be put in place to build the confidence and accountability set out in our strategy. This will be taken forward in the next financial year.</p>
Finalise our online legal knowledge development roadmap, building on the cross-team knowledge system (eKM) pilot.	Partially achieved	<p>We successfully piloted our eKM knowledge system in Summer 2019. Development of the initial production system is at an advanced stage, in preparation for a planned roll-out when relevant ICT and legal colleagues return to Business As Usual (BAU) working in late Spring/early Summer. Work on our online legal development roadmap is continuing in parallel with the development of our broader GLD digital and technology strategy.</p>
To meet our targets for Senior Civil Service (SCS) representation for Black and Minority Ethnic (BAME) (12%) and disabled (10%) staff and to ensure our panels for SCS appointments include BAME or disabled individuals.	Partially achieved	<p>Our Diversity and Inclusion Strategy includes targets we set ourselves for representation at SCS for ethnic minority staff (12%) and disabled people (10%). We have made some progress towards our target for SCS representation of ethnic minority staff, but still have some progress to make regarding the target for staff with disabilities. We will be considering the actions we need to take in the second year of the Strategy to further increase the levels of representation in our SCS. Our 2019 People Survey results show that our score for 'Inclusion and Fair Treatment' is up one percentage point from last year to 83%, making GLD one of the Civil Service High Performers in this area. In addition we also took part in the Civil Service Inclusion Diagnostic tool and headline results showed that GLD scored a higher than average score (3.67/5) overall compared to the rest of the Civil Service score (3.5/5). Diverse panels for SCS appointments have been introduced and a new Talent and Succession Framework is in place.</p>

Case Study: Northern Ireland Executive - same sex marriage and extensions of social policy



The Northern Ireland (Executive Formation) Bill was introduced in July 2019 to extend the period for forming the Northern Ireland Executive. However, amendments were tabled to the Bill requiring three new measures in Northern Ireland: same sex marriage, a payment scheme for victims of Troubles-related violence and a new abortion regime, all to punishing statutory deadlines.

GLD lawyers had only a few days to finalise workable clauses on these highly sensitive social policy areas as the parliamentary passage of the Bill was fast tracked. During those few days, Government Equalities Office (GEO), DHSC and NIO lawyers collaborated with colleagues from the Office of Parliamentary Counsel (OPC) to ensure the provisions conferred the necessary legal powers for these very complex regimes.

What then followed was an extraordinary period of intensive cross-GLD work to ensure that the statutory deadlines for introducing the new regimes were met. All three areas are devolved in Northern Ireland so not all involved were familiar with the law or policy landscape. The GLD teams quickly built strong relationships with the Northern Ireland Civil Service and the Office of Legislative Counsel, and drew on generous drafting help from colleagues in OPC. Department for Education (DfE) and Defra legal advisers also leant in providing additional resource.

Despite the significant challenges, all three measures were delivered on time. The Victims Payments Regulations were made on 31 January, and the first same sex marriages in Northern Ireland took place in time for Valentine's Day. The Abortion Regulations were made before their 31 March 2020 deadline.



Financial Performance

Income

Total operating income (excluding disbursement income) for the year was £216.7m (2018-19: £195.6m), an increase of 11%. Our income from legal fees and charges to clients increased this year to reflect demand for our services including additional income from advice related to EU Exit and Inquiries work. Our other income includes income from subletting accommodation at One Kemble Street, income from secondments out, subscriptions for the Legal Information Online Network (LION) and the recovery of the costs of Bona Vacantia from the Crown's Nominee Account.

Expenditure

Our administration costs (excluding disbursements) this year were £217.3m (2018-19: £183.9m), an increase of 18%. Staff costs represent 85% of non-disbursement expenditure and have increased in line with the increased demand for our legal services. The ratio of staff costs to legal fees and charges income is 89%. Staff numbers have increased by 7% and delegated staff received an average pay award of 2%. We continue to employ agency and contract staff where there is a need for specialist skills, such as within ICT, where for practical business reasons the Board has agreed there should be a mixed economy of permanent and contract staff to provide some flexibility to cope with changes in demand. We also employ agency staff in lieu of recruitment, to support our resourcing where we have not been able to attract as many permanent staff as required to deliver our work. Spend this year was £20.7m (2018-19: £18.1m). Agency and contract staff accounted for 13% of average staff count for the year (2018-19: 15%). We have undertaken several external recruitment campaigns with the aim of reducing our reliance on agency staff and are looking at our attraction and retention strategy, which is challenging where the salary offered is less attractive than other government departments and public sector bodies.

Non-staff costs (excluding operational disbursements) have increased by £11.8m to £32.5m (2018-19: £20.7m). £2.9m of the increase relates to non-cash costs mainly due to changes in provisions and depreciation charges. A further £7.3m is accounted for by the department's move to a new head office in 2019-20 in line with the government's property strategy.

During 2019-20 the department incurred some one-off costs associated with the move, there was a lease overlap leading to dual running costs and the ongoing costs of the new premises are higher. These additional costs were supported by vote funding from HMT during 2019-20. The remainder of the increase in non-pay costs mainly relates to investment in higher ICT infrastructure costs.

Expenditure on legal disbursements varies from year to year depending on the number, type and complexity of cases. The majority of this expenditure is passed on directly to clients. We have simplified our VAT treatment for disbursements so that we recover and charge on VAT rather than passing disbursements through on a gross basis to clients which explains the reduction in the reported amount.

Operating Cost

The net operating cost for the year was £4.3m (2018-19 net operating income of £71m). The main reason for there being a net operating cost in 2019-20 is the additional cost of the head office move which was funded from the vote. Otherwise, the outturn would have been net operating income of £0.4m, after a contribution to capital of £2.6m.

Capital Expenditure

Net capital investment was £5m. In addition to the annual cycle of replenishing furniture, fittings and ICT equipment, the main investment this year has been in fitting out and furnishing our new head office building at 102 Petty France.

Financial Position

The capital employed is £13.7m at 31 March 2020 comprising total assets of £51.6m (non-current assets of £9.3m, trade and other receivables of £36.6m, and cash of £5.7m); and current and non-current liabilities of £37.9m (trade and other payables and provisions). Further details are in the Notes to the Accounts. Cash flow and debtors are both closely monitored throughout the year to ensure that we have sufficient cash to meet our liabilities and pay our creditors promptly; we rely on receipts from our clients for the bulk of our cash flow. We ended the year with cash of £5.7m (2018-19: £9.5m) and a trade receivables balance of £19.6m (2018-19: £15.5m).

Case Study: Reform of the probation services



In 2014 contracts were awarded to Community Rehabilitation Companies (CRCs) to manage aspects of the probation service across 21 regions in England and Wales. Following a policy review and public consultation, in May 2019 it was decided that all offenders will be monitored by the National Probation Service, ending the role of CRCs in supervising low and medium risk offenders. Plans have developed for the implementation of these changes, including bringing some activities back into the public sector and outsourcing some of the services. This aims to maintain the best mix of private, public and voluntary sector involvement in the delivery of future probation services. The Employment Group has worked with the Commercial Law Group and MOJ legal advisers to deliver the policy which will involve large-scale transfer of staff, responsibilities and some assets.

Looking to the future

Our immediate priority for the forthcoming period will be to ensure the health and wellbeing of our people and that the government receives first class legal services to develop and implement its policies and deliver public services in response to the Covid-19 pandemic. At the time of producing this Annual Report there is no certainty about the scale or duration of the emergency, or the impact and demands on GLD. Our response will therefore need to be highly flexible and we may need to adjust our priorities and plans.

Subject to that, GLD will also continue to provide high quality legal support for the implementation of the new government's agenda. A particular priority will be providing effective and joined-up legal advice on issues concerning the Withdrawal Agreement with the EU, the Transition Period and negotiations with the EU on our future relationship, as well as negotiations with other countries, such as the United States.

We also aim: to increase the scale, effectiveness and diversity of our recruitment by improving our attraction and branding, and implementing a new capability driven pay framework; further enhance and embed our leadership framework: to equip our people to lead and deliver the changes to become a modern and fit for purpose organisation; to tackle issues around how we manage, reward, develop and promote our people fairly, particularly our ethnic minority and disabled colleagues; and taking steps to develop inclusive leadership and the skills and behaviours to build effective working relationships.

There will be a continued focus on legal capability, reducing the time it takes new joiners to become fully effective in their roles, and increasing the support we give to new clients working with us, as well as strengthening our innovation capability and culture, so that GLD encourages innovation, where good ideas are listened to, objectively evaluated and acted on.

We will continue to exploit the opportunities of locations outside of London, initially in Leeds and Croydon, to attract, recruit and retain staff, and reduce our costs of occupation, and assess the opportunities that emerging digital tools and technologies, can bring to improve the effectiveness and efficiency of our support services and legal service provision to our clients.

Case Study: Litigation across government and jurisdictions in the UK - 'Miller No. 2'

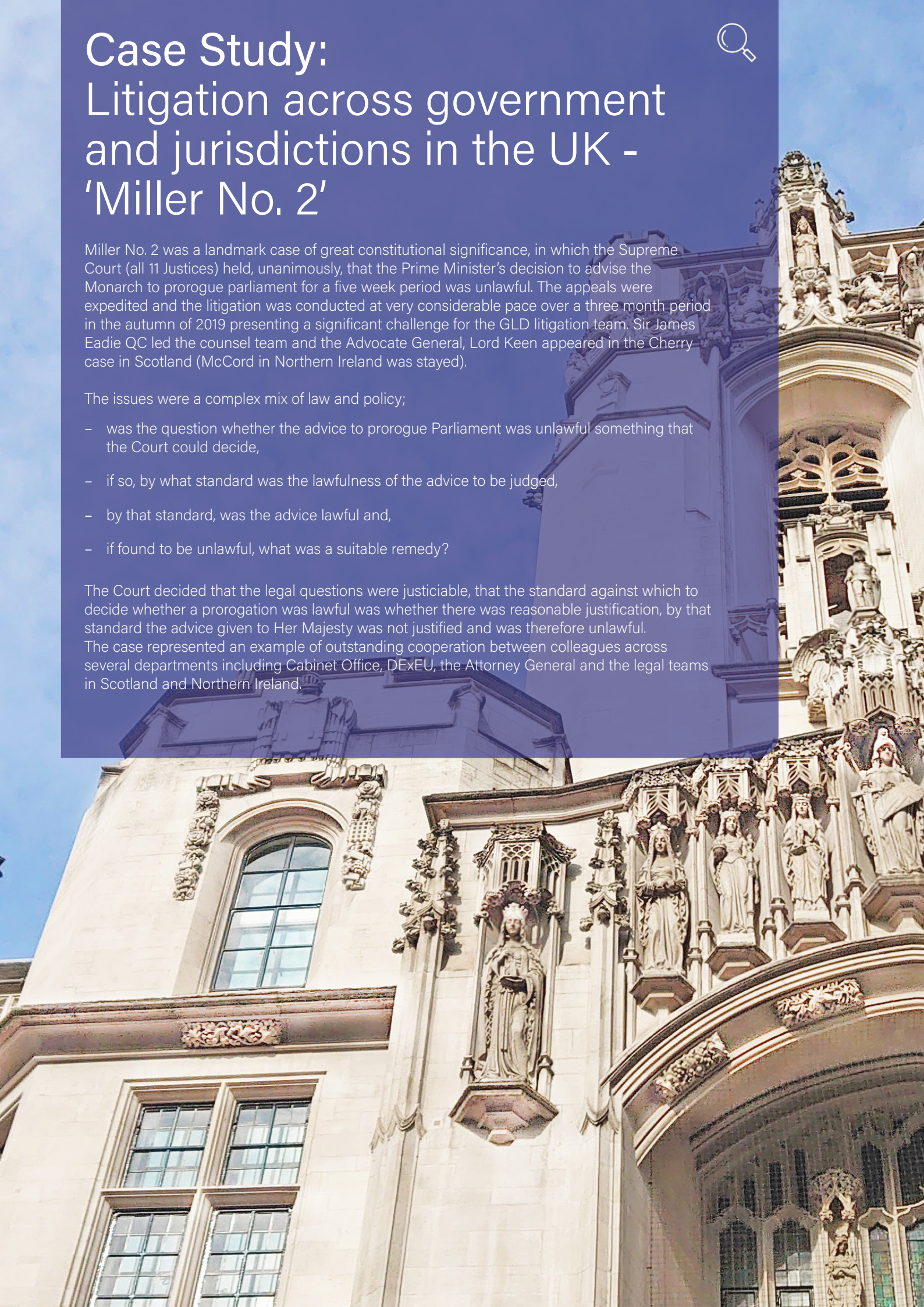


Miller No. 2 was a landmark case of great constitutional significance, in which the Supreme Court (all 11 Justices) held, unanimously, that the Prime Minister's decision to advise the Monarch to prorogue parliament for a five week period was unlawful. The appeals were expedited and the litigation was conducted at very considerable pace over a three month period in the autumn of 2019 presenting a significant challenge for the GLD litigation team. Sir James Eadie QC led the counsel team and the Advocate General, Lord Keen appeared in the Cherry case in Scotland (McCord in Northern Ireland was stayed).

