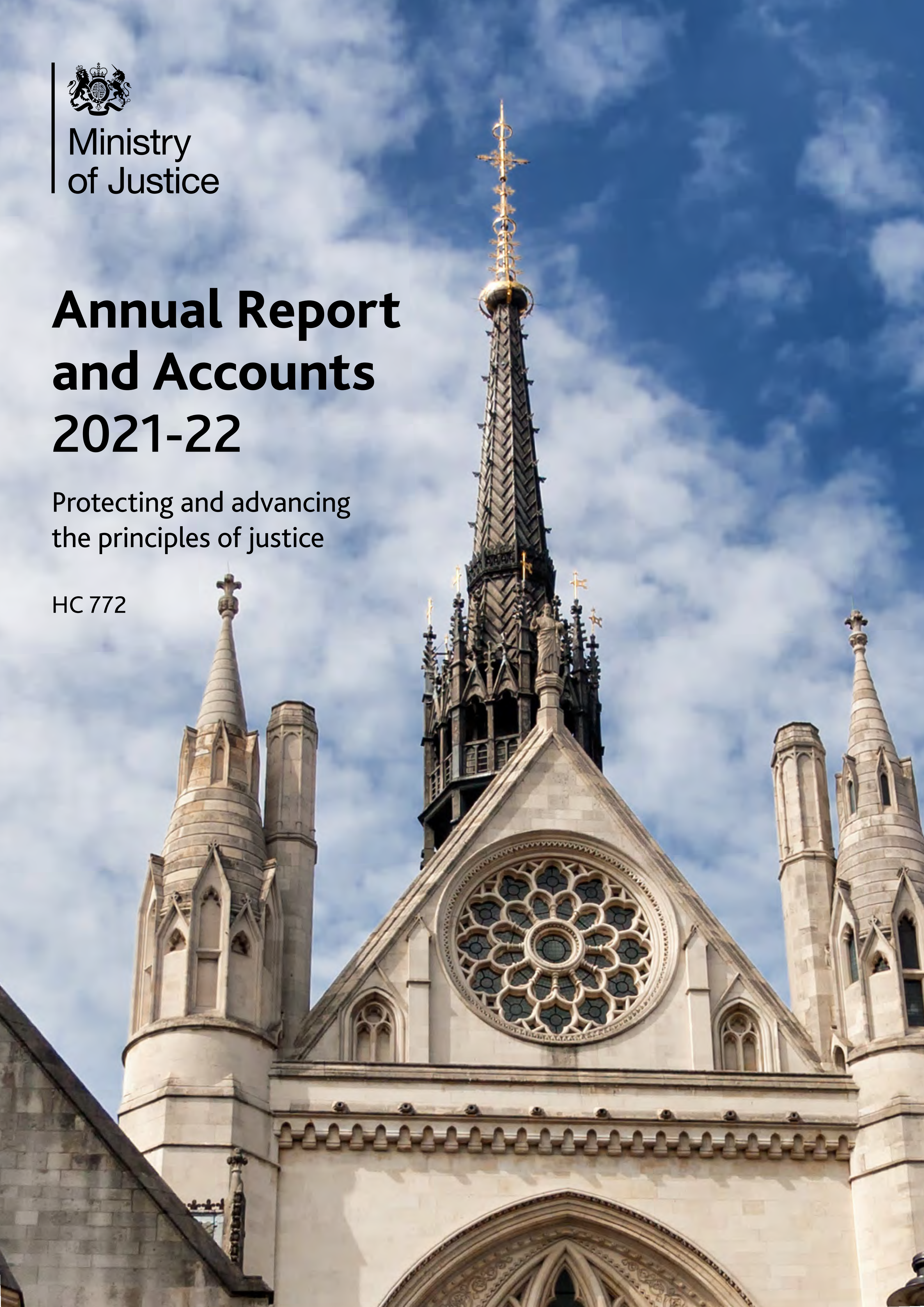
Ministry of Justice

Annual Report and Accounts 2021-22

Protecting and advancing the principles of justice

HC 772



Ministry of Justice
Annual Report and Accounts 2021-22

(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

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

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Performance

Overview

This section sets out the department's objectives as laid out in our Outcome Delivery Plan 2021-22, the challenges to the delivery of our objectives and how we have performed during the year.

Who we are and what we do

The Ministry of Justice (MoJ) is a major government department responsible for the following parts of the justice system:

- prisons
- probation
- courts and tribunals, which we administer in partnership with the independent judiciary
- a range of services to help victims of crime, children, vulnerable people, and those seeking access to justice

Read more on services delivered on pages 7 to 9.

How we operate

The MoJ is a ministerial department, supported by 34 agencies and other arm's length bodies.

In 2021-22 we had five executive agencies responsible for the delivery of the majority of our services to the public:

- HM Prison and Probation Service
- HM Courts & Tribunals Service
- Legal Aid Agency
- Office of the Public Guardian
- Criminal Injuries Compensation Authority

We provide services across England and Wales, and certain non-devolved tribunals in Scotland and Northern Ireland.

Our vision and objectives

The MoJ is responsible for all aspects of justice. We are proud to work together to make a difference for the public by focusing on protecting the public; reducing reoffending; delivering swift access to justice; and reforming the constitution.

Read more about our strategic outcomes, objectives and performance on pages 20 to 51 (performance overview and performance analysis).

Executive agencies and arm's length bodies

The MoJ and its agencies deliver prison, probation and youth custody services; administer criminal, civil and family courts and tribunals; and support victims, children, families and vulnerable adults.

Working in partnership with the independent judiciary and our arm's length bodies, and supported by our excellent corporate functions, we deliver these services, protect the justice system and uphold the rule of law.

Agencies

HM Prison and Probation Service (HMPPS) manages 79,773 prisoners across over 100 prisons and supervises over 240,900 offenders in the community.[1] The prison service runs public sector prisons and immigration removal centres, and oversees prisons run by private providers. The youth custody service delivers public sector secure provision and oversees secure provision run by the private sector and local authorities for 10- to 17-year-olds. The Probation Service also run approved premises which support a safe transition from custody into the community and provide a high-level of monitoring and public protection.

Legal Aid Agency (LAA) works with solicitors, barristers and others to provide simple, timely and reliable access to legal aid for those whose life and liberty is at stake, where they face the loss of their home, in domestic violence cases, or where their children may be taken into care. LAA also provides a high-quality public defender service.

Criminal Injuries Compensation Authority (CICA) administers compensation schemes for victims of crime who suffer injuries and victims of overseas terrorism.

HM Courts & Tribunals Service (HMCTS) administers the criminal, civil and family courts and tribunals in England and Wales, and non-devolved tribunals in Scotland and Northern Ireland. It operates more than 300 courts and hearing centres. Courts and tribunals maintain the rule of law, provide access to justice, stability, security and safety for citizens and businesses and the cohesion necessary for the functioning of our national economy and the protection of society. We operate on the basis of a partnership between the Lord Chancellor, the Lord Chief Justice and the Senior President of Tribunals, each of whom has specific leadership responsibilities enshrined in statute.

Office of the Public Guardian (OPG) protects people who may not have the mental capacity to make certain decisions for themselves. It offers services including registering lasting and enduring powers of attorney, supervising court-appointed deputies, and investigating complaints made against deputies and attorneys.

[1] As at 31 March 2022.

Arm's length and other bodies

Executive non-departmental public bodies

Children and Family Court Advisory and Support Service (CAFCASS) safeguards and promotes the welfare of children, representing them in family court cases, making sure that children's voices are heard and decisions are taken in their best interest.

Independent Monitoring Authority for the Citizens' Rights Agreements (IMA) monitors how public bodies in the UK and Gibraltar implement and apply the citizens' rights part of the EU Withdrawal Agreement and European Economic Area and European Free Trade Association (EEA EFTA) Separation Agreement.

Criminal Cases Review Commission investigates and reviews possible miscarriages of justice in the criminal courts in England, Wales and Northern Ireland and refers appropriate cases to the appeal courts.

Judicial Appointments Commission selects candidates for judicial office in courts and tribunals in England and Wales, and for some tribunals in Scotland and Northern Ireland.

Legal Services Board oversees the regulation of lawyers in England and Wales, approving regulatory arrangements and reviewing the performance of frontline regulators.

Parole Board for England and Wales protects the public by risk-assessing prisoners to decide whether they can be safely released.

Youth Justice Board for England and Wales is responsible for overseeing the operation of the youth justice system and the provision of youth justice services.

Advisory non-departmental public bodies

Advisory Committees on Justices of the Peace in England and Wales interview candidates and make recommendations to the Lord Chancellor about who to appoint to their local benches as Justices of the Peace.

Sentencing Council issues guidelines on sentencing and evaluates the impact of guidelines on sentencing practice.

Civil and family justice councils improve the justice system and the public's understanding of it.

Civil, family, tribunal and criminal procedure rule committees make necessary procedure rules to improve and simplify court procedures for the public.

Independent Advisory Panel on Deaths in Custody advises ministers on ways to reduce the number of deaths in custody.

Law Commission undertakes projects at the request of the government to ensure that the law in England and Wales is fair, modern, simple and cost-effective.

Prison Service Pay Review Body advises on pay for governors, prison officers and staff in the England and Wales prison service, and equivalent posts in Northern Ireland.

Office holders

Assessor of Compensation for Miscarriages of Justice gauges the amount of compensation to be paid to applicants under the miscarriages of justice compensation scheme.

HM Inspectorate of Prisons ensures independent inspection of places of detention, reports on conditions and treatment and promotes positive outcomes for those detained and the public.

HM Inspectorate of Probation reports on the effectiveness of work with offenders to reduce reoffending and protect the public.

Judicial Appointments and Conduct Ombudsman investigates complaints about the judicial appointments process and the judicial conduct investigation process.

Office for Legal Complaints operates the Legal Ombudsman scheme, an independent and impartial scheme set up to deal with complaints from consumers on the services they receive from regulated legal providers.

Offices of the Official Solicitor and Public Trustee help people who are vulnerable because of lack of mental capacity or young age to access services offered by the justice system.

Office of the Prisons and Probation Ombudsman for England and Wales investigates complaints from, and deaths in custody of, prisoners, children in secure training centres/homes, immigration detainees and those subject to probation supervision.

Office of the Commissioner for Victims and Witnesses promotes the interests of victims and witnesses and regularly reviews the Code of Practice for Victims of Crime.

Other

Gov Facility Services Limited provides facility maintenance services to prisons across the South of England.

Judicial Office supports the judiciary, providing advice on judicial statutory functions, legal information, communications and human resources support. It includes the Judicial College, which provides training to the judiciary, and supports the Civil Justice Council and Family Justice Council.

Independent Monitoring Boards of prisons, immigration removal centres and short-term holding facilities monitor each facility for England and Wales on a regular basis to confirm the treatment received by those detained is fair, just and humane.

2021-22 in numbers

In this section we outline our performance during 2021-22. Here is a snapshot of the services we provide for the public. Further information on our performance is shown in the performance analysis on pages 24 to 51.

Criminal justice

We handled over **1.3 million** criminal cases during 2021-22.

98,604 sitting days in the Crown Court, a 47% increase from 2020-21.

240,922 offenders supported by probation services.[2]

67% increase in convictions of rape offences between 2020 and 2021. Further **45%** increase between Jan-Mar 2021 and Oct-Dec 2021.

4,338 full time equivalent band 4 probation officers in post.[3]

22,002 full time equivalent prison officers in post.[3]

The outstanding caseload in the Crown Court reduced from **59,917** to **58,653**.[4]

79,773 prisoners looked after in our prisons.

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2 As at 31 December 2021.
3 As at 31 March 2022.
4 From March 2021 to March 2022.

75 X-ray body scanners installed across **74** establishments in the closed male prison estate. Over this time, there were **19,879** positive scans, disrupting attempts to bring harmful items into our prisons.

Opened **one** new prison, HMP Five Wells in 2021-22 which is on track for full capacity by February 2023.

Delivered **109** additional places in approved premises since 2019.

900 offenders subject to an alcohol tag.

Family, civil and administrative justice

Over **1.5 million** civil claims handled.

92% of users were satisfied with using the probate online service.

95% of users were satisfied with using the online civil money claims service.

720,751 lasting powers of attorney registered.

Legal aid

Almost **400,000** applications for legal aid processed, with 94% of civil legal aid applications processed within 20 working days and 100% of criminal legal aid applications processed within two working days.

Over **1.2 million** bills processed. 99% of complete, accurate bills were paid within 20 working days, exceeding the 90% target.

Corporate

£8 billion
total comprehensive net spend during the year.

Reduced our total emissions by **33%** compared to our 2017-18 baseline year, against a target of **41%** by 2025.

Of staff who declared their ethnicity, increase from 2020-21, in % of senior civil servants from black, Asian and minority ethnic communities from **9%** to **11%**, and for all staff from **14%** to **15%**.

Of staff who declared their disability, % of senior civil servants who are disabled remains steady at **12%**, and for all staff has risen from **14%** to **15%**, from 2020-21.

Parliamentary activity

56
statutory instruments laid.

91%
parliamentary questions answered within parliamentary deadline.

Forewords

By the Deputy Prime Minister, Lord Chancellor and Secretary of State for Justice

I am pleased to introduce the Ministry of Justice's 2021-22 Annual Report and Accounts. It has been a very busy year and I am grateful to the department's 90,000 staff for their work on the Government's agenda, including a number of standout achievements during the reporting period.

We published our Prisons Strategy White Paper with plans to cut crime by creating a modern, secure estate with rehabilitation at its heart. We opened the first 'smart' prison at HMP Five Wells, which utilises the latest innovations to protect the public and rehabilitate offenders, and improved security in prisons – with enhanced gate security, including metal detecting archway portals, handheld metal detectors and drug-sniffer dogs.

At the same time, we have continued to reduce reoffending with transitional accommodation services and Employment Hubs, as well as Prison Employment Leads to support and match prisoners to jobs on release, and announced our intention to enable prisoners to do apprenticeships.

We reunified probation, with the successful transition of the service back to the public sector, with over 7,000 members of staff transferred in from the Community Rehabilitation Companies. We also rolled out the Alcohol Abstinence Monitoring Requirement in Wales and England, imposing 3,621 alcohol monitoring requirements between April 2021 to March 2022.

In the courts, we opened two new 'super courtrooms' in Manchester and Loughborough, enabling more cases to be heard. We delivered the first national and local Criminal Justice System Delivery Data Dashboards, putting data at the heart of our work, ensuring transparency across the justice system.

In terms of legislation, we passed the Judicial Review and Courts Act, and the Ministry of Justice's measures in the Police, Crime, Sentencing and Courts Act, introduced the Bill of Rights Bill into Parliament and published the draft Victims Bill.

In the year ahead, we will continue delivering on a wide range of work to meet my objectives and the Government's manifesto commitments. This will include putting the Bill of Rights and landmark Victims Bill on the statute books, as well as implementing reform of the parole system as set out in the Root and Branch Review.

We will deliver the largest prison build programme in a century and cut crime and save lives by reducing the supply and demand for drugs as part of the cross-Government drugs strategy. Additionally, we will continue to implement the remainder of the Prisons Strategy White Paper and progress Jonathan Hall KC's recommendations following his Independent Review of Terrorism in Prisons, including a stronger approach to Separation and a new Crime in Prison Referral Agreement.

I am determined to improve outcomes in the justice system, particularly for women and girls. Our focus as set out in the End-to-End Rape Review will continue and we remain committed to doubling the number of adult rape cases reaching court by the end of this Parliament.

When it comes to Criminal Legal Aid, we will continue the reform programme already underway. We have increased most criminal legal aid fees by 15% following an interim response to the Criminal Legal Aid Independent Review and issued our substantive response to the remainder of the consultation. The increases we are now implementing, alongside longer-term reforms, mean that criminal legal aid spending is expected to rise to £1.2 billion per year. Following our detailed consultation in March 2022 on the means test review, we will publish our response in early 2023 with proposals aimed at improving access to justice

We will reduce the Crown Court backlog – to ensure victims get the swift justice they deserve following the unprecedent impact of the pandemic. We will also work to enable more private family law cases to be resolved through mediation without needing to go to court.

Finally, we intend to legislate to tackle Strategic Lawsuits Against Public Participation (SLAPPs) – so that those who investigate wrongdoing in the public interest cannot be silenced by the rich and powerful abusing our legal system, including supporters of Vladimir Putin and his illegal war in Ukraine.

I look forward to working with the Ministry of Justice's staff, the Permanent Secretary, the department's executive agencies and arm's length bodies, the judiciary and across Government as we build on our successes over the last year and look ahead to our bold vision for a better justice system.

The Right Honourable Dominic Raab MP
Deputy Prime Minister, Lord Chancellor and Secretary of State for Justice

By the Permanent Secretary

It has been a strong year of delivery for the Ministry of Justice. I am extremely proud of the commitment of the department's staff and partners, who have worked together with purpose to protect and enhance the principles of justice, by focusing on protecting the public; reducing reoffending; and delivering swift access to justice.

The pandemic continued to present challenges to our operations in prisons, probation, and courts. However, we have now transitioned out of the National Framework for Prison Regimes and Services for COVID-19 and into operating a local risk-based approach to manage the risk of COVID-19 in custody. As of March 2022, the number of disposals in the Crown Court has outpaced receipts.

A major milestone in our work to protect the public was placing the first prisoner in our newest prison, which is also the UK's first 'smart' prison, HMP Five Wells. This is a significant achievement towards delivery of our prison building programme, delivering new and modernised prison places. We have also completed the initial construction at Glen Parva (HMP Fosse Way) and have progressed work to finalise contracts for the construction of a new prison at the HMP Full Sutton site.

We continue to improve security in prisons by funding metal detecting archway portals, handheld metal detectors and the use of drug-sniffer dogs across high-priority sites as well as X-ray body scanners across the entire male adult closed estate. X-ray body scanners have since recorded almost 20,000 positive scans up to May 2022. We published our Prison Strategy White Paper in December 2021, which set out the government's vision to address the most critical areas for reducing reoffending and keeping streets safe.

I have been impressed to see first-hand across the UK many of the initiatives aimed at improving the life-chances of around 80,000 in our prisons, and more than 240,000 offenders, supporting them to reintegrate back into society. Innovation remains at the centre of this work to reduce reoffending. In the past year we have increased our use of electronic monitoring with the aim of nearly doubling the number of people tagged, and have completed the rollout of our Alcohol Abstinence Monitoring in Wales and England. Of the 3,621 alcohol monitoring requirements imposed since alcohol abstinence monitoring was introduced, individuals were compliant on over 97% of days monitored.

We successfully delivered our probation unification programme in June 2021, bringing in more than 7,000 staff from the previous National Probation Service and 21 Community Rehabilitation Companies into the unified probation service, allowing us better to supervise and support offenders in their rehabilitation.

One of our priorities has been to increase the throughput of volumes of cases by maximising capacity in the courts and tribunals system. During the year, we have opened several new courtrooms increasing available courtrooms across all jurisdictions to 2,478. We have also hosted more than 20,000 hearings using remote technology each week across all jurisdictions – an initiative that is likely to continue as an integral part of a modernised justice system.

We remain committed to putting victims at the centre of the justice system. In April 2021, the revised Victims' Code and the Domestic Abuse Act 2021 came into force, both of which provide increased support for victims. In December 2021, we consulted on a Victims' Bill which aims substantially to improve victims' experiences of the criminal justice system.

This year we also published the inaugural Criminal Justice System Delivery Data Dashboard. For the first time, this brings together data from partners across the system, including the police, the Crown Prosecution Service and the courts in order to increase transparency, understanding of the justice system, and to support collaboration across the Criminal Justice System.

I am pleased that we have now completed the implementation of the department's new operating model, which aims to strengthen our delivery capability, accelerate digital transformation of our services, and puts data and evidence at the centre of our decision-making. Over the coming year, our focus will remain on attracting and retaining top talent across all disciplines for us to continue to deliver our priorities.

