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HM Procurator General and Treasury Solicitor

# Annual Report and Accounts 2021-22

For the year ended 31 March 2022



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For the year ended 31 March 2022

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

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# Performance Report

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The Performance Report includes a summary of the department's purpose and activities (the Overview) followed by a review of progress against performance measures and an overview of significant events that have taken place during the financial year (the Performance Analysis). A summary of risks and mitigating actions is set out in the Governance Statement on page 32.

## Overview

### Introduction

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

The Government Legal Department (GLD) is a non-ministerial government department and executive agency. In addition to being responsible for all financial activity within GLD, the Treasury Solicitor is also responsible for financial matters at the Attorney General's Office (AGO) and Her Majesty's Crown Prosecution Service Inspectorate (HMCPSI).

The financial statements on pages 69 to 84 cover all these bodies and have been prepared under an accounts direction issued in December 2020 by HM Treasury (HMT), in accordance with section 5(2) of the Government Resources and Accounts Act 2000. The Accounts demonstrate the resources that have been consumed in delivering the department's objectives. They have been prepared in accordance with the guidance set out in the Government Financial Reporting Manual (FReM).

### Entities within the Accounts

These Accounts present the consolidated results for 2021-22 of the:

- Government Legal Department (GLD)
- Attorney General's Office (AGO)
- HM Crown Prosecution Service Inspectorate (HMCPSI)

## Government Legal Department

GLD's purpose is to help the government to govern well, within the rule of law.

GLD's vision for 2019-2024 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 fulfill our potential.

The principal activities of GLD are as follows:

- **Advisory** - GLD has expert advisory teams specialising in the work of their client department, providing risk-based and solution-focused legal advice. GLD lawyers are crucial throughout the lifecycle of government policy. They advise on and draft legislation and work to take it through Parliament; advising departments and ministers on the legal implications of government policy, and ensuring it stands up to Parliamentary scrutiny.
- **Litigation** - GLD's litigation group is comprised of three divisions: Defence and Security, Home Office and Immigration, and Justice and Development. Litigation lawyers handle high profile public and private law litigation for central government departments, security agencies, and other public bodies; including UK military and security bodies. The divisions also undertake inquest, inquiry and injunctive work for GLD's clients. Our litigation teams are currently handling approximately 22,000 pieces of litigation.
- **Employment** - As one of the largest employment law practices in the country, GLD's Employment Group advise on complex and fast-moving legal areas including: claims for unfair dismissal and relating to discrimination; pay issues; contractual issues and terms and conditions; and whistleblowing claims. The TUPE (Transfer of Undertakings Protection of Employment) and Transactional Hub provides specialist advice on employment and pensions issues to help manage employment-related risks, while the Industrial Hub advises on trade union matters and industrial action. The National Security Hub manages advice work and litigation claims requiring a knowledge of security vetting or the management of protected material.
- **Commercial** - The Commercial Law Group (CLGp) provides expert advice on transactional, litigation, property and advisory commercial legal matters. Transactional and advisory teams advise government departments on their commercial work, ensuring value for money in the purchase of goods and services for the public sector. The litigation and dispute resolution team supports the government in high profile legal claims, and saves taxpayer money by pursuing alternative forums (mediation, adjudication). The GLD Property Hub provides strategic commercial property advice, and supports government departments and agencies via training on property issues.
- **The Statutory Instrument (SI) Hub** is the GLD's specialist statutory instrument drafting service and Centre of Excellence for secondary legislation, with 30 lawyers drafting secondary legislation for all of GLD's client departments. The SI Hub Centre of Excellence makes a major contribution to helping lawyers across GLD improve the quality of their drafting, through its structured SI training programme, the annual SI conference and drafting guidance.
- **The Finance, Operations and Digital, 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).
- **The Knowledge, Capability and Innovation Division** lead on developing the department's 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.

## Attorney General's Office

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

The Law Officers are the government's chief legal advisers, helping the government to deliver policy in the context of upholding and promoting the rule of law and performing a visible and effective role as leaders in the domestic and international legal community.

They also have sponsorship responsibilities in relation to the Government Legal Department (GLD), Crown Prosecution Service (CPS) and the Serious Fraud Office (SFO). They take a close interest in any matters of criminal justice policy and practice bearing on the role of the prosecutors. In addition, they perform a range of civil and criminal law litigation functions exercisable in the public interest, including referring sentences which may be unduly lenient to the Court of Appeal, bringing proceedings for contempt of court and authorising applications for fresh inquests. The Attorney General is ministerial head of the government legal profession and, alongside the CPS and SFO, is answerable in Parliament for the operations of the Government Legal Department (GLD). The Attorney General is also head of the Bar of England and Wales and exercises a leadership role in relation to the wider legal professions; the Attorney also holds the separate office of Advocate General for Northern Ireland.

The AGO's Business Plan sets out its priorities for 2021-22 and is published on gov.uk. The plan is reviewed each year based on ministerial priorities, and business requirements. The AGO's objectives focused on:

- Helping deliver Government policy in the context of the Law Officers' constitutional role in relation to the Rule of Law
- Defining and delivering the Law Officers' public interest functions in the interests of the administration of justice
- Sponsoring the Law Officers' Departments and connecting the work of the prosecutors with wider criminal justice policy.
- Ensuring a high performing and efficient Attorney General's Office which meets its legal and performance obligations.



## HM Crown Prosecution Service Inspectorate

The Crown Prosecution Service Inspectorate Act 2000 created the role of HM Chief Inspector of the Crown Prosecution Service. The Chief Inspector is appointed by, and reports, to the Attorney General. The Chief Inspector also fulfils the function of Chief Executive of HM Crown Prosecution Service Inspectorate. Since it was established, the Inspectorate's statutory remit has been broadened to include the Serious Fraud Office (ASBCP Act 2014 – section 149 commencement).

The purpose of the Inspectorate's work is to inspect the operation of the Crown Prosecution Service (CPS) and Serious Fraud Office (SFO) and to provide independently assessed evidence to allow others to hold those agencies to account thereby encouraging improvement. HMCPSI can undertake inspection by invitation.

HMCPSI's strategic objectives are:

- To deliver high quality assessments on the SFO and CPS to inform them and those who hold them to account.
- To work collaboratively with other inspectorates and develop effective working relationships in order to achieve the first objective.
- To promote HMCPSI to targeted stakeholder and media audiences to widen and maintain the interest in the work of the inspectorate.
- To ensure that HMCPSI reports are well written so that they are of use to the target audience(s).
- To recruit and develop the best people so HMCPSI has a high performing workforce with the right skills and values for the job.
- To run an efficient and effective organisation that meets the best standards of a government department in order to provide value for money.

# Performance Analysis

## Performance Measures

The following performance measures were agreed with HMT. These all relate to GLD.

Performance Measure	Outturn 2021-22	Outturn 2020-21
<b>To improve client satisfaction ratings:</b>		
Percentage Good or Excellent	96%	96%
Average score ( <i>Excellent: 10, Good: 5, Acceptable: 0, Poor: -5, Unacceptable: -10</i> )	8.06	8.07
<b>To recover from clients the full operating costs of chargeable services</b>	Achieved	Achieved
<b>To retain Lexcel accreditation</b>	Achieved	Achieved

## Client Satisfaction

GLD's aim is to improve its ratings in the annual survey of client satisfaction. Our average score remained broadly flat and we achieved a marginal improvement in the percentage of Good or Excellent 96.2% (95.7% last year). Given the challenging operational context over the past year, achieving an improvement in the satisfaction rating, 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, our speed of response was an area where we need to do more. These results have fed into our Client Care Plan for 2022-23, 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. GLD litigators across Litigation, Employment and Commercial Law Groups again successfully met the Lexcel standard, achieving the highest level of accreditation. The Lexcel assessor concluded that "this continues to be extremely noteworthy given the current context – both internal and external. It continues to more than amply demonstrate the inherent robustness of internal process and system. In Lexcel terms, GLD continues to very clearly constitute a "Centre of Excellence", and continues to demonstrate an exceptionally high degree of compliance against the Lexcel standard."

## Full cost recovery

GLD is primarily funded from the fees charged to clients for its legal services. Its fee rates are set in accordance with HMT's publication - Managing Public Money - and are designed to recover the costs incurred by the department. Full cost recovery was achieved this year, a surplus of £12m was generated (2020-21: £3.5m).

Performance is monitored throughout the year, and on a quarterly basis, GLD undertake a formal exercise to forecast the financial outturn for the year. GLD's commitment to its clients is to ensure that they benefit promptly from better than budgeted financial performance; if this forecasting exercise predicts a significant surplus, GLD evaluate the underlying reasons and assess whether a fee reduction or rebate should be made in-year. This year, GLD refunded fees to reflect lower costs incurred.

## Significant events during the financial year

### Government Legal Department

2021-22 was another demanding and unprecedented year, for GLD, with the department at the heart of government business, providing outstanding legal support across government priorities including recovery from the COVID-19 pandemic, energy supply, trade and levelling up. Recognition of GLD's value and support to client departments remained high – as evidenced by the annual client satisfaction score of 96% rating GLD services 'good' or 'excellent'.

GLD began the process of implementing and co-ordinating its strategic initiatives as part of an Overall Plan which will help the department invest further in people and culture, into key areas like resourcing, pay and benefits, digital data and technology and the department's talent pipeline.

GLD launched three new Legal Directorates, and welcomed new Directors General to lead them. These new directorates, Litigation with Justice and Security, Commercial with Trade and International and Employment with Economic Recovery and UK Governance, are a significant milestone in the evolution of GLD, reflecting the key role the department plays in supporting the government's priority to Build Back Better as we recover from the pandemic, and deliver meaningful progress on geographical inequality through the ambitious levelling up agenda.

By way of case studies and commentary, the GLD Annual Report and Accounts 2021-22 provides substantial details of significant events and achievements. It is available at: [www.gov.uk/gld](http://www.gov.uk/gld).

## Attorney General's Office

The AGO supported the Law Officers on policy, legislation, and in providing timely, problem-solving legal and constitutional advice on issues across all areas of the government's work. On the wider international side, the Law Officers dealt with legal issues in the areas of trade, security and foreign policy. Our outputs reflect how well the office adapted to working remotely over the past year and maintained high standards of performance and service delivery.

We continue to be key players on policy boards delivering government priorities in the field of criminal justice. We have also strengthened and further developed our formal relationships and governance mechanisms with the CPS, SFO and GLD, progressed high profile Unduly Lenient Sentence (ULS) cases and other public interest cases and dealt with difficult legal issues including relating to EU exit and the rule of law.

This year the Attorney continued to modernise the sponsorship relationships with the GLD, Crown Prosecution Service (CPS) and Serious Fraud Office (SFO), reviewing and building on Framework Agreements and Memorandums of Understanding. The Attorney General ensured governance practice is embedded through chairing Ministerial Strategic Boards, providing support and oversight.

The AGO provided high quality support across all the Law Officers' core functions. The Law Officers accomplished a wide variety of Parliamentary business in both Houses, including departmental oral questions every six weeks. Working closely with the Office of the Advocate General for Scotland, supporting the Law Officers' role in the Parliamentary Business and Legislation (PBL) Committee and working with departments to find solutions to legal difficulties in proposed legislation. In 2021-22 the AGO responded to 158 parliamentary questions, answering 100% within the deadline; 236 MP letters, answering 100% within the deadline; and 800 Cabinet write rounds.

The AGO continued to manage a high number of potentially unduly lenient sentence cases, dealing with almost 1,000 offenders in 2021 (991 in 2021, compared with 786 in 2020 and 984 in 2019). Of those, 649 cases were within the scope of the unduly lenient sentence scheme, requiring personal consideration by a Law Officer, and 150 were referred by a Law Officer to the Court of Appeal. The Court of Appeal granted leave on the merits in 74% of these cases, agreed the sentence was unduly lenient in 73%, and increased the sentence in 67%. AGO also dealt with several complex and high-profile contempt cases.

The Law Officers continued more generally to work closely with the Justice Secretary, the Home Secretary and the senior judiciary to deliver an effective criminal justice system for victims and the public, and to ensure that wider government programmes reflect a clear understanding of the work of prosecutors.

As Criminal Justice Policy has evolved over the last 12 months the AGO supported the Attorney to play a central role in emerging governance structures; the Attorney sits on the Criminal Justice Taskforce alongside the Prime Minister, Lord Chancellor and Home Secretary.

## HM Crown Prosecution Service Inspectorate

Andrew Cayley CMG QC took on the role of Chief Inspector from 1st April 2021.

Over the year we have also increased the level of inspector resource. The change in the way of working and also an increase in overall budget has allowed us to use additional funding to recruit seven inspectors, five of which are additional to our previous resource baseline. This increase has enabled HMCPSI to develop and conduct a significant programme of CPS Area inspection which will assess the value added and grip that the CPS has on its volume casework. The first 6 Area reports were published in 2021-22 and the other 8 Area reports will be published in 2022-23.

As with 2020-21 HMCPSI delivered a full programme of inspection, and mitigated the challenges of COVID-19 by undertaking its core activity virtually:

- Proceeds of Crime Divisions CPS and SFO (published July 2021)
- Area Inspection Programme – CPS South East (published October 2021)
- Area Inspection Programme – CPS North East (published October 2021)
- Area Inspection Programme – CPS Cymru Wales (published October 2021)
- Area Inspection Programme – CPS West Midlands (published October 2021)
- Joint Thematic Inspection of the criminal justice journey for individuals with mental health needs and disorders (published November 2021)
- CPS Handling of Custody Time Limits (published December 2021)
- SFO Victim and Witness Care (published January 2022)
- Area Inspection Programme – CPS London South (published February 2022)
- Area Inspection Programme – CPS East of England (published March 2022)

## Future Development

### Government Legal Department

GLD will be continuing to deliver against its strategic outcomes will help teams across GLD to create a collaborative, innovative department which is not only an outstanding legal organisation but a brilliant place to work.

We will continue to build on our relationship with the Attorney General's Office and the wider Government Legal Profession. GLD will explore the opportunities to raise the department's profile, attract talent and learn from the wider profession.

Alongside this, the department's Business Transformation Programme is aimed at modernising GLD's work and processes, particularly through investment in technology, enhancing client relationships; and investing in people and culture.

### Attorney General's Office

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

Further details will be contained in the AGO 2022-23 Business Plan, which will be available at: [www.gov.uk/ago](http://www.gov.uk/ago).

### Her Majesty's Crown Prosecution Service Inspectorate

HMCPsi will continue to provide evidence for others to hold the CPS and SFO to account in order to encourage improvement in the performance of the prosecution services. It will work with the inspected agencies to identify and promote good practice and continue to undertake a robust follow-up process.

Further details are shown in HMCPsi's 2022-23 Business Plan, to be available at: [www.justiceinspectrates.gov.uk/hmcpai](http://www.justiceinspectrates.gov.uk/hmcpai).

## Sustainability Performance

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

A summary of the department's performance and action taken in 2021-22 to improve sustainability is provided in the Sustainability Report at Annex A (page 85).

## Complaints to the Parliamentary Ombudsman

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

## Performance in responding to correspondence from the public

GLD does not normally receive correspondence from members of the public since it conducts the majority of its business with other government departments. When it does receive such correspondence, it normally relates to the way cases have been handled or people feeling they were treated unfairly. GLD received 144 Freedom of Information (FOI) requests, responding to 88% within the statutory deadline.

The AGO received 216 FOI requests in 2021-22, 100% responded to within the statutory deadline.

HMCPSI does not normally receive correspondence from members of the public as its business relates entirely to the inspection of the CPS and SFO. Any letters received tend to be complaints about those two services that fail to be dealt with by the CPS or SFO themselves. It received 20 FOI requests, and they were all dealt within the statutory deadline.