The issues were a complex mix of law and policy;

- was the question whether the advice to prorogue Parliament was unlawful something that the Court could decide,
- if so, by what standard was the lawfulness of the advice to be judged,
- by that standard, was the advice lawful and,
- if found to be unlawful, what was a suitable remedy?

The Court decided that the legal questions were justiciable, that the standard against which to decide whether a prorogation was lawful was whether there was reasonable justification, by that standard the advice given to Her Majesty was not justified and was therefore unlawful. The case represented an example of outstanding cooperation between colleagues across several departments including Cabinet Office, DExEU, the Attorney General and the legal teams in Scotland and Northern Ireland.



Performance Analysis

Leadership

Outcome by 2024

Improve our leadership at all levels by developing and embedding a leadership framework with clear standards linked to progression and retention, with a shared expectation, confidence and accountability.

Progress 2019-20 Leadership programmes

GLD has invested in a universal offer for all senior staff giving them access to a wide range of leadership development, with over 300 senior staff attending this programme in 2019-20 and a further 320 due to attend in 2020-21. There is the Stepping into Leadership programme for those getting ready to move into the SCS; and to support leadership and management development at all levels. The Personal Effectiveness Programme with its focus on inclusive leadership and core people skills, has had over 1000 staff participate in during 2019-20.

Shadow Board

In response to the recent Governance Review, the Board approved the creation of a Shadow Board, a group of 12 staff of various grades. Members represent each of the directorates, including representation from each Expert Service within GLD, in addition to representation from the diversity networks.

The Shadow Board was successfully launched in January 2020, with training for the chair, members and secretariat to ensure they were supported to be as effective as possible as a group. Members examine and contribute to strategic decisions that are made in order to deliver GLD's Strategy. They meet two days prior to the GLD Board to discuss Board papers and provide their feedback to the Board for their consideration.

This is already proving to be useful insight to inform Board discussions and include a wider range of the organisation in decision making.

Case Study: Leadership the GLD Way

In order to deliver our vision to be "a brilliant place to work, where we can all thrive and fulfil our potential" we aspired to improve our leadership capacity and capability at all levels.

A research project commenced involving reviewing qualitative and quantitative data from our staff engagement surveys and interviews with colleagues from across the organisation. This identified behaviours that everyone needs to demonstrate to achieve our leadership aspirations and vision. We included these in our framework which builds on the Civil Service Leadership Statement - Inspiring, Confident and Empowering - and provides clear behavioural indicators under each of them.

We launched our framework 'Leadership the GLD Way' in summer 2019 and understood that in order to embed this successfully we needed to provide individuals and teams with the opportunity to have open, honest and sometimes challenging conversations on how successfully the behaviours are currently being demonstrated. We designed a workshop to enable teams to explore this together, by focusing on these behaviours, we can be even more effective, individually and collectively. We believe that we should all demonstrate leadership behaviours and that we need clear and consistent language to hold ourselves, and each other to account.

By April 2020 over 500 members of staff will have attended a workshop, including all those in senior posts, and the cascade will continue through to the end of the year.

We have already seen a positive measureable impact in our most recent People Survey results, with a five percentage point increase in 'Leadership and Managing Change.'



Improved offer

Outcome by 2024

Put in place an improved offer to attract, retain, reward and develop the talented people we need to be an outstanding organisation.

Progress 2019-20 Pay business case

Following a period of negotiation and clarification, a final business case for market facing pay and in-grade pay progression for lawyers, and an improved pay offer for other professionals and support staff, was submitted in December 2019 to Cabinet Office and HM Treasury for approval. The business case covers all staff, both lawyers and support staff in delegated grades.

Government Legal Training Programme (GLTP)

The Government Legal Training Programme (GLTP) includes a comprehensive learning and development offer. All elements of the programme are designed to support and increase the legal capability of lawyers, paralegals, apprentices and trainees by providing them with an in-depth understanding of legal topics, and giving them the tools and skills needed to undertake their everyday work. The 2019-20 programme was delivered in an improved format with greater clarity of content, base skill level and outcomes to respond to the pace of political and legislative change. In total 160 training events were delivered to 1,991 of legal staff. 11% of attendees represented the wider Government Legal Profession. In addition we have hosted four legal conferences attended by a total of 435 staff.

Core Curriculum

The legal Core Curriculum is GLD's first step towards digitised legal learning content. The Core Curriculum provides high quality e-learning to legal staff. Its intention is to increase capability and knowledge by focusing on core learning that equips government lawyers to do their jobs effectively. The first two modules were launched in September 2019 with over 600 registered learners accessing the content.

Apprenticeships

GLD runs an established legal trainee scheme in partnership with HMRC, Competition and Markets Authority (CMA), National Crime Agency (NCA) and the Crown Prosecution Service (CPS), with approximately 60 trainees at any one time benefitting from gaining valuable experience in a range of challenging and unique government legal work. The value of this scheme was reflected by winning an AllAboutLaw Award in 2019 for "Best for Level of Responsibility – Training Contract". Work has commenced on reviewing operational processes to improve and enhance the experience of legal trainees as they progress through the scheme, to optimise their development.

GLD has been developing and embedding its Apprenticeship programme which commenced in late 2017 with two standards at level 3 and level 6. The standards cover a range of legal and business administration apprenticeships.

GLD has exceeded the agreed AGO group target of '50 apprentice starts by 2020'. Recent focus has been on finding ways to optimise levy spend to upskill staff at all levels, and to ensure that apprenticeships form an integral part of strategic workforce planning.

Talent management

Our revised approach to talent and succession management – Career Development For All – brings together our great career opportunities in one place allowing us to achieve the right balance of direction and development opportunities for all staff, regardless of grade or profession.

Under our new governance structure we have established a Talent and Succession Committee made up of the Executive Team and chaired by Catherine Berney, a Non-Executive Director. Its main focus will be on managing the succession pipeline to SCS roles and set the tone for talent and career development and management across the department.

Connected

Outcome by 2024

To increase our numbers outside London whilst operating as a fully integrated department, connected across our many sites within and outside London and exploiting the opportunities technology provides to enhance the working experience of our staff and the quality of our service for clients.

Progress 2019-20

Over the last year, we have matured the development of our Accommodation & Location and Digital & Technology Strategies, to identify our priorities for future investment. Our objectives are to continue to build and improve our capability and capacity across the department to deliver high quality legal services to our clients. To this end, we have completed the move of our head office from One Kemble Street (OKS) in Holborn to 102 Petty France (on the Whitehall Campus) in Westminster. We have also consolidated and grown our presence at the Lateral in Leeds, and established a new Property Law Hub at Rivergate in Bristol. With regard to technology, we have rolled out a new learning management system to deliver our legal core curriculum, a suite of office tools, including electronic bundling and secure dropbox, to reduce our reliance on paper files, and completed the pilot of our new advisory time recording system, which will be a richer source of management information to inform future engagement with clients and decision making.

Case study: Moving to 102 Petty France

The Government's Estates Strategy (2018) set out to reduce the size of the estate in central London, whilst also creating great places to work and enabling smarter working. As part of the strategy, it was agreed that GLD's head office would move from One Kemble Street in Holborn to 102 Petty France in Westminster.

During July to September 2019, 1,300 staff, 1,900 crates, 58 teams, hundreds of desks and chairs, ICT equipment and servers made the move across London to GLD's new home where we occupy areas on six floors. Planning the move began in December 2017, with the department committed to providing a bright, functional, welcoming office, with plenty of space to meet formally and informally.

Considerable planning by Corporate Services teams ensured a smooth move to Westminster. The Programme Team was supported by Move Champions, representatives from each team, who ensured that colleagues were informed and ready for moving day. Staff were invited to drop-in sessions with information and displays and the Programme Team on hand to answer questions. Through a digital hub, news stories and videos, staff were engaged with the design and renovations of the building, taken on tours of the new space and given top tips about the area. This all supported staff confidence and collaboration when moving office.

Shortly after arrival, staff were settled and working in their new home and enjoying the building. The move was described as exemplary by the Treasury Solicitor and received substantial assurance for its project management from the Government Internal Audit Agency. This was the biggest Change Programme undertaken by GLD in recent times and has been an undoubted success.

Be recognised

Outcome by 2024

Be recognised across the Civil Service, and externally, as a leading employer in relation to diversity and inclusion and wellbeing.

Progress 2019-20 Diversity and Inclusion strategy

In 2019 GLD launched its refreshed Diversity and Inclusion Strategy, to reflect the shared Civil Service vision of being recognised as the UK's most inclusive employer, creating a brilliant place to work where everyone can thrive, as part of the GLD Strategy 2019-24.

Over the course of the year our ten core diversity networks in GLD have continued to support GLD to build a strong culture of collaboration, inclusion and improvement, hosting many successful events to recognise: 100 Years of Women in Law (see below), Black History Month and LGBT Pride; as well as the annual summer diversity picnic.

In recognition of this work GLD has been recognised with a shortlist for a Civil Service Award for Diversity and Inclusion for Social Mobility, Race Equality and Menopause Awareness.

Our People Survey results reflect a positive overall rating of 83% for inclusion and fair treatment (+1% on last year; +4% compared with Civil Service 2019).

In addition GLD has ranked 78th in Stonewall's Top 100 Employers in 2020. This ranking reflects a significant rise from last year in which we came just outside the top 100 at 111th. Part of our ranking was driven by scorings awarded by anonymous responses collected from GLD colleagues by Stonewall on their thoughts on GLD's inclusivity, diversity, supportiveness and workplace culture.

These accolades are testament to the campaign and the commitment of GLD colleagues to 'be recognised.' This focus will continue throughout 2020.

Health and wellbeing

In GLD we strongly believe that supporting people's health and wellbeing is important to ensuring that everyone is thriving in the workplace. Jonathan Jones has personally continued providing leadership and corporate messaging in his role as Civil Service Health and Wellbeing Champion.

Over 2019, we have supported a number of national health and wellbeing campaigns and have been building on the support and wellbeing training offered to managers and staff.

Our refreshed plan for 2020 will continue to build on this work and the content of our second mental health support sense check. In October we published our first departmental voluntary report on disability, mental health and wellbeing on GOV.UK which highlights the progress we have made.

Appropriate Behaviour Champion Review

The GLD Appropriate Behaviour Champion (ABC) Network is a key source of support for employees who would prefer to raise an issue with an independent person outside of their line management chain.

Research was undertaken in 2019 to identify the use of ABCs, what types of issues were raised with them and how confident they felt in supporting those who approached them. Work has been undertaken to address the feedback received through the review, including holding development workshops, more active communications between the ABCs and their divisions, as well as introducing a quarterly review providing insight into how ABCs are being used across the department, so that central work can address any themes.