Thank you to the Rt Hon Robert Buckland KC MP and the Rt Hon Dominic Raab MP for their leadership as Lord Chancellors and Secretaries of State for Justice during the reporting period. Working together, we made significant progress against all aspects of our strategic outcomes. This progress has been made possible by the huge amount of work delivered by MoJ's team of 90,000 people across the UK. It is a privilege to lead them.

As we prepare our Annual Report and Accounts this year, many across the UK, Commonwealth, and the whole world are mourning the death of Her Majesty Queen Elizabeth II. The Queen was the embodiment of public service and duty. On behalf of the whole department, we are proud to have served Her Majesty's Government and will continue to provide the highest levels of commitment and professionalism to His Majesty's Government.

Antonia Romeo
Permanent Secretary and
Principal Accounting Officer

By the Lead Non-Executive Board Member

2021-22 has been another challenging year for the Ministry of Justice, mirroring events in the wider environment where COVID-19 remained a major factor. I would like to take this opportunity to express my heartfelt condolences to families of staff and service users who have, like me, lost someone to COVID-19. We are still battling some of its impacts but there are now new challenges to overcome such as the rising cost of living. These wider influences affect the Ministry of Justice and how it can deliver its services. For example, inflationary pressures on building materials are having a knock-on impact to the overall costs of delivering new prisons. Given that these newer issues are still in their early days, I am sure the next year will be another difficult one for everyone to manoeuvre.

Last year I talked about the increasing backlogs of cases in our courts, particularly the Crown Court. This trend continued for part of 2021-22 but, with the easing of COVID-19 restrictions, the department has implemented activities to begin to reverse this. Unfortunately, the necessary pace of reversal is not easy to achieve, and the department is only too aware of the impact this is having on many people, including victims, witnesses and those being held on remand. The department is taking a multi-pronged attack to the backlog, retaining some Nightingale courts, and working more closely with the police, CPS and judiciary to increase the volume and speed of cases going through the system. They have taken forward initiatives such as increasing the thresholds of magistrates so that they can issue prison sentences of up to one year rather than move cases to the Crown Court. Another crucial element has been to increase the number of sitting days for judges but this, along with other measures, needs financial resource. It was encouraging, therefore, to see the three-year Spending Review settlement received from HM Treasury in October 2021. This will help increase capacity across courts, prisons and probation and will also bolster support for victims of crimes.

Another way the department could accelerate their court recovery plans is through the delivery of Court Reform. In my role as the Chair of the Court Reform Challenge Panel, I have helped provide the independent challenge, support and additional assurance needed on the rigour of decision-making and overall health of the programme. The programme is already producing some good results, despite implementation being more challenging because of COVID-19. However, it is very reliant on third parties fully to deliver its benefits – for example, the joint work to integrate Common Platform with the CPS's case management system – so further work is required before this is fully operational and yielding the expected benefits.

A great success for the department during the year has been the unification of the National Probation Service. Transferring over 7,000 staff from community rehabilitation companies into the National Probation Service was challenging but it was achieved relatively smoothly. More importantly this will ensure that the Probation Service will provide a better and more consistent supervision of offenders, helped by the doubling of the recruitment of probation officers over the year. My fellow non-executive Nick Campsie has been instrumental in providing support, challenge, and advice through the Probation Challenge Panel to help achieve this smooth transition. As I write this, although continuing on the panel, Nick has stepped down from the Departmental Board. He has been a committed non-executive with an innate ability to challenge standard ways of thinking. His contributions will be sorely missed.

Audit and Risk Assurance Committees provide an important role to Departmental Boards by assuring that there are effective arrangements in place for governance, risk management and internal control. Paul Smith, our non-executive chair of ARAC, has continued to strengthen this assurance, working even more closely with Agency and ALB ARAC Chairs. Although all the non-executive team have provided advice and challenge on the Outcome Delivery Plan, Paul has taken the lead on this along with wider issues such as championing the union agenda in the department and more recently our sustainability agenda by challenging the department on its approach to managing climate change risks.

We also say goodbye to Shirley Cooper who provided excellent commercial insight and challenge to the commercial function including supporting director recruitment but has also offered independent challenge via the Prison Reform Board. Her unfailing good humour, and willingness to take things on, made her a valued member of the non-executive team.

I am fully supportive of the new target operating model implemented within the MoJ to help modernise the department. This will help put data at the heart of the MoJ's decision-making and strengthen delivery capability on major programmes. Paul Smith and I have had the opportunity, through the Delivery Board established last April, to gain oversight and scrutiny of the plans for some of the departments' major projects. Accordingly, we welcome this change.

Ministerial and executive membership changes to the Departmental Board have been significant this year. In September 2021, Robert Buckland QC was succeeded as Secretary of State by Deputy Prime Minister Dominic Raab. During the 12-month period covered by this report our Board met twice. There is now an increased focus on Key Performance Indicators for the department. We also undertook several in-depth reviews and discussions concerning prison recovery, probation reform implementation, savings and efficiency, workforce planning and courts and tribunals recovery. With the agreement of the Secretary of State it has been decided to postpone the Board Effectiveness Review in 2021-22. Back in March 2021, we conducted a very rigorous external review, since when there has been significant change in board membership and only two board meetings. Therefore, it is premature to have another review at this stage, and it has been deferred until late 2022.

Since this reporting year end, there have been further changes to the Departmental Board's membership. In July 2022, we welcomed a new non-executive member, Mark Beaton to the Departmental Board. Mark brings with him a wealth of experience and knowledge. On behalf of the non-executives, we look forward to working with the Secretary of State to deliver the department's priorities in what will be a challenging economic environment.

Mark Rawlinson
Non-Executive Board Member

Chief Operating Officer's review of the year

As this annual report demonstrates, the department delivered significant value for taxpayers and users of the justice system across the year. This progress, built on the commitment, ingenuity and professionalism of our colleagues, has been enabled by strong financial management.

Building on lessons learnt from the volatility experienced in the previous financial year, we have maintained a strong grip on our finances. Our capital outturn, £1,421 million, represents a record level of investment in our infrastructure. We have spent our resource DEL (RDEL) wisely, supporting the recovery of vital public services and effectively managing risk.

The department's resource budget, as voted by Parliament in the Supplementary Estimate, was £9,410 million, capital DEL (CDEL) was £1,546 million, total resource AME was £660 million and total capital AME was £42 million. Figure 1 shows performance against our 2021-22 control totals.

Figure 1: Performance against parliamentary control totals

	Supplementary Estimate £m	Outturn £m	Variance £m
Resource DEL	9,410	9,376	33
Of which			
Administration	495	444	51
Capital DEL	1,546	1,421	125
Resource AME*	660	350	310
Capital AME*	42	10	32
Net cash	10,630	10,125	505

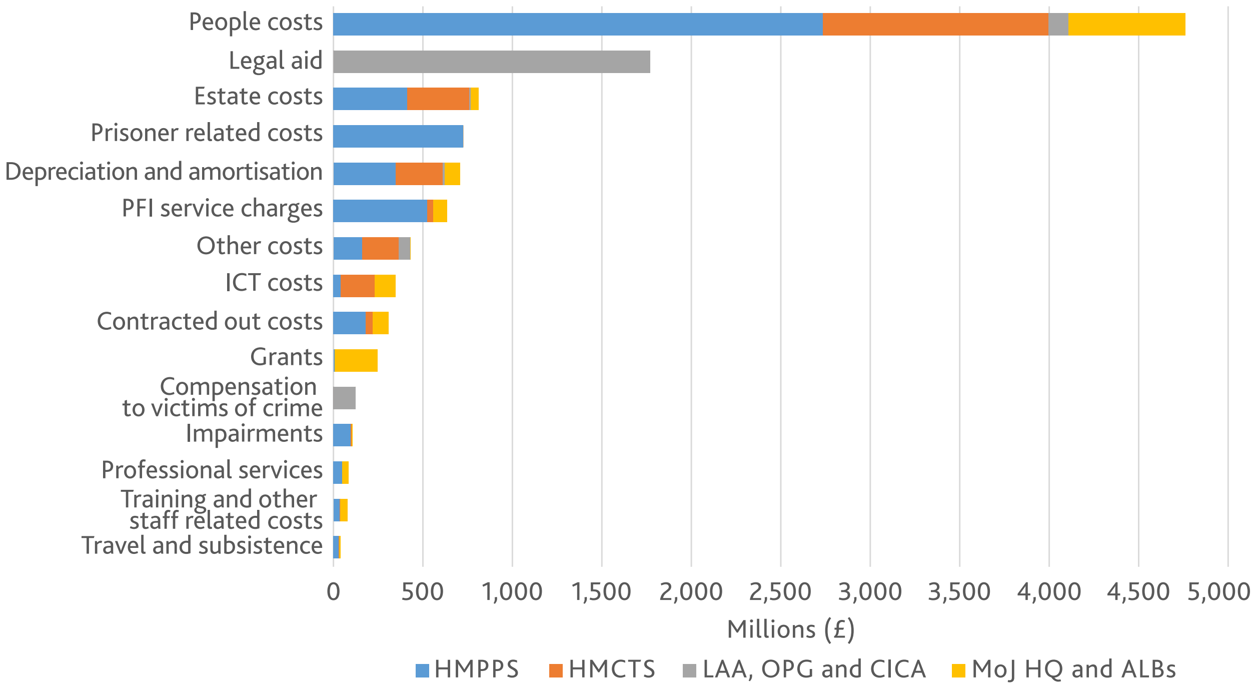
*AME spending is inherently volatile and dependent on a number of factors outside the control of the department, resulting in the variance between outturn and estimate.

Resource expenditure

The department spent £9,376 million to manage the recovery from the pandemic and deliver the results set out in our performance report.

Figure 2 shows where we spent our money. The largest area of spend is on our people. Staff costs account for almost 42% of the department's gross expenditure, with the biggest employer being HMPPS. In 2021-22, staff numbers and costs increased as over 7,000 staff joined from Community Rehabilitation Companies as part of our ambitious reforms of probation.

Figure 2: Departmental expenditure



Capital investment

Between 2020-21 and 2021-22 our capital budget increased from £1,077 million to £1,546 million. This was targeted at our existing critical infrastructure and to support the building of new prison capacity. In 2021-22, we spent £1,421 million of our budget. Parts of our capital budget were underspent due to supply chain challenges. The implementation of IFRS16 also contributed as the total cost of new leases has proved to be difficult to predict.

In November 2021 , the government confirmed its multi-year funding commitment to our major prison build programme, announcing a £3.8 billion investment over the three-year Spending Review period to deliver 20,000 additional, modern prison places by the mid-2020s. Over 2,800 of these additional places had been delivered by the end of March 2022, including places at the newly opened HMP Five Wells. HMP Five Wells received its first prisoner in February 2022. Construction of a new prison at Glen Parva, HMP Fosse Way, is underway and expected to be completed in mid-2023. In November 2021, planning permission was granted for a 1,468 place Category C resettlement prison at Full Sutton. Pre-construction works at Full Sutton have begun and the prison is expected to be ready in early 2025.

We received £315 million to improve levels of decency and compliance across our existing prison estate, and to slow the rate at which places are lost as a result of dilapidation. This allowed us to update critical infrastructure, such as fire systems and boilers, refurbish cells and improve conditions for those living and working in prisons requiring the most urgent attention.

In HMCTS, we spent £108.5 million on critical maintenance works and estate projects to enhance the resilience of our courts and tribunals estate and maintain operational capacity.

We continued to invest in the court recovery programme and on a package of reforms to modernise the procedures and infrastructure of courts and tribunals and make court processes more efficient.

We invested in cyber security and modernising technology across our estate.

Spend on COVID-19 related activities

In 2021-22, the department received £246 million (2020-21: £466.1 million) additional funding from HM Treasury to support operational delivery in response to the COVID-19 pandemic, of which £237 million was spent on COVID-19 related activities.[5] The underspend was due to the department delivering its response in an unpredictable and rapidly changing environment, managing demand and changes in the system, while keeping staff and those who use our services safe as we worked to recover from the pandemic.

£77.5 million was invested to support the recovery of our courts and tribunals funding additional staffing, safety and cleaning measures as well as Nightingale court running costs, external juror deliberation spaces, and development of remote hearings. £22.5 million, funded out of our own budget, was spent on the extension of new leases for Nightingale courts through to March 2022.

£40.6 million was to support HMPPS to ensure safety and decency in prisons and probation by introducing steps to contain the spread of COVID-19 in prisons with additional accommodation spaces and PPE. This funding was spent on the provision of extra accommodation in prisons; wider steps to contain the spread of COVID-19; staff overtime payments; PPE purchases; and costs associated with the introduction of exceptional models of delivery, including those to support prisoner welfare.

£71 million was to cover the increased legal aid costs within the Family and Crown Court due to the increased number of sitting days which meant we were able to provide simple, timely and reliable access to legal aid.

A further £25.4 million was spent on grants for victims support, IT infrastructure and enhanced cleaning.

EU Exit

In 2021-22, the department received £20 million additional funding and spent £16.3 million on direct EU-Exit related activities. The underspend was due to a lower than expected number of court cases flowing through the system as a consequence of leaving the EU, and consequently a drop in legal aid support costs and lower than expected judicial costs.

At the end of the year there were 65 full time equivalent staff working on EU Exit across the department.

Figure 3: Analysis of EU Exit expenditure by activity

Activity	2021-22 £m	2020-21 £m
Courts impacts, including judicial recruitment and training	11.8	16.6
Negotiations	2.6	4.5
Commercial contracts and supply chain management	0.2	1.4
Prisons operational contingency measures	-	1.2
Legal advice	-	1
Affiliated functional support	0.3	0.9
Internal/external communication	0.6	0.6
Legal aid support	0.8	0.6
Total EU spend[5]	**16.3**	**26.6**
Set up of IMA[6]	-	5.5

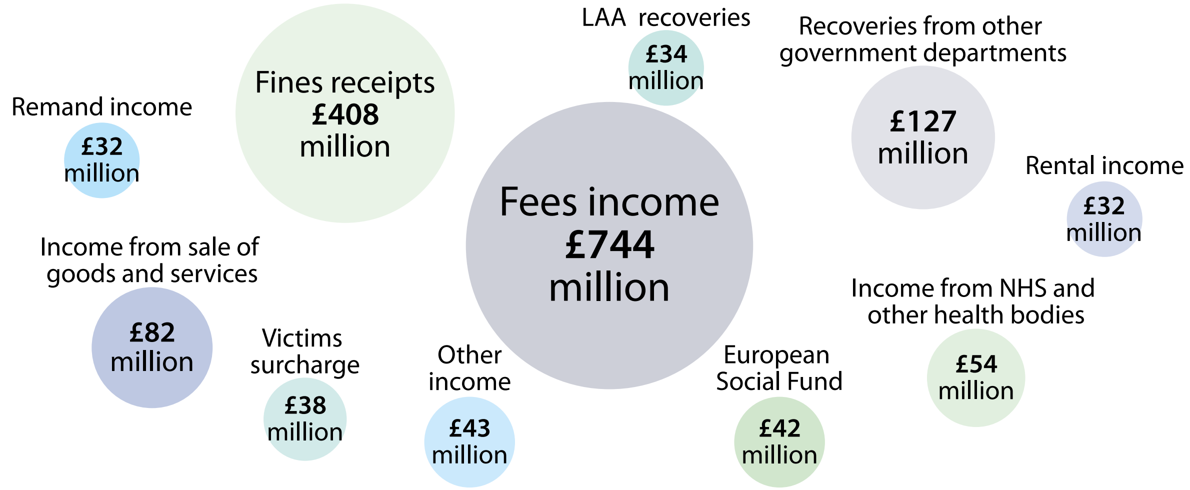
Income

The department's costs are partly funded by income from a number of sources including fees, fines, recoveries from other government departments, contributions from clients who received legal aid funding and income from prison industries.

[5] No expenditure was self-funded by MoJ in 2021-22.

[6] In 2020-21, MoJ received an additional £5.5 million to set up the Independent Monitoring Authority (IMA), which monitors the application and implementation of the provisions relating to the rights of EU citizens living in the UK.

Figure 4: Analysis of 2021-22 revenue sources

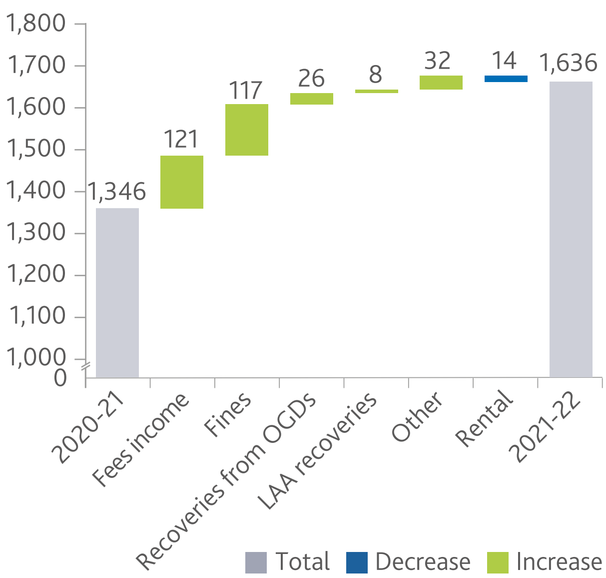


Total income in 2021-22 was £1,636 million compared to £1,346 million in 2020-21, an increase of 22%. As a proportion of our gross resource budget, income made up 15% in 2021-22 compared to 14% in 2020-21.

Income levels are mainly dependent on activity in the courts – processing cases and enforcement activity. In the previous year, both this and activity at the Office of the Public Guardian (lasting powers of attorney fees) were heavily impacted by COVID-19. In 2021-22, income recovery has started to trend towards pre-pandemic levels.

The figure below shows the sources of income across the department.

Figure 5: Revenue sources and movements since last year



Future plans

MoJ agreed new multi-year budgets through the 2021 spending review (SR21). By 2024-25, the department will receive £10.1 billion of resource funding, an increase of around £1.4 billion on our 2021-2022 budget. This funding will support the department to increase capacity in our core services, to invest in services to reduce reoffending and to support more victims of crime. We have also secured £5.3 billion of capital funding over the next three years to invest in our core infrastructure and to continue the expansion of our prison estate.

We are keeping our plans under review as we move forward and in the face of increasing economic pressures. In this context, allocating resources to where they will be most efficiently used will be fundamental to us delivering the government's priorities for justice.

James McEwen
Chief Operating Officer

Our performance

In July 2021, we published our Outcome Delivery Plan 2021-22. This set out our updated priority outcomes, our strategy for achieving them and the metrics that we would use to track performance.

Our Outcome Delivery Plan lays out our commitment to:

- protect the public from serious offenders and improve the safety and security of our prisons
- reduce reoffending
- deliver swift access to justice

Alongside the delivery of our three strategic outcomes, we committed to progress the government's programme to restore the justice system through the delivery of commitments to progress constitutional reform, ensuring we have a human rights framework that has the confidence of the public, while also protecting and upholding the rights of individuals.

We measure our performance using a range of indicators and data captured throughout the year, enabling us to understand the broader impact that the department is having, with the aim of delivering improvement. All our performance information is published on GOV.UK

Performance overview

This performance overview provides a high-level summary of how we progressed delivery of the priority outcomes set out in our 2021-22 Outcome Delivery Plan. The performance analysis section of this report on pages 24 to 51 provides further details of our activities, and an analysis of progress against key performance indicators and the principal risks we have faced.