## Health and Safety

### Government Legal Department

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

- a Health and Wellbeing Action Plan, outlining actions taken to support GLD staff and build a more sociable workplace and overcome emerging issues in the future
- a range of Health and Wellbeing guidance documents on the Health and Wellbeing homepage on the Intranet
- the provision of display screen equipment and home working assessments and reasonable workplace adjustments for employees
- access to a GP and an annual flu vaccination programme
- access to an employee assistance counselling service
- training for Fire Marshals, First Aiders and Mental Health First Aiders
- access to appropriate behaviour champions
- a commitment to various national events, including Mental Health Awareness Week, World Mental Health Day and Time to Talk

GLD has reasonable workplace adjustment policies that are in line with the Cabinet Office Civil Service Employee Policy (CSEP), to help ensure that a uniform approach is taken by all departments where GLD staff are located. GLD provides reasonable workplace adjustment data to the Civil Service Workstation Assessment Service (CSWAS) along with other government departments so that performance can be measured and trends can be identified. The CSWAS works closely with the Disability Network. The Reasonable Workplace Adjustment Passport System is used by GLD and is key to helping to ensure that reasonable workplace adjustments are transferred seamlessly between departments and teams.

GLD has continued to provide support to staff over the year by providing and funding furniture and equipment for extended working at home during the pandemic. This support has been increased in response to new hybrid ways of working, where GLD staff are entitled to request adjustments at home and in the office, which fall outside the extended working at home policy. This has included the provision of ergonomic chairs, desk raisers, lumbar supports and footstalls, as well as IT kit such as keyboards, mice and screens. GLD has also continued to provide reasonable workplace adjustments recommended by Occupational Health assessments for staff working at home.

### Attorney General's Office

The AGO applies the GLD approach to identifying and handling health and safety issues within the department. The AGO has qualified fire marshals, first aid providers and display screen equipment assessors to support the health and wellbeing of staff. The health and counselling services which GLD provides are also available to the AGO's staff.

### Her Majesty's Crown Prosecution Service Inspectorate

HMCPSP supported flexible working before COVID-19 with many staff working from home when not on inspection. Since COVID-19 and the enforced working from home, more members of HMCPSP have adopted this style of working. HMCPSP has continued to support staff welfare by purchasing equipment to ensure that all staff had what they needed to safely and comfortably work from home.

In addition to this HMCPSP has created a series of events to ensure all members of staff remain connected, even with long periods of remote working. These include virtual all staff events held every other month where the whole office comes together, fortnightly keep in touch meetings where groups of 4/5 colleagues meet virtually to replace the 'water cooler' conversations that happen in the office, rotating the groups so that over a few of months you meet every colleague. We also have monthly afternoon teas which are drop-in virtual sessions just to connect with colleagues. In October we had a staff conference which was the first time the office all came together in person. We looked at a number of future inspection topics but also included a session on well-being. This has been followed up by 1 to 1 wellbeing health checks and training for managers on how to better support staff they manage with wellbeing matters.



## Consultation with employees

### 2021 People Survey

#### Government Legal Department

The annual People Survey is a key measure of our success in delivering GLD's vision to be the 'best employer for our people'. In the 2021 Survey, we achieved an Engagement Index of 62% (with a response rate of 75%), this represented a three point drop on 2020 and is four points below the Civil Service average.

Compared to 2020, we saw percentage point increases in the engagement theme related to 'My Team' (now 84%) and a two point increase in 'Inclusion and Fair Treatment' (up to 85%) while 'Resources and Workload' stayed the same compared to 2020 on 74%. There were percentage point drops in 'My Work' (now 81%), 'My Manager' (now 74%), Learning and Development (now 63%) and 'Pay and Benefits' (now 13%). 'Organisational Objectives' fell by two points to 76% and 'Leadership and Change' dropped three points to 56%.

Colleagues reporting experience of discrimination dropped 2% compared to 2020 and is down four points compared to 2019. Bullying and harassment dropped 1%, which is also down 4% compared to 2019.

#### Attorney General's Office

The AGO achieves through its people. In the 2021 Civil Service People Survey, the AGO achieved an Engagement Index of 70%, with a response rate of 83%. The AGO Staff Engagement Group led staff discussions on the results with recommendations developed and approved by the Executive Board to continue to deliver in areas of high engagement, and support continuous improvement across the Office.

#### HM Crown Prosecution Service Inspectorate

HMCPPI achieved an Engagement Index of 88% (2020 82%), with a response rate of 89%. HMCPPI had one of the highest Engagement Indexes of all participating organisations, with the Engagement Index being 22% above the Civil Service average .

The biggest improvements were achieved in learning and development and 'Pay & Benefits'. HMCPPI will work with staff to ensure the level of staff engagement is maintained.

## Partnership

GLD has continued to maintain a positive working relationship with the Trade Unions (First Division Association and Public and Commercial Services). Human Resources regularly meet the unions on an informal basis to discuss a range of issues that have an impact on union members, and there are also regular formal Partnership meetings, which include representatives from across GLD, and departmental and national union representatives. Business managers are also encouraged to meet trade union colleagues at an early stage where resourcing levels or workloads may be changing.

GLD also manages the working relationship with the Trade Unions on behalf of the AGO and HMCPPI.

## 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. These disclosures cover GLD, AGO and HMCPSI.

Table 1: Relevant Union Officials

Total number of employees who were relevant union officials between 1 April 2021 and 31 March 2022

	2021-22 No.	2020-21 No.
Employees who were relevant union officials during the relevant period	32	28
Full-time equivalent number	31.6	27.6

Table 2: Percentage of time spent on facility time

For employees who were relevant union officials employed between 1 April 2021 and 31 March 2022, percentage of their working hours spent on facility time

	2021-22 No.	2020-21 No.
0%	5	3
1% - 50%	26	24
51% - 99%	1	1
100%	0	0

Table 3: Percentage of pay bill spent on facility time

For employees who were relevant union officials employed between 1 April 2021 and 31 March 2022, percentage of pay bill spent on facility time

	2021-22	2020-21
The total cost of facility time (£k)	126	134
The total annual pay bill for Government Legal Department (£k)	185,435	171,168
The percentage of total pay bill spend on facility time (%)	0.07%	0.08%

Table 4: Paid trade union activities

For employees who were relevant union officials employed between 1 April 2021 and 31 March 2022, percentage of time spent on paid trade union activities.

	2021-22	2020-21
Time spent on paid trade union activities as a percentage of total paid of facility time hours (%)	0%	0%

## Financial Results

In delivering its wide range of legal services to its clients, legal and strategic policy advice and support to the Law Officers, and inspection and assessment of prosecution services, the department spent £287.9m (£272.7m in 2020-21). After taking into account income of £291.1m (£268.3m in 2020-21), the net resource requirement for 2021-22 was net income of £3.2m (£4.4m net cost in 2020-21), £15.9m less than the sum approved by Parliament in the 2021-22 Supplementary Estimate for HM Procurator General and Treasury Solicitor.

Total operating income was £291.1m (£268.3m in 2020-21). GLD's income from legal fees and charges to clients increased this year to reflect demand for our services - £243.3m (£224.6m in 2020-21). Other income streams were: £39.9m from the recovery of disbursements incurred in providing legal services to clients (£35.7m in 2020-21); £4.9m was recovered from the Crown's Nominee (£4.8m in 2020-21) and other income of £3.1m including subscription services and the recovery of costs of Information Technology services provided to the Government Actuary's Department was received (£3.2m in 2020-21).

GLD is primarily funded from the fees charged to clients for its legal services. GLD fee rates are set in accordance with HMT publication - Managing Public Money - and are designed to recover the costs incurred by the department. Financial performance is monitored throughout the year, and on a quarterly basis, GLD undertakes a formal exercise to forecast the financial outturn for the year. GLD's commitment to its clients is to ensure that they benefit from better than budgeted financial performance and if the forecasting exercise at the end of quarter two predicts a significant surplus, GLD evaluates the underlying reasons, consider the financial risks for the remainder of the year and assess whether a fee reduction should be made in-year.

Full cost recovery was achieved by GLD and after rebates of £3.8m (2020-21 £5.8m), a surplus of £12m was generated (2020-21: £3.4m). In 2021-22, there was a particularly high level of inherent uncertainty in the quarter two forecasting exercise due to the ongoing impact of Covid on the demand for its legal work. The higher than normal level of surplus, reflects that legal demand and therefore the associated staff and external support costs for the second half of 2021-22 were at the lower end of its expectations.

Taxpayers' Equity is £14.5m at 31 March 2022 comprising total assets of £79.1m (non-current assets of £6.3m, trade and other receivables of £45.7m, and cash of £27.0m); and current and non-current liabilities of £64.6m (trade and other payables and provisions). Further details are in the Notes to the Accounts.

PES (2021) 03 requires Departments to include an annex disaggregating the financial results and staff numbers by entities within the consolidation boundary. These requirements have been met through the Staff report (page 48) and Note 2 to the financial statements.

## Comparison of Estimate and Outturn

GLD underspent by £14.1m against its voted funding of £2.1m, generating an overall surplus against full cost recovery of £11.6m. This surplus was generated from lower than anticipated spending on staff costs, external support and the departmental change programme.

The AGO underspent against budget by £0.4m, mainly on account of lower staff costs and a reduction in dilapidations liability.

HMCPSI underspent against budget by £0.4m, mainly on account of lower staff costs.

The department underspent its net cash requirement by £27.0m, due to movements in working capital.

The capital budget was largely utilised in 2021-22 with £1.8m spent against the £2m budget mainly on information technology infrastructure and equipment.

Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

£m	2021-22	2020-21
Net Resource Outturn (Estimates)	(3.2)	4.4
Net Operating (Income) / Expenditure (Accounts)	(3.2)	4.4
Resource Budget Outturn (Budget)	(3.2)	4.4
<b>Of which</b>		
Departmental Expenditure Limits	(2.8)	4.4
Annually Managed Expenditure	(0.4)	-

Susanna McGibbon  
 Accounting Officer  
 27 May 2022

# Accountability Report

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The Accountability Report includes a corporate governance report, a remuneration and staff report and a parliamentary accountability and audit report. These sections reflect financial reporting and parliamentary accountability reporting requirements.

## Corporate Governance Report

### Directors' Report

#### Directors

The Governance Statement on page 24 includes the ministerial titles and names of ministers who had responsibility for the department for the year, the name of the permanent head of the department and the composition of the GLD Board. Management matters in the AGO are the responsibility of the Director General and HMCPSP is led by the Chief Inspector, who also fulfils the function of Chief Executive.

#### 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 (ICO). There were no incidents were reported by GLD for 2021-22.

#### Statement on Information Risk

Assurance on information handling is provided by the Senior Information Risk Owner, Nick Price CBE, Operations Director & Senior Security Advisor, supported by the Security Team and the work of the Security Advisory Group. GLD Directors provide an annual end of year Assurance Report highlighting any risks that crystallised during the year. These assurances have been reviewed by the Audit and Risk Assurance Committee. As part of the business planning process, the Permanent Secretary/Chief Executive holds Panel Reviews with all Executive Team members to challenge their bids for resources.

GLD holds personal data relating to GLD employees and keeps data owned by other government departments in relation to its role as the principal legal adviser to government. It continues to work with delivery partners and third parties to manage effectively the risk of any loss of personal data held by these other bodies. There were no personal data incidents requiring notification to the Information Commissioner's Office.

During 2021-22, the framework for handling data and to provide assurance over the management of information held within GLD has included but not limited to:

- maintaining oversight of data handling practices in accordance with current departmental policies;
- reviewing current guidance and awareness updates;
- promoting best practice within GLD, including the mandatory completion by all staff of the Civil Service Learning – 'Responsible for Information and Data Protection' course and two newly revised General Data Protection Regulations (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; and
- maintaining certification against the ISO 27001:3013 information security standard.

The department also adheres to Cabinet Office Minimum Security Standards relating to cyber security, personnel security, physical security and incident management. We have also maintained our Cyber Essentials Plus certification, in support of the current Lexcel standard.

## Audit

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

The C&AG also audit the Crown's Nominee Accounts administered by the Bona Vacantia Division of the department.

The auditors provide no further assurance or other advisory services.

## Remuneration to external auditors for non audit work

GLD, the AGO and HMCPSI did not pay any remuneration to the NAO for non-audit work. The notional audit fee for the departmental audit was £85k (2020-21: £82k).

## Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HMT has directed HM Procurator General and Treasury Solicitor to prepare, for each financial year, Accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the department during the year. The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department and of its income and expenditure, financial position and cash flows for the financial year.

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

- observe the Accounts Direction issued by HMT, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgments 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;
- prepare the Accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

HMT has appointed the permanent head of the department as Principal Accounting Officer of the department.

In addition, the Principal Accounting Officer has appointed HM Chief Inspector, Andrew Cayley CMG QC, as Accounting Officer for HMCPSI, to be accountable for that part of the department's Accounts relating to HMCPSI. This appointment does not detract from the head of department's overall responsibility as Accounting Officer for the department's accounts.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the GLD's assets, are set out in *Managing Public Money*, published by HMT.

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 the department'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.

## 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 was established as an Executive Agency on 1 April 1996. Ministerial oversight and accountability to Parliament lies with the Attorney General. HM Procurator General and Treasury Solicitor leads the department, in the roles of Permanent Secretary and Chief Executive.

The Treasury Solicitor is accountable to the Attorney General for the running of GLD; and as Chief Legal Adviser to government, the Attorney has a close interest in the legal advice and legal services being provided to government by GLD and the wider Government Legal Profession. An interim Framework Agreement governs the relationship between GLD and Law Officers and the Attorney General's Office.

## Ministers

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

- The Rt Hon Suella Braverman QC, MP, Attorney General from 10 September 2021 (Maternity Leave from 26 February 2021 to 10 September 2021)
- The Rt Hon Michael Ellis QC, MP, Attorney General until 10 September 2021, and Solicitor General from 10 September 2021 to 15 September 2021
- The Rt Hon Lucy Frazer QC, MP, Solicitor General until 10 September 2021
- Alex Chalk QC, MP, Solicitor General from 16 September 2021

In 2021-22, a Ministerial Strategic Board was established, chaired by the Attorney General, which met in July 2021 and January 2022.

## Accounting Officer System Statement

The Accounting Officer of HM Procurator General and Treasury Solicitor, is personally responsible for safeguarding the public funds for which they have been given charge under the name of the HM Procurator General and Treasury Solicitor Estimate. This includes responsibility for GLD, AGO and HMCPSI. To help them ensure they are fulfilling their responsibilities as an Accounting Officer, this Governance Statement also describes the accountability system in place, and the relationship between GLD, the AGO and HMCPSI.

To support the Accounting Officer in discharging their responsibilities, there is a framework of delegated authority in place. The GLD Board also supports them. Management matters in the AGO are the responsibility of the Director General and HMCPSI is led by the Chief Inspector, who also fulfils the function of Chief Executive. The AGO Director General and Chief Inspector both meet regularly with their respective executive teams. The Chief Inspector has been appointed as Accounting Officer for HMCPSI. In accordance with Managing Public Money, this relationship is set out in writing. The Accounting Officer meets regularly with the Director General, AGO and the Chief Inspector HMCPSI and each provides an annual assurance report. The AGO Director General and AGO officials meet the Law Officers regularly to provide high quality legal and strategic policy advice and support. The HMCPSI Chief Inspector meets regularly with the Law Officers to provide assurance on the practices of the CPS and SFO.

The department enters into contracts with third party suppliers in the normal course of business. There are no significant contracts. GLD administers the Attorney General's Panel Counsel. The Attorney General maintains four panels of junior counsel to undertake civil and EU work for all government departments. There is also a Public International Law Panel to undertake such work on behalf of government. These are in addition to any standing counsel and the First Treasury Counsel, Sir James Eadie QC. There are three London Panels (an A Panel for senior juniors, a B Panel for middle juniors, a C Panel for junior juniors) and a regional panel. The size of each panel is determined by need. All government departments and agencies of government departments must use the Panels.