Case study: 100 Years of Women in Law

The 23rd of December 2019 marked 100 years since the Sex Disqualification (Removal) Act 1919 was passed allowing women to enter into the legal profession and Civil Service.

The centenary provided an opportunity for GLD to be recognised as a leading employer in relation to diversity and inclusion, specifically in relation to gender equality.

The campaign was run with the Gender Network and allowed GLD to build and strengthen the department's relationship with the 100 Years project team and Bar Council. GLD worked closely with them to create social media and other engaging content shared across our channels and secure interviews with various prominent figures in the legal sector.

Social media posts from the campaign were some of GLD's most popular and successful posts and news articles on internal channels had a very high number of views. Through our external communications our involvement in supporting the campaign was picked up in an online publication. Feedback from the Gender network was very positive and the Bar Council extended their thanks and desire to continue working closely with GLD for future campaigns.

Capability

Outcome by 2024

Enhance the capability and capacity of our staff through the operation of a fully integrated digital Knowledge Management system accessible to all throughout GLD, an enhanced training offer through the use of digital delivery platforms alongside traditional techniques and the further development of gld.digital.

Progress 2019-20

GLD's capability is based on our own people and our trusted external providers, including our law firm and counsel panels. We also focus on developing the capability of our clients to ensure they get the maximum benefit from our services. Our ambition is to provide resources and training to equip and empower our people to focus on delivering their best.

Legal capability strategy

Building on our longstanding commitment to legal excellence and mutual support, we are seeking to make a step change in this area – to further professionalise our legal knowledge and learning activity across GLD and to develop innovative and flexible approaches to meeting our client needs.

Our appointment in June 2019 of Ruth Ward as our first Director of Knowledge and the creation of our first integrated Legal Knowledge, Capability and Innovation Strategy at the end of 2019 signalled the beginning of this important next phase of our development. This Strategy focuses on four essential elements of our legal service delivery: data-driven insight, legal excellence, smart lawyering and client-centred delivery. Alongside this Strategy development and as part of our broader governance review, we have set-up a new Legal Delivery Committee focusing on the 'end to end' of our client delivery and with a critical strategic development and assurance role.

External capability

In February 2020, we brought together 50 senior contacts from our main General Legal Advisory Services panel firms and GLD for a Strategy and Innovation Forum – to strengthen awareness and relationships and drive closer collaboration for the future.

Internal capability

We have commissioned a small number of internal reviews into our existing activities supporting legal capability and quality – of our induction for lawyers and our centres of excellence. We are evaluating setting up a primary legislation virtual centre of excellence. On secondary

legislation, the SI Hub are piloting the online drafting tool that's been developed in conjunction with the OPC and National Archives.

We continue to expand our online knowledge and learning offer. We successfully piloted our eKM knowledge system in Summer 2019 and, subject to final security sign-off, we plan to start rolling out the system in Spring 2020. In Autumn 2019, we launched our first two courses as part of our 'Core Curriculum' elearning programme. Our commitment to face to face training continues and we have run our Introductory Course for Lawyers, and our annual Government Legal Training Programme and Personal Effectiveness Programmes very successfully.

Client capability

At the end of 2019, we transitioned our initial client facing online platform gld.digital to 'business as usual'. Promotion and content development are ongoing, with new state aid and insolvency resources being launched in early 2020, alongside new legal awareness training courses for clients. We are beginning the next phase of our client-facing development planning.

Case Study: EU Exit Taskforce: A second iteration

GLD's ability to co-ordinate and deliver flexible expert capability at scale played an integral role in securing the UK's successful departure from the European Union.

In order to respond to the urgent requirements of EU Exit, GLD set up an EU Exit Taskforce to organise and mobilise a surge force of lawyers. In July 2019 the Taskforce was stood up ahead of the EU Exit deadline of 31 October.

Through targeted messaging, highlighting the unique opportunity to work on critical EU Exit work, the Taskforce was able to fill the surge force vacancies with volunteers. Surge force members moved at pace with the Taskforce facilitating channels of communication between managers, as well as providing guidance, HR policies and timely Yellowhammer updates for cascading to staff. Surge force members and senior leaders provided positive feedback on the communications.

Case Study: GLD Property Law Hub

A property law hub pilot was established in 2018 and has grown significantly under the Commercial Law Group during 2019-20. Its lawyers are involved in some of the most high profile, complex and far-reaching commercial issues in government. As the EU prepared to relocate UK based institutions, the Hub's expertise in finding solutions to government's complex property problems became a key component of our EU Exit legal service to government.

Professionalise

Outcome by 2024

Professionalise and modernise all aspects of our service, both corporate and legal services, using a 'fail fast/learn quickly' approach to encourage innovation.

Progress 2019-20 Governance review

In 2019, GLD conducted an extensive Governance Review led by Erica Handling, a Non-Executive Director, in response to recommendations made in the 2017-2018 Board Effectiveness Evaluation. It was recommended that five years after the creation of GLD, it would be appropriate to determine whether the existing structure was still 'fit for purpose' and was still the most effective way to support delivery of its Core Purpose, Vision and Strategy.

The key aims that were identified in updating the governance structure were the need to provide the Permanent Secretary with the assurance needed that the department is being run effectively in line with the department's Vision, Strategy and Business Plan, increased clarity for the role of the Committees and Committee members within the structure, including empowerment to take decisions where decision making power was delegated and the desire for a leaner governance structure that provides more space for strategic thinking.

The principal changes that have been made to the governance structure are that the Board will meet every two months to focus on strategic matters with more operational matters being delegated to a newly formed Executive Committee. A newly created Shadow Board will provide an opportunity for staff from delegated grades across GLD to gain greater insight into the workings of the Board and to feed into the Board's decision making, helping to shape GLD's agenda. Three sub committees of the Executive Committee will provide assurance, challenge and support to strategic issues for GLD.

New end-to-end Change model implemented

GLD has developed and introduced a new model for prioritising and delivering Change projects which increases our focus on understanding why changes are needed, the benefits they will deliver and ensuring alignment with our Strategy. The model brings together highly effective techniques that enable us to become more systematically client-centred, innovative and able to inspire behavioural adoption of change. This enhanced capability will help us to more efficiently achieve our Strategy whilst maximising the benefits for our people and our clients.

Legal Panels procurement

We are expanding the breadth of legal expertise we can provide to clients by including a new Trade Panel in our procurement of external support from private sector law firms.

In-year client feedback tool

We are exploring innovative approaches to improve how we invite feedback from clients at key stages in our service delivery, and to act upon that feedback in a proportionate and timely manner.

Community and social matters

Our Pro Bono and Volunteering Network has continued to support and encourage pro bono and volunteering activity within GLD, including awareness of GLD's policy of allowing staff to spend six days a year undertaking volunteering activity (subject to business need). In particular, the Network held another successful Summer Fete, where GLD staff and the organisations for whom they work could speak to colleagues about pro bono and volunteering opportunities. We also ran a very well attended event during national pro bono week to highlight the contribution made by GLD lawyers to that area.

This year we have renewed our membership of LawWorks, and strengthened our relationships with both the Law Society and Bar Council so that we can work together to support pro bono work.

Throughout the year, GLD staff have enthusiastically taken part in a wide variety of volunteering activity, either individually or with their GLD colleagues. This has included helping students participate in debate days at the Supreme Court, clearing allotments in Tottenham and running craft days in West Yorkshire, as well as acting as school governors and charity trustees, and many other equally useful activities.

This helps not just to fulfil the aims of the Pro Bono and Volunteering Network, but also exemplifies GLD's Values and the importance we place on public service generally.

Sustainability

All departments are required to report their performance against the Greening Government Commitments (GGC). GLD's sustainability performance can be found at Annex A (page 75).

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.

Sir Jonathan Jones KCB QC (Hon)

Accounting Officer

02 June 2020



Accountability Report

Accountability Report

Corporate Governance Report

Directors' Report

Directors

The Governance Statement on page 39 includes the composition of the GLD Board.

Register of interests

No directorships or other significant interests, which may have caused a conflict with their management responsibilities, were held by any Board Members. Note 15 to the Accounts confirms that no members of the Board, including Non-Executive Directors, has any related party interests.

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. Five incidents were reported.

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

Table 1: Summary of protected personal data related incidents formally reported to the Information Commissioner's Office in 2019-20.

Date of Incident	Nature of Incident	Nature of data involved	Number of people potentially affected	Notification steps
1st May 2019	Unauthorised transfer of email to personal email address	Personal data	50	ICO notified. Investigation conducted and no further action taken
17th May 2019	Papers lost in post	Personal data	1	ICO notified. Investigation conducted and no further action taken
15th November 2019	USB sticks temporarily missing in transit. Subsequently located with Royal Mail	Personal data	multiple (contained CCTV footage)	ICO notified. Investigation conducted and no further action taken
17th January 2020	Papers temporarily missing in transit. Subsequently demonstrated to have been received by addressee	Personal data	1	ICO notified. Investigation conducted and no further action taken
27 February 2020	Papers missing in transit.	Personal data	1	ICO notified. Investigation conducted and no further action taken

Statement on Information Risk

GLD holds personal data relating to GLD employees and keeps data owned by other government departments in relation to its role as the 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 2019-20, the framework for handling data and to provide assurance over the management of information held within GLD has included:

- continued review and production of data handling policies, guidance and awareness training promoting best practice within GLD, including the mandatory completion by all staff of the Civil Service Learning – “Responsible for Information and Data Protection” and GDPR related e-learning courses
- ongoing review of information assets and their associated risks, including assessments of the third party delivery chain, and the incorporation of information risks within the risk management policy and processes
- maintaining certification against the ISO 27001:2013 information security standard. The department also adheres to the current PSN Code of Connection, Cabinet Office Security Standards and Cabinet Office Security Policy Framework requirements. A new certification achieved this year was a Cyber Essentials Plus certificate, in support of the recently revised Lexcel standard.

Audit

The GLD’s Accounts are audited by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General.

The NAO also audit the Crown’s Nominee Account administered by the department’s Bona Vacantia Division.

The auditors provide no further assurance or other advisory services.

Remuneration to auditors for non audit work

We did not pay any remuneration to the NAO for non-audit work. The notional audit fee for the GLD audit was £69k (2018-19: £65k).

Statement of Accounting Officer’s Responsibilities

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

The Accounts are prepared on an accruals basis and 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 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 HMT, 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.

HMT has appointed the Treasury Solicitor and Chief Executive as Accounting Officer of the department. 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 department’s assets, are set out in Managing Public Money, published by HMT.

Statement regarding disclosure of information to the auditors

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

I also confirm that this Annual Report and Accounts as a whole is fair, balanced and understandable, and I take personal responsibility for the judgements made to ensure that it is fair, balanced and understandable.

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 Government Legal Department (GLD) is a non-ministerial department and an executive agency. Ministerial responsibility lies with the Attorney General. The department is led by HM Procurator General and Treasury Solicitor, in the role of Chief Executive.