Protect the public from serious offenders and improve the safety and security of our prisons

The COVID-19 pandemic continued to impact the delivery of prison, probation and youth custody services. We prioritised public protection in the criminal justice system by:

- implementing sentencing reforms, including introducing tougher sentences for the most serious offences, such as those convicted of the premediated murder of a child and terrorist offenders
- creating capacity in our prisons by modernisation of our existing estate and continuing with our ambitious prison building programme, which included the opening of our newest prison HMP Five Wells

We worked to keep our prison estate safe and secure by:

- installing equipment to prevent contraband, harmful goods that we know contribute to assaults and disorder within prisons, from entering the estate
- improving our Assessment Care in Custody and Teamwork case management model to help address risks and triggers of prisoners at risk of self-harm

Reduce reoffending

Reducing reoffending is central to the government's commitment to cut crime. We have tested and introduced a range of initiatives to tackle the main drivers of reoffending: unemployment, homelessness and substance misuse by:

- introducing prison employment leads and employment hubs in prisons to help prisoners find jobs on release
- launching a transitional accommodation service to provide temporary accommodation to prisoners who would otherwise be homeless on release
- piloting drug-recovery wings in prisons to support prisoners to live drug-free lives
- delivering the unification of our probation service, allowing us to better supervise and support offenders in their rehabilitation, a significant milestone in our Probation Reform Programme

Deliver swift access to justice

COVID-19 posed considerable challenges to our courts and tribunals and our focus has been on recovering our services and strengthening the resilience of our courts. We responded by:

- increasing the capacity of our courts and judiciary by opening new courtrooms, recruiting more judges and increasing sitting days in order to be able to hear more cases
- progressing our ambitious reform programme, helping to ensure our courts can be smarter and more efficient, by commencing the rollout of the Common Platform and widening the usage of audio and video technologies to ensure justice services are quicker and easier to achieve
- introducing a range of measures to support victims and witnesses in their interactions with the justice system, by improving funding for victims' services, introducing the revised Victims' Code and enacting the Domestic Abuse Act

Constitutional reform

The government's commitment to reform human rights and administrative law was also a priority in the year. We responded by:

- developing a Bill of Rights to replace the Human Rights Act 1998, to create a new balance between individual rights, judicial interpretation, and the role of Parliament
- including measures in the Judicial Review and Courts Act 2022 which make judicial review more efficient, by removing an avenue of review that had a very low success rate, and more effective, by giving judges greater freedom to tailor remedies to the specific circumstances of a case

Strategic enablers

Our corporate functions have continued to support delivery of our outcomes by:

- running ambitious recruitment campaigns within our courts, prisons and probation service to ensure we have the personnel to run our services effectively
- expanding our digital services in courts and prisons. We have also launched new services to improve user experiences, including a new service for applications to the Criminal Injury Compensation Authority and commencing work to improve the process of applying for lasting powers of attorney, bringing us closer to being a fully digital service
- working with national employers to support the recruitment of offenders through offender employment summits and leading trade missions overseas to promote the growth of the UK legal services sector around the world
- continuing to embed environmental sustainability in all we do, including through the development of sustainability action plans and nature recovery plans

Principal risk summary

Principal risk area	Outcome /enabler	Trend this year	Comment on trend	Reference to performance analysis
Operational delivery: reducing the levels of outstanding cases in the criminal and family courts, and ensuring there is always sufficient prison capacity to fulfil the sentences of the courts	1 2 3	◄►	Operational delivery risks have remained largely static throughout 2021 despite additional waves of COVID-19. From September 2021 to April 2022, the number of cases completed in the Crown Court was greater than the number of cases received. We have provided additional prison places in 2021-22 but expect the prison population to rise significantly in the 2020s.	Page 24 Page 28,29 Page 33
People and capability: ensuring the wellbeing of our people, leading the way in developing innovative future ways of working, developing the right capacity and capability to deal with future challenges	1 2 3 4 5 6	▲	Wellbeing risks related to COVID 19 improved throughout the year as the impact of the pandemic eased. Other people risks have consistently risen and we are now seeing significant recruitment and retention issues across the MoJ in executive agencies, functions and our policy areas as a result of changes in the labour market.	Page 24 Page 30 Page 33 Page 38
Technical debt and cyber security: reducing technical debt and reducing the likelihood of a cyber security attack, keeping our information secure and enabling compliance with GDPR and other legislation	1 2 3 5	◄►	A revised Digital and Technology Strategy was put in place in 2021-22 and additional investment made to reduce our exposure to business critical system failure and cyber-attack. The scale of our technical debt remains significant and we are now seeing a heightened risk of cyber threat due to the Russian invasion of Ukraine.	Page 24 Page 29 Page 34 Page 38

Principal risk area	Outcome /enabler	Trend this year	Comment on trend	Reference to performance analysis
Commercial: dealing with our commercial challenges, including the strength and confidence of markets and supplier financial sustainability	1 6	◀▶	As the impacts of COVID-19 eased, our commercial risks fell slightly in August 2021 and have since remained static. We are now dealing with a significant level of volatility in supply chains as a result of ongoing global uncertainties. This includes inflationary pressures, availability of materials and the resilience of a range of suppliers, particularly covering construction and facilities management and energy markets.	Page 19
Change: we have an ambitious portfolio of change projects with a range of risks that require active and ongoing management to ensure delivery	1 2 3 5 6 7	◀▶	We have continued to manage the risks in our change portfolio throughout the year. These are now being impacted by our ability to gain planning permission for new prison builds and commercial risks across the project lifecycle, including risks around market strength and capacity and supplier performance (see commercial).	Page 24 Page 29 Page 34
Evidence and insight: Ensuring that decisions taken by ministers and others are underpinned by sufficiently accurate evidence	2 3 5 6	New	The MoJ's new target operating model introduced in 2021-22 places much greater emphasis on the importance of departmental collaboration and innovation on Data, Digital and Delivery. A new principal risk was introduced in August 2021 which recognised the importance of exploring the risks to delivery of this and ensuring effective management actions are in place to support decision-making.	Page 31 Page 35 Page 37 Page 39
Property: Failure to maintain an estate that is compliant, operational, environmentally sensitive, and efficient	1 3 6 7	◀▶	Work has taken place through 2021-22 to build a comprehensive view of the condition of the estate, encompassing both buildings and land together with assets within properties. We have invested in the maintenance of our buildings to increase capacity and reduce dilapidation, while also undertaking planned maintenance programmes. We continue to ensure our buildings remain safe places to work and deliver services from.	Page 33 Page 39

Key to outcomes and strategic enablers

Outcomes

1. Protect the public from serious offenders and improve the safety and security of our prisons
2. Reduce reoffending
3. Deliver swift access to justice

Strategic enablers

4. Workforce, skills and location
5. Innovation, technology and data
6. Delivery, evaluation and collaboration
7. Sustainability

Our performance analysis

Priority outcome 1: Protect the public from serious offenders and improve the safety and security of our prisons

Priority for 2021-22: Deliver sentencing reform, more prison places, safer prisons and strong action on extremism.

We expect the prison population to rise during the 2020s because of the planned recruitment by the Home Office of an additional 20,000 police officers.[7] To meet an increase in demand, we are continuing with our ambitious prison build programme creating additional, secure accommodation with a focus on the rehabilitation of offenders. In November 2021, the government announced a £3.8 billion investment over the following three years to deliver 20,000 additional, modern prison places by the mid-2020s, the biggest prison building programme in more than a century.

By the end of March 2022, over 2,800 of these additional places had been provided. This was achieved through a combination of refurbishments, repurposing existing sites, temporary accommodation and the opening of the first of our new prisons. HMP Five Wells received its first prisoner in February 2022 and is the most technologically advanced prison in our estate.[8] The prison has a strong focus on rehabilitation, providing education and on-the-job training with local employers to boost prospects after release. Construction of a new prison at Glen Parva, is expected to be completed by mid-2023.

We have undertaken an extensive programme of Prison Officer recruitment and significant work is ongoing to improve retention rates.

Our Prison Safety Programme is structured around three pillars: prevention, intervention and education. We have continued to implement the Offender Management in Custody (OMiC) model which puts rehabilitation at the centre of custodial and post-release work. OMiC provides each prisoner with a prison officer key worker. There has been a gradual increase of key work delivery in the male closed estate as prisons have started to move out of restricted regimes. One-to-one keyworker support builds a relationship between each prisoner and a prison officer keyworker that engages, challenges and supports the prisoner, reducing frustration and promoting rehabilitation and safety.

To help address self-harm rates we have implemented a revised case management approach across the prison estate, known as Assessment, Care in Custody and Teamwork (ACCT). Revisions in ACCT (version 6) include:

- a stronger emphasis on taking a person-centred approach
- better multi disciplinary team working
- a consistent quality assurance process
- an improved focus on identifying and addressing an individual's risks, triggers and protective factors

7 Prison Population Projections 2021 to 2026 – https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1035682/Prison_Population_Projections_2021_to_2026.pdf

8 Britain's first 'smart' prison to drive down crime – www.gov.uk/government/news/britain-s-first-smart-prison-to-drive-down-crime

The Next Generation Safety Programme includes measures set out in the Prison Strategy White Paper to enhance existing efforts to reduce self-inflicted deaths and self-harm. This includes introducing a peer support model in selected prisons, which will train prisoners to support others, and establishing an expert innovations taskforce, to pilot new initiatives to tackle self-harm.

The Counter Terrorism and Sentencing Act was brought into law in April 2021.[9] This law introduces tougher sentences for terrorist offenders and ends automatic early release for those convicted of serious terror offences.[10]

We are delivering the Counter Terrorism Step-Up Programme, improving our capacity and capability to monitor terrorist offenders. We have supported Jonathan Hall's enquiry into terrorism in prisons, accepted the vast majority of his findings and are implementing them. We have established a new national security division to manage offenders in the community. We have also created a multi-agency Joint Counter Terrorism Prisons and Probation Hub, working with Counter Terrorism Police and MI5 to strengthen our working partnerships and improve intelligence capabilities.[11] We've completed our £100 million Security Investment Programme as part of improving security and reducing crime in prisons.[12] We've introduced metal detecting archway portals, handheld metal detectors and the introduction of 154 drug-sniffer dogs. Between July 2020 and March 2022, we installed 75 X-ray body scanners across 74 establishments in the closed male prison estate. Over this time and up to April 2022, these had 19,879 positive scans, disrupting attempts to bring harmful items into our prisons.[13]

In March 2022, we announced a package of landmark reforms designed to restore public confidence in the parole system. These proposed reforms will make public protection the overriding factor in parole decisions by making that clear in the release test the Parole Board must apply, introduce ministerial oversight of release decisions for the most serious offenders and improve victim participation in the process to make sure their voices are heard.[14]

On 28 April 2022, the Police, Crime, Sentencing and Courts Act came into force.[15] This introduces tougher sentencing for the worst offenders and ends the automatic halfway release from prison for those convicted of certain serious sexual and violent offences.

We reduced the risk of COVID-19 entering and spreading in prisons by implementing an extensive asymptomatic testing programme and, with NHS colleagues, an effective vaccination programme roll out. The National Framework for Prison Regimes and Services sets out how we have made decisions to balance the risks from COVID-19 with the impact on prisoners' mental health and rehabilitation.[16] Both programmes have significantly reduced hospitalisations and saved lives. With the emergence of the more transmissible Omicron variant in December 2021, we reintroduced tighter regime controls and reduced prisoner mixing and movement to help keep our colleagues and prisoners safe. Following the government's 'Living with COVID'

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9 Counter-Terrorism and Sentencing Act 2021 – www.legislation.gov.uk/ukpga/2021/11/contents/enacted

10 Longer jail terms and stricter monitoring as new terror laws gain Royal Assent – www.gov.uk/government/news/longer-jail-terms-and-stricter-monitoring-as-new-terror-laws-gain-royal-assent

11 Tackling Terrorism in Prisons – www.gov.uk/government/publications/terrorism-in-prisons-independent-reviewer-of-terrorism-legislations-report-and-government-response

12 £100 million crackdown on crime in prison (www.gov.uk/government/news/100-million-crackdown-on-crime-in-prison)

13 Prison Security Investment Programme: X-ray Body Scanner Management Information (www.gov.uk/government/statistics/prison-security-investment-programme-x-ray-body-scanner-management-information#full-publication-update-history)

14 Parole reform to keep dangerous prisoners off streets (www.gov.uk/government/news/parole-reform-to-keep-dangerous-prisoners-off-streets?msclkid=7e649ceeba7511ec94bd081663cc939d)

15 Police, Crime, Sentencing and Courts Act (bills.parliament.uk/bills/2839)

16 COVID-19: National Framework for Prison Regimes and Services – www.gov.uk/government/publications/living-with-covid-19-prisons-and-youth-custody-settings

strategy and the lifting of national restrictions in February 2022, we eased COVID-19 controls and offered all prisoners face-to-face visits by the end of March 2022. Following the exit from the National Regime Framework, we now rely on a core set of measures that seek to retain our infection resilience while minimising disruption to the delivery of regimes. This will continue to be supported by swift and proportionate local intervention where public health incidents occur, where outbreaks are found, or to respond to significantly escalating risk.

Key to metrics

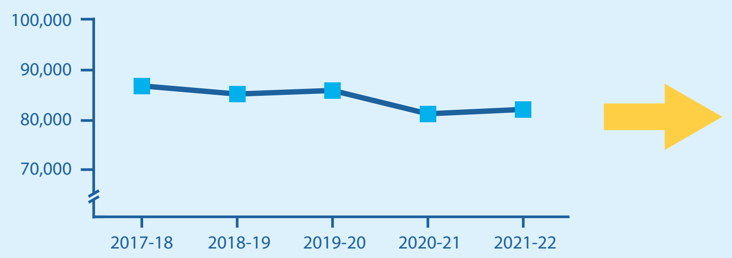
Value change from previous year: Increasing ↑ decreasing ↓ no change →

Progress on previous year: Green – improving ● Amber – marginal or no change ● Red – worsening ●

Our performance metrics

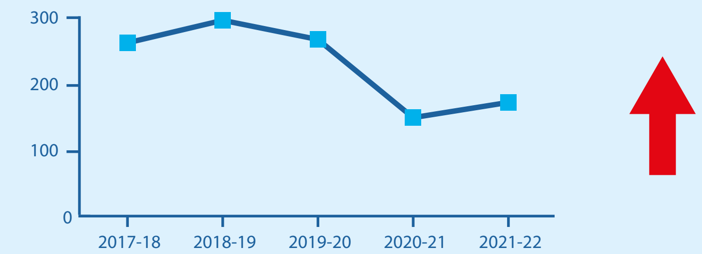
Useable prison places

Prisons capacity – useable prison places



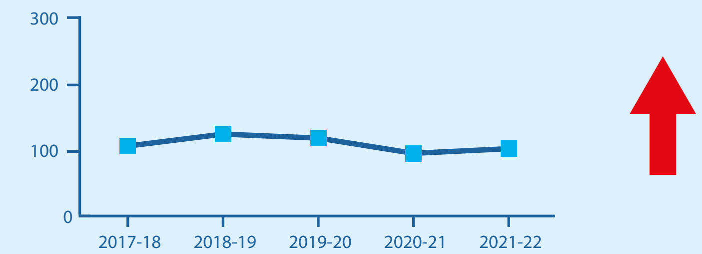
Prisoner-on-prisoner assault[17]

Rate of incidents per 1,000 prisoners



Prisoner on staff assaults[17]

Rate of incidents per 1,000 prisoners

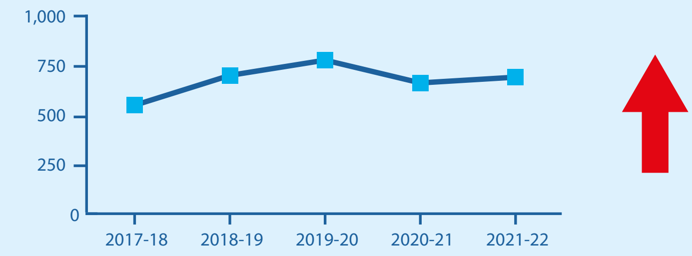


The rate of prisoner-on-prisoner assault and the rate of assaults on staff decreased during COVID-19 influenced by reduced contact due to the introduction of regimes to reduce the spread of COVID-19. As prison regimes have reopened , assault rates have started to rise due to the increased opportunity, although they remain below pre-pandemic levels.

[17] Based on combined adult and youth estate.

Self-harm incidents[17]

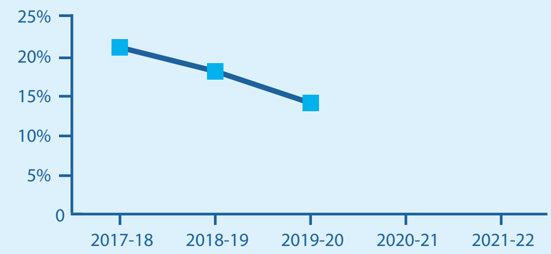
Monthly rate of incidents per 1,000 prisoners



The rate of self-harm incidents per 1,000 prisoners has increased by 4% overall. In April 2021, we established a multidisciplinary women's self-harm taskforce to gather and evaluate evidence and implement measures to support women at risk. This included introducing a specific COVID-19 workstream to immediately improve our ability to address the drivers of self-harm in the pandemic conditions.

Random mandatory drug tests

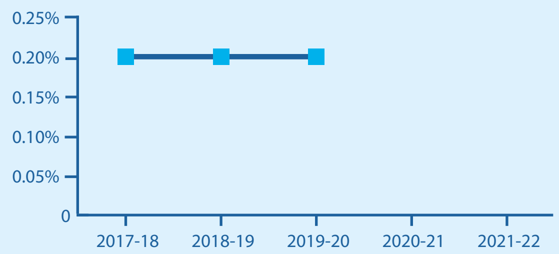
% of random mandatory drug tests for illicit substances with positive results



Following the pause in random mandatory drug tests as a result of COVID-19, testing has resumed but is not yet at levels that will enable robust estimation or trend analysis.

Serious further offences

% of those in the overall probation caseload that result in a serious offence conviction



Serious further offences are rare. Consistently, fewer than 0.5% of offenders under statutory supervision are convicted of serious further offences. Figures are based on available published data that currently covers a period up until 31 March 2020.

Outcome evaluation plans

The analysis for the 'Extremism Risk Guideline (ERG22+) – an exploratory psychometric analysis' and 'Healthy Identity Intervention interim outcome study' have been completed and findings have been shared with relevant internal stakeholders. The reports are being finalised for release on Gov.uk.

The Security Investment Programme process, outcome and economic evaluation is ongoing and is on track to deliver final findings by Spring 2023.

Priority outcome 2: Reduce reoffending

Priority for 2021-22: Reduce crime by breaking the cycle of reoffending by focusing on proven interventions: a home, a job and access to treatment for substance misuse.

We know that people who leave prison with strong foundations in place to make a success of their lives are less likely to reoffend. Reflecting on the evidence on reducing reoffending, we published our Prisons Strategy White Paper in December 2021, setting out our vision for the next ten years with a two-year focus to address the most critical areas for reducing reoffending and keeping our streets safe.[18]

During 2021-22 we tested a range of new initiatives to improve the rehabilitative support individuals receive in custody in relation to their accommodation, education and employment needs. We:

- introduced prison employment leads in 10 accelerator prisons and are rolling out these roles to a further 82 prisons
- created employment hubs, the equivalent of job centres in prisons and following successful trials, have commenced rollout to 92 prisons
- introduced employment advisory boards which link prisons with industry and makes sure that offenders use their time in prison to gain the skills and links to job opportunities they need to find employment on release – these are now in place in 48 out of 92 prisons
- launched a programme to provide eligible prison leavers with appropriate ID and a basic bank account, which will remove barriers for individuals to take up employment, secure accommodation or Universal Credit on release
- created a new education, work and skills specialist role in 17 prisons to review and improve the prison education offer and expand learning beyond the classroom into workshops and digital platforms
- launched a new transitional accommodation service in July 2021 in five English probation regions, to provide prison leavers who would otherwise be homeless, with temporary accommodation for up to 84 nights – we will roll out the service across England and Wales throughout 2022-23[19]
- introduced housing specialists in 20 prisons to support prisons to be more strategic in their response to reducing homelessness, working in partnership with commissioned rehabilitation services, homelessness prevention teams, and local authorities and will increase this number to 48 over 2022-23
- set up 11 partnerships to reduce the reoffending of people leaving prison – as part of the government's package to cut crime and protect the public, the Prison Leavers Project was awarded £20 million to develop innovative ways to help turn people leaving prison away from crime[20,21]

Following the successful testing of these initiatives, we secured £200 million a year of funding by 2024-25 to improve prison leavers' access to accommodation, employment support and substance misuse treatment and further measures for early intervention to tackle youth offending.