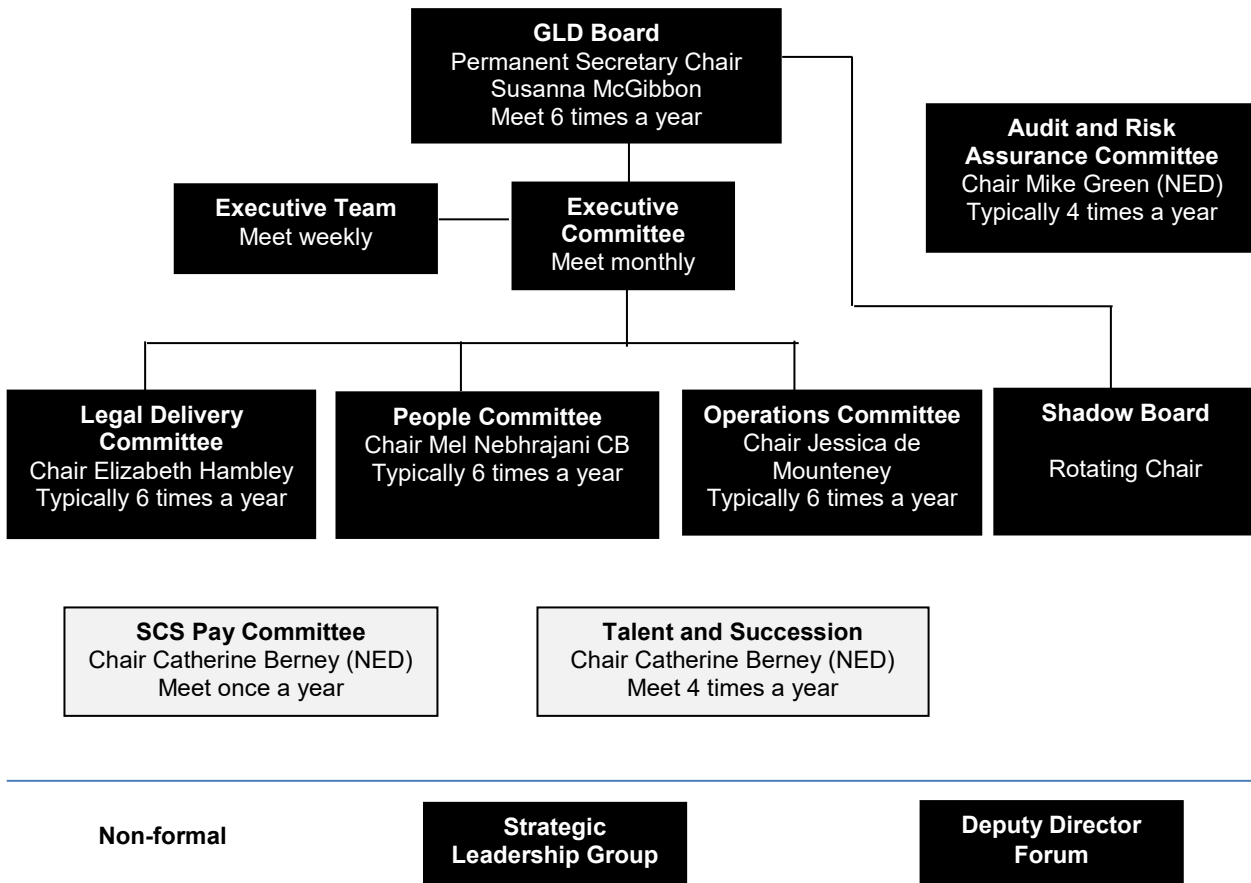
Working with the Crown Commercial Service, GLD has also reviewed how external legal services are purchased from private sector law firms and has put in a place a General Legal Advice Services Panel, a Financial and Complex Legal Services Panel, a Trade Law Panel and a Rail Legal Services Panel.



## GLD Board and Committees

The Governance structure is set out below:

### GLD Governance Model



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

### GLD Board

Chair: *Susanna McGibbon*

The GLD 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.

### Shadow Board

Chair: *Rotating Chair*

The Shadow Board is an advisory staff forum, comprised of representatives from a range of divisions/groups, grades and professions, to scrutinise and contribute to strategic decisions in order to deliver GLD's Strategy. Its specific focus is on ensuring that the GLD strategic outcomes are incorporated into the decisions being made by the Board. It meets every two months before each Board meeting to discuss and provide opinions on the same papers that the Board see.

## Executive Committee

Chair: *Susanna McGibbon*

The Executive Committee reports to the Board and consists of Executive Board Members. 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

Chair: *Elizabeth Hambley, Legal Director General, Commercial with Trade and International*

The Legal Delivery Committee provides oversight and assurance in relation to the quality and efficiency of legal work undertaken by GLD and oversees client relationships. It also oversees arrangements for the delivery of external legal services and relationships with the legal professional bodies. It supports the development of strategic priorities for activities in these areas.

The Committee met bi-monthly during the financial year 2021-22, with additional meetings to refine and review the bi-annual reports provided to it.

The Committee has fulfilled its oversight and assurance role through regular reporting and by specific discussion and scrutiny of areas, including:

- Legal Delivery Excellence: Reviewing the work of GLD's centres of excellence for primary and secondary legislation. Overseeing progress on other key elements of GLD's Knowledge, Capability and Innovation Strategy. Assuring the re-procurement of GLD's largest law firm panels.
- Client Relationships: Reviewing the key outcomes of the client care initiatives achieved through the GLD Client Action plan 2020-21 and the Client Services Forum. Approving the GLD Client Action Plan 2021-22. Reviewing future ways of working for the GLD Client Services Forum and agreeing its recommendations to take forward the development of an overarching client approach.

The Committee has provided a strategic steer on key elements of legal delivery within its terms of reference and supported the development of GLD's strategic priorities in these areas, including:

- Legal Delivery Excellence: Endorsing proposals to develop a GLD legal learning framework and to review GLD's use of third party legal information services. Steering GLD's development of specialist roles including knowledge development lawyers. Reviewing recommendations on and progress to put in place an enhanced model and processes for legal quality assurance. Reviewing and refining GLD's current approach to assuring the work of external panel counsel and law firms.
- Client Relationships: Commissioning and undertaking a review of how GLD reports and captures risks in relation to client relationships. Reviewing key findings from individual department 'deep dives' led by GLD's Non-Executive Directors and guiding the development of an improved deep dive process.

## Operations Committee

Chair: *Jessica de Mounteney, Legal Director General Litigation with Justice and Security (previously Stephen Braviner Roman, Legal Director General Litigation with Justice and Security)*

The Committee 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.

The Operations Committee met 5 times during 2021-22. It has also dealt with a large number of papers by correspondence throughout the year.

The Committee has been considering proposals to reduce GLD's footprint in 102 Petty France as part of GLD's ambition to be a "location-neutral" employer.

The Committee endorsed two closure reports, for the Time Recording System and the Digital Office Solutions, which are essential for GLD to be a modern legal organisation. It has continued its programme of deep dives into the corporate functions, covering elements of HR, Finance and the Business Management function, enhancing its capability to make more informed decisions.

During 2021-22, the Committee regularly reviewed the performance of Corporate Services through Operations Performance Reports, to provide assurance to the Board.

## People Committee

*Chair: Mel Nebhrajani CB, Legal Director General, Employment with Economic Recovery and UK Governance (previously Wendy Hardaker CB, Interim 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. The Committee reviews GLD's key workforce risks and the action being taken to address them, particularly around legal resourcing, capacity and capability and pay and reward. Members also have an assurance role ensuring that GLD 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; and drives improvements in response to the People Survey.

The People Committee met 7 times in financial year 2021-22. Over the past year, the Committee has overseen an array of work including: work to improve recruitment and retention; the implementation of a new Performance Management Framework; the Annual People Survey results (commissioning work accordingly); the further development and implementation of 'Leadership the GLD Way' (with a focus on how we hold each other to account for our leadership behaviours); the development of early talent (including Paralegal Career Pathways) and additional routes to legal qualification; and the modification of GLD's Overseas Working Policy and other workforce policies and processes in response to COVID-19. Members also considered the effectiveness of the ranges of GLD's resourcing approaches, and progress of the pay business case, on a regular basis.

The People Committee considers the bi-annual Health and Wellbeing Report to monitor and identify any risks related to activities within the Committee's remit.

## Audit and Risk Assurance Committee

*Chair: Mike Green, Non-Executive Director (previously Tom Taylor, Non-Executive Director and Erica Handling, 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 5 times in 2021-22. It considered the Annual Report and Accounts for 2020-21, 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.

## Committee Membership

Membership of each Committee is drawn from GLD's Strategic Leadership Group and each has one of the Non-Executive Directors as a member (Mike Green – Operations Committee, Catherine Berney – People Committee, and Erica Handling – Legal Delivery Committee).

## GLD Board Members:

Membership of the GLD Board as at 31 March 2022 was as follows:

### Executive members:

Susanna McGibbon	Permanent Secretary and Chief Executive
Jessica de Mounteney	Legal Director General Litigation with Justice and Security
Mel Nebhrajani CB	Legal Director General Employment with Economic Recovery and UK Governance
Elizabeth Hambley	Legal Director General Commercial with Trade and International
Damian Paterson	Strategy, People and Culture Director

### Ex-officio member:

Douglas Wilson OBE	Director General, AGO
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### Co-opted Board member:

Lee John-Charles CBE	Deputy Legal Director, Litigation Group
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Jon Fundrey joined the GLD Board as Finance, Operations and Digital Director on 3 May 2022.

### Non-Executive members:

**Catherine Berney** took up her appointment as Strategy, People and Culture lead Non Executive Director (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. 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. Erica combines her role at GLD with working as an executive coach and being a non-executive director on the Board of Petershill Partners plc (a listed company investing in private equity partnerships, managed by Goldman Sachs) and a trustee and chair of charities with a focus on women and/or criminal justice, including Spark Inside, St Giles Trust and Working Chance.

**Mike Green** joined GLD in January 2022 and is Chair of the Audit and Risk Assurance Committee. Mike is a Fellow of the Institute of Chartered Accountants in England and Wales and a graduate of the London School of Economics. He qualified as a chartered accountant with what is now KPMG and spent 11 years with the audit practice before a 20-year career in Commercial Television. Currently Mike is a Director, Audit Committee Chair and a member of the Service Quality Committee at Anchor Hanover, a housing association specialising in older people's housing and operating over 100 care homes. Mike also spent 10 years as a non-executive director at an NHS Foundation Trust.

## GLD Board attendance

The GLD Board met 9 times between April 2021 and March 2022, with attendance as follows:

<b>Executive Members</b>	<b>Eligible to attend</b>	<b>Attended (to end March)</b>
Susanna McGibbon	9	9
Stephen Braviner Roman (to November 2021)	7	7
Jessica de Mountenay (from March 2022)	1	1
Mel Nebhrajani CB (from October 2021)	4	4
Elizabeth Hambley	9	8
Wendy Hardaker CB (to September 2021)	5	5
Anna Sanders (to June 2021)	3	3
Damian Paterson (from July 2021)	5	5
Nick Payne (to February 2022)	8	8
Ex-Officio Member - Douglas Wilson OBE (from June 2021)	7	6
Co-opted Member - *Lee John-Charles CBE	9	9
<b>Non-Executive Members</b>		
Catherine Berney	9	8
Erica Handling	9	9
Tom Taylor (to July 2021)	4	4
Mike Green (from February 2022)	2	2

These refer to when meetings members were eligible to attend were held, rather than membership. For example, Tom Taylor was officially a Board member until 24th September 2021, but he attended meetings till July 2021 because that was when the last meeting he was eligible to attend was held. He had left GLD and the Board by the September 2021 Board meeting.

\* Lee John-Charles CBE (Deputy Legal Director, Litigation Group) was co-opted onto the Board in response to the increased nationwide and global focus on issues around ethnic minority representation and social justice, occasioned by a number of significant newsworthy events during the course of 2020. His appointment to the Board is an interim measure, pending a final decision on the approach GLD will take to the issue of ethnic minority representation at the highest levels of the department.

The work of the GLD Board covers the five main areas expected by the Corporate Governance in Central Government Departments: Code of Good Practice:

- 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 bi-monthly dashboard containing clear, consistent and comparable performance information.

## The GLD 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.

We have continued to review what kind of effectiveness evaluation would best suit the needs of GLD throughout 2021-22, given the significant changes at Board level. During this time, we recruited a new non-executive director (carrying a vacancy between September 2021 and January 2022) and made three new appointments to our Board. Planning work has begun to conduct a comprehensive effectiveness review in 2022.

## GLD's Compliance with the Corporate Governance in Central Government Departments: Code of Good Practice:

The Corporate Governance in Central Government Departments: Code of Good Practice applies 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.

## Management of interests and Business Appointments

GLD has a policy, published in our Staff Handbook, on outside activities and employment. The general principles are that official time must not be spent on any outside activity without the approval of the Head of Division. Individuals must not engage in any outside activity, which would in any way tend to impair their effectiveness in their official duties or be inconsistent with their position as civil servants, or as members of GLD.

No member of staff may carry out private legal work except, and subject to permission of the Treasury Solicitor, in relation to non-contentious family matters, or pro-bono work.

Individuals must seek permission from the Head of HR, via a senior manager in their business area to ensure there is no risk in respect of conflict of interest with, or potential damage to the credibility of, the Government Legal Department before:

- taking any job or position, which might affect their official work directly or indirectly; or
- undertaking any outside work involving official information; or
- undertaking any work involving payment by another Government Department or agency on their own account.

Where permission is granted the relevant documentation is filed in the individual's personnel folder.

There are strict rules in place for those responsible for procurement or management of contracts and on an annual basis all Directors are asked to complete a Declaration of Related Party Interests.

We have a policy on Business interests and shareholdings, also published in our Staff Handbook. This states that there is no objection to civil servants investing in shareholdings unless the nature of their work is such as to require constraints on this. Individuals must not be involved in any work, which could affect the value of their private investments, or the value of those on which they give advice to others; nor must staff use information acquired in the course of their work to advance their private financial interests or those of others.

Individuals must declare to the Finance, Operations and Digital Director any business interests or shareholdings (including directorships) which they or members of their immediate family (spouse/partner and children) hold - to the extent to which they are aware of them - which they would be able to further as a result of their official position. They must comply with any subsequent instructions from the Finance, Operations and Digital Director regarding the retention, disposal or management of such holdings.

In line with Cabinet Office guidance, GLD will ensure that:

- All senior civil servants declare any relevant interests to the Permanent Secretary on at least an annual basis. This will include providing a 'nil return' should they have no relevant outside interests.
- Senior civil servants continue to declare any outside interests on appointment, or if their circumstances change, in real time.
- These returns are scrutinised within GLD by the Audit and Risk Assurance Committee, with assurance of this

process set out in the Annual Report and Accounts, and an annual return is provided to the Cabinet Office, providing assurance that all outside interests are being managed appropriately.

- As part of or alongside our Annual Report and Accounts we will publish a register of relevant interests for all members of the Departmental Board, including senior civil servants.
- When a civil servant is appointed, as part of the recruitment process the hiring manager is satisfied they can comply with the requirements of the Civil Service Code. The individual must ensure that any interests they do have are compliant with their obligations as a civil servant. If their employer considers there is any real or perceived conflict from their outside interests, the individual must resolve that conflict - for example, by giving up any outside employment
- After a civil servant is appointed, they declare relevant private interests in real time to their line manager and, if necessary, senior management. They will be required to comply with any instructions from GLD relating to those interests. They will also be required to seek permission before taking up any outside engagement which might affect their work.

## Special Advisers

In line with the current Declaration of Interests policy for Special Advisers, the Special Advisers to the Attorney General are asked to declare any relevant interests or confirm they do not consider they have any relevant interests. The Director General of the Attorney General's Office considers the returns provided and will publish any relevant interests.

## Business Appointments

The Audit and Risk Assurance Committee monitor compliance with the Business Appointment rules, receiving an Annual Report from Human Resources. In compliance with Business Appointment rules, the department is transparent in the advice given to individual applications for senior staff, including special advisers. A summary of advice given is published at: <https://www.gov.uk/government/publications/ago-gld-and-hmcpsi-business-appointment-rules>.

## Risk Management in GLD

Risk management is carried out in accordance with HM Treasury Risk Management guidance – “The Orange Book”.

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.

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 GLD 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 Committee, and bi-monthly to the Board. The strategic risks and the actions to mitigate them are detailed in the GLD business plan.