Ministers

The Ministers who had responsibility for the department during the year were:

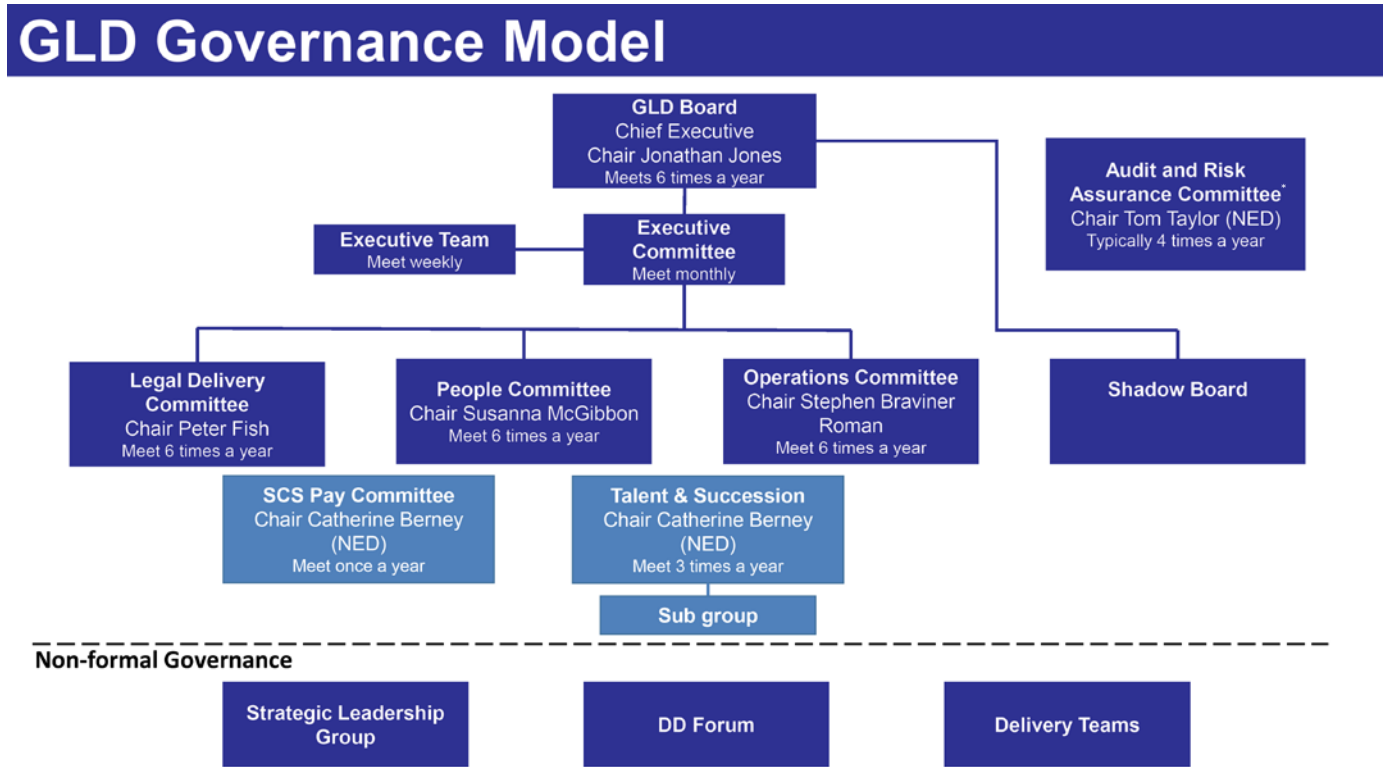
- [The Rt Hon Suella Braverman QC](#), MP, Attorney General from 13 February 2020
- [The Rt Hon Geoffrey Cox QC](#), MP, Attorney General until 13 February 2020
- [The Rt Hon Michael Ellis QC](#), MP, Solicitor General from 26 July 2019
- [Lucy Frazer QC](#), MP, Solicitor General from 9 May 2019 to 25 July 2019
- [The Rt Hon Robert Buckland QC](#), MP, Solicitor General until 9 May 2019

As Chief Executive and Accounting Officer of GLD, I am accountable to the Attorney General and responsible for the management of GLD. I am supported in delivering my responsibilities by the Board.

Board and Sub Committees

Following a Governance Review led by Erica Handling, a Non-Executive Director (NED), a new governance structure was established in January 2020, to align with, and support implementation and delivery of, GLD's Strategy for 2019-24. This review took place in response to a recommendation from the Board Effectiveness Evaluation 2017-18, with a view to ensuring that our governance reflected how the department had evolved following its creation, and effectively supported the delivery of our Core Purpose and Vision.

Our new structure is set out below:



*The Audit and Risk Assurance Committee (ARAC) provides assurance to the Accounting Officer and the Board.

GLD Board

Chair: *Sir Jonathan Jones KCB QC (Hon)*

The Board focuses on strategic matters for the department. It supports the Treasury Solicitor in providing leadership of GLD. It sets GLD's vision and strategic direction.

Executive Committee (from January 2020)

Chair: *Sir Jonathan Jones KCB QC (Hon)*

The Executive Committee reports to the Board. It oversees the operational management of all aspects of the department.

The Executive Committee has three sub committees which provide assurance, challenge and support to the strategic outcomes and key priorities for GLD:

Legal Delivery Committee (from January 2020 - previously the Legal Quality Committee)

Chair: *Peter Fish CB, Legal Director General C*

This provides oversight and assurance in relation to the quality and efficiency of our legal work and oversees our client relationships. It oversees and supports the development of our activities in relation to legal knowledge training and induction, client capability, and innovation in the delivery of legal services.

Operations Committee (from January 2020)

Chair: *Stephen Braviner Roman, Legal Director General A*

This provides oversight and assurance in relation to the delivery of non-legal priorities, including Corporate Services and Bona Vacantia, by monitoring performance and supporting the development of strategic priorities within its remit, including the Accommodation and Location Strategy, the Digital and Technology Strategy and the Management Information Strategy.

People Committee (from January 2020)

Chair: *Susanna McGibbon, Legal Director General B*

The People Committee exercises strategic oversight of the People Strategy and the underpinning strategies within its remit, including the Diversity and Inclusion Strategy and Talent and Succession Management. It promotes health and wellbeing activities; supports activities to build leadership amongst staff; actively reviews the skills and capabilities needed to deliver outstanding legal and corporate services; reviews activities to attract, recruit and retain GLD staff; and drives improvements in response to our People Survey.

Audit and Risk Assurance Committee

Chair: *Tom Taylor, Non-Executive Director*

The Audit and Risk Assurance Committee (ARAC) provides assurance to the Accounting Officer and the Board. It 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, in addition to the Chair, and an additional independent member, Jenny Rowe, the former Chief Executive of the Supreme Court.

The ARAC met four times in 2019-20. It considered the Annual Report and Accounts for 2018-19, and the External Auditors' opinion. The Committee was satisfied with the quality of the external auditors work and their approach to their responsibilities.

The Committee also considered the findings contained in management letters and reports prepared by the Head of Internal Audit based on an Internal Audit Plan agreed in advance by the Committee and monitored the implementation of internal audit recommendations. The ARAC was satisfied that assurances provided by the various internal audit reports met the requirements of the Board and the Accounting Officer. The Committee also considered the GLD position on fraud, risk management and security.

Two committees were dissolved in December 2019:

Performance and Client Committee

Chair: *Stephen Braviner Roman, Legal Director General A*

This was responsible for overseeing the health of GLD by monitoring the services delivered to all our clients and staff. It reviewed GLD's performance against standards and targets, celebrated success and identified improvement activities, where needed. The Committee oversaw the implementation and delivery of a Client Care Plan resulting from the annual Client Satisfaction Survey and monitored the functioning of new ways of working. The Committee also supported the Board in providing assurance on the annual budgeting and forecasting process.

Change Delivery Committee

Chair: *Anna Sanders, Director of Strategy, People and Culture*

This managed change activities in GLD by taking the long term corporate strategy and policies and turning them into programmes and projects with defined outcomes.

Membership of each Committee is drawn from GLD's Strategic Leadership Group and each has one of the Non-

Executive Directors as a member (Tom Taylor – Operations Committee (and until its dissolution the Performance and Client Committee), Catherine Berney – People Committee, and Erica Handling – Legal Delivery Committee).

Board Members

Membership of the Board as at 31 March 2020 was as follows:

Executive members:

- [Sir Jonathan Jones KCB QC \(Hon\)](#) - HM Procurator General and Treasury Solicitor
- [Stephen Braviner Roman](#) - Legal Director General A
- [Susanna McGibbon](#) - Legal Director General B
- [Peter Fish CB](#) - Legal Director General C
- [Anna Sanders](#) - Strategy, People and Culture Director
- [Nick Payne](#) - Finance and Operations Director

Non-Executive members:

[Catherine Berney](#) took up her appointment as People and Culture lead NED, on 15 October 2018 and is Chair of both the SCS Pay and Talent & Succession committees. Catherine is a qualified organisational psychologist and solicitor, with a background in private practice and international finance. She has held a previous NED role for Arts Inform, an organisation that seeks to build links between the creative and cultural industries and the London schools system, in addition to chairing a local community association. Catherine leads a consultancy firm and brings considerable experience to GLD in leadership, strategic direction, communications and talent development.

[Erica Handling](#) joined GLD on 29 October 2018, as lead NED for Legal Quality. Erica brings experience and expertise to GLD having worked as head of large legal departments in private practice and in-house (where she introduced a range of procedural and technological efficiencies). Her previous roles have included General Counsel for Europe at BlackRock and Barclays Investment Bank and Head of Securities and Structured Finance at Ashurst LLP. She is currently working as an executive coach and yoga teacher. She is also currently acting Chair of Working Chance (charity).

[Tom Taylor](#) is Deputy Board Chair, Audit and Risk Assurance Committee Chair and the NED on our Operations Committee. He took up his appointment on 24 September 2018. He is a dual qualified accountant who has worked in the energy, health, education, water, agriculture, environment and manufacturing sectors. He has more than 30 years' experience working at Board level in the public, private and third sectors as a Chair,

Non-Executive Director, Chief Executive, Finance Director and Commercial Director. Tom currently holds a number of roles in various government departments. He is Chair of the NHS Counter Fraud Authority, a Non-Executive Board Member for the Northern Ireland Government Department of Finance (where he is Chair of NI Statistics and Research Agency Audit and Risk Committee and a Member of the Departmental Audit and Risk Committee) and also an Independent Member of Her Majesty's Revenue & Customs Audit and Risk Committee. From 2015 – 2018, Tom was Wales Chair for the Consumer Council for Water - the Consumer Watchdog for over three million residents of Wales and Herefordshire. From 2012 – 2018, Tom was a Non-Executive Director for the English Education Regulator, the Office of Qualifications and Examinations Regulation (where he was Chair of the Finance Committee and a member of the Enforcement Committee.)

Board attendance

The Board met ten times between April 2019 and March 2020, with attendance as follows:

Executive Members	Eligible to attend	Attended (to end March)
Jonathan Jones	10	10
Peter Fish	10	10
Susanna McGibbon	10	10
Stephen Braviner Roman	10	9
Anna Sanders	10	10
Nick Payne	10	10
Non-Executive Members		
Catherine Berney	10	9
Erica Handling	10	9
Tom Taylor	10	9

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;
- **Talented people** – the Board has a People Strategy to help ensure that GLD has the capability to deliver and to meet current and future needs;
- **Results focus** – the Board agrees the annual Business Plan and monitors and manages performance against the Plan; and
- **Management information** – the Board receives a monthly Performance Report containing clear, consistent and comparable performance information.

The Board's performance

GLD adheres to centrally set standards of good governance practice for government departmental boards and follows the Board Effectiveness Evaluation process, recommended in guidance produced by the Cabinet Office.

The Board Effectiveness Evaluation for 2018-19, made recommendations relating to: Board development (improving team-work and productivity); improving the quality of board papers and timings; and improving Management Information processes and requirements.

In 2019-20, the Board have used their two Away Days to focus on team building using an external facilitator, to improve their productivity as a team. They took part in Leadership Behaviour training, which is now being rolled out to all teams within the department and involved each Board member making a personal commitment and forming a buddy relationship with another member of the Board. They have also held two extended sessions, outside of the usual Board meetings, to work together on strategy development.

New templates have been developed to address the quality and timing of Board papers, along with clear guidance on what information should be included. This has helped to standardise and improve the quality of papers. Intranet pages for the Board, Committees and the Strategy and Governance Team have been updated to make these documents readily available to staff.

Proposals for reporting to the Board and governance committees were accepted by the Board in September, including a new Dashboard for reporting to the Board, which is being implemented in 2020-21.