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[18] Prisons Strategy White Paper – www.gov.uk/government/publications/prisons-strategy-white-paper

[19] Five regions: Greater Manchester; the North West; Yorkshire and the Humber; East of England; and Kent, Surrey and Sussex

[20] £70 million to keep prison leavers off the streets and cut crime – www.gov.uk/government/news/70-million-to-keep-prison-leavers-off-the-streets-and-cut-crime

[21] Prison Leavers Project: innovating to tackle the complex causes of reoffending – www.gov.uk/guidance/prison-leavers-project-improving-outcomes-for-prison-leavers

In December 2021, we published the cross-government drugs strategy setting out our ambitions for the next 10 years.[22] To deliver against this, MoJ has secured £120 million to support people in prison and probation into treatment and reduce the threat of drugs in our prisons, as part of a wider £780 million allocation for treatment and recovery. This funding will enable us to begin wider rollout of a range of initiatives which have piloted during this reporting period. These include:

- the rollout of abstinence-based drug recovery wings alongside an increase in incentivised substance-free living wings across the prison estate
- the recruitment of drug strategy leads in prisons, and health and justice co-ordinators, to strengthen links between prisons, probation, and community treatment
- the rollout of video technology, enabling prisoners to meet their new community-based treatment providers virtually before release
- an increase in testing for those on drug rehabilitation requirements in the community
- funding for a new drug testing contract, which will give us enhanced methodologies and flexibility to test for a broader range of substances

On 26 June 2021, we successfully delivered our probation reform programme by unifying our probation service, joining staff from the previous National Probation Service and 21 Community Rehabilitation Companies. By bringing together sentence management under the new unified Probation Service we can offer better supervision support for low, medium and high-risk offenders and provide the appropriate rehabilitative and resettlement support.

The COVID-19 pandemic resulted in significant challenges for probation services. To support government restrictions, the probation system introduced exceptional delivery models which allowed us to keep staff, people on probation and victims safe, while continuing to manage risk and protect the public. However, exceptional delivery models also had significant impact on core functions. While all regions across England and Wales have now exited exceptional delivery model delivery, the backlogs created by COVID-19 restrictions continue to impact on service delivery.

As a requirement usually delivered in groups to people on probation, COVID-19 has severely impacted the delivery of Community Payback. Performance levels are now recovering and our target is to reach 155% of pre-pandemic levels by the end of the calendar year. We are investing an additional £93 million in Community Payback over the next three years in order to boost delivery from around 5 million hours per year (pre-pandemic baseline) up to around 8 million hours of Community Payback per year. This will allow us to effectively work down the backlogs of unmet hours caused by the pandemic.

We have increased our use of electronic monitoring with the aim of nearly doubling the number of people on tags.[23] In April 2021, we began fitting prolific robbers, thieves and burglars with GPS tags as they come out of prison, expanding the project to cover half of England and Wales in September 2021. We have seen the first convictions using location data that locates the offender to the scene of further crimes. On 31 March 2022 we reached the one-year anniversary of the alcohol abstinence monitoring requirement being introduced in England. Between April 2021 and March 2022, 3,621 alcohol monitoring requirements were imposed and since they were introduced, individuals were compliant over 97% of days monitored.

Following the success of the alcohol abstinence monitoring requirement, in November 2021 we launched alcohol monitoring tags for prison leavers whose offending is driven by alcohol. This

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[22] From harm to hope: A 10-year drugs plan to cut crime and save lives – www.gov.uk/government/publications/from-harm-to-hope-a-10-year-drugs-plan-to-cut-crime-and-save-lives

[23] Tens of thousands more criminals to be tagged to cut crime and protect victims – www.gov.uk/government/news/tens-of-thousands-more-criminals-to-be-tagged-to-cut-crime-and-protect-victims

is a world-first project and by 2025 we aim to have issued 12,000 orders.[24]

We are recruiting trainee probation officers at unprecedented levels despite recruitment and retention of staff remaining challenging. We met targets to recruit 1,000 trainee probation officers in 2020-21 and 1,500 in 2021-22. We now also committed to onboarding 1,500 new trainee Probation Officers in 2022-23.

Tackling offending by youths plays a vital role in making sure they can lead their adult lives free from crime. International evidence shows that smaller, therapeutic units are more successful in rehabilitating offenders and reducing reoffending.[25] We are setting up our first secure school, which will be registered as both a 16-19 academy and a secure children's home, due to open in late 2023.

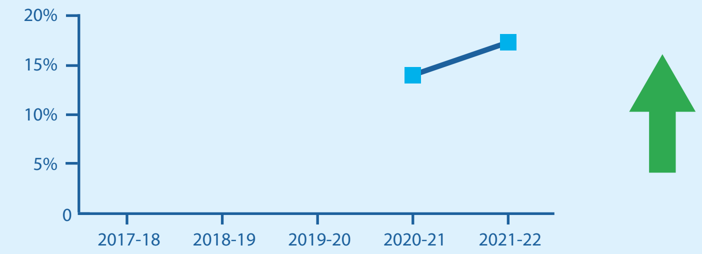
[24] Alcohol tags helping thousands of offenders stay sober – www.gov.uk/government/news/alcohol-tags-helping-thousands-of-offenders-stay-sober

[25] Police, Crime, Sentencing and Courts Act 2022: secure schools factsheet – www.gov.uk/government/publications/police-crime-sentencing-and-courts-bill-2021-factsheets/police-crime-sentencing-and-courts-bill-2021-secure-schools-factsheet

Our performance metrics

Prison leavers in employment

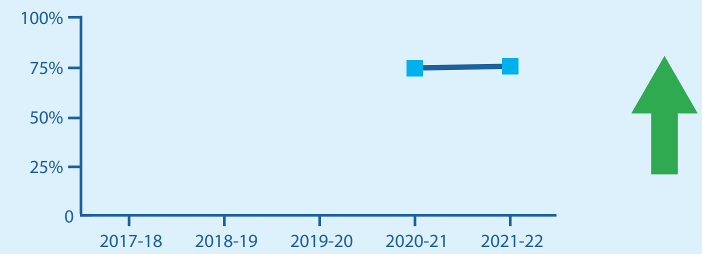
% of prisoners in work six months after their release



2021-22 saw employment rates for prison-leavers six months post release recover and exceed pre-pandemic performance, rising by almost two thirds between April 2021 and March 2022, to 23%. A series of events delivered by New Futures Network and the MoJ Employment Campaign team led to increased engagement from businesses about partnering with prisons and probation to offer work opportunities for serving prisoners and job outcomes for prison leavers.

Post-custody accommodation

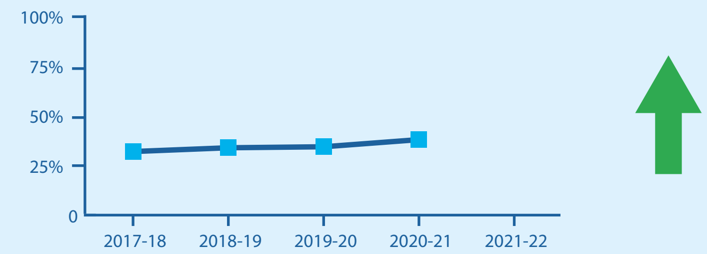
% of prisoners in settled accommodation three months after release



Since launching in July 2021, the new service for prison leavers at risk of homelessness (providing up to 12 weeks temporary accommodation) has housed 2,406 prison leavers as of June 2022, and many have moved into settled accommodation.

Post-custody treatment

% of adults with a need for treatment for substance misuse who successfully engage in community-based structured treatment within three weeks of release from prison



The proportion of adults released from prison and successfully starting community treatment within three weeks of release was 38.1% in 2020-21. This has increased by 3.6 percentage points from the proportion in 2019-20 (34.5%) and is 7.8 percentage points higher than when this was first reported in 2015-16 (30.3%).

Outcome evaluation plans

We have secured funding of £5 million over the next five years to evaluate our probation reforms. This is a large-scale evaluation strategy. Initially this includes process evaluations of unpaid work pilots, pre-sentence report pilots and a transition to adulthood hub model, evaluation of a blended supervision model and a victim notification scheme. Looking further ahead, we will be embarking on impact evaluations of these projects, with further plans to evaluate the impact of the integrated offender management model and the commissioned rehabilitative services model alongside the delivery of structured interventions.

In line with our Outcome Delivery Plan 2021-22, our process evaluation of the Reducing Reoffending Delivery Programme is due for publication in Autumn 2022. An impact evaluation designed to assess the impact of the programme on employment, accommodation and reoffending outcomes is due to be carried out in 2024.

The fieldwork and analysis for the Youth Justice Reform Programme Evaluation is complete, and the final report is currently undergoing quality assurance checks before going out to academic peer review. The evaluation is expected to be published before the end of 2022.

Priority outcome 3: Deliver swift access to justice

Priority for 2021-22: We will increase the throughput of volumes of cases by maximising capacity and make the courts and tribunals system stronger and smarter and work to support victims, tackling sexual and domestic violence and making sure the vulnerable are supported in the justice system.

Our focus this year was on maximising both physical and judicial capacity for hearings, particularly for jury trials in the Crown Court to reduce risks around the high levels of caseloads in the system.

Estates improvements

With the easing of COVID-19 related social distancing our estate opened further following assessments to ensure the safety of those using our buildings.

We developed an estates strategy which guides our decision-making, helps us maintain our buildings in the best possible condition, looks for innovative capacity and capability solutions and delivers value for money.

In July 2021, the Newcastle Civil and Family Court and Tribunals Centre opened as a modern space providing 25 courtrooms for civil, family and tribunal hearings making it easier for people to access justice. It replaced several buildings, some not fit for purpose, that previously heard this work.

In September 2021, we opened the first new 'super courtroom' at Manchester Crown Court, three times the size of a usual courtroom, followed by a second super courtroom at Loughborough Magistrates' Court in November 2021. This allowed us to restart trials with up to 12 defendants, which usually involve gang-related crime such as county line drug trafficking, murders and money laundering. The trials that require this level of space built up during COVID-19 due to the need for social distancing. These courtrooms, which are national resources, are giving us the capacity we need to clear these physically-difficult types of case from the backlog, while preventing disruption to other courtrooms in the building.

In June 2021, we received £22 million for the extension of Nightingale courts through to the end of March 2022. In addition to our permanent estate, we utilised a total of 34 Nightingale court venues during 2021-22, providing 72 courtrooms, of which 46 were Crown jury trial rooms. We increased the number of available courtrooms across all jurisdictions to 2,478 (excluding Nightingale venues) as at the end of March 2022, representing an increase of over 9% over the year.

Judicial recruitment

We provided support for the increased levels of judicial sitting days, in particular in the Crown Court and the Family Court. We expanded the national fee-paid pool of judges, providing access to a greater number of judiciary capable of deployment across England and Wales.

We have worked to address recruitment and retention issues within the judiciary. We have raised the mandatory retirement age for judges and magistrates from 70 to 75, as well as introducing a reformed pension scheme for judges. The new Judicial Pension Scheme, launched in April 2022, is unparalleled in the public sector, reflecting a significant investment in the judiciary and a commitment to ensuring that we continue to attract and retain high calibre applicants.

We have also undertaken one of our most ambitious programmes of judicial recruitment ever for up to 1,100 judges and tribunal members and we have plans for the same scale of recruitment in 2022-23. Meanwhile, we've launched a major campaign to recruit 4,000 new magistrates, bringing greater diversity to the bench over the next few years.

Investing in technology

Modernised systems proved essential to the running of the justice system during COVID-19. Our ambitious, multi-year reform programme uses modern technology to speed up justice across all jurisdictions, including in the criminal courts.[26]

Our Common Platform is a new digital platform to cut down manual document handling, improving the way criminal cases are accessed, managed and processed. We paused national rollout in August 2021 to resolve performance issues and allow time for planned improvements to be completed. During this time, Common Platform remained live in 101 courts (44%). In March 2022, Common Platform went live in an additional 11 criminal courts. It's now being expanded to manage all 1.5 million annual criminal cases by the end of 2023 and has been rolled out to 50% of courts.

During the pandemic, we accelerated the rollout of video conferencing technology to support a wide range of remote hearings, hosting more than 20,000 hearings each week using remote technology across all jurisdictions. As national restrictions have eased, we expect video hearings will continue to be an integral part of a modernised justice system.

Legislation

These actions have contributed to reducing caseloads, although timeliness remains a continuing risk impacting victims and witnesses.

We remain committed to improving how victims and witnesses experience the justice system. The revised Victims' Code came into force in April 2021,[27] bringing together 12 overarching rights outlining the minimum level of information and service victims can expect at every stage of the justice process.[28] In December 2021, we also consulted on a Victims' Law building on the Victims' Code to substantially improve victims' experiences of the criminal justice system.[29]

The Domestic Abuse Act was enacted in April 2021 and most measures are now in force, including making it a criminal offence to threaten to share private sexual content.[30]

Alongside the Domestic Abuse Act, we have launched a pilot at family courts in North Wales and Dorset to better support victims of domestic abuse to ensure that victims are fully heard and supported.[31]

In June 2021 we published the End-to-End Rape Review Report on Findings and Actions and are taking forward a programme of work to address the low number of effective trials in rape and sexual offence cases.[32] The review sets out the government's proposals to more than double the volume of adult rape cases reaching court by the end of this Parliament.

We are expanding support for victims and witnesses by increasing our funding to £185 million by 2024-25. This increase in funding will allow us to fund more than 1,000 independent sexual and domestic violence advisers and

26 The HMCTS reform programme – www.gov.uk/guidance/the-hmcts-reform-programme
27 Victim's Code – www.gov.uk/government/publications/the-code-of-practice-for-victims-of-crime/code-of-practice-for-victims-of-crime-in-england-and-wales-victims-code
28 New Victims' Code comes into force – www.gov.uk/government/news/new-victims-code-comes-into-force
29 Landmark reforms for victims – www.gov.uk/government/news/landmark-reforms-for-victims
30 Domestic Abuse Act 2021 – www.legislation.gov.uk/ukpga/2021/17/contents/enacted
31 Pioneering approach in family courts to support domestic abuse victims better – www.gov.uk/government/news/pioneering-approach-in-family-courts-to-support-domestic-abuse-victims-better
32 End-to-End Rape Review Report – www.gov.uk/government/publications/end-to-end-rape-review-report-on-findings-and-actions

introduce new services such as crisis helplines. In March 2022, the government committed £147 million of this budget per year on a multi-year basis to 2024-25.[33]

We published the first Criminal Justice System Delivery Data Dashboard, previously named the Criminal Justice System Scorecards, to increase transparency, understanding of the justice system and to support collaboration.[34] This brings together data from partners across the system, including the police, the Crown Prosecution Service (CPS) and the courts, and presents data for all crime and adult rape offences.

In December 2021 we announced the national rollout of Section 28 pre-recorded cross-examination for complainants of sexual and modern slavery offences. The first phase of this rollout began on 31 March, with the rollout extending to 26 Crown Courts at the time of publication. We are working to make Section 28 available in all Crown Courts as soon as practicable.

We have made significant progress on delivering the Rape Review action plan, including the publication of the Victims Funding Strategy, the launch of a consultation on how to enhance support for rape victims and the development, alongside the Home Office, of a new investigatory model which focuses on suspects rather than victims.

Following these actions we have started to see some increases in the number of referrals of adult rape cases from the police to the CPS, and the number of charges and Crown Court receipts as a result. In the first quarter of 2022, we have seen 873 police referrals for advice, early advice or charge, 90% more than average quarterly figures in 2019. We have seen 401 CPS charges, which is 64% higher than in 2019, and 418 Crown Court receipts, which represents an 82% increase from 2019.[35]

In December 2021, we published Sir Christopher Bellamy KC's independent review into criminal legal aid provision in England and Wales. This explored what is working well and what more could be done to improve criminal legal aid for providers and the public. In March 2022, the government published its response and consultation on policy proposals.[36] The government proposes to increase criminal legal aid spending by £135 million per year. The proposals are broken down into two sections. The first focuses on fee increases which would deliver a significant uplift to almost all fee schemes. Secondly, we are seeking views from practitioners on how best to reform the fee schemes to ensure that they pay properly for work done and reflect how work is done in the modern criminal justice system.

In March 2022 the government published the Legal Aid Means Test Review, which lays out proposals to update the civil and criminal legal aid means tests.[37] These proposals, if enacted following consultation, will mean that an extra 2 million people per year in England and Wales will be eligible for civil legal aid and an extra 3.5 million will be eligible for legal aid at the magistrates' court.

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[33] Major funding boost for victim services as local criminal justice scorecards published – www.gov.uk/government/news/major-funding-boost-for-victim-services-as-local-criminal-justice-scorecards-published

[34] Criminal Justice Scorecards – https://criminal-justice-delivery-data-dashboards.justice.gov.uk/

[35] Rape Review progress update – https://criminal-justice-delivery-data-dashboards.justice.gov.uk/

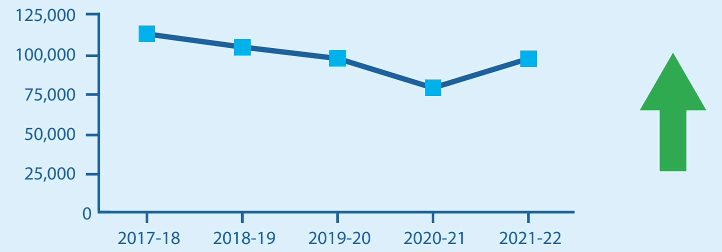
[36] Criminal Legal Aid Review response – www.gov.uk/government/consultations/response-to-independent-review-of-criminal-legal-aid

[37] Legal Aid Means Test Review – www.gov.uk/government/consultations/legal-aid-means-test-review

Our performance metrics

Crown Court disposals

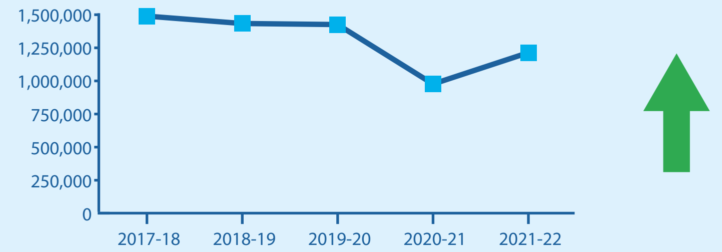
Number of cases disposed of in Crown Court



The increase in disposals up to March 2022, was helped, in part, by the lessening of restrictions nationally. This enabled more courtrooms to be opened for 'in person' hearings while still maintaining virtual hearings, which resulted in increased hearing levels. This was also helped by the increase in Nightingale courts and the extension of existing ones until March 2022. Restrictions on sitting days were also removed so the increasing numbers of open courtrooms could be used to capacity.

Magistrates' courts disposals

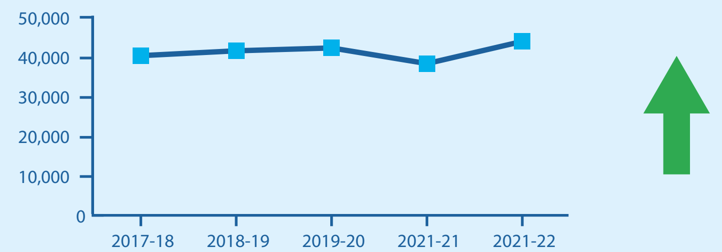
Number of cases disposed of in magistrates' courts



The increase in disposals reflected, in part, a change in the case mix. During periods in which social distancing restrictions were in place, many of the regulatory offences that are ordinarily brought before the magistrates' courts were prosecuted in lower volumes. For example, rail fare evasion cases were not prosecuted when very few people were using public transport. Large volumes of these cases can be completed in a single court session. Once public transport usage increased, so too did enforcement activity, and the volume of prosecutions and disposals.