## Risk Profile

For GLD, COVID-19 has continued to add major challenges in terms of meeting the intense demands for legal services related to the outbreak, whilst managing the impact of the virus on our workforce, as we adapted to hybrid working and the use of new technology, while supporting the health and wellbeing of our people. The potential impact of these challenges, which also impacted on its ability to deliver business as usual, were recognised in GLD's key strategic risks and mitigating actions which are:

Orange Book Risk Category	Risk Description	Plans and Mitigations
Strategy	We do not have an optimised performance and assurance system to monitor the implementation of our Strategy and supporting sub-strategies	An overarching Strategic Plan is in place with updates provided to the Executive Committee on a monthly basis. Sub-strategies have been developed and responsibilities have been assigned for agreed actions. The Committees monitor progress on relevant sub-strategies and actions.
Strategy	We do not prepare for significant external events which have the potential to have an adverse impact on the delivery of legal services to our clients or achieving full cost recovery.	We have a highly developed Business Continuity Plan which includes plans for critical systems and operations at a local divisional level. The plans include an ICT Disaster Recovery Plan and are supported by an Incident Management Team and our remote working capability. In addition we have succession plans for critical roles to ensure our legal service is maintained.
Reputation	We damage the confidence and trust of our clients and/or the judiciary, by not meeting their expectations or delivering on commitments given to them.	We use a multi-aspect approach to managing this risk by ensuring the capability of our staff through appropriate training programmes, the development of general and specialist legal skills, utilisation of legal technologies and have appropriate legal quality assurance processes. In addition we have worked closely with the Attorney General's Office to update the approach to advising on legal risk in Government and we have an overall client approach supported by local client care plans to help build and maintain the trust and confidence of clients. To manage demand for our services we have procured external panel firms and panel counsel.
Financial	We do not generate sufficient income to achieve full cost recovery and/or we breach one of our HM Treasury Control Totals.	Each year we undertake a comprehensive planning and budgeting process to determine the fee rates we need to charge to clients. The income, expenditure and activity trends are monitored throughout the year and this enables prompt action to be taken to bring spending in line with HM Treasury Control Totals.
People	We do not attract, recruit and retain diverse and sufficient people to deliver the breadth and quality of legal services required by our clients.	We are working to enhance our workforce planning process including regular meetings with senior management to ensure effective deployment of staff. There is ongoing resourcing activity to improve our recruitment processes and the candidate experience, and we have commissioned an external review of our resourcing approach. We continue to explore the creation of alternative routes to legal qualification via apprenticeships. We are working on the following initiatives to enhance attraction and improve retention: explore ways to improve pay and conditions; leadership work to ensure that managers engage their employees so that they see GLD as a great place to work; ensuring that staff have access to a range of Learning and Development opportunities; and implementing our Diversity and Inclusion Delivery Plan, Health and Wellbeing Action Plan and our Talent and Succession Framework.  We are continuing to ensure access to external expertise via external counsel and panel firms.
People	We have insufficient and a non-diverse leadership capability to inspire and empower our people to deliver the required levels of service and/or our strategic aims.	Our Leadership Framework, supported by a programme of learning and development, sets out clear leadership expectations. All managers have leadership objectives and held to account through the Performance Management framework. Our recruitment and promotion processes have reviewed and updated to ensure we create a diverse leadership cadre.
Technology	We do not make the most effective tools consistently available to our people across the whole department which are necessary to deliver the required standards of service to our clients.	We are developing a Digital & Technology Strategy and are implementing the findings of the Legal Work Activity Analysis, which has informed the technology aspects of our Legal Knowledge, Capability and Innovation Strategy. These strategies are being developed in conjunction with the technology strands of our Business Transformation Programme. We are strengthening our innovation capability and culture and will adhere to our business case approval process to ensure appropriate prioritisation and value for money.
Security	We do not keep pace with emerging threats, or there is a failure of compliance, which results in harm, or sanctions, or has an adverse impact on our ability to deliver legal services to our clients.	We comply with the requirements of our Information Security Management System and meet minimum government security standards. We ensure all staff are appropriately security cleared and communicate securely with counsel and other third parties. In addition all staff complete mandatory annual information security and related training, and assurance is obtained through maintaining various ICT related certifications and accreditations.



The AGO's strategic risks relate to:

- High staff demand in other organisations creates greater incentives / opportunities for AGO staff to move on earlier than expected
- Failure to develop and implement effective knowledge management systems and processes;
- Failure to maintain strong professional relationships with key stakeholders in GLD, CPS and SFO leading to a breakdown in trust and collaborative working; and
- Failure to adhere to security procedures and processes to protect its people, classified or personal information.

The risks which HMCPSI recognised this year related to resources and resilience, financial and information management.

## Security and business continuity in GLD

Client information security remains critical and is assured by GLD's adherence to Cabinet Office Minimum Security Standards (GovS 007), maintaining ISO 27001 certification, and Cyber Essentials Plus certification. Cyber resilience is maintained through comprehensive penetration testing, vulnerability management and protective monitoring policies, with all of our IT services on, or connected to the GLD network being monitored by the Security Incident Event Management (SIEM) appliance.

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 reviews in relation to National Security Vetting and the Document Classification System. We are additionally working with the National Cyber Security Centre to improve cyber security resilience. All staff have completed mandatory Information Security and GDPR training courses to ensure that they are fully aware of their responsibility to keep information secure.

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 significant remote access capacity, resilience and security, which reduces the risk of service disruption should the GLD head office be unavailable. A complementary plan, based on and tested against a flu pandemic, was reviewed and updated at the start of the year, to assist the department's crisis response to and subsequent management of operations during the COVID-19 pandemic. This was supported by divisional staff succession plans, again reviewed and updated in early 2022, the aims of which are to ensure all critical posts are adequately covered during periods of excess staff absence.

## Whistleblowing

Responsibility for the operation of an effective whistleblowing policy and process within GLD is vested at Board level in the Director of Strategy, People and Culture (SPC) Damian Paterson. He is supported in this role by three SCS Nominated Officers, who act as a point of contact for GLD staff, outside their line management chain, for raising concerns. They also offer impartial support and advice to anyone raising a Whistleblowing concern.

Assurance of GLD's whistleblowing policy and processes is provided by the GLD's ARAC who review whistleblowing cases, identifying the lessons to be learned from them. The ARAC has considered quarterly reports on whistleblowing throughout 2021-22, with the Board receiving a verbal report from the Director of SPC in March 2021. In 2021-22 one case potentially covered by GLD's Whistleblowing policies and procedures was raised and is under investigation.

GLD is absolutely committed to nurturing an environment where staff are aware of how to raise concerns about something they see or experience at work. This includes ensuring they feel able and supported in expressing grievances through the channels available to them, including where an issue may be classed as Whistleblowing. The 2021 People Survey scores show that inclusion rates have increased 2% to 85%. 77% of respondents stated that they feel encouraged to speak up in the event they have serious concerns at work, 72% able to challenge inappropriate behaviour and 76% were confident that concerns raised under the Civil Service Code would be investigated properly.

The Department will continue to explore ways to improve these results as part of its wider investment in our leadership, culture and staff awareness, building on our activities as part of Civil Service 'Speak Up' week in September 2021. This saw blogs signpost colleagues to relevant Whistleblowing information pages on GLD's intranet and highlighted contacts for the Department's Nominated Officers. The routes to raise a concern have also been highlighted during other activities and engagement events, including since the publication of the Gray update.

AGO and HMCPSI also follow the GLD Whistleblowing policy.

## Effectiveness of the risk management and governance framework

Assurance is obtained from a range of sources, including the work of the Internal Auditors. In their 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; plans are in place to take these recommendations forward.

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

GLD Directors, the Director General of the AGO, and the Chief Inspector, HMCPSI, 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 Permanent Secretary and Chief Executive holds Panel Reviews with all Executive Team members to challenge their bids for resources. The Permanent Secretary and Chief Executive also holds annual Accountability Reviews with the Director General of the AGO, and the Chief Inspector HMCPSI, to review in year progress against objectives, financial management and the delivery of value for money and to seek assurances on internal control and other governance matters.

At the end of each quarter, GLD conducts a formal forecasting exercise. GLD Directors, the Director General of the AGO, and the Chief Inspector HMCPSI, 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 Committee and the Board to identify areas of concern and, if necessary, to review and consider the allocation of resources in meeting GLD objectives. 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 GLD's Litigation activities is provided by the Law Society against the Lexcel Standard, and GLD's information systems are assured against the Lloyd's Register Quality Assurance Ltd standard ISO27001.

These processes highlighted no issues of significance to the corporate health or operations of the GLD, AGO or HMCPSI in 2021-22.

# 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 (September 2021) comprised: Catherine Berney – Non Executive Director and Chair, Susanna McGibbon, Stephen Braviner-Roman, Wendy Hardaker, Elizabeth Hambley and Shehzad Charania, AGO Director General, with Frances Mills, HR Director.

## Consolidated awards (salary increase)

Due to the Public Sector pay pause there were no consolidated pay awards or changes to pay ranges for the SCS in 2021-22.

## 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 2020-21 performance year.

In-year non-consolidated awards for performance during 2021-22 were made for a maximum of 40% of the SCS cadre, using the overall budget for non-consolidated SCS payments. The criteria used to award these were:

- Exceptional demonstration of departmental 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

The following sections, which have been subject to audit, provide details of the remuneration and pension interests of the ministers and most senior management (i.e. Board members) of the department.

### Remuneration (salary, benefits-in-kind and pensions)

Ministers	Salary (£)		Pension Benefits (to nearest £1,000) <sup>1</sup>		Total (to nearest £1,000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>The Rt Hon Suella Braverman QC, MP,</b> Attorney General from 13 February 2020, maternity leave from 26 February 2021, returned 10 September 2021	91,407	94,450	24,000	23,000	116,000	118,000
<b>The Rt Hon Michael Ellis QC, MP,</b> Solicitor General from 26 July 2019 to 2 March 2021, Attorney General from 2 March 2021 to 10 September 2021, Solicitor General from 10 September 2021 to 15 September 2021	45,401	60,905	9,000	15,000	55,000	76,000
<b>The Rt Hon Lucy Frazer QC, MP,</b> Solicitor General from 9 May 2019 to 25 July 2019, and from 2 March 2021 to 10 September 2021	30,842	-	6,000	1,000	37,000	1,000
<b>Alex Chalk QC, MP,</b> Solicitor General from 16 September 2021	28,981	-	7,000	-	36,000	-

<sup>1</sup> The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to transfer of pension rights.

The Rt Hon Suella Braverman QC MP - the figures include maternity leave pay from 26 February 2021 to 10 September 2021. The full year equivalent for Attorney General is £94,450

The Rt Hon Michael Ellis QC MP - the figures cover his roles as Solicitor General and Attorney General. The full year equivalent for AG is £94,450 and £57,962 for SG.

The Rt Hon Lucy Frazer QC MP - No ministerial pay for March 2021 was processed for 2020-21 but was paid in 2021-22. The full year equivalent was £57,962.

Alex Chalk QC MP - the full year equivalent was £57,962

## Single total figure of remuneration

Officials	Salary (£000)		Bonus Payments (£000)		Pension Benefits (to nearest £1,000) <sup>1</sup>		Total (£000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Sir Jonathan Jones KCB QC (Hon)</b> Permanent Secretary until 9 November 2020, leaving date 7 December 2020	-	185-190	-	-	-	44,000	-	230-235
<b>Peter Fish CB</b> Legal Director General until 9 November 2020, Permanent Secretary from 9 November 2020 until 5 March 2021, Director General from 8 March 2021 to 31 March 2021	-	140-145	-	5-10	-	114,000	-	260-265
<b>Susanna McGibbon</b> Legal Director General until 8 March 2021, Permanent Secretary from 8 March 2021	160-165	130-135	5-10	5-10	227,000	86,000	395-400	225-230
<b>Stephen Braviner Roman</b> Legal Director General until 26 January 2022	105-110	125-130	5-10	5-10	22,000	71,000	135-140	210-215
<b>Wendy Hardaker CB</b> Legal Director General from 17 March 2021 until 30 September 2021	60-65	0-5	5-10	-	18,000	2,000	85-90	5-10
<b>Elizabeth Hambley</b> Legal Director General from 7 December 2020	120-125	35-40	-	5-10	119,000	60,000	235-240	105-110
<b>Mel Nebhrajani CB</b> Legal Director General from 1 October 2021	65-70	-	-	-	68,000	-	135-140	-
<b>Jessica de Mounteney</b> Legal Director General from 7 February 2022	25-30	-	-	-	-	-	25-30	-
<b>Anna Sanders</b> Director of Strategy, People and Culture until 30 June 2021	20-25	100-105	5-10	5-10	7,000	43,000	40-45	150-155
<b>Damian Paterson</b> Director of Strategy, People and Culture from 26 July 2021	60-65	-	-	-	64,000	-	125-130	-
<b>Nick Payne</b> Finance, Operations and Digital Director until 11 February 2022	115-120	125-130	-	-	19,000	62,000	135-140	185-190

## Single total figure of remuneration

Officials	Salary (£000)		Bonus Payments (£000)		Pension Benefits (to nearest £1,000) <sup>1</sup>		Total (£000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Lee John-Charles CBE</b> Co-opted Board member from July 2020	100-105	70-75	0-5	-	19,000	43,000	120-125	110-115
<b>Kevin McGinty CBE</b> HM Chief Inspector of the Crown Prosecution Service Inspectorate to 31 March 2021	-	120-125	-	-	-	18,000	-	135-140
<b>Andrew Cayley CMG QC</b> HM Chief Inspector of the Crown Prosecution Service Inspectorate from 1 April 2021	125-130	-	-	-	49,000	-	170-175	-
<b>Rowena Collins Rice</b> Director General of Attorney General's Office until 29 September 2020	-	70-75	-	-	-	18,000	-	85-90
<b>Shehzad Charania MBE</b> Director General of Attorney General's Office from 29 September 2020 until 12 July 2021	55-60	60-65	-	-	29,000	61,000	80-85	120-125
<b>Douglas Wilson OBE</b> Director General of Attorney General's Office from 12 July 2021	100-105	-	-	-	41,000	-	140-145	-

<sup>1</sup>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.

## Notes 2021-22

- Stephen Braviner Roman - full year equivalent salary £130k-£135k
- Wendy Hardaker - full year equivalent salary £120k-£125k
- Mel Nebhrajani - full year equivalent salary £120k-£125k
- Jessica de Mounteney - full year equivalent salary £175k-£180k (one year loan from Office of the Parliamentary Counsel)
- Anna Sanders - full year equivalent salary £95k-£100k
- Damian Paterson - full year equivalent salary £90k-£95k
- Nick Payne - full year equivalent salary £125k-£130k
- Shehzad Charania - full year equivalent salary £120k-£125k
- Douglas Wilson - full year equivalent salary £140k-£145k

## Notes 2020-21

- Jonathan Jones - £185-190k for payments made up his leaving date of 7 December 2020 and includes an annual leave adjustment of £23k and compensation of £44k (3 month's salary). This amount is to compensate Permanent Secretaries who, due to their position in Government, are required to wait a minimum of 3 months after leaving the Civil Service before taking up a new role. The full year equivalent salary is £170k-£175k.
- Peter Fish - full year equivalent salary as Treasury Solicitor £160k-£165k, full year equivalent salary as Director General £125k-£130k, payment made up to leaving date of 31 March 2021
- Susanna McGibbon - full year equivalent salary as Treasury Solicitor £160k-£165k, full year equivalent salary as Director General £130k-£135k
- Wendy Hardaker - full year equivalent salary £120k-£125k
- Elizabeth Hambley - full year equivalent salary £120k-£125k
- Lee John-Charles - full year equivalent salary £95k-£100k
- Rowena Collins Rice - full year equivalent salary £135k-£140k
- Shehzad Charania - full year equivalent salary £120k-£125k

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

Officials	Contract end	Salary (£000)		Benefits-in-kind (to nearest £100)		Total (£000)	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Catherine Berney	October 2023	15-20	15-20	-	-	15-20	15-20
Erica Handling	October 2023	15-20	15-20	-	-	15-20	15-20
Mike Green	January 2025	0-5	-	-	-	0-5	-
Thomas Taylor	September 2021	5-10	15-20	-	-	5-10	15-20

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. Full year equivalents for Thomas Taylor and Mike Green are £15k-£20k for 2021-22 salary.

## Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the department and thus recorded in these Accounts. In respect of ministers in the House of Commons, departments bear only the cost of the additional ministerial remuneration; the salary for their services as an MP (£81,932 from 1 April 2021) and various allowances to which they are entitled are borne centrally.

## Benefits in kind

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

## Bonus payments

Performance related pay awards (non-consolidated) are based on an individual's performance and are moderated as part of the SCS appraisal process. Bonuses disclosed may relate to performance in the previous financial year.



## 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 2021-22 was £175k-£180k (2020-21: £170-175k). This was:

- 3.4 times (2020-21: 3.3 times) the median remuneration of the workforce, which was £52,042 (2020-21: £52,102).
- 4.0 times (2020-21: 4.0 times) the 25th percentile of pay and benefits which was £43,916 (2020-21: £43,916).
- 2.7 times (2020-21: 2.6 times) the 75th percentile of pay and benefits which was £66,294 (2020-21: £66,289).

The median, 25th and 75th percentiles were salary only, there were no bonuses or benefits.

Due to a pay freeze in place for civil servants on average there was no increase in median employee pay for 2021-22 (a 0.1% decrease). The 2% increase in the pay of the highest-paid director reflects the appointment of a new Director General to the Board, where salary is higher than the highest paid director in 2020-21 (there were no bonuses or benefits for the highest paid director in either year). The median pay ratio is consistent with the pay, reward and progression policies for the department. The average percentage change from the previous financial year in respect of the employees of the entity taken as a whole was a 0.2% increase.

In 2021-22 no (2020-21: 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £22k-£177k (2020-21: £19k-£174k). Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value (CETV) of pensions.

## Pension Benefits

Ministers	Accrued pension at age 65 as at 31/3/22	Real increase in pension at age 65	CETV at 31/3/22 <sup>2</sup>	CETV at 31/3/21 <sup>1</sup>	Real increase in CETV funded by taxpayer
	£000	£000	£000	£000	£000
<b>The Rt Hon Suella Braverman QC, MP</b> , Attorney General from 13 February 2020, maternity leave from 26 February 2021, returned 10 September 2021	0-5	0-2.5	41	23	7
<b>The Rt Hon Michael Ellis QC, MP</b> , Solicitor General from 26 July 2019 to 2 March 2021, Attorney General from 2 March 2021 to 10 September 2021, Solicitor General from 10 September 2021 to 15 September 2021	0-5	0-2.5	52	42	5
<b>The Rt Hon Lucy Frazer QC, MP</b> , Solicitor General from 9 May 2019 to 25 July 2019, and from 2 March 2021 to 10 September 2021	0-5	0-2.5	28	22	3
<b>Alex Chalk QC, MP</b> , Solicitor General from 16 September 2021	0-5	0-2.5	12	6	3

<sup>1</sup> Start date is 31 March 2021 unless the minister was appointed to the department during the year.

<sup>2</sup> End date is 31 March 2022 unless the minister left the department during the year.

## Ministerial pensions

Pension benefits for ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). The scheme is made under statute and the rules are set out in the Ministers' etc Pension Scheme 2015, available at: <http://qna.files.parliament.uk/ws-attachments/170890/original/PCPF%20MINISTERIAL%20SCHEME%20FINAL%20RULES.doc>.

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

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

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

## The Cash Equivalent Transfer Value (CETV)

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

## The real increase in the value of the CETV

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

Officials	Accrued pension at pension age as at 31/3/22 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/3/22 £000	CETV at 31/3/21 <sup>1</sup> £000	Real increase in CETV £000	Employer contribution to partnership pension accounts Nearest £100
<b>Sir Jonathan Jones KCB QC (Hon)</b> Permanent Secretary until 9 November 2020, leaving date 7 December 2020	-	-	-	1,552	-	-
<b>Peter Fish CB</b> Legal Director General until 9 November 2020, Permanent Secretary from 9 November 2020 until 5 March 2021, Director General from 8 March 2021 to 31 March 2021	-	-	-	1,145	-	-
<b>Susanna McGibbon</b> Legal Director General until 8 March 2021, Permanent Secretary from 8 March 2021	65-70 plus a lump sum of 130-135	10-12.5 plus a lump sum of 20-22.5	1,214	966	189	-
<b>Stephen Braviner Roman</b> Legal Director General until 26 January 2022	50-55 plus a lump sum of 100-105	0-2.5 plus a lump sum of 0	970	917	6	-
<b>Wendy Hardaker CB</b> Legal Director General from 17 March 2021 until 30 September 2021	35-40 plus a lump sum of 70-75	0-2.5 plus a lump sum of 0	619	586	6	-
<b>Elizabeth Hambley</b> Legal Director General from 7 December 2020	45-50 plus a lump sum of 90-95	5-7.5 plus a lump sum of 7.5-10	877	742	90	-
<b>Mel Nebhrajani CB</b> Legal Director General from 1 October 2021	40-45	2.5-5	727	644	53	-
<b>Jessica de Mounteney</b> Legal Director General from 7 February 2022	50-55 plus a lump sum of 90-95	0-2.5 plus a lump sum of 0	873	872	-3	-
<b>Anna Sanders</b> Director of Strategy, People and Culture until 30 June 2021	25-30	0-2.5	355	351	2	-
<b>Damian Paterson</b> Director of Strategy, People and Culture from 26 July 2021	20-25	2.5-5	298	253	36	-

Officials	Accrued pension at pension age as at 31/3/22 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/3/22 £000	CETV at 31/3/21 <sup>1</sup> £000	Real increase in CETV £000	Employer contribution to partnership pension accounts Nearest £100
<b>Nick Payne</b> Finance, Operations and Digital Director until 11 February 2022	70-75	0-2.5	1,324	1,256	4	-
<b>Lee John-Charles CBE</b> Co-opted Board member from July 2020	35-40 plus a lump sum of 105-110	0-2.5 plus a lump sum of 0	908	848	6	-
<b>Kevin McGinty CBE</b> HM Chief Inspector of the Crown Prosecution Service Inspectorate until 31 March 2021	-	-	-	1,469	-	-
<b>Andrew Cayley CMG</b> QC HM Chief Inspector of the Crown Prosecution Service Inspectorate from 1 April 2021	25-30	2.5-5	383	328	33	-
<b>Rowena Collins Rice</b> Director General of Attorney General's Office until 29 September 2020	-	-	-	1,451	-	-
<b>Shehzad Charania MBE</b> Director General of Attorney General's Office from 29 September 2020	25-30	0-2.5	386	366	18	-
<b>Douglas Wilson OBE</b> Director General of Attorney General's Office from 12 July 2021	40-45	0-2.5	551	504	17	-

<sup>1</sup> 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. Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). 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 their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. 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 an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). 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](http://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	Ministers	2021-22 Total	2020-21 Total
Staff costs comprise:	£000	£000	£000	£000	£000
Wages and salaries	136,741	-	197	136,938	134,668
Social security costs	15,578	-	24	15,602	14,759
Other pension costs	36,804	-	-	36,804	35,028
Historic pension underpayment	-	-	-	-	1,263
<b>Sub Total</b>	<b>189,123</b>	<b>-</b>	<b>221</b>	<b>189,344</b>	<b>185,718</b>
Agency and contracted staff	-	19,977	-	19,977	16,930
Inward secondments	-	528	-	528	717
<b>Total</b>	<b>189,123</b>	<b>20,505</b>	<b>221</b>	<b>209,849</b>	<b>203,365</b>
Less recoveries in respect of outward secondments	(164)	-	-	(164)	(800)
<b>Total Net Costs</b>	<b>188,959</b>	<b>20,505</b>	<b>221</b>	<b>209,685</b>	<b>202,565</b>

This information has been subject to audit.

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](http://www.civilservicepensionscheme.org.uk).

For 2021-22, employers' contributions of £36,526k were payable to the PCSPS (2020-21: £34,677k) at one of four rates in the range of 26.6 to 30.3% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. In 2020-21 a further £1,200k was also paid to PCSPS in respect of an historic pension underpayment.

The contribution rates are set to meet the cost of the benefits accruing during 2021-22 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 £336k (2020-21: £350k) were paid to the appointed stakeholder pension provider. Employer contributions are age-related and range from 8 to 14.75% of pensionable pay. Employers also match employee contributions of up to 3% of pensionable pay. In addition, employer contributions of £13k (2020-21: £14k), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting date were £nil. Contributions prepaid at that date were £nil.

One member of staff retired early on ill health grounds (2020-21: two); the total additional accrued pension liabilities in the year amounted to £nil (2020-21: £nil).



## Average number of persons employed

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

					2021-22 Number	2020-21 Number
	Permanent Staff	Others	Ministers	Special Advisers	Total	Total
GLD	2,312	457	-	-	2,769	2,605
AGO	47	3	2	2	54	50
HMCPST	23	3	-	-	26	28
<b>Total</b>	<b>2,382</b>	<b>463</b>	<b>2</b>	<b>2</b>	<b>2,849</b>	<b>2,683</b>

"Others" relates to agency staff and staff employed on a fixed term basis.

This information has been subject to audit.

## Special Advisers

Special Advisers are temporary civil servants. In order to improve efficiency, the administration of staff costs for all Special Advisers across government was moved to the Cabinet Office in July 2019, with corresponding budget cover transfers. Therefore special adviser costs are now reported in the Cabinet Office Annual Report and Accounts. Special Advisers remain employed by the respective Departments of their appointing Minister.

In line with the Constitutional Reform and Governance Act 2010 and the Model Contract for Special Advisers, a Special Adviser's appointment automatically ends when their appointing Minister leaves office. Special Advisers are not entitled to a notice period but receive contractual termination benefits to compensate for this. Termination benefits are based on length of service and capped at six months' salary. If a Special Adviser returns to work for HM Government following the receipt of a severance payment, the payment is required to be repaid, less a deduction in lieu of wages for the period until their return. Termination costs for special advisers are reported in the Cabinet Office Annual Report and Accounts.

The Special Adviser staff numbers reported are a snapshot as at 31 March 2022.

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

Exit package cost band	2021-22			2020-21		
	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	-	-	-	-	-	-
£25,000 - £50,000	-	2	2	-	1	1
£50,000 - £100,000	-	1	1	-	-	-
£100,000- £150,000	-	-	-	-	1	1
£150,000- £200,000	-	-	-	-	-	-
£200,000- £250,000	-	-	-	-	-	-
£250,000- £300,000	-	-	-	-	-	-
<b>Total number of exit packages by type</b>	-	<b>3</b>	<b>3</b>	-	<b>2</b>	<b>2</b>
<b>Total resource cost/£</b>	-	<b>135,147</b>	<b>135,147</b>	-	<b>152,375</b>	<b>152,375</b>

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

This information has been subject to audit.

### Staff turnover

The staff turnover percentage for 2021-22 for the department (including GLD, the AGO and HMCPSI) was 13.4% (2020-21: 9.8%). This has been calculated as the number of leavers within that period divided by the average of staff in post over the period (headcount) in accordance with the definition for 'Departmental Turnover' (staff leaving the Civil Service or a particular department) provided by the Cabinet Office.

## SCS by Payband

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

	31 March 2022			31 March 2021		
	GLD	AGO	HMCPST	GLD	AGO	HMCPST
SCS 4	1	-	-	1	-	-
SCS 3	3	1	-	4	1	-
SCS 2	28	1	1	26	1	1
SCS 1 and 1A	176	3	3	172	4	2
<b>Total</b>	<b>208</b>	<b>5</b>	<b>4</b>	<b>203</b>	<b>6</b>	<b>3</b>

The HMCPST SCS Pay Band 2 is a public appointment equating to a Pay Band 2.

## Staff composition

The department, including the AGO and HMCPST, continues to promote diversity and inclusion for all and, in particular, continues to maintain a strong gender profile and work to improve the representation of ethnic minority and disabled staff at SCS level and in feeder grades to the SCS.

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

	31 March 2022		31 March 2021	
	Male	Female	Male	Female
Officials as disclosed in the Remuneration Report	4	4	7	4
Non executive directors	1	2	1	2
SCS (excluding officials disclosed in the Remuneration Report)	85	124	81	120
Employees	872	1,623	842	1,563
<b>Total</b>	<b>962</b>	<b>1,753</b>	<b>931</b>	<b>1,689</b>

Note: includes GLD Board members, Director General of the AGO and the Chief Inspector, HMCPST, but excludes ministers.

The proportion of ethnic minority staff (based on those who have self-declared) at SCS is 13.4% (2020-21: 12.7%). The proportion of all staff is 22.8% (2020-21: 21.6%). Levels of staff with disabilities (based on those who have self-declared) are 8.8% in the SCS (2020-21: 8.0%) and 7.8% for all staff (2020-21: 7.3%). Individuals are supported by efficient arrangements for assessments and the implementation of workplace adjustments for those who require them.

## Recruitment practice

Resourcing has continued to be a top priority for GLD this financial year, with COVID-19 impacting on our resource needs. GLD's resource needs in general have increased dramatically, therefore the number of campaigns requested have also increased. GLD has recognised that the delivery of recruitment and the needs of the business have changed so significantly that we have undertaken a full review of the resourcing function. This covers our practices, processes, structure and systems. Implementation of recommendations from the review is ongoing and will conclude beyond April 2022. GLD's resourcing team resource needs have been impacted by the significant increase in campaign requests, therefore there was a need to recruit a number of short term roles to meet demand.

We have continued our Grade 7 lawyer external 'always on' recruitment campaign to recruit across all divisions within GLD. Due to workforce changes we have noted a significant increase in the number of specialised lawyer campaigns.

The Commercial Law Group (CLGp) have continued to adopt the 'always-on' approach to recruitment, filling a number of vacancies through various 'always on' type campaigns.

Various initiatives including the use of external Statutory Instrument drafters, fixed term appointments, the use of external panel firms, and specialist campaigns have continued to provide resource to GLD this year. COVID-19 and general demand for resource has meant a significant increase in Fixed Term Appointments, agency staff and secondments.

COVID-19 continued to affect our business practices, having to work from home, however we have been able to return to offices to deliver key training, messages and administrative functions.

To ensure the attraction of qualified lawyers and talent into GLD, we implemented a piece of work to develop our brand and offer. The key outputs are to bring to life the GLD's offering to a diverse and quality audience. Crucially the aim is to increase applications from quality candidates. To support the Employee Value Proposition regular information is updated on the GLD's Glassdoor (employee review site) page as well as engagement with reviewees. There is also a talent pooling exercise to attract active and passive qualified lawyers, in order to increase registrations, applications and ultimately hires. Potential candidates receive key content on the GLD and profiles of individuals within the department. Registrations are then tracked to the point of offer.

The department (including the AGO and HMCPSI) is bound by the Civil Service Commission's recruitment principles, whereby candidates must be appointed in order of merit, after fair and open competition. GLD is subject to annual review from the Civil Service Commission, along with providing quarterly recruitment and diversity figures. The department is also responsible for providing these figures on behalf of the AGO and HMCPSI. GLD was awarded a 'good rating' by the Commission for 2020-21 and we are currently awaiting the result of GLD's recruitment audit for 2021-22. The department's systems and processes are also subject to continuous internal review.

Disability adjustments are provided at all stages of the recruitment process, and the department also operates the Disability Confident Scheme (DCS) for candidates that meet the basic criteria. Candidates invited to interview under DCS are contacted to determine whether any reasonable adjustments are required. We have also reviewed practices to identify those who require workplace adjustments.

Between 1 April 2021 and 31 March 2022, 441 new members of staff were recruited to GLD, the AGO and HMCPSI by means of fair and open competition:

Grade*	Number	Male	Female	Undisclosed
SCS	2	-	-	2
Grade 6	51	22	26	3
Grade 7/Legal Officer	217	67	134	16
Legal Trainee	66	20	44	2
Senior Executive Officer	14	4	10	-
High Executive Officer	9	2	7	-
Executive Officer	81	29	50	2
Administrative Officer	1	-	1	-
<b>Total</b>	<b>441</b>	<b>144</b>	<b>272</b>	<b>25</b>

\*In order of seniority from the Senior Civil Service to Administration Officer.