A light touch Board Effectiveness Evaluation for 2019-20 is currently underway and comprises:

- Board members completing questionnaires, devised in line with the Guidance and reflecting the previous year's evaluation recommendations;
- Year-on-year analysis of responses; and
- Desk research (focusing inter alia on attendance levels, effectiveness of agenda setting and of the information flow and efficacy of the content and format of management information).

The process will then continue as recommendations arising from the evaluation will be put to the Board.

Compliance with the Corporate Governance Code

The Corporate Governance Code Relevant to Central Government and accompanying Protocol apply primarily to ministerial departments. This means that the key provisions relating to the composition of boards do not apply to GLD; specifically the involvement of ministers and the requirement to have roughly equal numbers of ministers, senior civil servants, and Non-Executive Directors.

Although GLD 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), Tom Taylor has been appointed as deputy chair of the Board and the remaining lead NED functions have been shared between all of the NEDs.

Risk Management

Risk management is carried out in accordance with HMT Risk Management guidance. Regular risk reviews are undertaken and risk registers are maintained corporately and for each Group and Division. The Board identifies and determines the appropriate risk appetite and monitors and manages key strategic risks.

The ARAC provides a challenge function to the department's risk management arrangements, including deep dive reviews, Internal Audit reviews and the assurance of processes. The Committee is supported in its work by the Risk Management Group, with membership drawn from Divisional Risk Managers. Its role is to share and promote best practice and lessons learned, encourage networking, promote risk improvement, and to provide additional challenge and report periodically to the Committee.

Risk management is embedded at every level in the department 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 GLD's exposure is limited to an acceptable level.

Strategic risks are agreed by the Board and monitored by the ARAC, and each key strategic risk is owned by a Board member. The risks and actions to mitigate them are reported monthly to the Executive Committee¹, and the Board. The strategic risks and the actions to mitigate them are detailed in the GLD Business Plan.

¹ Performance and Client Committee until December 2019.

Risk Profile

The UK's withdrawal from the European Union presented a significant challenge in terms of legal demand, our ability to resource this and our reputation with our clients. The outbreak of Covid-19 towards the year end added major new challenges in terms of meeting the intense demands for legal services related to the outbreak whilst managing the impact of the virus on our own workforce, as we adapted to much more remote working and new use of technology while supporting the health and wellbeing of our people.

The potential impact of these challenges, which also impacted on our ability to deliver business as usual, are recognised in our key strategic risks and mitigating actions, which are:

Risk Category	Risk Description	Actions to Treat/Tolerate/Transfer/Terminate
Commercial	We are unable to manage the demands placed on us, as they do not match the expected levels forecast by our clients.	Annual business planning and regular progress meetings with clients to assess demand. Directors' weekly and monthly reports. Flexible use of internal and external resources to meet changes in client demands. Close monitoring of casework trends. Time recording reports. MoUs agreed with clients setting out how in-year demand changes will be dealt with. Ability to redeploy and/or release excess staff.
Operations	We damage the confidence, trust and relationships with our clients, the judiciary and other stakeholders, as the quality of our work falls below the standards both we and they expect.	A focus on effective line management, a strong culture of sharing legal knowledge and raising capability through effective legal induction and core curriculum training. The continual development and deployment of legal knowledge tools, training and quality policies and procedures. Quality Assurance panels. Lexcel accreditation. JCSI and Merit Committee reports. Feedback from AGO, LCJ and OPC. Client Satisfaction Survey and NED client 'deep dives'. Client Services Forum and Client Care Action Plan.
People	We cannot recruit or retain sufficient numbers of people to deliver the breadth and quality of legal services our clients' need.	Recruitment and retention of staff with the necessary skills. Effective workforce planning, and our annual Resourcing Cycle, including the deployment of staff to expand client and work experience. Improving the Employment Offer. A focus on diversity and inclusion and the promotion of health and wellbeing. Increased use of Apprenticeships and of paralegals. Access to agency staff, locums and secondees or outsourcing to law firms or panel counsel.
People	We have insufficiently competent, experienced and skilled professional and support staff to deliver the breadth and quality of legal services required by our clients.	The provision of learning and development opportunities to build and refresh capabilities, knowledge, and skills. Leadership and management development at all levels. Succession planning and Talent management. Improving the Employment Offer. Access to external expertise through legal panels and panel counsel.
Financial	We fail to achieve full cost recovery, as our clients cannot afford to pay for our legal services, or are unwilling to pay, as they do not believe that the services we provide or procure offer the best possible value for money.	Close engagement with clients to ensure that we can respond to their budget pressures, including the redeployment of staff and the use of different delivery models. Building client capability so that they know when to come to GLD for advice and support, and when they don't. Ensuring that we operate an efficient business, keeping our fixed fees and hourly rates to a minimum. Client Satisfaction Survey and NED client 'deep dives'. Transparency in determining fixed fees and hourly rates. The provision of activity case related management information to clients.
Property	Our staff, contractors or visitors suffer injury or harm, in the workplace or in the course of their work.	Adherence to health and safety policies and processes. Mandatory bomb/fire, health and safety training and exercising. Training of First Aiders, and Mental Health First Aiders. Staff communications to reinforce PHE/NHS advice and building cleaning and physical security controls, e.g. guarding, CCTV, secure door entry, etc.
Strategy	Significant external events may have an adverse impact on our ability to deliver legal services to our clients and/or achieve full cost recovery, or results in a major loss of information.	Contingency arrangements to reduce the risk of service disruption. Business Continuity exercising, planning and testing, including critical role succession planning. Remote working capability. Disaster Recovery Centre capability. ISO 22301 accreditation
Security	A major loss of our, or our clients', information or assets, or a cyber-attack, which has an adverse impact on our ability to deliver legal services to our clients and/or to achieve full cost recovery.	Adherence to information security policies and procedures. Mandatory information management training. Internet access policy and blocked site access. Use of CJSM to securely communicate with counsel. Penetration testing, the use of active cyber defence tools, security patching applied regularly, and daily backups, with tapes stored offsite. Building intruder detection systems, security guards, protective enclosures and protective monitoring systems. ISO 27001, PSN and Cyber Essentials Plus accreditation.

Security and business continuity

Client data security remains critical and is assured by GLD's adherence to Cabinet Office Security Standards, maintaining ISO 27001 certification and Public Service Network (PSN) accreditation. Additionally, this year the department has attained a Cyber Essentials Plus certificate, which is a requirement of the latest version of the Lexcel standard. Cyber resilience is maintained through comprehensive penetration testing, vulnerability management and protective monitoring policies.

GLD continues to contribute to work carried out by the Cabinet Office on the wider security transformation agenda and is actively contributing to the government-wide security governance review. We are additionally working with the National Cyber Security Centre to improve cyber security resilience and have implemented the General Data Protection Regulations (GDPR). All staff have completed mandatory Information Security and GDPR courses to ensure staff are fully aware of their responsibility to keep information secure.

Further detail on information risk is contained in the Directors' Report on page 35.

GLD enjoys a high level of client satisfaction and it is essential that it is able to maintain its high quality service in all 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 GLD's disaster recovery facilities are tested on a regular basis. The GLD disaster recovery site has remote access capacity, resilience and security, which reduces the risk of service disruption should the GLD head office be unavailable. A complimentary plan, to assist the organisation during the Covid-19 pandemic, was developed during the year. This was supported by Divisional staff succession plans, the aim of which are to ensure all critical posts and activities are adequately covered during periods of excess staff absence.

Whistleblowing

Anna Sanders, Director for Strategy, People and Culture, is the Board member with responsibility for whistleblowing in GLD. She works with the ARAC, which has been given the role of assuring GLD's processes and reviewing whistleblowing numbers and cases, and the lessons to be learned from them.

The ARAC has considered quarterly reports on whistleblowing from the Director of Strategy, People and Culture throughout 2019-20, and has reported to the Board on a six-monthly basis. There were no whistleblowing incidents in 2019-20. Attention has continued to focus on what more can be done to encourage potential whistleblowers to come forward and via other channels through which staff may express concerns.

Civil Service HR (CSHR) is currently reviewing the Whistleblowing policy to better support a culture across the Civil Service. New materials will be available in August 2020.

The ARAC has reviewed bullying and harassment data from the People Survey across the department between 2014 and 2019. This identified areas within the department where bullying and harassment appears to be unacceptably high. A refreshed Diversity & Inclusion strategy, which included ways that GLD is taking action to ensure that the culture is inclusive, supportive and respectful, was launched in June 2019 and the departmental People Survey Action Plan was published at the end of April 2020.

Effectiveness of the risk management and governance framework

Assurance is provided, inter alia, by the work of the Internal Auditors. In his Annual Assurance Report, 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. In his opinion some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

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 ARAC.

As part of the business planning process, the Treasury Solicitor holds Panel Reviews with all Executive Team Members to challenge their bids for resources.

At the end of each quarter, GLD conducts a formal forecasting exercise. Directors are asked to review their resourcing priorities and relevant income and expenditure against budget and to forecast their year-end position. This information enables the Executive Committee² and the Board to identify areas of concern and, if necessary, to review and consider the allocation of resources in meeting our strategic outcomes and key priorities. From quarter two, it also enables consideration of potential in-year fee reductions and rebates/refunds, where a surplus is forecast, or increases if a deficit is forecast.

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

These processes highlighted no issues of significance to the corporate health or operations of the GLD in 2019-2020.

² Performance and Client Committee until December 2019.

Remuneration and staff report

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: <https://civilservicecommission.independent.gov.uk/>

Remuneration Policy

The Prime Minister, following independent advice from the Senior Salaries Review Body, sets the remuneration of senior civil servants. 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; and
- the government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at: <https://www.gov.uk/government/organisations/office-of-manpower-economics>

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 HMT.

Senior Civil Service (SCS) Pay Committee

The function of the SCS Pay Committee is to determine the department'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 strategic outcomes and key priorities, before determining non-consolidated performance related pay awards, and to make final pay decisions.

The SCS Pay Committee at the relevant time (August – September 2019) comprised: Catherine Berney – Non Executive Director and Chair, Jonathan Jones, Peter Fish, Stephen Braviner-Roman, Rowena Collins Rice, and Susanna McGibbon, with Frances Mills, HR Director, and Chris Chapman, Head of HR Policy & Pay, acting in an advisory capacity.

Consolidated awards (salary increase)

In 2019-20, 1% of the SCS paybill was available for distribution to Group 1 and Group 2 performers. GLD was bound by SCS Cabinet Office Practitioner Guidance to increase all eligible SCS to the new minima, with those not benefiting from an increase to the minima receiving an increase of 1% of their salary. A further 0.9% of the SCS paybill was available to address pay progression and anomalies, subject to the criteria set out in the Cabinet Office Practitioner guidance. It was for individual SCS Pay Committees to determine how to distribute the 0.9%. The decision of the GLD Pay Committee was to utilise the pot to raise the GLD SCS1 and SCS2 minima to address the gap between those at the bottom and the top of the pay ranges, and to create greater space between the top of Grade 6 and the bottom of SCS1.

Non-consolidated performance related pay awards

An end of year non-consolidated amount was available for jobholders who were assessed as top performers in the 2018-19 performance year. Two major changes to the SCS performance management system were introduced in 2018-19 as part of a broader review and reform, which was also recommended by SSRB. The changes were the removal of guided distribution and removal of the 25% cap on percentage of SCS eligible for end of year Non-consolidated Performance Related Payment (NCPRP). The assessment of performance against personal objectives included:

- the leadership behaviours exhibited in the achievement of objectives;
- an assessment of the management of resources; and
- the degree to which the jobholder made a corporate impact on the team, for the client and/or the wider department.

Non-consolidated performance related pay awards were awarded to those achieving Performance Group 1 performance rating.