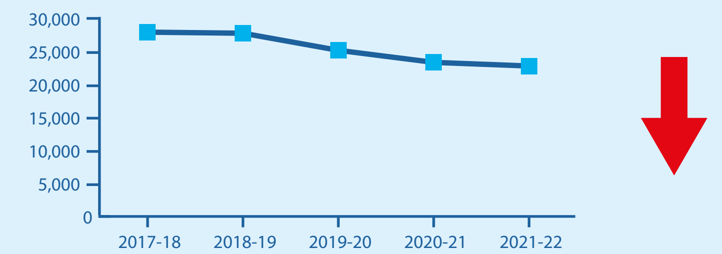
Family court disposals (private law)

Number of cases disposed of in private law family courts



Family court disposals (public law)

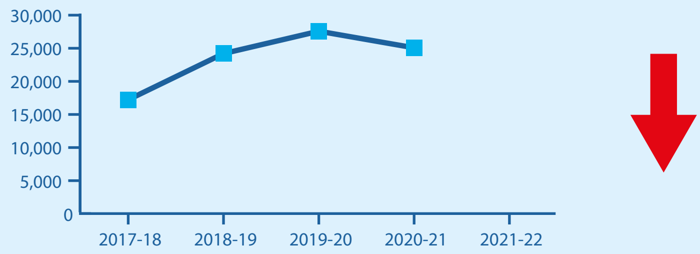
Number of children with a case disposal in the family court (public law)



To address the outstanding caseload, we are maximising sitting days to increase disposals. With the removal of COVID-19 restrictions, we have been able to increase our use of face-to-face hearings, although remote hearings will continue to play a part in the overall recovery effort. We continue with our ambitious programme of recruitment to build judicial capacity so that we can hear as many cases as possible.

Employment tribunal disposals (single claims)[38]

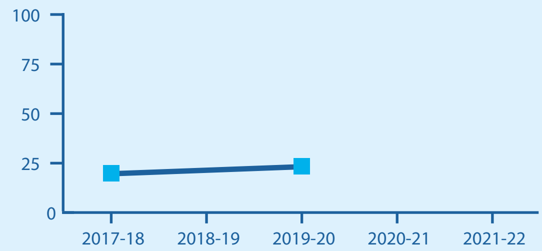
Number of cases disposed of in employment tribunals



Data is not available for 2021-22 due to the impact of moving to a new system.

Victims' Code

Proportion of victims who had heard of the Code of Practice for Victims of Crime



Awareness of the Victims' Code increased between the year ending March 2018 and the year ending March 2020. This data has not been available since, as the question was removed from the Crime Survey for England and Wales during the pandemic due to shortening the survey following a change to telephone interviews. The next set of data available on this metric will be for the year ending March 2023.

Outcome evaluation plans

We are conducting an overarching evaluation, running alongside the HMCTS court reform programme. The evaluation will help assess whether the reforms are meeting their intended aims. Our plan comprises a mixed-methods approach, which includes analysis of management information, primary research, reviews of existing evidence and evaluations of specific reform projects.

Different research strands are at different stages, with some evaluations underway and others in scoping stages. Findings for the different strands will be published when each strand completes. An interim report for the evaluation is due to be published in December 2022. The final overarching evaluation report will be published following the completion of all research and evaluation strands, likely to be in 2025-26.

Legal aid fee scheme uplifts will be monitored using quarterly statistical publications.

[38] It has not been possible to present data for the full financial year of 2021-22, as Employment Tribunals transitioned to a new database during March to May 2021. During the migration period full results were not available on a consistent basis.

Strategic enablers

Our corporate functions provide the specialist expertise that every organisation requires for strong performance. Our people are vital to everything we do as a department and effective financial management is essential to meet the expectations of parliament and deliver accountability to the general public. Our openness to new ideas and digital change has helped us address the unique and unprecedented challenges of COVID-19 recovery and deliver better public services.

Workforce, skills and location

This year we ran ambitious recruitment campaigns within the courts, probation and prisons, including appointing over 1,500 new trainee probation officers and over 4,000 new prison officers.

During 2021-22, we saw an improvement in wellbeing of our people as lockdowns and other restrictions reduced. This was evidenced by the positive results received through the Civil Service People Survey.[39]

In support of the Levelling Up agenda and Places for Growth, we committed to move around 1,200 roles out of London by 2025. This year we increased our ambition by an additional 800 roles by 2030, of which 500 are to be based in Wales. By March 2022 we achieved around 720 full time equivalent staff against our 2025 target, opened the first wave of offices in our national office network (Liverpool, Leeds, Cardiff and Stafford) and adopted a national recruitment principle for roles in scope.

Innovation, technology and data

Digital services have transformed our users' experiences in a profound way. Since the start of COVID-19 there has been a remarkable increase in the use of technology across all our services, from remote parole and court hearings, to virtual prison visits, and a significant increase in virtual and hybrid meetings. In April 2022 we published our strategy setting out how we will realise our vision of simpler, faster and better services.[40]

To help support victims of crime we simplified the Criminal Injury Compensation Service, making claiming on behalf of minors easier, with user satisfaction high at 92%. We're continuing to develop the service to ensure it benefits all users.

We also launched a consultation on modernising lasting power of attorney, bringing us closer to a fully digital LPA service.[41]

We are developing and testing the Legal Aid 'Apply' service which has received positive feedback from providers who are using it. When it is fully rolled out, it will remove reliance on one of our biggest and most complex legacy systems. We continue to bring our top 40 IT systems into full health against a set of critical criteria that reduces the risks of exposures, vulnerabilities and non-compliance.

Data is becoming an increasingly important part of our operation and decision-making to inform the efficient delivery of our outcomes. MoJ is central to a complex justice system, which requires the ability to analyse, model, and make evidence-based decisions while retaining stakeholder confidence. We are embedding a new target operating model in 2022-23, developing a data strategy, and will continue to automate systems and data pipelines, modernise analytical models and move away from outdated software.

A good example of this is MoJ's Data First programme, which developed an award-winning open-source data linkage software called Splink, providing a radical improvement over existing techniques for linking data at scale. It links datasets which are a hundred times larger and a hundred times faster than comparable software, and it works with most government digital platforms.

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[39] Civil Service People Survey – www.gov.uk/government/publications/civil-service-people-survey-2021-results
[40] Ministry of Justice Digital Strategy 2025 – www.gov.uk/government/publications/ministry-of-justice-digital-strategy-2025
[41] Modernising Lasting Powers of Attorney – www.gov.uk/government/consultations/modernising-lasting-powers-of-attorney

In partnership with the Welsh Government, the Department for Health and Social Care, the Department for Levelling Up, Housing and Communities and Public Health Wales, we have set up a cross-government programme called Better Outcomes through Linked Data - BOLD.[42] The programme will demonstrate how people with complex needs can be better supported by linking and improving the government data held on them in a safe and secure way. It operates using the Splink software to link enormous datasets on secure platforms across departments, breaking down barriers to sharing data and helping to drive changes in our services and improve outcomes. Through BOLD, we are pioneering data-linking to help us to reduce reoffending, homelessness, substance misuse, and support victims of crime, to transform how we support those in society with the most complex needs.

Delivery, evaluation and collaboration

We are embedding an inclusive culture which encourages excellence and collaboration, so we manage delivery with rigour and efficiency, supported by effective and insightful evaluation:

- In October 2021, we held an offender employment summit, which successfully engaged employers nationally to support the recruitment of ex-offenders.[43] During 2021, over 700 businesses registered for the scheme supporting employers across Britain in filling critical vacancies during COVID-19, while supporting ex-offenders in their resettlement process.
- Led by the MoJ, in November 2021 GREAT Legal Services led a legal services sector trade mission to the United Arab Emirates to promote the UK legal sector.[44] This trade mission was the first of its kind and our largest overseas activity since COVID-19 began, with 100% of delegates surveyed agreeing the mission increased positive perceptions of the UK legal sector in the UAE.
- The quality and continuing maintenance of our property estate is critical to the delivery of our justice services. Throughout COVID-19, we have ensured that our estate remained fit for use and compliant with government health guidelines. Our frontline estate continues to be predominantly aged and will require significant ongoing investment to maintain the necessary capacity levels to deliver safely and effectively.

Sustainability

We have a responsibility to reduce our negative effect on the environment and increase biodiversity. Our new prisons programme is currently exceeding 10% biodiversity net gain, and we have drafted our first nature recovery plan for the estate.[45]

Our agencies and functions have developed sustainability action plans, which will be refreshed during 2022-23 alongside the production of Greening Government Commitment and net zero carbon delivery plans to improve performance against the 2025 targets.[46]

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[42] Better Outcomes through Linked Data – www.gov.uk/government/publications/ministry-of-justice-better-outcomes-through-linked-data-bold

[43] Offender employment summit - October 2021 – www.gov.uk/government/speeches/dominic-raab-hosts-offender-employment-summit

[44] GREAT Legal Services – www.gov.uk/guidance/great-legal-services

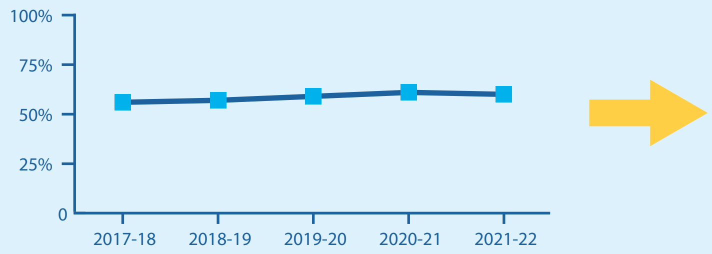
[45] Biodiversity net gain – www.local.gov.uk/pas/topics/environment/biodiversity-net-gain-local-authorities

[46] Greening Government Commitments 2021 to 2025 –www.gov.uk/government/publications/greening-government-commitments-2021-to-2025/greening-government-commitments-2021-to-2025

Our performance metrics

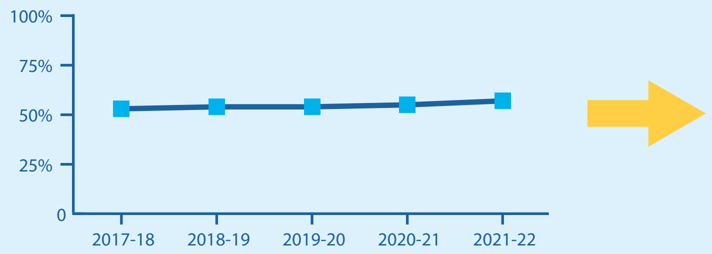
People survey engagement score[47,48]

Average engagement score (%)



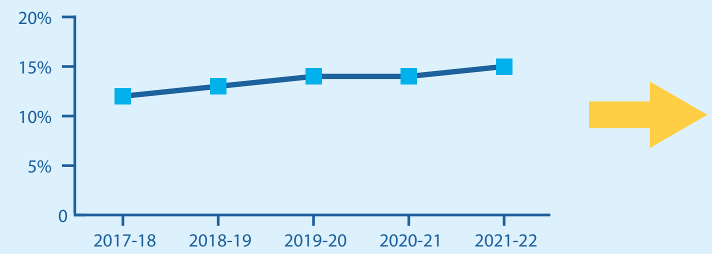
Representation of female staff[49,49]

% of staff who are female



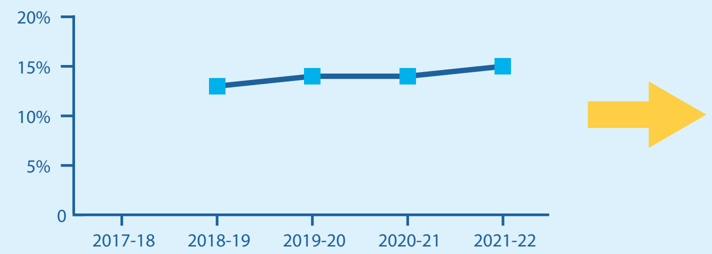
Representation of ethnic minority staff[49]

% of staff who are Black, Asian and minority ethnic



Representation of disabled staff[49]

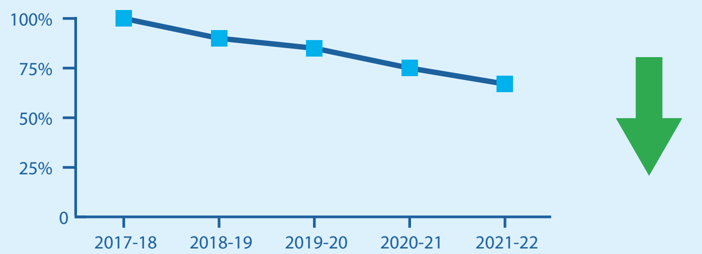
% of staff who are declared disabled



CO_{2e}

Greenhouse gas emissions Annual CO2 emissions

(% vs baseline year)



Currently our emissions have reduced by 33% compared to our baseline year against a target of 41% by 2025. This has been achieved through a combination of grid decarbonisation and energy efficiency measures taken across our estate.

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47 Civil Service people surveys – www.gov.uk/government/collections/civil-service-people-surveys

48 See 'Our staff' section on page 102.

49 Civil Service Diversity and Inclusion Dashboard – www.gov.uk/government/publications/civil-service-diversity-inclusion-dashboard

United Nations Sustainable Development Goals

MoJ shares responsibility with other government departments for supporting delivery of the UK's commitments to the UN Sustainable Development Goals (SDG).[50] The table describes MoJ's contributions.

SDG	MoJ's priority outcomes (contributing to SDG)	MoJ activity in 2021-22
SDG 3 – Good health and wellbeing (Target 3.5)	Reduce reoffending ▪ Substance misuse	In December 2021, the 10-year Drugs Strategy was published which sets out how this government will address illegal drug use.[51]
SDG 4 – Quality education (Targets 4.4, 4.6, 4a)	Reduce reoffending ▪ Education	In December 2021, we published our Prisons Strategy White Paper which sets out the pathway for a new Prisoner Education Service.[52] This will make sure offenders can improve their basic literacy and numeracy, as well as acquire further vocational qualifications.
SDG 5 – Gender equality (Targets 5.1, 5.2, 5c)	Reduce reoffending ▪ Tackling female reoffending Deliver swift access to justice ▪ Domestic abuse	We have secured a site for the first Residential Women's Centre in South Wales, which will work to address reasons for low-level female offending, such as domestic abuse and sexual assault. We have also made £2.5 million available to meet the core costs of women's community services to help provide essential services to vulnerable women and those with complex needs in the justice system. On 29 April 2021, the Domestic Abuse Act came into law.[53] The act aims to ensure that victims have the confidence to come forward and report their experiences, safe in the knowledge that the state will do everything it can, both to support them and their children and pursue the abuser.

[50] Sustainable development goals – https://sdgs.un.org/goals
[51] From harm to hope: A 10-year drugs plan to cut crime and save lives – www.gov.uk/government/publications/from-harm-to-hope-a-10-year-drugs-plan-to-cut-crime-and-save-lives
[52] Prisons Strategy White Paper – www.gov.uk/government/publications/prisons-strategy-white-paper
[53] Domestic Abuse Act 2021 – www.legislation.gov.uk/ukpga/2021/17/contents/enacted

SDG	MoJ's priority outcomes (contributing to SDG)	MoJ activity in 2021-22
SDG 8 – Decent work and economic growth (Targets 8.3, 8.5, 8.6, 8.8)	Reduce reoffending ▪ Employment opportunities and access to work ▪ Resettlement support Protect the public from serious offenders and improve the safety and security of our prisons	The Prisons Strategy White Paper sets out how we will tailor our approach to meet diverse needs.[54] We have introduced new resettlement passports, bringing together all of the essentials that prison leavers need to lead crime-free lives on release into one place, such as ID that demonstrates a prisoner's right to work and a bank account. We have put a dedicated employment adviser in every resettlement prison and have developed a digital candidate matching system to match prisoners to roles on release. Employment hubs have been established where prisoners can get support and find opportunities. We have established employment boards, which link prisons with local business networks to provide advice and challenge so that prisons provide the skills that employers need. We have also developed a programme to improve rehabilitation and engage prisoners in supporting maintenance tasks within the prison environment.
SDG 10 – Reduced inequalities (Target 10.2)	Reduce reoffending	In January 2022 we published our annual Gender Pay Gap report setting out actions for 2022-23 in three areas: talent and inclusion, flexible and family friendly, capability and advocacy.[55] We've taken significant steps to address racial disparity in the criminal justice system and in March 2022 we published our ambitious response to the Commission on Race and Ethnic Disparities Report.[56]

[54] Prisons Strategy White Paper – www.gov.uk/government/publications/prisons-strategy-white-paper

[55] Ministry of Justice gender pay gap report: 2021 – www.gov.uk/government/publications/ministry-of-justice-gender-pay-gap-report-2021/ministry-of-justice-gender-pay-gap-report-2021#:~:text=The%202021%20MoJ%20mean%20gender,and%20Probation%20Service%20(HMPPS).

[56] Government response to the Commission on Race and Ethnic Disparities – www.gov.uk/government/publications/inclusive-britain-action-plan-government-response-to-the-commission-on-race-and-ethnic-disparities/inclusive-britain-government-response-to-the-commission-on-race-and-ethnic-disparities

SDG	MoJ's priority outcomes (contributing to SDG)	MoJ activity in 2021-22
SDG 12 – Responsible consumption and production (Targets 12.6, 12.8)	Protect the public from serious offenders and improve the safety and security of our prisons ▪ Building sustainable prisons	We have reduced our total emissions by 33% since 2017-18 against a target of 27% for 2021-22. The four new prisons have been designed to deliver around a 90% reduction in carbon emissions compared to Glen Parva. We are also working on an approach on how we will use technology and digital services to help implement the 25-year environment plan.
SDG 13 – Climate action (Target 13.2)	Protect the public from serious offenders and improve the safety and security of our prisons	We have undertaken a climate change risk assessment of our estate and operations to inform our emerging climate change adaptation plan. We also introduced climate change screening for programmes and major projects.
SDG 16 – Peace, justice and strong institutions (Targets 16a, 16.1, 16.4, 16.6, 16.7)	Reduce reoffending Protect the public from serious offenders and improve the safety and security of our prisons ▪ Security Investment Programme Deliver swift access to justice ▪ Judicial recruitment	The Prisons Strategy White Paper was published in December 2021, setting out the investment in our prisons to make them safer, including making changes to the physical environment, introducing specialist support and developing bespoke interventions. We are improving how we identify and manage those who pose a raised risk of being violent through a national case management model. This will focus on identifying and addressing the underlying causes of a prisoner's violent behaviour, to reduce further risk of violence. Our security investment programme has introduced technology which helps to prevent illicit items from entering prisons. We have increased representation from under-represented groups in the judiciary including the proportion of female and black, Asian and minority ethnic judges. Over £1 million has also been invested in the recruitment of new and diverse magistrates, supported by a campaign to raise the profile of the magistracy among under-represented groups. The Judicial Review and Courts Act received Royal Assent, providing new powers to judges to better tailor the outcomes of judicial reviews.

Climate change and sustainability

As the second largest government estate, we have a responsibility to reduce negative environmental impacts and to enhance the natural environment. MoJ's vision is to embed sustainability principles into everything that we do.

Governance and assurance of climate change and sustainability activity across the MoJ is co-ordinated by MoJ's climate change and sustainability unit and performance is overseen by MoJ's senior sustainability board. This year, MoJ has appointed a lead minister for climate change and sustainability matters, as well as an Executive Committee champion and a lead non-executive director.

Sustainability is one of four enablers in our Outcome Delivery Plan, supporting MoJ's strategic outcomes. Particular areas of climate change and sustainability focus for MoJ in 2021-22 included net zero carbon, Greening Government Commitments, biodiversity and embedding sustainability across the organisation.