This reflects the number of staff recruited from outside the Civil Service that have taken up post in 2021-22. The figures do not include those offered, but have yet to take up post. For 2020-21 326 new members of staff were recruited to the GLD, the AGO and HMCPSI by means of fair and open competition.

During the period specified above, there were 83 exceptions to the Civil Service Commission's Recruitment Principles (2020-21: 77).

### Recruitment of temporary lawyers and other professional and support staff

In June 2018, GLD procured a new contract with Alexander Mann Solutions to recruit contingent labour via the Public Sector Resourcing framework introduced by the Crown Commercial Services (CCS). Contingent labour forms part of common goods and services as defined by the Public Expenditure Committee.

The framework is designed to make savings and provide benefits such as: the use of common technology, managed rate cards with clearly defined HMG business rules and standard contractual terms and conditions throughout the supply chain.

Under the terms of this agreement, Alexander Mann Solutions represents the interface between GLD and the recruitment agencies to supply temporary agency workers.

The Treasury Solicitor has agreed to the placement of temporary lawyers, other professionals, and support staff in front line posts as vacancies occur and where permanent recruitment is not appropriate. During 2021-22 the department (including the AGO and HMCPSI) recruited 230 temporary members of staff (2020-21: 130).

## Sickness absence

Overall sickness absence (including the AGO and HMCPSI) was an average of 5.12 working days lost per person (2020-21: 3.9 days). This compares favourably with the Civil Service average of 6.3 days lost per staff year for the year ended 30 June 2021 (most recent available figures). 68% of staff had no sickness absences (2020-21: 77%).

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

Expenditure on consultants in 2021-22 has been £347k (2020-21: £118k). The spend mainly relates to work on reviewing GLD's recruitment and resourcing strategy and processes.

## Expenditure on contingent labour

Agency and contract staff are employed within GLD for operational reasons and where there is a need for specialist skills, such as within ICT, where for practical business reasons, the GLD Board has agreed there should be a mixed economy of permanent and contract staff to provide some flexibility to cope with changes in demand. Agency workers are also used to support resourcing where GLD has not been able to attract as many permanent staff as is required to manage its business. GLD is looking at its attraction and retention strategy, this is however challenging where the salary offered is less attractive than other government departments and public sector bodies. Total spend this year was £20.0m (2020-21: £16.9m). Agency and contract staff accounted for 11.5% of average FTE for the year (2020-21: 10.6%). To reduce GLD's reliance on agency staff, it undertook several external recruitment campaigns resulting in 441 new members of staff (2020-21: 326 new members of staff).

## High paid off-payroll appointments

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

For GLD, these engagements are principally made up of two categories of individual:

- In the ICT area, the GLD Board has agreed that there should be a mixed economy of permanent and temporary staff for practical business reasons. During 2021-22, GLD continued to manage a number of temporary agency ICT staff to undertake specific IT tasks, in addition to some who have been there for longer periods
- Temporary agency lawyers, via the Contingent Labour contract, who are filling business critical posts and help manage the fluctuation in demand for legal services. During 2021-22, GLD ran a number of external recruitment exercises including the continuous recruitment of Grade 7 lawyers to bring in permanent staff, and to consequentially reduce the dependency on temporary agency legal staff.

Details are as follows:

Table 1: For all off-payroll engagements as of 31 March 2022, for more than £245 per day and that last longer than six months

	GLD	AGO	HMCPsi
No. of existing engagements as at 31 March 2022	75	-	-
<b>Of which</b>			
No. that have existed for less than one year at time of reporting	28	-	-
No. that have existed for between one and two years at time of reporting	9	-	-
No. that have existed for between two and three years at time of reporting	10	-	-
No. that have existed for between three and four years at time of reporting	19	-	-
No. that have existed for four or more years at time of reporting	9	-	-

(2020-21: the number of existing engagements as at 31 March 2021 was 93).

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022 for more than £245 per day and that last longer than six months

	GLD	AGO	HMCPsi
No. of new engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022	37	-	-
<b>Of which</b>			
The number of those engagements which were assessed as caught by IR35	29	-	-
The number of those engagements which were assessed as NOT caught by IR35	8	-	-
The number that were engaged directly (via PSC contracted to department) and are on the departmental payroll	-	-	-
The number that were reassessed for consistency/assurance purposes during the year	-	-	-
The number that saw a change to IR35 status following the consistency review	-	-	-

Only one role outside of ICT was assessed as being not caught by IR35. All other roles were assessed as in scope/ caught by IR35, due to their nature. ICT have started a transition of agency workers to move onto permanent contracts either via fair and open competition, or moving them onto fixed term contracts. Therefore all temporary agency workers engaged in roles outside of ICT (unless specified), must be PAYE with their agency or via an umbrella company. Of the 37 detailed in the table above 29 are assessed as caught by IR35 and are within PAYE with their agency or via an umbrella company.

(2020-21: the no of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021 was 10).

Table 3: For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022

2021-22	GLD	AGO	HMCPsi
No of off payroll engagements of Board members and/or senior officials with significant financial responsibility during the financial year	-	-	-
Total No of officials on payroll and off payroll that have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year	10	2	1
2020-21	GLD	AGO	HMCPsi
No of off payroll engagements of Board members and/or senior officials with significant financial responsibility during the financial year	-	-	-
Total No of officials on payroll and off payroll that have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year	11	2	1

# Parliamentary accountability and audit report

## Statement of Outturn against Parliamentary Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRM) requires the department to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes. The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

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

The format of the SOPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn. The SOPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration. The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note SOPS 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (note SOPS 2); and a reconciliation of outturn to net cash requirement (note SOPS 3).

### Summary of Resource and Capital Outturn 2021-22

Note	2021-22			2021-22			2020-21
	Voted	Non-Voted	Estimate Total	Voted	Non-Voted	Outturn Total	
	£000	£000	£000	£000	£000	£000	£000
<b>Departmental Expenditure Limit (DEL)</b>							
Resource <i>SOPS 1.1</i>	12,172	-	12,172	(2,769)	-	(2,769)	4,396
Capital <i>SOPS 1.2</i>	2,000	-	2,000	1,810	-	1,810	1,096
<b>Annually Managed Expenditure (AME)</b>							
Resource <i>SOPS 1.1</i>	500	-	500	(437)	-	(437)	-
Capital <i>SOPS 1.2</i>	-	-	-	-	-	-	-
<b>Total Budget</b>	<b>14,672</b>	<b>-</b>	<b>14,672</b>	<b>(1,396)</b>	<b>-</b>	<b>(1,396)</b>	<b>5,492</b>
<b>Non-Budget</b>							
Resource	-	-	-	-	-	-	-
<b>Total</b>	<b>14,672</b>	<b>-</b>	<b>14,672</b>	<b>(1,396)</b>	<b>-</b>	<b>(1,396)</b>	<b>5,492</b>
Total Resource <i>SOPS 1.1</i>	12,672	-	12,672	(3,206)	-	(3,206)	4,396
Total Capital <i>SOPS 1.2</i>	2,000	-	2,000	1,810	-	1,810	1,096
<b>Total</b>	<b>14,672</b>	<b>-</b>	<b>14,672</b>	<b>(1,396)</b>	<b>-</b>	<b>(1,396)</b>	<b>5,492</b>



Net cash requirement 2021-22

		2021-22		2021-22	2020-21
	Note	Estimate £000	Outturn £000	Outturn compared with Estimate saving/ (excess) £000	Outturn £000
Net cash requirement	<i>SOPS 3.</i>	15,862	(11,183)	27,045	14,700

Administration costs 2021-22

		2021-22		2021-22	2020-21
	Note	Estimate £000	Outturn £000	Outturn compared with Estimate saving/ (excess) £000	Outturn £000
Administration costs	<i>SOPS 1.1</i>	11,956	(3,121)	15,077	4,144

Figures in the areas outlined in bold are voted totals subject to Parliamentary control. In addition, although not a separate voted limit, any breach of the Administration Budget will result in an excess vote.

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. In the case of the department for financial year 2021-22 there are no differences to reconcile between the budgeting framework and IFRS. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

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

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

### SOPS 1. Net outturn

#### SOPS 1.1 Analysis of net resource outturn by section

	Administration			Programme			Outturn	Net total	2021-22	2020-21
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Total		Estimate	Prior-
							£000		Net total outturn compared with Estimate saving/ (excess)	year outturn
<b>Spending in Departmental Expenditure Limit</b>										
<b>Voted</b>										
A: GLD	279,218	(291,233)	(12,015)	-	-	-	(12,015)	2,088	14,103	(3,989)
B: AGO	6,265	(125)	6,140	352	-	352	6,492	6,936	444	5,712
C: HMCPSI	2,754	-	2,754	-	-	-	2,754	3,148	394	2,673
<b>Non-Voted</b>	-	-	-	-	-	-	-	-	-	-
<b>Spending in Annually Managed Expenditure</b>										
<b>Voted</b>										
D: Provisions	-	-	-	(437)	-	(437)	(437)	500	937	-
<b>Non-Voted</b>	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>288,237</b>	<b>(291,358)</b>	<b>(3,121)</b>	<b>(85)</b>	<b>-</b>	<b>(85)</b>	<b>(3,206)</b>	<b>12,672</b>	<b>15,878</b>	<b>4,396</b>

The variance between Estimate and Outturn is due to:

GLD underspent by £14.1m against its voted funding of £2.1m, generating an overall surplus against full cost recovery of £11.6m. This surplus was generated from lower than anticipated spending on staff costs, external support and the departmental change programme.

The AGO underspent against budget by £0.4m, mainly on account of lower staff costs and a reduction in dilapidations liability.

HMCPSI underspent against budget by £0.4m, mainly on account of lower staff costs.

## SOPS 1.2 Analysis of net capital outturn by section

	2021-22 Outturn			Net total £000	Estimate Net total outturn compared with Estimate saving/ (excess) £000	2020-21
	Gross £000	Income £000	Net £000			Prior- year outturn £000
<b>Spending in Departmental Expenditure Limit Voted</b>						
A: GLD	1,588	-	1,588	1,750	162	799
B: AGO	222	-	222	250	28	297
C: HMCPSI	-	-	-	-	-	-
Non-Voted	-	-	-	-	-	-
<b>Annually Managed Expenditure Voted</b>						
D: Provisions	-	-	-	-	-	-
Non-Voted	-	-	-	-	-	-
<b>Total</b>	<b>1,810</b>	<b>-</b>	<b>1,810</b>	<b>2,000</b>	<b>190</b>	<b>1,096</b>

The Capital budget was largely utilised in 2021-22 with £1.8m spent against the £2m budget mainly on information technology infrastructure and equipment.

## SOPS 2. Reconciliation of Net Resource Outturn to Net Operating Income

		2021-22 £000	2020-21 £000
Total resource outturn in Statement of Parliamentary Supply	Budget	(3,206)	4,396
	Non-Budget	-	-
Net operating expenditure in Statement of Comprehensive Net Income		(3,206)	4,396

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

## SOPS 3. Reconciliation of Net Resource Outturn to Net Cash Requirement

	Note	Estimate £000	Outturn £000	2021-22 Net total outturn compared with estimate saving/ (excess) £000
Resource Outturn	<i>SOPS 1.1</i>	12,672	(3,206)	15,878
Capital Outturn	<i>SOPS 1.2</i>	2,000	1,810	190
<b>Accruals to cash adjustments:</b>				
Adjustments to remove non-cash items:	4			
Depreciation and amortisation		(3,310)	(3,245)	(65)
Movement on provisions		(500)	437	(937)
Other non-cash		-	(85)	85
<b>Adjustments to reflect movements in working capital balances:</b>				
(Decrease) in receivables	9	-	(1,130)	1,130
Decrease/(Increase) in payables	11	5,000	(31,131)	36,131
Less movement in supply creditor	11	-	25,367	(25,367)
<b>Net Cash Requirement</b>		<b>15,862</b>	<b>(11,183)</b>	<b>27,045</b>

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

## SOPS 4. Amounts of income to the Consolidated Fund

### SOPS 4.1 Analysis of income payable to the Consolidated Fund

In addition to income retained by the department, the following income is payable to the Consolidated Fund.

	Outturn 2021-22 £000	Prior year 2020-21 £000
[Excess] cash surrenderable to the Consolidated Fund	27,045	-
<b>Total amount payable to the Consolidated Fund</b>	<b>27,045</b>	<b>-</b>

All amounts are on a cash basis.

### 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.

This is subject to audit.

### Fees and Charges

An analysis of the Government Legal Department's income and associated costs is shown below. The income and expenditure disclosed relates solely to the Government Legal Department and excludes the Attorney General's Office and HM Crown Prosecution Service Inspectorate whose income is non-business in nature and immaterial. 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.

	2021-22				2020-21			
	Income £000	Vote funding £000	Full Cost £000	Surplus/ (deficit) £000	Income £000	Vote funding £000	Full Cost £000	Surplus/ (deficit) £000
<b>Administration income:</b>								
Legal fees and charges to clients	283,180	-	271,551	11,629	260,624	-	257,173	3,451
Recovery of costs from Bona Vacantia	4,865	-	4,865	-	4,811	-	4,811	-
Other income	3,188	-	3,188	-	3,198	-	3,198	-
Non-chargeable work	-	290	290	-	-	254	254	-
<b>Total (GLD)</b>	<b>291,233</b>	<b>290</b>	<b>279,894</b>	<b>11,629</b>	<b>268,633</b>	<b>254</b>	<b>265,436</b>	<b>3,451</b>

'Bona Vacantia' relates to income charged for administering bona vacantia (ownerless assets in respect of dissolved companies and intestate estates). 'Other income' is primarily related to recoveries for subscription costs and ICT services provided to other government departments. Vote funding relates to Public Interest legal work. In accordance with HMT's guidance a notional cost of capital charge £676k (2020-21: £792k) 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%) on the average carrying amount of all assets less liabilities, except for cash balances held with the Government Banking Service.

This is subject to audit.

## Remote contingent liabilities

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

## Expenditure Tables

This information is not subject to audit.

These tables present actual expenditure for the years 2017-18 to 2021-22 and planned expenditure for 2022-23, 2023-24 and 2024-25. Outturn data is consistent with previous years' published Accounts and plan years' information is consistent with the Spending Review settlement, adjusted for growth.

The format of the tables is determined by HMT. Table 1 is a summary of the department's net public spending. Table 2 is a summary of the department's Administration expenditure.

Approval for the spending plans for 2021-22 are set out in the HM Procurator General and Treasury Solicitor Supplementary Estimate 2021-22. The document is available at the HMT website at: [www.gov.uk/government/organisations/hm-treasury](http://www.gov.uk/government/organisations/hm-treasury).