In-year non-consolidated awards were made for a maximum of 20% of the SCS cadre, using the overall budget for non-consolidated SCS payments. The criteria used to award these were:

- Exceptional demonstration of GLD Values and collaborative approaches taken to contribute to 'One organisation';
- Outstanding contribution to the delivery of a key priority objective;
- Outstanding demonstration of a high quality service to clients;
- Achieving significant cost-effectiveness improvements in specific areas, for example, in terms of advisory or digital delivery; and
- Showing innovation in the way work is delivered or suggesting new ways of working to add value, reduce cost and improve/ maintain quality.

Note: SCS jobholders who were awarded both an in year payment and end of year payment had their total non-consolidated payments for the year capped at the amount for the annual performance award.

Remuneration (including salary) and pension entitlements

This information has been subject to audit.

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.

Single total figure of remuneration

Officials	Salary £000		Performance Related Awards £000		Pension Benefits to nearest £1,000 ¹		Total £000	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Jonathan Jones HM Procurator General, Treasury Solicitor, Permanent Secretary and Chief Executive	170-175	165-170	15-20	15-20	57,000	56,000	245-250	240-245
Stephen Braviner Roman Legal Director General A	125-130	120-125	10-15	10-15	50,000	41,000	185-190	175-180
Claire Johnston Legal Director General B until 31 August 2018	-	50-55	-	-	-	2,000	-	50-55
Susanna McGibbon Legal Director General B from 1 September 2018	125-130	70-75	-	10-15	99,000	72,000	225-230	155-160
Peter Fish Legal Director General C	125-130	125-130	-	10-15	29,000	13,000	155-160	150-155
Valerie Cain People and Change Director until 30 November 2018	-	75-80	-	-	-	40,000	-	115-120
Anna Sanders Interim People and Change Director from 25 June 2018. Director of Strategy, People and Culture from 18 December 2018	95-100	70-75	-	10-15	69,000	61,000	165-170	140-145
Nick Payne Finance and Operations Director	125-130	120-125	-	-	54,000	54,000	180-185	175-180

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. Where prior year figures have changed this is due to a retrospective update to salary data.

The Non-Executive Directors were paid salaries in the following bands

	Contract end	Salary £000		Benefits-in-kind to nearest £100		Total £000	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Catherine Berney	October 2021	15-20	5-10	-	-	15-20	5-10
Erica Handling	October 2021	15-20	5-10	-	-	15-20	5-10
Thomas Taylor	September 2021	15-20	10-15	4,800	200	20-25	10-15

The department's Non-Executive Directors necessarily incur travelling and other expenses to attend departmental meetings. The tax liability arising on their reimbursement by GLD is met by GLD 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.

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.

Performance Related Awards

Performance related pay awards (nonconsolidated) are based on an individual's performance over the year and are moderated as part of the SCS appraisal process. As the timing of the appraisal process does not allow us to accrue for individual bonuses relating to 2019-20 performance, the awards reported in 2019-20 relate to performance in 2018-19 and the comparative awards reported for 2018-19 relate to the performance in 2017-18.

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 department in the financial year 2019-20 was £190k-£195k (2018-19: £185-190k). This was 3.7 times (2018-19: 3.8 times) the median remuneration of the workforce, which was £51,447 (2018-19: £49,729).

In 2019-20 no (2018-19: 0) employees received remuneration in excess of the highest paid director. Remuneration ranged from £22.8k-£195k (2018-19 £22.5k - £190k). Total remuneration includes salary, nonconsolidated 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

Officials	Accrued pension at pension age as at 31/03/20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/20	CETV at 31/03/19 ¹	Real increase in CETV	Employer contribution to partnership pension accounts
	£000	£000	£000	£000	£000	Nearest £100
Jonathan Jones HM Procurator General, Treasury Solicitor, Permanent Secretary and Chief Executive	60-65 plus a lump sum of 190-195	2.5-5 plus a lump sum of 7.5-10	1,456	1,331	56	-
Stephen Braviner Roman Legal Director General A	45-50 plus lump sum of 95-100	2.5-5 plus a lump sum of 0-2.5	835	767	27	-
Claire Johnston Legal Director General B until 31 August 2018	-	-	-	982	-	-
Susanna McGibbon Legal Director General B from 1 September 2018	45-50 plus lump sum of 100-105	5-7.5 plus lump sum of 5-7.5	870	757	71	-
Peter Fish Legal Director General C	40-45 plus lump sum of 125-130	0-2.5 plus lump sum 2.5-5	1,009	931	30	-
Valerie Cain People and Change Director until 30 November 2018	-	-	-	1,326	-	-
Anna Sanders Interim People and Change Director from 25 June. Director of Strategy, People and Culture from 18 December 2018	25-30	2.5-5	315	261	37	-
Nick Payne Finance and Operations Director	65-70	2.5-5	1,167	1,079	34	-

¹ Where prior year figures have changes this is due to a retrospective update to data.

Civil Service Pensions

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

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

Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings for members of **classic, premium, classic plus, nuvos** and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership.

At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases, members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

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

Cash Equivalent Transfer Values

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.

Staff Report

Staff Costs

	Permanently employed staff	Others	2019-20 Total	2018-19 Total
	£000	£000	£000	£000
Wages and salaries	118,243	-	118,243	109,439
Social security costs	13,031	-	13,031	12,096
Other pension costs	32,457	-	32,457	23,047
Sub Total	163,731	-	163,731	144,582
Agency and contracted staff	-	20,736	20,736	18,119
Inward Secondments	-	368	368	414
Total	163,731	21,104	184,835	163,115
Less recoveries in respect of outward secondments	(959)	-	(959)	(1,278)
Total Net Costs	162,772	21,104	183,876	161,837

No staff costs have been charged to capital.

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) - known as 'alpha' are unfunded multi-employer defined benefit schemes but the GLD is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation: www.civilservicepensionscheme.org.uk

For 2019-20, employers' contributions of £32,081k were payable to the PCSPS (2018-19: £22,732k) at one of four rates in the range of 26.6 to 30.3 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 are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £357k (2018-19: £315k) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8 to 14.75 per cent of pensionable pay. Employers also match employee contributions of up to 3% of pensionable pay. In addition, employer contributions of £13k (2018-19: £12k), 0.5 per cent of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting date were £26k. Contributions prepaid at that date were £nil. No members of staff retired early on ill health grounds (2018-19: one); the total additional accrued pension liabilities in the year amounted to £nil (2018-19: £nil).

This information has been subject to audit.

Average number of persons employed

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

	2019-20			2018-19
	Total	Permanent Staff	Others	Total
GLD	2,519	2,196	323	2,362

This information has been subject to audit.

Reporting of Civil Service and other compensation schemes - exit packages

Exit package cost band	2019-20			2018-19		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	-	-	-	-	-
£10,000 - £25,000	-	-	-	-	2	2
£25,000 - £50,000	-	-	-	-	-	-
£50,000 - £100,000	-	-	-	-	-	-
£100,000- £150,000	-	-	-	-	-	-
£150,000- £200,000	-	-	-	-	-	-
£200,000- £250,000	-	-	-	-	-	-
£250,000- £300,000	-	-	-	-	-	-
Total number of exit packages by type	-	-	-	-	2	2
Total resource cost/£	-	-	-	-	30,803	30,803

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 the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

This information has been subject to audit.

SCS by Payband

The number of SCS staff by pay band in GLD as at 31 March 2020 was as follows:

GLD	
SCS 4	1
SCS 3	3
SCS 2	28
SCS 1 and 1A	166
Total	198

Staff Composition

We continue to promote equality and inclusion for all and in particular, we continue to maintain a strong gender profile and work to improve the representation of ethnic minority and disabled staff at senior civil service (SCS) level and in feeder grades to the SCS.

We are bound by the Civil Service Commission's recruitment principles on fair and open competition and selection on merit. Adjustments for candidates with disabilities are provided at all stages of the recruitment process. All interviewers are trained in GLD's recruitment policy, processes and procedures, which covers, amongst other things, unconscious bias, to ensure the process is fair, objective and inclusive. GLD is a Level 3 Disability Confident Leader and has an active Disability, Mental Health and Wellbeing Network.

The gender breakdown of our headcount as at 31 March 2020 was as follows:

	Male	Female
Officials as disclosed in the Remuneration Report	4	2
Non executive directors	1	2
SCS (excluding officials disclosed in the Remuneration Report)	81	111
Employees	774	1,454
Total	860	1,569

The proportion of ethnic minority staff (based on those who have self-declared) at SCS is 10.6% (2018-19: 8.5%). The proportion of all staff is 21.6%. Levels of staff with disabilities (based on those who have self-declared) are 5.6% in the SCS (2018-19: 7.5%) and 7.1% for all staff. Individuals are supported by efficient arrangements for assessments and the implementation of workplace adjustments for those who require them.

Sickness Absence

Overall sickness absence was an average of 4.9 working days lost per staff year (2018-19: 5.7 days). This compares favourably with the Civil Service average of 7.0 days lost per staff year as at 30 September 2018 (most recent available figures). 67% of staff had no sickness absences.

Managers are encouraged to actively manage sickness absence in their area, ensuring that people are supported during any illness, and that any underlying causes are identified and addressed, where possible, through workplace adjustments.

Expenditure on consultancy

Controls on consultancy spending were introduced during 2010-11 but were eased in 2019-20 with an increase in thresholds and broader definitions. Expenditure on consultants has been kept to a minimum with spend in 2019-20 of £144k (2018-19: £101k). Spend relates to work on legal work activity analysis, accommodation strategy, communications review and developing a new pay framework for GLD.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation.

Table 1: Relevant Union Officials

Total number of employees who were relevant union officials between 1 April 2019 and March 2020.

	2019-20 No.
Employees who were relevant union officials during the relevant period	26
Full-time equivalent number	25.21

Table 2: Percentage of time spent on facility time

For employees who were relevant union officials employed between 1 April 2019 and March 2020, percentage of their working hours spent on facility time.

	2019-20 No.
0%	5
1% - 50%	20
51% - 99%	1
100%	0

Table 3: Percentage of pay bill spent on facility time

For employees who were relevant union officials employed between 1 April 2019 and March 2020, percentage of pay bill spent on facility time.

	2019-20
The total cost of facility time (£k)	89.71
The total annual pay bill for Government Legal Department (£k)	162,049
The percentage of total pay bill spend on facility time (%)	0.06%

Table 4: Paid trade union activities

For employees who were relevant union officials employed between 1 April 2019 and March 2020, percentage of time spent on paid trade union activities.

	2019-20
Time spent on paid trade union activities as a percentage of total paid of facility time hours (%)	0%

Parliamentary Accountability and Audit Report

This information has been subject to audit.

Losses and Special Payments

HMT's publication - 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.

Fees and Charges

Analysis of income from services provided

An analysis of the 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 HMT's guidance on fees and charges set out in Managing Public Money. This analysis is not for IFRS 8 purposes.

Administration Income

	2019-20				2018-19			
	Income £000	Vote funding £000	Full Cost £000	Surplus/ (deficit) £000	Income £000	Vote funding £000	Full Cost £000	Surplus/ (deficit) £000
Legal fees and charges to clients	244,909	4,732	249,328	313	229,532	-	222,405	7,127
Bona Vacantia	4,492	-	4,492	-	3,943	-	3,943	-
Other income	3,686	-	3,686	-	4,275	-	4,275	-
Non-chargeable work	-	387	387	-	-	394	394	-
Total	253,087	5,119	257,893	313	237,750	394	231,017	7,127

In accordance with HMT's guidance a notional cost of capital charge £483k (2018-19 £386k) 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 HMT (currently 3.5 per cent) on the average carrying amount of all assets less liabilities, except for cash balances held with the Government Banking Service.

Vote funding relates to Public Interest legal work and was provided to support the department's move to a new head office.

Remote Contingent Liabilities

The department has no contingent liabilities that need to be disclosed under Parliamentary reporting requirements.

Long term expenditure trends

This information is not subject to audit.