Scope and data quality

This report is prepared in accordance with HM Treasury's Sustainability Reporting Guidance 2021-22.[57] The department reports on all its executive agencies and non-departmental public bodies, subject to any exemptions in accordance with the reporting guidance. The department is unable to report data from locations where property owners are not obliged to provide it. Some data will be estimated.

The data below shows our present position for 2021-22 against a 2017-18 baseline, using data available up to March 2022. The non-financial indicators for 2020-21 have been restated to show the full financial year up to March 2021.

Our sustainability performance data is audited by DNV-GL on behalf of DEFRA.

UN Sustainable Development Goals

The work of the department primarily supports delivery of four UN SDGs, our Single Department Plan, and Outcome Delivery Plan. These are SDGs 5, 10, 13 and 16, relating to climate change, equality, peaceful and inclusive societies, and access to justice. See page 41.

Greening Government Commitments

New Greening Government targets for the period 2021 to 2025 were announced during this financial year, with progress measured against a 2017-18 baseline. MoJ is tracking its progress on a quarterly basis against annualised targets. During 2021-22 we developed Greening Government Commitment delivery plans, focusing on monitoring, and improving performance against our 2025 Greening Government targets. These will continue to be developed and updated as we initiate and deliver initiatives that contribute towards achieving these targets.

The impact of the pandemic on sustainability performance has been mixed. The majority of MoJ's estate, including courts and prisons, has remained operational with limited impact on energy and water use. However, travel and paper use have reduced as many office-based staff were required to work from home. We will be looking to take forward many of the efficiencies and innovations that have emerged during the national restrictions, to reduce costs and improve our environmental performance. The impact on home emissions as a result of the pandemic are outside the scope of the metrics and therefore not included.

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[57] HM Treasury Sustainability Reporting Guidance 2021-22 – www.gov.uk/government/publications/public-sector-annual-reports-sustainability-reporting-guidance-2021-to-2022

Overall Greening Government Commitments performance 2021-22 (against a 2017-18 baseline)			
Requirement by 2025	**2021-22 performance**	**RAG status**	**Commentary**
Reduce greenhouse gas (GHG) emissions by 41%	-33%		While currently on track, projected performance is amber due to prison estate expansion. We have developed a net zero strategy to maintain current performance.
Reduce direct greenhouse gas emissions by 23%	-6%		Technology and financial constraints have slowed progress. We have secured external funding for decarbonisation design work at some pilot projects and are actively pursuing further external funding sources.
Reduce domestic business flights by 30%	-93%		
Reduce overall waste by 15%	-9%		Resources have been diverted to COVID-19 management. We are developing new approaches to improve resourcing and waste management, as well as associated data.
Landfill waste to be less than 5%	8%		Closure of prison waste management units during the pandemic has increased landfill rates.
Increase recycling to at least 70%	52%		Closure of prison waste management units during the pandemic has reduced recycling rates.
Reduce paper use by 50%	-30%		Progress has been slow as many processes are still paper based. MoJ is increasingly switching to digital systems which will help reduce paper use.
Reduce water consumption by at least 8%	-4%		Reducing water use in ageing infrastructure is difficult, particularly in prisons which run 24/7. Smart meters are being fitted to help find and fix water leaks.

Greenhouse gases (GHG)

The table below shows our greenhouse gas emissions and financial costs for 2021-22.

Greenhouse gas (GHG) emissions from buildings and travel		2021-22	2020-21[58]	2019-20	2018-19	2017-18 Baseline
Non-financial indicators (tCO_2e)	Total gross scope 1 (Direct) GHG emissions	164,306	170,888	182,242	185,407	182,544
	Total gross scope 2 (Energy indirect) emissions	75,251	92,097	111,393	126,714	159,865
	Total gross scope 3 (Official business travel) emissions	8,577	11,491	21,496	22,938	27,939
	Total emissions[59]	**248,134**	**274,476**	**315,132**	**335,059**	**370,349**
Non-financial indicators (MWh)	Electricity	331,944	319,030	352,133	361,258	367,773
	Electricity: renewable	43,591	76,014	83,679	86,384	86,459
	Gas	860,580	816,750	837,642	876,973	886,736
	Other energy sources	47,673	42,689	47,143	43,114	37,832
	Total energy	**1,283,788**	**1,254,483**	**1,320,597**	**1,367,729**	**1,378,801**
Financial indicators (£m)	Expenditure on energy	103	97	111	92	92
	Carbon reduction scheme	0	0	6	6	7
	Expenditure on official business travel	10	5	29	28	24
	Total expenditure on energy and business travel	**113**	**102**	**146**	**126**	**123**

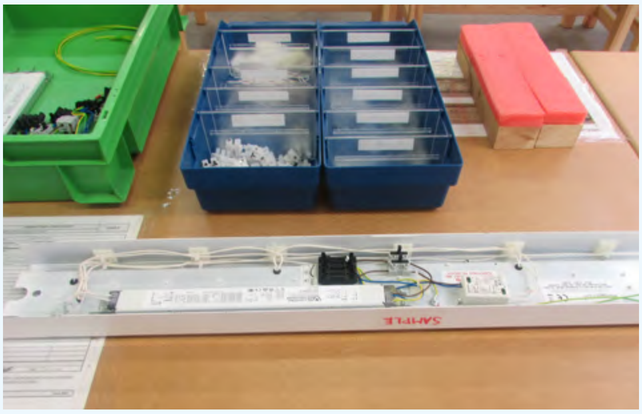
The department has reduced its greenhouse gas emissions by 33% since 2017-18 and has introduced a range of energy and carbon saving measures including:

- procurement of 203 boiler control units that will be deployed across the HMPPS estate in 2022-23
- starting the full replacement of the building management system at HMP Elmley
- completed three ground mounted solar farms, generating approximately 450MWh of electricity and saving a forecast 1,220 tonnes of CO2 over their lifespan
- installed 395 electric vehicle charging points, across offices, prisons, and courts
- replaced over 10,000 fluorescent lamps with LEDs, saving an estimated 1.33GWh of electricity and 290 tonnes of CO2 emissions

MoJ is updating its net zero strategy, and associated delivery plan, setting short, medium, and long-term objectives for the MoJ estate and operations. We have undertaken a review across the MoJ estate to identify opportunities for further carbon savings, prioritising decarbonisation of heating and travel.

[58] 2020-21 non-financial indicators have been restated to include actual environmental performance for the financial year.
[59] Definitions for Scope 1-3 emissions – www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance

LED lights case study



HMP Garth initiated a project involving prisoners assembling low energy LED lights, thereby developing valuable skills as part of their rehabilitation, reducing prison energy use and saving taxpayers' money. The pioneering project has since been introduced at HMP Full Sutton and HMP Guys Marsh.

The new LED lights cost 36% less than the book price of the original fittings, use 62% less electricity and are expected to save approximately £2.5 million each year once they have been installed in cells across the prison estate. The project contributes to the sustainable objectives of MoJ's Outcome Delivery Plan and the wider Greening Government Commitments.

Climate change adaptation

As part of the implementation of the MoJ's Climate Change Adaptation Strategy 2020, a climate change risk assessment of our estate and operations was conducted this year. The output of the assessment will be used to update our climate change adaptation plan in 2022. The risk assessment will start to identify which buildings and operations are most at risk and their capacity to adapt to the effects of climate change.

Travel

Travel has continued to be low throughout 2021-22 due to the pandemic restrictions and the emissions from domestic flights have reduced by 90%, compared to our 2017-18 baseline. We will look at how we can take forward new ways of working developed during the pandemic to maintain lower levels of air travel.

Air travel	**2021-22**	**2020-21**[60]	**2019-20**	**2018-19**	**2017-18**
Domestic flights (km)	204,390	64,326	1,499,117	1,838,087	1,970,637
Domestic flights emissions (tCO2e)	26	8	202	290	279
International business flights (km)	3,746,130	3,382,713	4,739,114	3,609,624	1,592,857
International business flights (tCO2e)	381	311	463	375	192

[60] 2020-21 non-financial indicators have been restated to include actual environmental performance for the financial year. The number of restated domestic flights shows a significant drop, due to the previous figures including a pre-pandemic quarter.

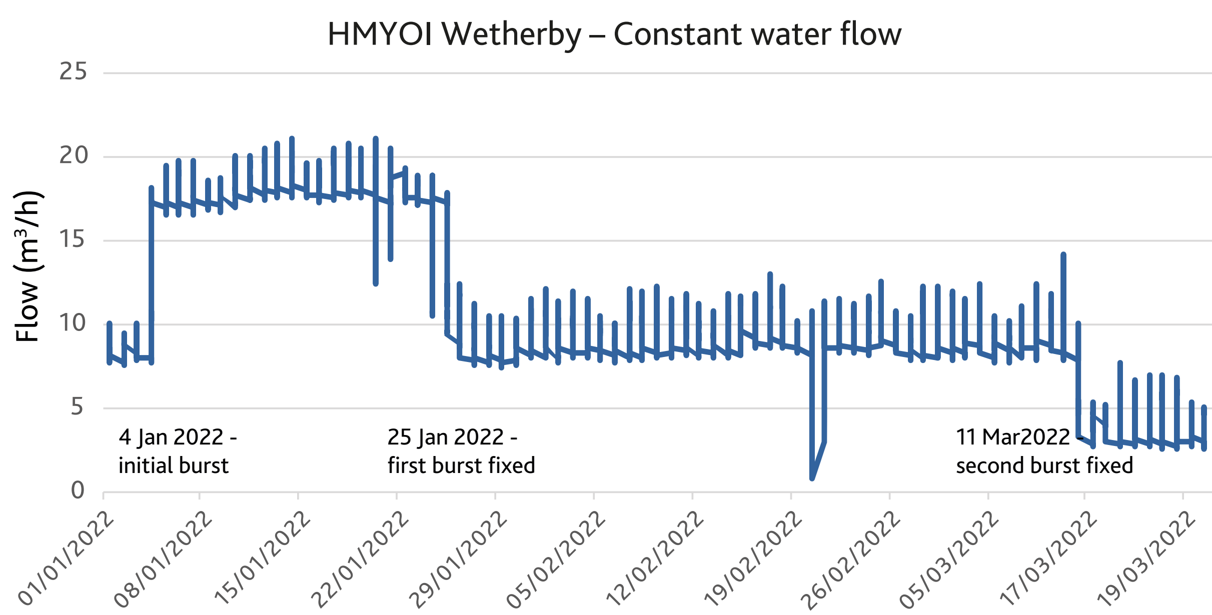
Water

The department has reduced water consumption by 4% compared to the 2017-18 baseline. Improvements in monitoring and measurement of water consumption have been, and will continue to be made, by installing automatic meter reading devices on water meters across the department's estate. Using data from these meters, we have been able to identify water leaks (existing and new occurrences) at several sites, and several repairs have been completed.

Water		2021-22	2020-21	2019-20	2018-19	2017-18
Non-financial indicators	Total water consumption (m^3 000)	**8,709**	9,137	8,940	8,917	9,072
Financial indicators	Total water supply costs (£'000,000)	**23**	24	29	27	26

Water leak repair – HMP Wetherby

Using data from smart water meters, an unusually high night-time flow rate was identified at HMP Wetherby. Two leaks were subsequently found and repaired. This reduced the night water flow rate from 17m^3/hour to 3m^3/hour. This represents an annual water saving of around 113,000 m^3 and an annual financial saving of £340,000.



Waste and resources

Waste production 2021-22

Waste		2021-22	2020-21[61]	2019-20	2018-19	2017-18 Baseline
Non-financial indicators (tonnes)	Landfill	3,557	4,922	**1,355**	1,323	3,987
	Recycled/reused	23,123	33,169	**42,113**	41,666	31,413
	Incinerated with energy from waste	17,516	6,989	**9,102**	6,862	13,454
	Incinerated without energy recovery	271	14	**11**	0	11
	Total waste	**44,467**	**45,094**	**52,581**	**49,851**	**48,865**

Overall waste has decreased by 9% compared to the 2017-18 baseline, with 8% of waste sent to landfill and recycling rates at 52%. Waste has been impacted by the COVID-19 pandemic due to fewer staff in offices, a smaller number of prisoners involved in segregating waste, and an increase in PPE and single-use items associated with COVID-19 precautionary measures and government requirements. We are working with our facilities management and waste contractors to improve waste management including undertaking trial schemes during 2022-23 and adopting a new circular approach to resource management.

Recycling – HMP Thorn Cross

The purchase of a mill size baler and a waste compactor at HMP Thorn Cross enabled increased recycling and a corresponding reduction in landfill waste, bringing operational costs down and reducing our carbon footprint.

The waste management unit now recycles nearly 80% of recoverable waste including cardboard, plastic, and broken furniture. The majority of food waste is also separated.

While some recycled materials are valuable and can be sold to recycling plants, other items like non-prison clothing are donated to a local charity, and prison-issued plastic cups, plates and cutlery are granulated and made into new items.



[61] 2020-21 non-financial indicators have been restated to include actual environmental performance for the financial year.

Paper usage

The department has reduced paper use by 30% compared to the 2017-18 baseline. This has been achieved through greater use of digital solutions including replacing some paper based services with online services.

Single-use plastics

Our single-use plastics policy, published in January 2019, continues to drive our work with facilities management providers to ensure single-use plastics are only used when no viable alternative is available.[62] We are also, where possible, reducing single-use plastics on the operational estate.

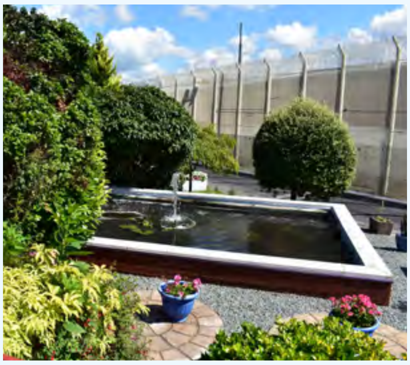
Biodiversity and rural proofing

A biodiversity baseline has been established as well as a nature recovery plan for the MoJ estate. This plan seeks to substantially improve the value of the estate in terms of biodiversity, wellbeing, and other ecosystem services such as carbon sequestration and flood alleviation. Over 1,400 fruit trees have been planted to create new orchards, as well as almost 9,000 deciduous trees as part of woodland planting, and 3.5km of new hedgerows. Seven tree nurseries have been established in 2021-22, which will germinate 100,000 trees per year for planting across MoJ from 2023. We have also developed a natural capital assessment tool for the MoJ estate.

Nature recovery – HMP Bristol

In 2021 HMP Bristol was the first prison in the UK to pilot the principles of the harmony project – an initiative supported by His Majesty King Charles III (while HRH Prince of Wales) to help people develop a deeper understanding of, and connection to, the beauty and wonder of the natural world.

Activities involving prisoners included renovating prison gardens and surrounding natural spaces to help encourage local wildlife, developing opportunities to connect with animals through building bird boxes and learning bee-keeping skills. Nature therapy courses have also been introduced to promote better mental health connection to the natural world.



[62] Single-Use Plastic Policy – www.gov.uk/government/publications/ministry-of-justice-single-use-plastics-policy

Sustainable procurement

MoJ's sustainable procurement policy ensures we incorporate sustainability into all procurement activities to achieve long-term value for money. Associated programmes include embedding specific sustainability clauses into all future estate contracts, a whole-life costs policy and ensuring procurement staff receive appropriate sustainability training.

We have developed a sustainability action plan covering various actions including agreeing fundamental sustainability metrics to be captured in our commercial contracts and to be monitored through the life of the contract. We have also included sustainability clauses in the MoJ model terms and conditions for goods and services requiring compliance with government buying standards and maintaining an environmental management system.

The Social Value Model forms part of our overall sustainable procurement approach. One of the themes focuses on fighting climate change which has resulted in commitments from one community accommodation service contract to deliver 100% renewable electricity, commitment to achieving Green Dragon environmental standards and a commitment to deliver properties with an Energy Performance Certificate rating above the minimum legal requirement.

MoJ achieved the target of 25% of cars converted to Ultra Low Emission Vehicles in line with the Greening Government target. This was achieved 12 months ahead of the targeted date of December 2022. The MoJ fleet currently comprises 35.1% ultra low emission vehicles and 1.1% zero emission vehicles. MoJ has planned the transition for all in-scope N1 fleet vehicles under 3.5 tonnes to be zero emissions by December 2027 and continues to explore funding options.

MoJ's prison food contract ensures all goods are bought in line with animal welfare and fair trade or ethical standards. All animal derived foods are from farm assured sources, all fish and products containing palm oil are sustainably sourced, and over 50% of produce is from the UK.

Reducing environmental impacts from ICT and digital

MoJ's digital and technology services are also focused on delivering more environmental outcomes. In 2021-22, we set up a digital sustainability working group looking to address the impacts of ICT on the environment, and we have adopted the Greening Government: ICT and Digital Services Strategy and associated targets.

Sustainable construction

The MoJ's revised sustainable construction and BREEAM Policy (August 2021) requires all new build projects to target BREEAM Outstanding and major refurbishments to target BREEAM Excellent. The newest prisons, HMP Five Wells and HMP Fosse Way (previously referred to as Glen Parva), use green technologies and modern methods of construction to reduce their environmental impact and have received BREEAM 2014 New Construction Excellent certification at design stage.

Based on data provided by the Building Research Establishment, there are 29 MoJ projects currently registered under the BREEAM 2018 scheme, with 28 in progress for design and construction certification with one in progress for post construction assessment.

Antonia Romeo
Principal Accounting Officer

12 December 2022

Accountability

Corporate Governance Report

The purpose of the Corporate Governance Report is to explain the composition and organisation of the department's governance structures and how these arrangements have supported the achievement of its objectives during 2021-22.

Directors' Report

The table below sets out names and titles of all ministers and members of the Departmental Board who have had responsibility for the department during 2021-22.

Departmental Board, Audit and Risk Assurance Committee and Nominations Committee member attendance 1 April 2021 to 31 March 2022

Members	Meetings attended per member of those eligible to attend		
	Departmental Board	Audit and Risk Assurance Committee[63]	Nominations Committee[64]
Ministers			
The Rt Hon Dominic Raab MP, Lord Chancellor, Secretary of State for Justice and Deputy Prime Minister (from 15 September 2021)	1 of 1	-	-
The Rt Hon Robert Buckland KC, MP, Lord Chancellor and Secretary of State for Justice (to 14 September 2021)	1 of 1	-	-
Lord David Wolfson of Tredegar KC, Parliamentary Under Secretary of State	1 of 2	-	-
Chris Philp MP, Parliamentary Under Secretary of State (to 16 September 2021)	0 of 1	-	-
Alex Chalk KC, MP, Parliamentary Under Secretary of State (to 16 September 2021)	0 of 1	-	-
James Cartlidge MP, Parliamentary Under Secretary of State (from 17 September 2021)	1 of 1	-	-
Tom Pursglove MP, Parliamentary Under Secretary of State (from 17 September 2021)	1 of 1	-	-
The Rt Hon Kit Malthouse MP, Minister of State	1 of 2	-	-
Victoria Atkins MP, Minister of State (from 17 September 2021)	1 of 1	-	-

[63] Permanent Secretary and Chief Operating Officer attend Audit and Risk Assurance Committee meetings.
[64] Chief People Officer is a member of the Nominations committee but is not listed in this table as they are not a member of the Departmental Board.