Table 1: Public Spending

£000	2017-18 Outturn	2018-19 Outturn	2019-20 Outturn	2020-21 Outturn	2021-22 Outturn	2022-23* Plan	2023-24 Plan	2024-25 Plan
A: GLD (Net)	(4,190)	(5,592)	4,323	(3,989)	(12,015)	2,266	2,088	2,088
B: AGO (Net)	5,650	5,008	5,551	5,712	6,492	6,513	6,653	6,659
C: HMCPSI (Net)	2,450	2,209	2,359	2,673	2,754	3,039	3,089	3,153
D: Provisions (Net)	1,525	(1,527)	388	-	(437)	-	-	-
<b>Total Resources</b>	<b>5,435</b>	<b>98</b>	<b>12,621</b>	<b>4,396</b>	<b>(3,206)</b>	<b>11,818</b>	<b>11,830</b>	<b>11,900</b>
<b>Total DEL</b>	<b>3,910</b>	<b>1,625</b>	<b>12,233</b>	<b>4,396</b>	<b>(2,769)</b>	<b>11,818</b>	<b>11,830</b>	<b>11,900</b>
<b>Total AME</b>	<b>1,525</b>	<b>(1,527)</b>	<b>388</b>	<b>-</b>	<b>(437)</b>	<b>-</b>	<b>-</b>	<b>-</b>
A: GLD (Net)	1,938	5,126	5,027	799	1,588	2,850	2,000	2,000
B: AGO (Net)	-	146	-	297	222	-	-	-
C: HMCPSI (Net)	-	-	-	-	-	-	-	-
<b>Total Capital DEL</b>	<b>1,938</b>	<b>5,272</b>	<b>5,027</b>	<b>1,096</b>	<b>1,810</b>	<b>2,850</b>	<b>2,000</b>	<b>2,000</b>

Table 2: Administration Budgets

£000	2017-18 Outturn	2018-19 Outturn	2019-20 Outturn	2020-21 Outturn	2021-22 Outturn	2022-23* Plan	2023-24 Plan	2024-25 Plan
A: GLD (Net)	(4,190)	(5,592)	4,323	(3,989)	(12,015)	2,266	2,088	2,088
B: AGO (Net)	5,650	5,008	5,144	5,460	6,140	6,247	6,388	6,385
C: HMCPSI (Net)	2,450	2,209	2,359	2,673	2,754	3,039	3,089	3,153
<b>Total Administration Budget</b>	<b>3,910</b>	<b>1,625</b>	<b>11,826</b>	<b>4,144</b>	<b>(3,121)</b>	<b>11,552</b>	<b>11,565</b>	<b>11,626</b>
<b>Of which</b>								
Staff Costs	152,838	167,908	190,295	203,113	209,497	211,454	224,484	237,786
Other Expenditure	72,611	71,324	74,077	69,871	78,740	108,998	110,781	112,540
Income	(221,539)	(237,607)	(252,546)	(268,840)	(291,358)	(308,900)	(323,700)	(338,700)

\*2022-23 figures include the budgeting impact of adoption of IFRS 16. 2023-24 and 2024-25 figures have not been adjusted for IFRS 16

## Long term expenditure trends

Planned net expenditure as agreed with HMT is set out in the Expenditure Tables. The Departmental Expenditure Limit (DEL) Resource funding is to cover the costs of public interest casework (time and disbursements) and the costs of the AGO and HMCPSI. The balance of GLD's operating costs are recovered from its clients. In setting GLD fixed fees and hourly rates, HMT's guidance on fees and charges contained within their publication, Managing Public Money is applied.

The DEL Capital funding allows GLD to invest in improving and developing systems to support its business and meet its accommodation needs. Spending

Susanna McGibbon  
Accounting Officer  
27 May 2022

# 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 HM Procurator General and Treasury Solicitor (the Department) for the year ended 31 March 2022 under the Government Resources and Accounts Act 2000. The Department comprises the Government Legal Department, the Attorney General's Office and HM Crown Prosecution Service Inspectorate. The financial statements comprise the Department's:

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Department's affairs as at 31 March 2022 and its net operating income for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn Against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2022 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Entities in the United Kingdom. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Department in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

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



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

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

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

## Other information

The other information comprises information included in the Performance Report, Accountability Report and Annex A: Sustainability Report, but does not include the financial statements and my auditor's report thereafter. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of HM Procurator General and Treasury Solicitor and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Department 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 subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not

been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

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

## Auditor's responsibilities for the audit of the financial statements

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Department's accounting policies.
- Inquiring of management, the Department's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Department's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Department's controls relating to the Government Resources and Accounts Act 2000, Treasury Solicitor Act 1876, Crown Prosecution Service Inspectorate Act 2000, and Managing Public Money.

- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Department for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in accruals estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I also obtained an understanding of the Department's framework of authority as well as other legal and regulatory frameworks in which the Department operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Department. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2021, Treasury Solicitor Act 1876, Crown Prosecution Service Inspectorate Act 2000, employment law, pensions legislation and tax legislation.

### **Audit response to identified risk**

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management and the Audit and Risk Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- a focus on the Government Legal Department to address the risk of fraud in revenue recognition, including assessing controls over preparation of accruals for unbilled time and disbursements; testing the accuracy and cut-off of unbilled time and disbursements including tracing to post year end invoices and subsequent cash receipts where appropriate; and undertaking procedures to test the recoverability of the unbilled elements.

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

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

### **Other auditor's responsibilities**

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

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

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

## Report

I have no observations to make on these financial statements.

**Gareth Davies**  
Comptroller and Auditor General

**Date:** 1 June 2022

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

# Financial Statements

## Statement of Comprehensive Net Income for the period ended 31 March 2022

	Note	2021-22 £000	2020-21 £000
Income from sale of goods and services	5	(284,664)	(261,758)
Other operating income	5	(6,477)	(6,549)
<b>Total operating income</b>	<b>5</b>	<b>(291,141)</b>	<b>(268,307)</b>
Staff costs	3	209,849	203,365
Purchase of goods and services	4	21,565	19,091
Rentals under operating leases	4	10,011	8,512
Non cash items	4	2,893	3,529
Disbursements	4	43,617	38,206
<b>Total operating expenditure</b>		<b>287,935</b>	<b>272,703</b>
<b>Net operating (income) / expenditure</b>		<b>(3,206)</b>	<b>4,396</b>
<b>Total Comprehensive (Income) / Expenditure for the year</b>		<b>(3,206)</b>	<b>4,396</b>

All income and expenditure is derived from continuing operations.

The notes on pages 73 to 84 form part of these Accounts.

## Statement of Financial Position as at 31 March 2022

	Note	31 March 2022		31 March 2021	
		£000	£000	£000	£000
<b>Non-current assets</b>					
Property, plant and equipment	6	5,930		6,977	
Intangible assets	7	351		739	
<b>Total non-current assets</b>		<b>6,281</b>		<b>7,716</b>	
<b>Current assets</b>					
Trade and other receivables	9	45,729		46,859	
Cash and cash equivalents	10	27,045		1,678	
<b>Total current assets</b>		<b>72,774</b>		<b>48,537</b>	
<b>Total assets</b>			<b>79,055</b>		<b>56,253</b>
<b>Current liabilities</b>					
Trade and other payables	11	(64,146)		(33,014)	
Provisions	12	(63)		(603)	
<b>Total current liabilities</b>		<b>(64,209)</b>		<b>(33,617)</b>	
<b>Non-current assets plus net current assets</b>			<b>14,846</b>		<b>22,636</b>
<b>Non-current liabilities</b>					
Provisions	12	(388)		(285)	
<b>Total non-current liabilities</b>			<b>(388)</b>		<b>(285)</b>
<b>Total assets less liabilities</b>			<b>14,458</b>		<b>22,351</b>
<b>Taxpayers' equity and other reserves</b>					
General fund			14,458		22,351
<b>Total equity</b>			<b>14,458</b>		<b>22,351</b>

The notes on pages 73 to 84 form part of these Accounts.

Susanna McGibbon  
Accounting Officer  
27 May 2022

## Statement of Cash Flows for the period ended 31 March 2022

	Note	2021-22 £000	2020-21 £000
<b>Cash flows from operating activities</b>			
Net operating expenditure	2	3,206	(4,396)
Adjustments for non-cash transactions arising in the year	4	2,893	3,529
Decrease/(Increase) in trade and other receivables	9	1,130	(10,109)
(Decrease)/Increase in trade and other payables*	11	5,806	(2,355)
<b>Net cash outflow from operating activities</b>		<b>13,035</b>	<b>(13,331)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(1,851)	(1,019)
Purchase of intangible assets	7	-	(350)
<b>Net cash outflow from investing activities</b>		<b>(1,851)</b>	<b>(1,369)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) – current year		14,183	10,706
Contingencies Fund advance (to support working capital)		25,000	25,000
Repayment of Contingencies Fund advance		(25,000)	(25,000)
<b>Net Financing</b>		<b>14,183</b>	<b>10,706</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>	10	<b>25,367</b>	<b>(3,994)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	10	<b>1,678</b>	<b>5,672</b>
<b>Cash and cash equivalents at the end of the period</b>	10	<b>27,045</b>	<b>1,678</b>

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

The notes on pages 73 to 84 form part of these Accounts.

## Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

	Note	General Fund £000	Total Reserves £000
<b>Balance at 31 March 2020</b>		<b>11,965</b>	<b>11,965</b>
<b>Changes in taxpayer's equity for 2020-21</b>			
Net parliamentary funding – drawn down		10,706	10,706
Net parliamentary funding – deemed	10	5,672	5,672
Supply payable adjustment	11	(1,678)	(1,678)
Comprehensive net expenditure for the year	2	(4,396)	(4,396)
<b>Non-cash adjustments:</b>			
Auditors' remuneration	4	82	82
<b>Total recognised income for 2020-21</b>		<b>10,386</b>	<b>10,386</b>
<b>Balance at 31 March 2021</b>		<b>22,351</b>	<b>22,351</b>
<b>Changes in taxpayer's equity for 2021-22</b>			
Net parliamentary funding – drawn down		14,183	14,183
Net parliamentary funding – deemed	10	1,678	1,678
Excess cash surrenderable to the Consolidated Fund	11	(27,045)	(27,045)
Comprehensive net income for the year	2	3,206	3,206
<b>Non-cash adjustments:</b>			
Auditors' remuneration	4	85	85
<b>Total recognised expenditure for 2021-22</b>		<b>(7,893)</b>	<b>(7,893)</b>
<b>Balance at 31 March 2022</b>		<b>14,458</b>	<b>14,458</b>

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

The notes on pages 73 to 84 form part of these Accounts.



# Notes to the Accounts

## 1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2021-22 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 department for the purpose of giving a true and fair view has been selected. The particular policies adopted by the department are described below. They have been applied consistently in dealing with items considered material in relation to the Accounts.

In common with other government departments, the future financing of the department's liabilities is to be met by future grants of Supply and the application of future income, both to be approved annually by Parliament. After making enquiries, the Accounting Officer has a reasonable expectation that the department has adequate resources to continue in operational existence for a period of at least 12 months from the date the financial statements are authorised for issue.

The going concern basis of accounting for the department is adopted in consideration of the requirements set out in HM Treasury's Government Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future. For the above reasons it has been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

### 1.1 Accounting convention

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

### 1.2 Basis of consolidation

The Accounts comprise a consolidation of those entities that fall within the departmental boundary as defined by the FReM. Transactions between entities included in the consolidation are eliminated. A list of all entities within the departmental boundary is given at Note 17. There is no 'parent' department and separate financial statements are prepared for the Government Legal Department (GLD). The Attorney General's Office (AGO) and HM Crown Prosecution Service Inspectorate (HMCPPI) are not required to produce financial statements; therefore only a group SOCNE and SOFP are produced.

### 1.3 Significant judgments and estimates

The judgments applied to non-current asset balances with regard to asset lives and impairment reviews are set out in the separate accounting policies on these assets.

Most of the larger accruals included in the accounts within the working capital balances are routine and are based on system data rather than being the result of estimates or judgments applied by management. The main exception to this is the accrual included for legal disbursement costs yet to be invoiced to the department. As most of these costs are recharged to the department's clients both an expenditure and income accrual are included in the financial statements (£5.9m and £5.8m respectively), so the overall impact on net operating income is largely neutral. The accrual is based on an estimate of the level of outstanding disbursements costs at the financial year-end using historical transaction data. Actual results may differ from these estimates.

Provision balances are also subject to management estimates on the level of leasehold dilapidations. These balances are not currently significant.

### 1.4 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 arm's length bodies and recovery of disbursements incurred on their behalf. Fees and charges are set in accordance with HMT's 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 relating to tenants of GLD and the AGO, 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.

## 1.5 Property, plant and equipment

Assets are carried at current value in existing use using depreciated historic cost as a proxy. The need for impairment is considered 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.

## 1.6 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                                    |

## 1.7 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 impairment is considered 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          |

## 1.8 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.

## 1.9 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. This is a multi-employer scheme and it is not possible to separate the assets and liabilities, and is therefore accounted for in the same manner as defined contribution schemes. 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.

## 1.10 Contingent Liabilities

Contingent liabilities are disclosed, where applicable, in the notes to the Accounts in accordance with IAS 37. Remote contingent liabilities that are not required to be disclosed by IAS 37 but are required to be reported to Parliament, where applicable, are included in the Accountability Report.

## 1.11 Leases

Operating lease rentals are charged to the Statement of Comprehensive Net Income in equal amounts over the lease term from the date of occupation. Future payments as disclosed in Note 14 (Commitments under operating leases) are not discounted. The department does not hold any finance leases.

## 1.12 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.

## 1.13 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.

## 1.14 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 from 1 April 2022 for government departments and reflected in the FRoM from 2022-23. IFRS 16 Leases supersedes IAS 17 Leases and provides a single lessee accounting model and requires a lessee to recognise assets and liabilities for leases which last over 12 months, largely eliminating the current 'off-balance sheet' treatment of operating leases under IAS 17.

The department has assessed the impact that the application of IFRS 16 will have on the comprehensive net expenditure for the financial year ending 31 March 2023 and on the statement of financial position at that date. The figures below are for existing leases as at 31 March 2022. The standard is expected to increase total expenditure in 2022-23 by approximately £0.3m. The right of use asset is expected to increase assets by approximately £37.1m, whilst the associated lease liability will increase liabilities by approximately £36.3m. We have applied the practical expedient to take forward the previous identification of leases under IAS17 known as "grandfathering". No exemptions were applied.

	2022-23 £000
<b>SOCNE Impacts IFRS 16:</b>	
Depreciation expected - 2022-23	8,215
Interest expense expected - 2022-23	352
Unwinding of IAS17 prepayment	189
IAS 17 basis rental payments expected - 2022-23	(8,478)
<b>Increased expenditure</b>	<b>278</b>
<b>SOFP Impacts IFRS 16:</b>	
Right to Use Asset – 1 April 2022	37,110
Lease Liability – 1 April 2022	(36,276)

## 2. Statement of operating costs by operating segment

The department's reportable segments are as follows:

- Government Legal Department (GLD)
- Attorney General's Office (AGO)
- HM Crown Prosecution Service Inspectorate (HMCPIS)

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

2021-22	GLD £000	AGO £000	HMCPIS £000	Eliminations £000	Consolidated £000
<b>Income and Expenditure</b>					
<b>Revenues</b>					
Third Party	(291,106)	(35)	-	-	(291,141)
Inter-segment	(127)	(90)	-	217	-
<b>Total Revenues</b>	<b>(291,233)</b>	<b>(125)</b>	<b>-</b>	<b>217</b>	<b>(291,141)</b>
Gross Expenditure	279,188	6,180	2,567	-	287,935
Inter-segment	30	-	187	(217)	-
<b>Net Operating Income</b>	<b>(12,015)</b>	<b>6,055</b>	<b>2,754</b>	<b>-</b>	<b>(3,206)</b>

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

2020-21	GLD £000	AGO £000	HMCPIS £000	Eliminations £000	Consolidated £000
<b>Income and Expenditure</b>					
<b>Revenues</b>					
Third Party	(268,145)	(162)	-	-	(268,307)
Inter-segment	(488)	(45)	-	533	-
<b>Total Revenues</b>	<b>(268,633)</b>	<b>(207)</b>	<b>-</b>	<b>533</b>	<b>(268,307)</b>
Gross Expenditure	264,644	5,573	2,486	-	272,703
Inter-segment	-	346	187	(533)	-
<b>Net Operating Expenditure</b>	<b>(3,989)</b>	<b>5,712</b>	<b>2,673</b>	<b>-</b>	<b>4,396</b>

### 3. Staff Costs

Staff costs comprise:

				2021-22	2020-21
	Permanently employed staff	Others	Ministers	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	136,741	-	197	136,938	134,668
Social security costs	15,578	-	24	15,602	14,759
Other pension costs	36,804	-	-	36,804	35,028
Historic pension underpayment*	-	-	-	-	1,263
<b>Sub Total</b>	<b>189,123</b>	<b>-</b>	<b>221</b>	<b>189,344</b>	<b>185,718</b>
Agency and contracted staff	-	19,977	-	19,977	16,930
Inward secondments	-	528	-	528	717
<b>Total</b>	<b>189,123</b>	<b>20,505</b>	<b>221</b>	<b>209,849</b>	<b>203,365</b>

No staff costs have been charged to capital.