Our planned net expenditure as agreed with HMT is as follows. This covers the costs that are not recovered from our clients, but which are met from the Parliamentary Estimate.

£m	2020-21
DEL Resource	2.09
DEL Capital	1.40

The Departmental Expenditure Limit (DEL) Resource funding in 2020-21 is to cover the costs of public interest casework (Letters of Request and Vesting Orders in Chancery).

The DEL Capital funding allows us to invest in improving and developing systems to support our operations and to meet our accommodation requirements.

Funding beyond 2020-21 will be determined by the next Spending Review.

Sir Jonathan Jones KCB QC (Hon)

Accounting Officer

02 June 2020

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

Opinion on financial statements

I certify that I have audited the financial statements of the Government Legal Department for the year ended 31 March 2020 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

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

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

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

Conclusions relating to going concern

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

- the Government Legal Department's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Government Legal Department has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis.

Responsibilities of the Accounting Officer for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Other Information

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

Opinion on other matters

In my opinion:

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

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies 04 June 2020
Comptroller and Auditor General

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



Financial Statements

Statement of Comprehensive Net Expenditure for the period ended 31 March 2020

	Note	2019-20 £000	2018-19 £000
Income from sale of goods and services	5	(245,905)	(230,521)
Other operating income	5	(7,182)	(7,229)
Total operating income		(253,087)	(237,750)
Staff costs	2	184,835	163,115
Purchase of goods and services	3	20,195	16,148
Rentals under operating leases	3	9,267	4,482
Non-cash costs	3	2,988	115
Disbursements	4	40,125	46,771
Total operating expenditure		257,410	230,631
Net operating expenditure/(income)		4,323	(7,119)
Other comprehensive net expenditure			
Net (gain)/loss on revaluation of property plant and equipment		-	-
Net (gain)/loss on revaluation of intangibles		-	-
Total comprehensive expenditure/(income) for the year		4,323	(7,119)

All income and expenditure is derived from continuing operations.

The notes on pages 65 to 74 form part of these accounts.

Statement of Financial Position as at 31 March 2020

	Note	31 March 2020		31 March 2019	
		£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	6	8,541		5,668	
Intangible assets	7	771		1,148	
Total non-current assets		9,312		6,816	
Current assets					
Trade and other receivables	9	36,602		34,642	
Cash and cash equivalents	10	5,672		9,481	
Total current assets		42,274		44,123	
Total assets			51,586		50,939
Current liabilities					
Trade and other payables	11	(37,544)		(36,980)	
Provisions	12	(120)		-	
Total current liabilities			(37,664)		(36,980)
Non-current assets plus net current assets			13,922		13,959
Non-current liabilities					
Provisions	12	(268)		-	
Total non-current liabilities			(268)		-
Total assets less liabilities			13,654		13,959
Taxpayers' equity					
General fund			13,654		13,623
Revaluation reserve			-		336
Total Taxpayers' equity			13,654		13,959

The notes on pages 65 to 74 form part of these accounts.

Sir Jonathan Jones KCB QC (Hon)
Accounting Officer
02 June 2020

Statement of Cash Flows

for the period ended 31 March 2020

		2019-20	2018-19
	Note	£000	£000
Cash flows from operating activities			
Net operating (expenditure)/income		(4,323)	7,119
Adjustments for non-cash transactions arising in the year	3	2,988	115
(Increase) in trade and other receivables	9	(1,960)	(1,721)
Increase/(decrease) in trade and other payables*	11	5,487	(141)
Net cash inflow from operating activities		2,192	5,372
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(5,725)	(3,344)
Purchase of intangible assets	7	(416)	(702)
Net cash outflow from investing activities		(6,141)	(4,046)
Cash flows from financing activities			
Net financing		140	(682)
Net financing		140	(682)
Net (decrease)/increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund	10	(3,809)	644
Amounts due to the Consolidated Fund - received in a prior year and paid over		-	-
Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	10	(3,809)	644
Cash and cash equivalents at the beginning of the period	10	9,481	8,837
Cash and cash equivalents at the end of the period	10	5,672	9,481

*The movement on payables excludes movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure such as departmental balances with the Consolidated Fund.

The notes on pages 65 to 74 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the period ended 31 March 2020

	Note	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Balance at 1 April 2018		7,765	336	8,101
Changes in taxpayers' equity for 2018-19				
Net financing		(682)	-	(682)
Net parliamentary funding: deemed		8,837	-	8,837
Supply payable adjustment	11	(9,481)	-	(9,481)
Comprehensive net income for the year		7,119	-	7,119
Non-cash adjustments:				
Auditors' remuneration	3	65	-	65
Movements in reserves recognised in Statement of Comprehensive Expenditure				
Net gain on revaluation of plant, property and equipment		-	-	-
Net gain on revaluation of intangible assets		-	-	-
Transfer between reserves		-	-	-
Total recognised income for 2018-19		5,858	-	5,858
Balance at 31 March 2019		13,623	336	13,959
Changes in taxpayers' equity for 2019-20				
Net financing		140	-	140
Net parliamentary funding: deemed		9,481	-	9,481
Supply payable adjustment	11	(5,672)	-	(5,672)
Comprehensive net expenditure for the year		(4,323)	-	(4,323)
Non-cash adjustments:				
Non-cash charges – auditors' remuneration	3	69	-	69
Movements in reserves				
Transfer between reserves		336	(336)	-
Total recognised income/(expenditure) for 2019-20		31	(336)	(305)
Balance at 31 March 2020		13,654	-	13,654

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

The notes on pages 65 to 74 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2019-20 Government Financial Reporting Manual (FReM) issued by HMT. 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 Government Legal Department (GLD) for the purpose of giving a true and fair view has been selected. The particular policies adopted by GLD are described below. They have been applied consistently in dealing with items considered material in relation to the Accounts.

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 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 GLD to the other central government departments, agencies and arms length bodies and recovery of disbursements incurred on their behalf. Fees and charges are set in accordance with HMT guidance set out in Managing Public Money.

In addition, it includes other income such as charges for the administration costs of the Bona Vacantia Division, rental income and service charge, recovery of costs for recruitment and training services provided to other government departments.

This income has been recognised as follows in line with IFRS 15 principles:

- Fees for legal services which are charged as a fixed annual fee for the service provided in that year have been recognised in full for that financial year on the basis that when the year comes to an end the service has been fully provided.
- Fees for legal services which are charged on an hourly basis for provision of advice/casework have been recognised in line with the hours recorded by staff on chargeable work.
- Fees charged to recover costs incurred by GLD where it has been agreed that these will be passed straight onto customers are recognised in line with when those costs have been recognised by GLD.

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

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 and fittings three, five or ten years
- ICT 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 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 statement of financial position.

1.7 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.

1.8 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.

1.9 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.

1.10 Taxation

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. Operating income is stated net of VAT.

1.11 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 16 to these accounts.

1.12 IFRS issued but not yet effective

IFRS 16 Leases is effective for periods beginning on or after 1 January 2019. The new standard will be implemented two years later from 1 April 2021 for government departments and reflected in the FReM from 2021-22. It is expected to have a material impact on the financial statements, which do currently contain significant lease liabilities.

2. Staff Costs

	Permanently employed staff	Others	2019-20 Total	2018-19 Total
	£000	£000	£000	£000
Wages and salaries	118,243	-	118,243	109,439
Social security costs	13,031	-	13,031	12,096
Other pension costs	32,457	-	32,457	23,047
Sub Total	163,731	-	163,731	144,582
Agency and contracted staff	-	20,736	20,736	18,119
Inward Secondments	-	368	368	414
Total	163,731	21,104	184,835	163,115
Less recoveries in respect of outward secondments	(959)	-	(959)	(1,278)
Total Net Costs	162,772	21,104	183,876	161,837

No staff costs have been charged to capital.

3. Other Expenditure

	2019-20 £000	2018-19 £000
Rentals under operating leases		
Hire of plant and machinery	272	280
Other operating leases	8,995	4,202
	9,267	4,482
Non-cash items		
Depreciation	2,642	1,239
Amortisation	277	338
Provisions not required written back	-	(1,527)
External auditors' remuneration*	69	65
	2,988	115
Purchase of goods and services		
Accommodation	7,182	4,251
IT and communications costs	3,741	2,840
Library information services	2,195	2,192
Training	1,903	1,341
Recruitment	1,235	1,734
Professional and external HR services	1,058	792
Travel and subsistence	618	620
Postal services	321	287
Records management	178	317
Consultancy	144	101
Welfare supplies and consumables	133	177
Office machines and consumables	94	126
Publications	93	75
Stationery	71	145
Other	1,229	1,150
	20,195	16,148
Total Other Expenditure	32,450	20,745

*External auditors' remuneration represents the notional audit fees of £69k (2018-19: £65k) for the Government Legal Department Account. There was no auditor remuneration for non-audit work.

4. Disbursements

	2019-20	2018-19
	£000	£000
Recoverable from client departments	36,343	42,130
Funded from Supply	252	216
Disbursements recovered from fixed fees	3,530	4,425
Gross expenditure	40,125	46,771

5. Income

	2019-20	2018-19
	£000	£000
Income from sales of goods and services:		
Legal fees and charges to clients	208,566	187,402
Disbursement income	36,343	42,130
LION Subscription	996	989
	245,905	230,521
Other operating income:		
Recovery of costs Bona Vacantia	4,492	3,943
Recovery of secondments out	959	1,278
Rental income	532	1,031
Tenant service charges	356	637
Other income	843	340
	7,182	7,229
Total Income	253,087	237,750

6. Property, plant and equipment

	Assets under construction	Leasehold improvements	ICT Network	Furniture and Fittings	2019-20 Total
	£000	£000	£000	£000	£000
Cost or Valuation					
At 1 April 2019	229	660	11,987	3,832	16,708
Additions	-	3,079	803	897	4,779
Capitalised provision	-	388	-	-	388
Disposals	-	-	(7,498)	(2,395)	(9,893)
Reclassification	(229)	-	567	10	348
At 31 March 2020	-	4,127	5,859	2,344	12,330
Depreciation					
At 1 April 2019	-	562	8,072	2,406	11,040
Charge in year	-	310	2,039	293	2,642
Disposals	-	-	(7,498)	(2,395)	(9,893)
At 31 March 2020	-	872	2,613	304	3,789
Carrying amount at 31 March 2020	-	3,255	3,246	2,040	8,541
Asset Financing					
Owned	-	3,255	3,246	2,040	8,541
At 31 March 2020	-	3,255	3,246	2,040	8,541

	Assets under construction	Leasehold improvements	ICT Network	Furniture and Fittings	2018-19 Total
	£000	£000	£000	£000	£000
Cost or Valuation					
At 1 April 2018	527	660	8,750	2,970	12,907
Additions	229	-	3,165	862	4,256
Reclassification	(527)	-	72	-	(455)
At 31 March 2019	229	660	11,987	3,832	16,708
Depreciation					
At 1 April 2018	-	479	7,053	2,269	9,801
Charge in year	-	83	1,019	137	1,239
At 31 March 2019	-	562	8,072	2,406	11,040
Carrying amount at 31 March 2019	229	98	3,915	1,426	5,668
Carrying amount at 31 March 2018	527	181	1,697	701	3,106

	2019-20	2018-19
	£000	£000
Property, plant and equipment additions	5,167	4,256
Movement in accruals for property, plant and equipment	558	(912)
Cash flows for property, plant and equipment	5,725	3,344

7. Intangible assets

	Assets under construction	Software Development	Software licences	Website costs	2019-20 Total
	£000	£000	£000	£000	£000
Cost or Valuation					
At 1 April 2019	1	4,065	3,307	590	7,963
Additions	-	-	248	-	248
Disposals	-	(4,065)	(1,956)	(590)	(6,611)
Reclassification	(1)	-	(347)	-	(348)
At 31 March 2020	-	-	1,252	-	1,252
Amortisation					
At 1 April 2019	-	4,065	2,160	590	6,815
Charge in year	-	-	277	-	277
Disposals	-	(4,065)	(1,956)	(590)	(6,611)
At 31 March 2020	-	-	481	-	481
Carrying amount at 31 March 2020	-	-	771	-	771

	Assets under construction	Software Development	Software licences	Website costs	2018-19 Total
	£000	£000	£000	£000	£000
Costs or Valuation					
At 1 April 2018	26	4,065	1,957	590	6,638
Additions	-	-	870	-	870
Reclassification	(25)	-	480	-	455
At 31 March 2019	1	4,065	3,307	590	7,963
Amortisation					
At 1 April 2018	-	4,065	1,822	590	6,477
Charge in year	-	-	338	-	338
At 31 March 2019	-	4,065	2,160	590	6,815
Carrying amount at 31 March 2019	1	-	1,147	-	1,148
Carrying amount at 31 March 2018	26	-	135	-	161

	2019-20	2018-19
	£000	£000
Intangible asset additions	248	870
Movement in accruals for intangible assets	168	(168)
Cash flows for intangible assets	416	702

8. 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.