Departmental Board, Audit and Risk Assurance Committee and Nominations Committee member attendance 1 April 2021 to 31 March 2022			
	Meetings attended per member of those eligible to attend		
Members	Departmental Board	Audit and Risk Assurance Committee	Nominations Committee
Executive management			
Antonia Romeo, Permanent Secretary	2 of 2	6 of 6	1 of 1
Dr. Jo Farrar, Second Permanent Secretary, Ministry of Justice and Chief Executive Officer, HM Prison and Probation Service	2 of 2	-	-
Kevin Sadler, Interim Chief Executive Officer, HM Courts & Tribunals Service (to 25 March 2022)	1 of 2	-	-
Nick Goodwin, Chief Executive Officer, HM Courts & Tribunals Service (from 14 March 2022)	0 of 0	-	-
James McEwen, Chief Operating Officer	2 of 2	6 of 6	-
Jerome Glass, Director General for Policy and Strategy Group[65]	2 of 2	-	-
Non-executive or independent member			
Mark Rawlinson, Lead Non-Executive Member	2 of 2	-	1 of 1
Paul Smith, Non-Executive Board Member and Chair of the Audit and Risk Assurance Committee	2 of 2	6 of 6	-
Nick Campsie, Non-Executive Member	1 of 2	-	-
Shirley Cooper, Non-Executive Member	2 of 2	1 of 1	-
Alison Bexfield, Independent Member of Audit and Risk Assurance Committee	-	6 of 6	-
Laurence Milsted, Independent Member of Audit and Risk Assurance Committee (to 1 October 2021)	-	5 of 5	-

Managing conflicts of interest

Members of the department's governance forums are asked to declare any interest that could give rise to a conflict of interest. Declarations are documented alongside any agreed actions to manage the risk of conflicts of interest.

Any significant interest held by management, where there is a link with the department, is included in Note 27 on Related Party Transactions. The list of ministers' interests can be found at:
www.gov.uk/government/ publications/list-of-ministers-interests

Links to our executive and non-executive register of interest can be found at:
www.gov.uk/government/publications/ministry-of-justice-register-of-board-members-interests

[65] In April 2022, the Policy and Strategy Group was renamed the Policy Group.

Personal data-related incidents

The following gives a summary report of personal data-related incidents reported to the Information Commissioner's Office (ICO) in 2021-22. MoJ manages millions of records containing personal data and takes all incidents of data loss seriously. All staff are required to undertake mandatory data protection training upon joining the department and yearly thereafter.

Effective implementation of security measures is applied in line with the government's security policy framework and the Government Functional Standard on Security. Adherence is monitored through a network of trained security and data protection practitioners.

Table 1 – Personal data incidents reported to the Information Commissioner's Office

Date of incident	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
15 April 2021	Disclosure of confidential address of respondent to applicant in a family case	Names and address	2	ICO notified 15 April 2021. The ICO closed its investigation taking no further action.
28 April 2021	Disclosure of confidential address of victim in a compensation order to the defendant	Name and address	3	ICO notified 30 April 2021. The ICO closed its investigation taking no further action.
2 June 2021	Compromised Office 365 account allowing access to personal data of current divorce proceedings and staff details on a separate spreadsheet	Confidential information of court case and staff information	1,400	ICO notified 3 June 2021. The ICO closed its investigation taking no further action.
2 June 2021	Disclosure of confidential address of an applicant in a non-molestation order to the respondent	Name and address	1	ICO notified 4 June 2021. The ICO closed its investigation taking no further action.
3 June 2021	Loss of an indictment folder from 1991 during transit between archival storage and MoJ	Confidential information of court case and attendees	100+	ICO notified 27 June 2021. The ICO response is pending.
17 June 2021	Disclosure of names of youth defendants on publicly available websites. The defendants were under 18 years of age and should have received judicial anonymity	Names	4	ICO notified 18 June 2021. The ICO closed its investigation taking no further action.
18 June 2021	Disclosure of names of youth defendants on publicly available websites. The defendants were under 18 years of age and should have received judicial anonymity	Names	3	ICO notified 18 June 2021. The ICO closed its investigation taking no further action.
23 June 2021	Disclosure of confidential address of respondent in child arrangement case to the applicant	Name and address	1	ICO notified 25 June 2021. The ICO closed its investigation taking no further action.

Date of incident	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
30 June 2021	Disclosure of confidential address of respondent in a child arrangement case to the applicant	Name and address	1	ICO notified 2 July 2021. The ICO closed its investigation taking no further action.
27 September 2021	A C21 completed risk assessment form for bailiff service, and a blank C9 was sent to a party to divorce proceedings in error. The recipient then forwarded this email with attachments to approximately 50 different email addresses	Confidential information of court case	3	ICO notified 6 October 2021. The ICO closed its investigation taking no further action.
21 October 2021	Disclosure of confidential address of an applicant in a non-molestation order to the respondent	Name and address	1	ICO notified 27 October 2021. The ICO response is pending.
26 October 2021	Disclosure of a COVID status spreadsheet of staff and offenders sent by email to all staff within a prison	Confidential data for offenders and staff, including health data	1,800	ICO notified 28 October 2021. The ICO closed its investigation taking no further action.
7 January 2022	Disclosure of confidential address disclosed to the other party	Name and address	1	ICO notified 10 January 2022. The ICO response is pending.
22 January 2022	Disclosure of confidential address disclosed to the other party	Name and addresses	1	ICO notified 25 January 2022. The ICO closed its investigation taking no further action.
8 February 2022	11 bags of confidential waste stored in an unsecured location which both staff and offenders had access to	Confidential offender and staff information, including health data	120	ICO notified 1 March 2022 (reported to the DPT on 28/02/22). The ICO response is pending.
16 March 2022	A Notice of a Grant of Bail was sent to the incorrect address. Data subject identified as at risk due to the proximity of the unintended recipient and the offences committed	Name, address, and criminal offence data	1	ICO notified 31 March 2022. The ICO response is pending.
24 March 2022	A theft occurred from a court bailiffs' car which contained 33 warrants all based in the same area	Confidential court user data	90	ICO notified 24 March 2022. The ICO response is pending.

The department continues to monitor and assess its personal data risks to identify and address any weaknesses and ensure continuous improvements. For further information on information security, see page 73.

The assessment of whether an incident meets the threshold for reporting to the ICO is carried out by the Data Protection Team. Incidents which are not reported to the ICO are recorded centrally as set out in the table below and are categorised according to Cabinet Office requirements.

Table 2 – Incidents which did not meet the threshold to report to the Information Commissioner's Office for 2021-22

	2021-22	2020-21
Category	Number of incidents	Number of incidents
Loss or theft of information assets from secured government premises	223	169
Loss or theft of information assets from outside secure premises	124	967
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	16	9
Unauthorised disclosure (information disclosed in error) *	5,227	4,724
Other **	192	398
TOTALS	**5,782**	**6,267**

* Examples of 'Unauthorised disclosure' could include the release of personal data to the incorrect recipient, such as information being sent to the incorrect email or postal address, the sharing of data to incorrect recipients internally in the department and inappropriate access to electronic data.

** Examples of 'Other' incidents could include any cyber or related attacks on the personal data held by the MoJ, technical security failings either with an application setup or a breach of a relevant policy.

Complaints to the Parliamentary and Health Service Ombudsman

The Parliamentary and Health Service Ombudsman addresses complaints made by members of the public, brought to its attention by MPs, where there has been alleged maladministration by government departments and other bodies in their jurisdiction. The department's performance for the year 2021-22 is shown below.

The Parliamentary and Health Service Ombudsman's annual analysis of the complaints it has received for each government department can be found at:

www.ombudsman.org.uk

Number of complaints accepted for investigation	Number of completed investigations*	Investigations upheld or partly upheld		Investigations not upheld		Investigations resolved without a finding or discontinued	
		Number	%	Number	%	Number	%
12	10	3	25	6	50	1	8.3

* Includes enquiries about organisations that are accountable to the department.

	Complied with	Not complied with	Total
The number of Ombudsman recommendations:	6	0	6

Statement of accounting officer's responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed MoJ to prepare, for each financial year, consolidated resource accounts. These must set out the resources acquired, held or disposed of by the department during the year, and the uses to which those resources have been put. The scope of the accounts must cover the department, including its executive agencies, and those of its sponsored arm's length public bodies that are designated by order made under the Government Resources and Accounts Act by Statutory Instrument 2021 No 265. These public bodies are together known as the 'departmental group', consisting of the department and sponsored bodies listed at note 29 to the accounts. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department and the departmental group and of the income and expenditure, statement of financial position and cash flows of the departmental group for the financial year.

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

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- ensure the department has appropriate and reliable systems and procedures in place to carry out the consolidation process
- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by non-departmental and other arm's length public bodies
- 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
- 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 judgements required for determining that it is fair, balanced and understandable

HM Treasury has appointed the Permanent Secretary of the Ministry of Justice as Principal Accounting Officer.

As the Principal Accounting Officer of the department, I have appointed the chief executives or equivalents of the department's sponsored arm's length public bodies as Accounting Officers of those bodies. I am responsible for ensuring that appropriate systems and controls are in place to ensure that any grants made by the department to its sponsored bodies are applied for the intended purposes, and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts. Under their terms of appointment, the Accounting Officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

My responsibilities as an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which I am answerable, for keeping proper records and for safeguarding the assets of the department or non-departmental or other arm's length public body for which I am also responsible, are set out in Managing Public Money published by HM Treasury.

As the Principal 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 MoJ's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

The annual report and accounts as a whole are fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgments required for determining that they are fair, balanced and understandable.

Accounting Officer system statements

In 2016, the Public Accounts Committee recommended, as part of its wider work on accountability to Parliament for taxpayers' money, that all departments should prepare accountability statements.

The Accounting Officer System Statement (AOSS) provides Parliament a single statement setting out all of the accountability relationships and processes within the department, making clear who is accountable for what, from the Principal Accounting Officer down. It ensures accountability for all of the public money and other public resources which fall within the accounting officer's responsibilities.

The department's AOSS is available at: www.gov.uk/government/publications/ministry-of-justice-accounting-officer-system-statement

Governance statement

This governance statement sets out the main features of the governance, risk management and internal control frameworks operated in 2021-22 and up to the date of approval of the annual report and accounts.

It sets out my view of the most significant challenges across the department in operating an effective review of the system of risk management and internal control, and the collective steps teams are taking to continuously improve and strengthen these frameworks. The governance statement should be considered in conjunction with the Accounting Officer System Statement.

Governance

MoJ maintains robust governance arrangements to support delivery of departmental priorities and objectives. The governance framework:

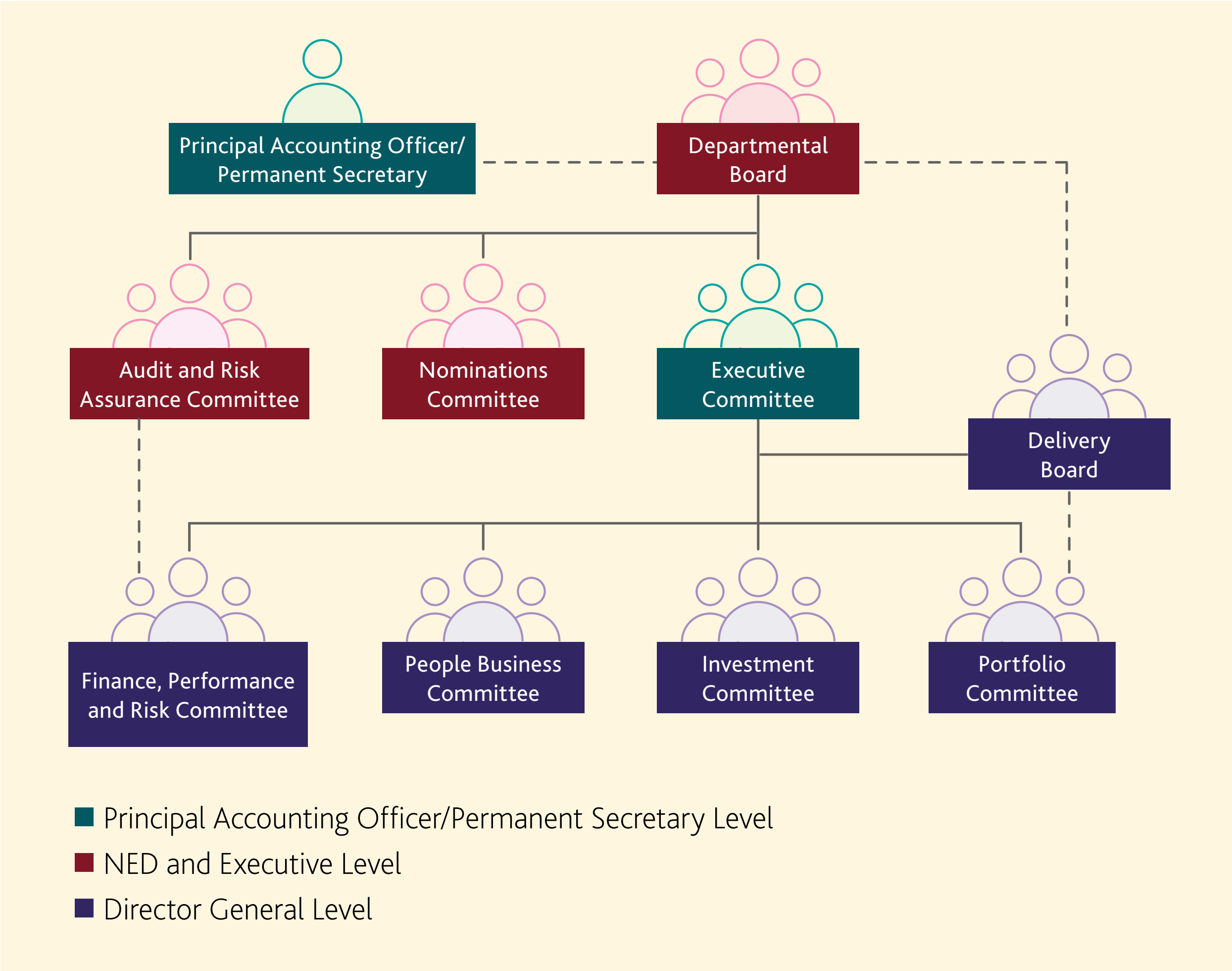
- provides leadership and direction, including a clear vision of what the department is trying to achieve
- brings relevant capabilities, experience and insights to provide rigorous scrutiny of the efficiency and effectiveness of performance and value for money
- promotes transparency and accountability that maintains the trust and confidence of stakeholders through clear, complete and accurate reporting on what is being achieved and to what standards
- ensures compliance with HM Treasury's code of good practice for corporate governance in central government departments
- supports our work to deliver change in line with the Declaration on Government Reform

We have structured our governance to ensure we have complete, timely and insightful information flows to direct and manage the department's delivery and use of resources.

The board secretariat is responsible for ensuring the information provided to the Departmental Board and its committees is of a good quality to enable informed decision-making, with risks and resource implications highlighted to ensure detailed engagement and challenge during discussions.

Our governance structures were strengthened during 2021-22 with the addition of the Delivery Board. We also added the Portfolio Committee and the Finance, Performance and Risk Committee as sub-committees of the Executive Committee.

Board committee structure



Departmental Board

Chair:	Secretary of State for Justice
Meetings in 2021-22:	2

Purpose:

The Departmental Board forms the collective strategic and operational leadership of the department. Chaired by the Secretary of State for Justice, it brings together the ministerial and civil service leaders with senior non-executives from outside government. It is responsible for setting strategic direction, including reviewing delivery against the Outcome Delivery Plan.

Meeting composition	15 members:

By position:

By gender:

Activities in the year under review included:

- assessment of progress against the Outcome Delivery Plan, including performance and delivery of critical milestones
- departmental priorities
- savings and efficiency review
- Spending Review 2021
- review of Key Performance Indicators
- discussing recommendations and actions from Audit and Risk Assurance Committee
- probation reform implementation, lessons learned and next steps

Audit and Risk Assurance Committee

Chair:	Non-executive board member
Meetings in 2021-22:	7

Purpose:

The Departmental Audit and Risk Assurance Committee supports the board and me in my role as Principal Accounting Officer by reviewing the completeness and reliability of assurances over the design and operation of governance, risk management and internal control frameworks and the integrity of financial statements in the department.

Meeting composition	3 members:

By position:

2	1

Non-executive directors
Independent member

By gender:

2	1

Female Male

Activities in the year under review included:

- considering and challenging the preparatory work undertaken for the Spending Review 2021
- considering the work of the newly established transparency unit to understand transparency and propriety requirements
- considering the Government Internal Audit Agency findings, particularly in relation to limited audit opinions considering lessons learned
- considering the work of external audit
- considering and challenging the department's approach and progress to mitigate cyber security risk, data protection, privacy and technical debt
- reviewing the annual report and accounts and providing independent oversight and challenge on its content
- continuing oversight of arm's length bodies and executive agencies through dedicated informal meetings with arm's length bodies and executive agency Audit and Risk Assurance Committee Chairs to share information and ideas
- challenging the department's approach and progress to mitigate against fraud and to test the whistleblowing process

Nominations Committee

Chair:	Lead non-executive board member
Meetings in 2021-22:	1

Purpose:

The Nominations Committee provides assurance on senior executive appointments within the department.

Meeting composition	3 members:

By position:		By gender:	
Non-executive directors	1	Female	1
Executive directors	2	Male	2

Activities in 2021-22 included discussing and advising on performance assessment and appraisal of Directors General with:

- pay award recommendations
- talent strategy
- succession planning

Executive Committee

Chair:	Permanent Secretary
Meetings in 2021-22:	37

Purpose:

I chair the Executive Committee. It is the executive leadership team for the department and is comprised of senior officials. The committee ensures that the department is fully aligned with the strategic direction set by the Secretary of State, maintains and directs the capabilities to deliver, oversees the delivery of outcomes and prioritises and allocates financial and other resources.

Meeting composition	12 members:

Activities in the year under review included:

- assessing the impact of COVID-19 on departmental business and identifying and implementing mitigations to maintain continued delivery
- developing and reviewing the department's plans for recovery from COVID-19, including plans for court and tribunal recovery
- monitoring the department's performance against its budget, objectives and managing the delivery of our outcomes
- developing the Spending Review 2021 through to approval and the associated strategic allocations
- examining specific risks or issues that could affect the delivery of the department's objectives
- reviewing the progress made against agreed diversity priorities in the department's diversity and inclusion strategy and supporting the department's work on mental health
- encouraging closer co-operation and relationships with the department's arm's length bodies to share good practice and gain a better insight into their work and performance
- monitoring the development of the digital and data strategies
- regularly reviewing projected demand in the justice system to inform long-term planning and identify any risks
- assess and reward the MoJ Awards 2022 finalists and winners

Delivery Board

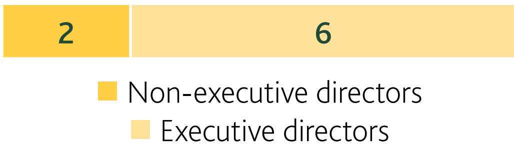
Chair:	Second Permanent Secretary and lead non-executive board member
Meetings in 2021-22:	7

Purpose:

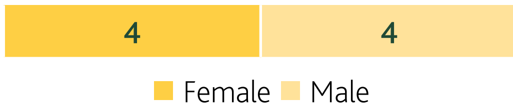
The Delivery Board provides assurance to me in my role as the Principal Accounting Officer and to the Departmental Board that the strategic outcomes and commitments defined in the Outcome Delivery Plan and Government Major Projects Portfolio are on track to be delivered. It escalates matters for consideration to the Departmental Board via the Executive Committee.

Meeting composition	8 members:

By position:



By gender:



Activities in the year under review included:

- oversight and scrutiny of the department's major projects and programmes, ensuring that plans are well evidenced and strategic benefits are on track to be delivered
- challenge and scrutiny of the robustness of the plans and processes for delivery and the adequacy of their management

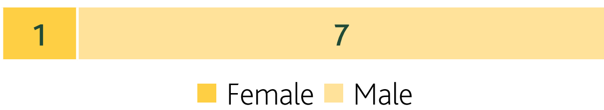
Finance, Performance and Risk Committee

Chair:	Chief Operating Officer
Meetings in 2021-22:	12

Purpose:

The Finance, Performance and Risk Committee oversees and scrutinises delivery against the Outcome Delivery Plan, informs management of the department's principal and secondary risks, and monitors compliance with functional standards and other government, legal or professional requirements.