\*A payment was made to PCSPS in respect of an historic pension underpayment.

### 4. Other Expenditure

	2021-22	2020-21
	£000	£000
<b>Total Other Expenditure</b>		
Disbursements	43,617	38,206
Rentals under operating leases	10,011	8,512
<b>Purchase of goods and services:</b>		
IT and communications costs	5,965	4,518
Accommodation	4,467	4,490
Library information services	3,309	3,195
Training	1,787	1,472
Recruitment	1,458	1,435
Other	4,579	3,981
<b>Non-cash items:</b>		
Depreciation	2,857	3,065
Amortisation	388	382
Provisions not required written back	(437)	-
External auditors' remuneration*	85	82
<b>Total Other Expenditure</b>	<b>78,086</b>	<b>69,338</b>

\* External auditors' remuneration represents the notional audit fees of £85k (2020-21: £82k) for the Departmental Resource Account, and Government Legal Department Account. No non-audit services were provided during the financial year.

## 5. Income

Analysis of income by classification and activity

	2021-22 £000	2020-21 £000
<b>Income from sales of goods and services:</b>		
Legal fees and charges to clients	243,259	224,555
Disbursements	39,921	35,723
LION subscription	1,484	1,480
	<b>284,664</b>	<b>261,758</b>
Recovery of costs from Bona Vacantia	4,865	4,811
Recovery of secondments out	164	800
Other income	1,448	938
	<b>6,477</b>	<b>6,549</b>
<b>Total income</b>	<b>291,141</b>	<b>268,307</b>

Income is shown net of inter-group transactions between GLD, AGO and HMCPSI.

## 6. Property, plant and equipment

	Leasehold improvements £000	ICT Network £000	Furniture and Fittings £000	2021-22 Total £000
<b>Cost or Valuation</b>				
At 1 April 2021	5,005	6,689	2,222	13,916
Additions	178	1,578	54	1,810
<b>At 31 March 2022</b>	<b>5,183</b>	<b>8,267</b>	<b>2,276</b>	<b>15,726</b>
<b>Depreciation</b>				
At 1 April 2021	1,873	4,478	588	6,939
Charge in year	901	1,546	410	2,857
<b>At 31 March 2022</b>	<b>2,774</b>	<b>6,024</b>	<b>998</b>	<b>9,796</b>
<b>Carrying amount at 31 March 2022</b>	<b>2,409</b>	<b>2,243</b>	<b>1,278</b>	<b>5,930</b>
<b>Asset Financing</b>				
Owned	2,409	2,243	1,278	5,930
<b>At 31 March 2022</b>	<b>2,409</b>	<b>2,243</b>	<b>1,278</b>	<b>5,930</b>
<b>2020-21</b>				
	Leasehold improvements £000	ICT Network £000	Furniture and Fittings £000	Total £000
<b>Cost or Valuation</b>				
At 1 April 2020	4,882	5,859	2,429	13,170
Additions	123	830	(207)	746
<b>At 31 March 2021</b>	<b>5,005</b>	<b>6,689</b>	<b>2,222</b>	<b>13,916</b>
<b>Depreciation</b>				
At 1 April 2020	931	2,613	330	3,874
Charge in year	942	1,865	258	3,065
<b>At 31 March 2021</b>	<b>1,873</b>	<b>4,478</b>	<b>588</b>	<b>6,939</b>
<b>Carrying amount at 31 March 2021</b>	<b>3,132</b>	<b>2,211</b>	<b>1,634</b>	<b>6,977</b>
<b>Asset Financing</b>				
Owned	3,132	2,211	1,634	6,977
<b>At 31 March 2021</b>	<b>3,132</b>	<b>2,211</b>	<b>1,634</b>	<b>6,977</b>
<b>Cash flow analysis for property, plant and equipment</b>				
			<b>2021-22 £000</b>	<b>2020-21 £000</b>
Property, plant and equipment additions			1,810	746
Movement in accruals for property, plant and equipment			41	273
<b>Cash flows for property, plant and equipment</b>			<b>1,851</b>	<b>1,019</b>

Additions are negative for some categories at 31 March 2021 due to revisions to cost estimates for assets capitalised in 2019-20 relative to the amounts accrued at 31 March 2020.

## 7. Intangible assets

	Software licences £000	2021-22 Total £000
<b>Cost or Valuation</b>		
At 1 April 2021	1,602	1,602
Additions	-	-
At 31 March 2022	1,602	1,602
<b>Amortisation</b>		
At 1 April 2021	863	863
Charge in year	388	388
At 31 March 2022	1,251	1,251
Carrying amount at 31 March 2022	351	351

	Software licences £000	2020-21 Total £000
<b>Costs or Valuation</b>		
At 1 April 2020	1,252	1,252
Additions	350	350
At 31 March 2021	1,602	1,602
<b>Amortisation</b>		
At 1 April 2020	481	481
Charge in year	382	382
At 31 March 2021	863	863
Carrying amount at 31 March 2021	739	739

Cash flows for intangibles	2021-22 £000	2020-21 £000
Intangible asset additions	-	350
Movements in accruals for intangible assets	-	-
<b>Cash flows for intangible assets</b>	<b>-</b>	<b>350</b>



## 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 2022 £000	31 March 2021 £000
<b>Amounts falling due within one year:</b>		
Unbilled time	7,659	7,395
Unbilled disbursements	10,433	10,565
Trade receivables	23,513	24,093
Deposits and advances	197	237
Prepayments and accrued income	3,927	4,569
	<b>45,729</b>	<b>46,859</b>

## 10. Cash and cash equivalents

	2021-22 £000	2020-21 £000
<b>Balance at 1 April</b>	<b>1,678</b>	<b>5,672</b>
Net change in cash and cash equivalents	25,367	(3,994)
<b>Balance at 31 March</b>	<b>27,045</b>	<b>1,678</b>

All balances were held with the Government Banking Service.

## 11. Trade payables and other current liabilities

### Analysis by type

	31 March 2022 £000	31 March 2021 £000
<b>Amounts falling due within one year:</b>		
VAT	9,806	6,709
Other taxation and social security costs	4,265	3,997
Trade payables	23	280
Other payables	153	286
Accruals and deferred income	22,854	20,064
	<b>37,101</b>	<b>31,336</b>
Excess cash surrenderable to the Consolidated Fund	27,045	1,678
<b>Total payables and other current liabilities</b>	<b>64,146</b>	<b>33,014</b>

## 12. Provisions for liabilities and charges

	2021-22 Total £000	2020-21 Total £000
<b>Balance at 1 April</b>	<b>888</b>	<b>888</b>
Dilapidations provision not required written back	(437)	-
<b>Balance at 31 March</b>	<b>451</b>	<b>888</b>

<b>Analysis of expected timing of cash flows</b>	2021-22 Total £000	2020-21 Total £000
Not later than one year	63	603
Later than one year and not later than five years	388	-
Later than five years and not later than ten years	-	285
	<b>451</b>	<b>888</b>

## Explanatory notes

### 12.1 Dilapidations

A provision has been made for dilapidations obligations.

### 13. Contingent liabilities

There were no contingent liabilities as at 31 March 2022 (31 March 2021: £nil).

### 14. Commitments under operating leases

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

	2021-22		2020-21	
	Buildings £000	Other £000	Buildings £000	Other £000
<b>Obligations under operating leases for the following periods comprise:</b>				
Not later than one year	8,460	-	8,770	140
Later than one year and not later than five years	28,898	-	32,444	-
Later than five years and not later than ten years	-	-	15,548	-
	<b>37,358</b>	<b>-</b>	<b>56,762</b>	<b>140</b>

### 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 (see Annual Report).

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

The former Solicitor General, Lucy Frazer QC MP is married to the Chief Executive of Alexander Mann Solutions Ltd (AMS). AMS are contracted under a Crown Commercial Service framework arrangement to source contractors and temporary workers. In the current financial year GLD paid £14.3m to AMS. The majority of this cost relates to payments to agency staff but an element of this cost covers the services provided by AMS to source these temporary workers.

## 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, these are accounted for as funds held on behalf of third parties and as a consequence do not appear in these Accounts. As at 31 March 2022, these amounted in total to £14,654k (31 March 2021: £12,183k). An analysis of the movements on these funds is shown in the table below:

	2021-22 £000	2020-21 £000
<b>Opening balance at 1 April</b>	<b>12,183</b>	<b>18,610</b>
Gross inflows	163,274	117,415
Gross outflows	(160,803)	(123,842)
<b>Closing balance at 31 March</b>	<b>14,654</b>	<b>12,183</b>

These balances are held with the Government Banking Service.

## 17. Entities within the departmental boundary

The entities within the boundary during 2021-22 were as follows:

### Supply-financed agencies:

Government Legal Department (GLD)

### Non-Executive Non-Departmental Public Bodies:

None

### Other entities:

Attorney General's Office (AGO)

HM Crown Prosecution Service Inspectorate (HMCPSI)

The Annual Report and Accounts of the Government Legal Department are published separately.

## 18. 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 2022

## Overall Greening Government Commitments Performance

GLD's strategy for sustainability is to improve our performance against the Greening Government Commitments (GGC) 2021-25, and more broadly to play our part in the wider civil service initiatives that contribute to meeting the UK's carbon neutral targets by 2050.

In April 2021, we launched a Sustainability Action Plan that committed us to a number of actions at both organisational and staff level. In addition to exceeding our Greening Government Commitments, our key achievements in 2021-22 have been to:

- Launch a 'Greener GLD' staff pledge which is designed to inspire staff to make individual changes to promote sustainability;
- The 'Greener GLD' network has worked with the GLD training team to establish a climate change and environmental law strand to GLD's training offer and are promoting other means to share knowledge like the Centres of Excellence;
- The senior leadership team continues to provide visible support for our network and Elizabeth Hambley, the GLD Board member who acts as Green Champion, continues to champion the 'Greener GLD' network and its aims at Board level; and
- A sustainability audit to help inform the environmental impacts of return to the office was conducted in February 2022.

GLD is currently mid-way through its 5 year Strategy 2019-2024, and the next step for sustainability is for GLD to develop and adopt a comprehensive and evidence-based long-term sustainability strategy, to be included in the next iteration of GLD's Strategy in 2024. In 2022-23 the 'Greener GLD' network will work with senior leadership and the GLD Operations Team to highlight key actions needed over the course of the next financial year to enable a sustainability strategy to be adopted in line with these timetables.

Performance reported is in line with the minimum reporting requirements for Greening Government Commitments (data for previous three years plus the 2017-18 baseline). Where a GGC measure is not applicable to GLD, this has been stated.

GLD, AGO and HMCPIS are minor tenants in all buildings occupied and therefore are not the key decision makers with regard to most areas covered by GGC. However, as in previous years, in excess of minimum reporting requirements, we have attempted to report data for the department's share of occupied buildings where that data is available.

Most data included is only available at a building level as there is not separate meterage in place for sub-tenants, so the data has been apportioned based on our occupation percentage. The only data included which is based on departmental actuals rather than an apportionment, is in respect of Scope 3 Emissions (expenditure on business travel) and paper consumption where records from our internal print room have been used.

The data reported covers occupancy at the GLD/AGO/HMCPIS central London Head Office 102 Petty France and the GLD site at Southern House in Croydon. Data hasn't been included for the GLD conference centre at Queen Anne's Gate, the GLD office space in Bristol, or our occupancy at Wellington Place in Leeds. GLD is a minor tenant in these buildings and therefore the major occupier/leaseholder should report data for these sites.

## Overall Greening Government Commitment Performance

GLD, AGO and HMCPIS sustainability figures are significantly below the 2017-18 baseline in respect of all GGC measures. During the COVID-19 pandemic our sites operated at a reduced capacity. Whilst some changes have been made to business processes and ways of working since the start of the pandemic, an increase in some measures is expected in future years relative to 2021-22 as staff attend the office more frequently.

The following reporting areas set out in the minimum reporting requirements are not applicable to the department:

- Nature Recovery and Biodiversity action planning - no significant natural capital or landholdings are held.
- Sustainable Construction - no construction or refurbishment projects have been undertaken during the reporting period.
- Scope 1 Emissions (Direct) - GLD, AGO and HMCPIS occupy shared buildings so energy usage is indirect.
- Travel Car Fleet - GLD does not own, hire or lease car fleets.

Waste minimisation and management		Baseline 2017-18	2018-19	2019-20	2020-21	2021-22
Non-Financial Indicators (tonnes)	Non-recycled	-	-	1	-	7
	Reused/recycled	126	90	163	35	1
	Energy Recovery	26	26	36	6	2
	Total Waste	152	116	200	41	10
Financial indicators (£)	Total Disposal Cost*	29,986	26,195	29,526	7,154	4,526

\* Disposal costs were only incurred directly for Southern House and have been estimated for 102 Petty France based on the total waste figures.

#### Performance Commentary:

The GGC waste target is to reduce the overall amount of waste generated by 15% from the 2017-18 baseline.

Overall waste has been lower for 2021-22 primarily due to the reduced occupancy at our sites. Most waste is either recycled or sent for energy recovery.

**Single Use Plastics:** GLD/AGO/HMCPSI does not run any catering establishments or consumer venues selling products which may include single use plastics; however, staff are able to use catering facilities provided in shared buildings. Recycling facilities are provided in the buildings occupied.

**Reducing Environmental Impacts from ICT and Digital:** GLD ICT is in the process of letting a 2 year contract for the safe and recycling of its ICT devices, which will be disposed of in accordance with ISO14001 and WEEE directive 2006. The newly appointed supplier will take ICT obsolete and broken devices, which will largely comprise but not be restricted to Laptops, mobile phones, monitors, and various network equipment. Where possible once each device has been secured data wiped, they may be remarketed and sold for further use. Any devices that are unfit for re-sale, will be shredded and all reclaimable metals and plastics recycled. Any unusable waste will be sent to landfill. GLD ICT is also working with the main suppliers of our laptop devices, to understand how much of these devices consist of recycled materials as well as how much of their devices can be recycled. This will become a key area for consideration for future equipment purchases, particularly for device refresh programmes.

Greenhouse Gas Emissions		Baseline 2017-18	2018-19	2019-20	2020-21	2021-22
Non-Financial Indicators (tCO <sub>2</sub> e)	Gross Emissions Scope 2 - Energy indirect	1,639	1,598	1,781	636	460
	Gross Emissions Scope 3 - Official Business Travel	109	153	167	30	9
	Total Greenhouse Gas Emissions	1,748	1,751	1,948	666	469
Related Energy Consumption (KWh)	Electricity	2,709,329	2,688,442	4,086,100	2,206,899	1,309,247
	Gas	-	-	629,159	418,448	440,431
	Oil	867,035	707,433	219,684	-	-
Financial Indicators (£)	Total Expenditure on Energy	331,441	584,592	672,193	333,033	473,440
	Expenditure on official business travel	542,987	803,787	698,992	224,381	107,266

#### Performance commentary:

The GGC is to:

Reduce the overall greenhouse gas emissions from a 2017-18 baseline and also reduce direct greenhouse gas emissions from estate and operations from a 2017-18 baseline, working towards net zero by 2050.

Overall emissions (tCO<sub>2</sub>e) have fallen 74% below baseline. Expenditure on business flights has reduced by 76% since 2017-18.

Finite resource consumption		Baseline 2017-18	2018-19	2019-20	2020-21	2021-22
Non Financial Indicators	Water consumption (m <sup>3</sup> )	8,911	7,087	6,057	2,124	674
	Paper Consumption (A4 Reams)	28,891	32,100	12,255	1,949	2,785
Financial indicators (£)	Water Supply and Disposal Cost	20,351	16,242	10,916	5,642	4,296

**Performance Commentary:**

The GGC targets are to:

- Reduce water consumption by at least 8% from the 2017-18 baseline
- There is a sub-target to reduce government's paper use by at least 50% from a 2017-18 baseline.

Paper consumption is 90% below the baseline in part due to staff working from home and making greater use of digital formats.

Water consumption has further reduced this year and is 90% below the baseline for 2017-18.

## 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; and
- raising awareness of environmental issues within the department, and amongst suppliers and contractors.









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