9. Trade receivables and other current assets

Analysis by type	31 March 2020 £000	31 March 2019 £000
Amounts falling due within one year:		
Unbilled time	6,079	5,586
Unbilled disbursements	8,364	10,007
Trade receivables	19,647	15,494
Deposits and advances	567	583
Prepayments and accrued income	1,945	2,972
	36,602	34,642

10. Cash and cash equivalents

	2019-20 £000	2018-19 £000
Balance at 1 April	9,481	8,837
Net change in cash and cash equivalents	(3,809)	644
Balance at 31 March	5,672	9,481

All balances were held with the Government Banking Service.

11. Trade payables and other current liabilities

Analysis by type	31 March 2020 £000	31 March 2019 £000
Amounts falling due within one year:		
VAT	8,272	5,968
Other taxation and social security costs	3,625	3,456
Trade payables	141	150
Other payables	623	1,340
Accruals and deferred income	19,211	16,585
	31,872	27,499
Amounts issued from the Consolidated Fund for Supply and not spent at year end	5,672	9,481
Total payables and other current liabilities	37,544	36,980

12. Provisions for liabilities and charges

	2019-20 Total £000	2018-19 Total £000
Balance at 1 April	-	1,527
Provided in the year	388	(1,527)
Provisions not required written back	-	-
	388	-
Provisions utilised in the year	-	-
Balance at 31 March	388	-

	2019-20 Total £000	2018-19 Total £000
Analysis of expected timing of discounted cash flows		
Not later than one year	120	-
Later than one year and not later than five years	103	-
Later than five years	165	-
	388	-

Explanatory notes

12.1 Dilapidations

A provision has been made for dilapidations obligations.

13. Commitments under operating leases

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

	2019-20		2018-19	
	Buildings £000	Other £000	Buildings £000	Other £000
Obligations under operating leases for the following periods comprise:				
Not later than one year	8,319	541	12,352	1,292
Later than one year and not later than five years	30,849	208	43,032	620
Later than five years and not later than ten years	22,100	-	45,300	-
	61,268	749	100,684	1,912

14. Contingent liabilities

There were no contingent liabilities as at 31 March 2020 (31 March 2019: £nil).

15. Related party transactions

The department has had a significant number of material transactions with other government departments and public agencies since the nature of the department'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.

GLD provides legal services to HMRC. Tom Taylor, Non-Executive Director of GLD and Chair of its Audit and Risk Committee is an independent Member of HMRC's Audit and Risk Committee.

None of the other Board members, key managerial staff or other related parties has undertaken any material transactions with GLD during the year. Board members' remuneration is disclosed in the Remuneration Report.

16. 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, as the funds are held on behalf of third parties and as a consequence do not appear in these accounts. As at 31 March 2020, these amounted in total to £18,610k (31 March 2019: £11,278k). An analysis of the movements on these accounts is shown in the below:

	2019-20	2018-19
	£000	£000
Opening balance at 1 April	11,278	15,625
Gross inflows	197,259	159,784
Gross outflows	(189,927)	(164,131)
Closing balance at 31 March	18,610	11,278

These balances are held with the Government Banking Service.

17. 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.

Annex A: Sustainability Report for the year ended 31 March 2020

Introduction

GLD's strategy for sustainability is to improve our performance against the Greening Government Commitments (GGC), which run to 2020, with a 2009-10 baseline, wherever possible.

Performance relates to our occupancy of the previous central London Head Office at One Kemble Street (OKS) up to December 2019, our new central London head office, 102 Petty France from July 2019, our site at Southern House in Croydon and our site at Lateral, Leeds.

Due to the dual running period during the office move some of the measures have not continued the positive trends seen in previous years. However, the reduction in paper use is a notable success.

Performance is presented against each of the minimum reporting areas (data for previous three years and against performance measures (GGC for central government)).

Greenhouse Gas Emissions		Baseline				2019-20
		2009-10	2016-17	2017-18	2018-19	
Non-Financial Indicators (tCO ₂ e)	Gross Emissions Scope 1 and 2 indirect	2,411	1,642	1,562	1,555	1,781
	Gross Emissions Scope 3 - Official Business Travel	123	90	104	149	149
	Total Greenhouse Gas Emissions	2,534	1,732	1,666	1,704	1,930
Related Energy Consumption (KWh)	Electricity	4,024,487	2,800,089	2,572,766	2,615,646	4,086,100
	Gas	-	-	-	-	629,159
	Oil	991,178	633,052	826,235	688,232	219,684
	Total Expenditure on Energy	349,825	307,129	306,133	568,725	672,193
Financial Indicators (£)	Expenditure on accredited offsets (e.g. GCOF)	1,270	-	-	-	-
	Expenditure on official business travel	136,724	315,602	494,053	605,029	539,944

Performance commentary:

The GGC is to:

- Reduce greenhouse emissions by at least 32% from a 2009-10 baseline

Overall emissions (tCO₂e) have risen this year, primarily due to the dual running of offices during the office move. However, they are still 24% below baseline.

Waste		Baseline				2019-20
		2009-10	2016-17	2017-18	2018-19	
	Non-Recycled	76	0	0	0	1
Non-Financial Indicators (t)	Total Reused/Recycled	90	100	105	88	163
	Energy recovery ¹	-	25	25	25	36
	Total waste	166	125	130	113	200
Financial Indicators (£)	Total disposal cost	17,616	27,507	28,606	24,877	28,742

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

Performance commentary:

The GGC waste targets are to:

- reduce landfill to less than 10% of overall waste by 2020 compared to the 2009-10 baseline
- continue to reduce the amount of waste generated and increase the proportion of waste which is recycled
- reuse and recycle redundant ICT equipment

Overall waste has been higher for 2019-20 primarily due to the head office move. Virtually all waste is either recycled or sent for energy recovery. All ICT equipment is recycled following approved disposal methods.

Finite resource consumption		Baseline 2009-10	2016-17	2017-18	2018-19	2019-20
Non Financial Indicators	Water consumption (m ³)	6,466	6,962	7,683	6,895	6,057
	Paper Consumption (A4 Reams)	47,665	29,625	27,881	31,365	12,255
Financial indicators (£)	Water Supply and Disposal Cost	13,848	15,869	17,511	15,759	10,916

Performance commentary:

The GGC for paper is to reduce paper consumption by 50% by 2020 from a 2009-10 baseline. Overall paper consumption is 74% below the baseline.

Paper consumption has significantly decreased this year due to a successful project to reduce paper usage in conjunction with GLD's move to new premises in 2019-20.

The GGC for water is to continue to reduce water consumption.

Water consumption has continued to reduce this year, despite the dual running period of the office move and is below the baseline.



Case Study: Greener GLD

Environmental issues are a real source of concern, we can often feel overwhelmed by their enormity. Yet, inspired by each other and the power of a collective to catalyse change, the Greener GLD Network was born.

Launched on 4 December 2019, the Network already has a Director Champion, a voluntary leadership committee of 21 staff across all grades and professions; over 200 members in the wider network; as well as local groups active across 13 buildings around the country.

The Network has overseen the widespread implementation of the Terracycling scheme, involving recycling 'non-recyclables' like crisp packets, raising money for charitable causes. It has facilitated three staff events and become part of the cross-Whitehall network. Recently it has aided the events team to devise a greener all staff event.

Our aim is to collaborate across GLD to make the organisation a brilliant, and sustainable, place to work.

Sustainable procurement

The GGC also promotes 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.

The overall procurement strategy principally includes the use of Crown Commercial Service framework contracts and the department is subject to the sustainability policy that it operates.

GLD promotes sustainability in procurement by:

- working closely with its suppliers – to improve sustainable processes and the use of products
- buying products and services which are less environmentally damaging; for instance, the 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

Two of GLD's suppliers are ISO 14001 accredited. Its:

- off-site storage provider has won the Green Fleet award for their efforts to reduce the environmental impact of their transport fleet
- print service provider complies with the WEEE (Waste Electrical and Electronic Equipment) regulations for disposal of equipment

The contractor, Interserve Paragon, who delivered works for GLD at 102 Petty France under the PFI arrangement with its landlord, the Ministry of Justice, operates a group-wide sustainability programme, SustainAbilities, committing them to sustainable methods of construction and minimising environmental impacts from their activities. Interserve Paragon are members of Build UK which sets a minimum requirement of environmental knowledge for all those working on UKCG sites, including employees of supply chain subcontractors.

Interserve Paragon committed to reducing waste associated with design and construction activities through:

- designing out waste principles
- efficient materials procurement and management
- efficient construction techniques
- implementation of the waste hierarchy throughout the project life-span

Glossary

ABC	Appropriate Behaviour Champion
AGO	Attorney General's Office
ARAC	Audit and Risk Committee
BAU	Business as usual
BEIS	Department for Business, Energy and Industrial Strategy
CETV	Cash Equivalent Transfer Value
CMA	Competition and Markets Authority
CMC	Claims Management Companies
CO	Cabinet Office
CPS	Crown Prosecution Service
CRC	Community Rehabilitation Companies
CSOPS	Civil Servant and Other Pension Scheme
CSHR	Civil Service HR
CJSM	Criminal and Justice Secure Mail
DCMS	Department for Culture, Media and Sport
Defra	Department for the Environment, Food and Rural Affairs
DExEU	Department for Exiting the European Union
DEL	Departmental Expenditure Limit
DfE	Department for Education
DfT	Department for Transport
DHSC	Department for Health and Social Care
DIT	Department for International Trade
DWP	Department for Work and Pension
FCA	Financial Conduct Authority
FCO	Foreign and Commonwealth Office
FDA	First Division Association
FTE	Full Time Equivalent
GDPR	General Data Protection Regulations
GEO	Government Equalities Office
GGC	Greening Government Commitments
GLD	Government Legal Department
GLTP	Government Legal Training Programme
HMCPSI	Her Majesty's Crown Prosecution Service Inspectorate
HMG	Her Majesty's Government
HMRC	Her Majesty's Revenue and Customs
HMT	Her Majesty's Treasury
HR	Human Resources
HO	Home Office
ICO	Information Commissioner's Office
ICT	Information, communication and technology
KM	Knowledge Management
Lexcel	Law Society's Practice Quality Mark
LION	Legal Information Online Network
MHCLG	Ministry of Housing, Communities and Local Government
MOD	Ministry of Defence
MOJ	Ministry of Justice
NAO	National Audit Office
NCA	National Crime Agency
NED	Non Executive Director
NIO	Northern Ireland Office
OPC	Office of Parliamentary Counsel
OKS	One Kemble Street
PCS	Public and Commercial Services Union
PFI	Private Finance Initiative
PSCPS	Principal Civil Service Pension Scheme
PSN	Public Service Network
SCS	Senior Civil Service
SI	Statutory Instrument
SSRB	Senior Salaries Review Body
WEEE	Waste Electrical and Electronic Equipment