Meeting composition	8 members:



Activities in the year under review included:

- examining the department, its executive agencies and arm's length bodies' in-year finances
- reviewing the impact of COVID-19 and other external events on forecasting and budgets
- considering and advising on the departmental spending review settlement conditions
- assessing and challenging performance, delivery and risk against the Outcome Delivery Plan

People Business Committee

Chair:	Second Permanent Secretary and Chief People Officer
Meetings in 2021-22:	10

Purpose:

Supports the Executive Committee in the development, delivery and evaluation of leadership and management of policies.

Meeting composition	9 members:

Activities in the year under review included:

- consideration of the benefits realised from staff adjusting to work in a virtual or remote environment due to impacts of COVID-19
- oversight of strategic people risks and correct identification of appropriate mitigations
- monitoring the progress of the 3rd Generation Shared Services Programme and the proposed approach for the development of the next generation of shared services solutions considering and advising on the future approach to pay and reward and monitoring the progress of the employee benefits contract retender

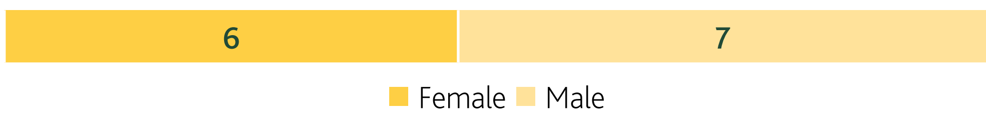
Investment Committee

Chair:	Chief Operating Officer
Meetings in 2021-22:	17

Purpose:

The Investment Committee has delegated powers to make investment decisions on the Executive Committee's behalf, with oversight of the MoJ portfolio, including portfolio projects from inception through to implementation, ensuring they remain strategically aligned, affordable and deliverable.

Meeting composition	13 members:



Activities in the year under review included:

- scrutiny and approval of business cases of £30 million whole-life cost and above
- agreeing and monitoring departmental change programmes' funding
- setting permissible tolerances that include costs, benefits, schedule, quality, scope and performance
- release of funds after reviewing progress of programmes and projects

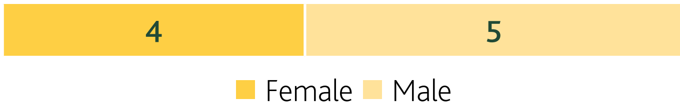
Portfolio Committee

Chair:	Second Permanent Secretary
Meetings in 2021-22:	4

Purpose:

The Portfolio Committee provides oversight of progress across our major change portfolio, with a reporting line into both the Executive Committee and Delivery Board. It ensures projects are set up for success, resolves issues that may compromise delivery confidence, including advising on prioritisation decisions regarding the deployment of expert resources. The committee ensures that the portfolio is strategically aligned, affordable and deliverable and that project leaders comply with project delivery standards.

Meeting composition	9 members:



Activities in the year under review included:

- ensuring that all portfolio programmes and projects comply with agreed delivery standards and best practice, including oversight of the tolerances for time, cost, scope and quality set by the Investment Committee
- oversight of delivery confidence of the portfolio and identification of projects and programmes that merit enhanced governance and/or scrutiny, including agreeing a recommended forward programme for Delivery Board scrutiny and challenge
- review and resolution of project or programme-level issues (for example, risks and benefit management)
- undertaking deep dives on cross-cutting systemic issues, thematic risks and constraints using data to drive improvement actions

Further details and membership of these forums can be found at GOV.UK

HM Treasury Corporate Governance Code

As part of the preparation of this report, the department considers its compliance with the HM Treasury Corporate Governance Code for Central Government Departments. There have been four departures from the code, which are explained below.

The code states that the board should meet on at least a quarterly basis. The Departmental Board met twice in 2021-22. Since his appointment on 15 September 2021, the then Secretary of State, the Rt Hon Dominic Raab MP, chaired one Departmental Board on 22 November. The previous meeting was chaired by the then Secretary of State, Lord Buckland, on 10 June. Two further meetings had been planned in this year. One did not take place as the scheduled time coincided with the change in Secretary of State and other MoJ ministers; one was postponed due to parliamentary business and took place just after the year-end and is therefore not included in this report.

The code states that the lead non-executive board member should support the chair to ensure a board effectiveness evaluation is carried out annually. In view of the anticipated changes to the board membership and the number of meetings held in 2021-22, the Board Effectiveness Evaluation has been deferred at this stage to ensure a robust and thorough review can be undertaken in 2022-23.

The code states that the chair of the Audit and Risk Assurance Committee (ARAC) should be a non-executive board member of the board, and that there should be at least one other non-executive board member of the board on the committee. The Departmental Board had chosen to have only one non-executive board member on our ARAC because it was felt that sufficient transparency of the committee's work via written and verbal updates to the board showed appropriate challenge and provided the requisite assurance. Following the Board Effectiveness Review in 2020-21, an additional non-executive, Shirley Cooper, was asked to join ARAC.

The ARAC did not provide an annual report to the board because timely written and verbal updates are provided throughout the year.

Identifying and managing conflicts of interest

Section 4.3 of the Civil Service Management Code sets out the standard of propriety for Civil Servants. It states that, 'civil servants must not misuse their official position or information acquired in the course of their official duties to further their private interests or those of others'.

The MoJ utilises the Civil Service HR policy on declaration and management of outside interests and has introduced a toolkit to support the application of the policy within the MoJ and which sets out the expectations and process for declaring an interest. It is the responsibility of the individual to declare all interests (actual, potential or perceived) that could be relevant to their role. Failure to do so could result in action being taken against the individual in line with the relevant conduct or discipline policy. The full process is detailed on the MoJ intranet which is accessible to all staff.

The MoJ's transparency unit holds a register of declarations of interests for all senior civil servants (SCS), special advisers, advisers and contractors. This includes details of any financial interests declared, secondary employment and appointments, personal interests and any other relevant interests. The transparency unit supports line managers to take necessary mitigating action where a declaration of interest has been made.

In line with the current declaration of interests policy for special advisers, all special advisers have declared any relevant interests or confirmed they do not consider they have any relevant interests. I have considered these returns and the following relevant interests are set out in public:

Full name and role	Details of any interest
Beatrice Timpson, special adviser to Dominic Raab, Secretary of State for Justice	Miss Timpson has a shareholding in Kier Group and Relx Plc. Miss Timpson has recused herself from any detailed discussions or decision-making related to these organisations.

Business appointment rules

All officials must obtain written permission before undertaking any outside work (paid or unpaid). In addition, they must make an application under the business appointment rules if they intend to move on from the Civil Service so that any risk of conflict can be identified and managed and any necessary mitigants imposed.

The department's transparency unit has also put in place a robust procedure for managing the application of business appointment rules and ensuring appropriate records are maintained. Full details on the procedure are available to all staff on the MoJ intranet. In compliance with business appointment rules, the department is transparent in the advice given to individual applications for senior staff, including special advisers. Advice regarding specific business appointments has been published on GOV.UK in line with the Cabinet Office commission requirements. The transparency unit also liaise with the Advisory Committee on Business Appointments for applications from Directors General or grades SCS 3 and above.

Risk management framework

The department's risk management framework sets out the principles, concepts and accountabilities that underpin how we manage risk in alignment with the Orange Book: Management of Risk - Principles and Concepts. Risk management is an essential part of our governance and leadership, and fundamental to the way that the organisation is directed, managed and controlled at all levels.

As Principal Accounting Officer, supported by the ARAC, I have established the organisation's overall approach to risk management. Responsibilities for the management of areas of risk are devolved through the organisational structure, defined roles and responsibilities, and delegated authorities. Responsibility for the operation of the risk framework is delegated to the Chief Operating Officer.

The Chief Risk Officer is responsible for leading the organisation's overall approach to risk management on behalf of the Chief Operating Officer. They are proactively involved with and influence governance and decision-making forums including the ARAC. The Chief Risk Officer is responsible for:

- setting the framework and guidance in accordance with the principles in the Orange Book
- assessing compliance with this to drive continuous improvement in risk maturity
- supporting understanding of the risk landscape and defining and assessing the department's management of principal and emerging risk within the nature and extent of risks that the department is exposed to and willing to take to achieve its objectives

Our risk management framework has continued to improve throughout 2021-22:

- the department's identification, analysis and assessment of its principal and emerging risks was refreshed in April 2021, as our Outcome Delivery Plan was agreed and in accordance with allocative choices made following the Spending Review
- our principal risks (see pages 22 and 23) have been considered and discussed by the Executive Committee quarterly and reported to the ARAC and Departmental Board – in 2021, a Finance, Risk and Performance Committee was introduced to add additional rigour to this reporting
- our strategy, strategic finance, planning, risk management and performance teams worked together closely to ensure that risks informed our Spending Review preparations and the business plan for 2022-23
- risks are routinely assessed as a part of investment decisions and within the lifecycle of our projects, programmes and our commercial relationships

Managing COVID-19 impacts

The COVID-19 pandemic continued to impact the nature and level of risks that we faced throughout 2021-22 and our position on risk tolerance has dynamically evolved to ensure we can support changing government guidelines and the rapid and innovative decision-making needed to protect our people and maintain our services during this extended period. Throughout the year, the department has sought to begin to return services to pre-pandemic levels while responding as necessary to changes in restrictions and guidance. Many of the policies and approaches, such as robust testing in prisons to manage the pandemic and Nightingale courts to help tackle case backlogs, remained in place for at least part of the year. Further details on the safety measures taken during the pandemic in prisons and courts are contained in the Priority 1 and Priority 3 sections of the performance report (pages 24 and 33).

The criminal justice system strategic command continued to be mobilised until March 2022 to provide criminal justice sector co-ordination and co-operation to determine or assist appropriate responses where essential activities across the system were at risk of failure. This included oversight of 'task and finish' working groups to mobilise extraordinary delivery, including groups on victims and witnesses, on transportation and transfer, and technology enabled justice.

The Departmental Operations Centre (DOC) has continued to provide assurance to the Executive Committee on the ongoing risks to the resilience of our services, with a focus on risks related to the safety and wellbeing of our people, the resilience of supply chains, continuing safe access to and maintenance of our estate, and the availability and continuity of technologies to support hybrid ways of working.

Decisions on how to respond operationally to the likely impacts of significant COVID-19 outbreaks and the need for further measures were made by executive agency chief executives, supported by their boards, based on the parameters of agreed national frameworks (prisons and HMCTS) and exceptional delivery models (probation), which provided specific detail on the level of operational decision-making. Where decisions were required that went beyond these frameworks, proposals were presented to ministers for decision, following engagement with the Executive Committee.

Business continuity

The business continuity and resilience team has continued to support the department to meet the challenges of the last year, including those presented by the COVID-19 pandemic, by co-ordinating cross-departmental planning and rigorously testing response plans, and engaging with government-wide resilience programmes.

The team's work has provided oversight of, and support for, preparedness activity across the department, including:

- continuing to roll out a cross-departmental business continuity tool, which will improve the consistency of reporting
- reviewing and updating corporate business continuity management system documentation for the department
- conducting cross-departmental self-assessment exercises against international standards
- producing horizon scanning reports detailing systemic threats to the department, working with the Civil Contingencies Secretariat on emerging and cross-cutting issues

The DOC has operated throughout 2021-22 to provide oversight and assurance over resilience and the ability of the department to respond to emerging scenarios.

The team will ensure that the department is ready to apply for 'alignment certification' to the International Standard ISO22301 Security and Resilience: Business Continuity Management Systems.

Health and safety

The department is fully committed to protecting the health, safety and wellbeing of our employees, the judiciary, those in custody, contractors and all our visitors. In support of this aim we review our corporate health and safety and fire safety policies annually. These provide a clear overarching strategy and the delivery requirements for compliance upon which we report against during the year.

Information security

The MoJ governs security, data protection and information matters through the Information and Security Risk Board which meets bi-monthly. The board is chaired by the Chief Operating Officer, who is also the MoJ senior information risk owner (SIRO) and is attended by executive agency SIROs and functional lead SIROs and non-executive directors. It is also attended by the MoJ Chief Security Officer, Chief Information Security Officer and Data Protection Officer. The purpose of the board is to monitor the department's cross-cutting security, information and personal data risks and govern mitigating action to reduce those risks, which are on the departmental strategic risk register.

The ICO issued the MoJ with an enforcement notice on 12 January 2022 as site access issues during the pandemic required changes to the ways of working in relation to subject access requests (SARs), which meant partial responses were sent to offenders. The enforcement notice requires MoJ to respond in full to those offenders in accordance with its legal obligation. The deadline set by the ICO to clear the backlog of offender SARs and ensure no further backlogs accumulate is 31 December 2022. This is being driven through the offender SAR team, with additional third-party support to help process the backlog of historical requests. There is ongoing discussion with the ICO regarding progress in meeting the requirements in the enforcement notice.

Counter fraud

The department's policy on fraud, bribery and corruption is one of zero tolerance across the spectrum of its diverse activities and its engagement with official bodies and third parties.

The Chief Operating Officer has overall responsibility for counter fraud in the department and the Governance, Risk and Assurance Director is the nominated counter fraud champion, supported by a dedicated Head of Counter Fraud, who leads our counter fraud centre of expertise (CoE). The CoE provides a business partner capability to executive agencies and arm's length bodies to support understanding and management of their respective response to the threat from fraud, bribery and corruption, ensuring compliance with the counter fraud functional standard. A review of the management of fraud risk across our executive agencies and other arm's length bodies evidenced a mature and well-embedded approach to counter fraud. Additionally, the CoE drives awareness of the threat from fraud, ensures staff know their responsibilities, and provides practical advice and guidance in the event of an incident or report to ensure a proper response by the most appropriate authority.

The department recognises that some necessary changes to payment processes as a result of the COVID-19 pandemic introduced additional or new fraud risks. A programme of post event assurance was undertaken through 2021-22 to ensure any additional fraud risks were understood and remedial actions taken where appropriate. No fraud has been detected as a result of these changes. The Legal Aid Agency (LAA) implemented 22 contingency measures in response to the COVID-19 pandemic. Testing found some low value and low volume errors as a result of three of these contingency measures and action has been taken to address the processes that resulted in those errors.

Whistleblowing

We actively encourage employees to speak out and raise concerns about wrongdoing. Our current 'Raising a concern (including whistleblowing)' policy, procedures and supporting toolkits provide advice and guidance on the process for raising concerns (including public interest disclosures) and advise on the protection afforded to whistleblowers who raise concerns. The policy is accessible to all staff across all the department's intranet platforms.

During the period 1 April 2021 to 31 March 2022, the department reported eight official whistleblowing cases. Complaints of harassment, bullying and discrimination are reported separately under the department's grievance policy. Complaints relating to corruption in HMPPS are dealt with by the HMPPS counter corruption unit.

Nominated officers are continuing to work closely with the department's counter fraud and investigations team to ensure that staff raising fraud-related concerns get immediate support and understand the protections afforded to them under the policy. A cross-team working group was established in 2021, with representatives from the HR policy team, transparency unit, MoJ counter fraud CoE and HMPPS counter corruption unit to improve processes and streamline reporting routeways.

We continue to engage across the department to ensure our 'Raising a concern' policies and procedures are clear and aligned with the civil service employee policies.

Internal control framework

As the Principal Accounting Officer, I am responsible for ensuring that the department, its executive agencies and other arm's length public bodies operate effectively through a balanced view of opportunity and risk. This includes the design and operation of internal controls to safeguard the use of resources and to gain the necessary assurances over value for money and the quality of delivery. This internal control is supported through a framework of delegated authorities and the standards, policies and practices set and monitored through our governance and risk management frameworks.

COVID-19 response and recovery

In HMPPS, COVID-19 command structures established in March 2020 were maintained with regular review of operational delivery under the COVID-19 Prisons National Framework and Probation COVID-19 exceptional delivery models. Probation National Standards replaced exceptional delivery models in January 2022 and the Prisons National Framework ended in May 2022. The HMPPS Annual Report and Accounts provides further details at https://www.gov.uk/.

In courts and tribunals, we continued to work with the judiciary and court and tribunal users to maximise our productivity and continue to provide services safely. We opened more courtrooms and hearing rooms which had previously closed due to COVID-19 safety measures. The Lord Chancellor endorsed – on a short-term, timebound basis and at the discretion of local judiciary – a flexible approach known as temporary operating arrangements enabling courts to open for longer. Judges were given greater flexibility to free up space in court buildings by scheduling pre-trial preparation hearings online. We extended the leases of Nightingale courts, and these measures in combination have been crucial in helping reduce delays during the pandemic. For more information on Nightingale courts, please refer to the Priority Outcome 3 section in the performance report (page 33).

Functional reform

Corporate and professional functions play a vital role in the MoJ and include: analytical services, commercial, communications, digital and technology, property, finance, HR, project delivery, security, counter fraud, debt, and grants. Functions support collaboration across organisational boundaries, and efficient and effective delivery of public services. Functional standards are set by each function to provide direction and advice for people working in and with the UK government.

On 1 October 2021, functional standards became mandatory in departments and their arm's length bodies.

Finance

As the Principal Accounting Officer, I plan to use resources affordably and sustainably within agreed limits. I formally delegate authority to commit resources and incur expenditure ensuring compliance with the financial controls, including those mandated by HM Treasury and the Cabinet Office, as set out in our spending control framework. These controls are designed and operated to ensure that the organisation and the arm's length public bodies it sponsors operate effectively and to the high standard of probity expected. Each budget holder is required to check expenditure to ensure that all transactions are legitimate and in line with anticipated spend, and to keep records of all approvals with supporting documents. Any anomalies are investigated, with action taken as appropriate, including, where necessary, disciplinary action. Non-compliance and remedial actions are reported to the Finance, Performance and Risk Committee.

In 2020-21, we reported that following a compliance audit, HMRC concluded that incorrect employment status determinations were made by the department. We have since conducted an in-depth review of our application of IR35 regulations. This work is ongoing, given the complex nature of the regulations and how HMRC's application of them is evolving over time.

We have also set up a new IR35 team to deal with all issues around tax relating to off-payroll workers, who offer advice to ensure compliance with associated tax legislation.

During 2021-22, we have taken steps to improve controls around our payroll and manual payments processes. We have also introduced improved monitoring of the use of government procurement cards.

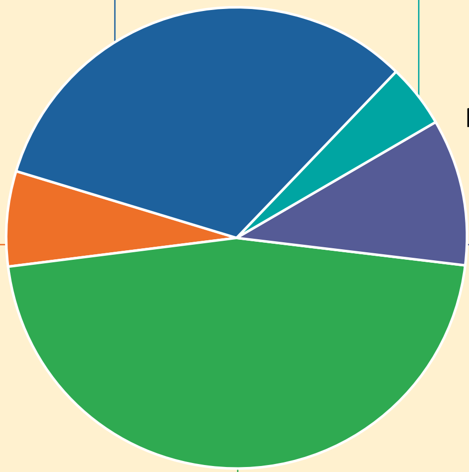
Commercial

The Chief Commercial Officer holds the delegated commercial authority to sign, vary or extend commercial contracts on behalf of the Secretary of State, entering the department into a commercial agreement with a third-party provider. The delegated commercial authority for property related transactions, such as property deeds, licences and leases, on behalf of the department is held by the Chief Property Officer. This delegation provides authority to manage and approve commitments and expenditure within allocated budgets. Both financial and commercial authorities are exercised in partnership to control these commercial arrangements and third-party spend. Unless specific exemptions have been agreed, national contracts are used where they exist.

Spending by grant recipients

During the year the department has provided funding to multiple programmes. The most significant programmes included:

Total grant funding: £248.1 million
(2020-21: £225.5 million)



Youth Justice Grant
£81.9 million
(2020-21: £75.1 million)
To support reducing the level of youth offending, the number of first-time entrants to the justice system, and the use of youth custody

Witness Service
£11.1 million
(2020-21: £10.7 million)
To provide emotional and practical support and information to victims and witnesses giving evidence at criminal courts across England and Wales

Rape and sexual abuse
£16.4 million
(2020-21: £13.9 million)
To provide direct and front line support to victims of rape and sexual violence

Other grants
£23.6 million
(2020-21: £22.1 million)

Local commissioning of victims' services*
£115.1 million
(2020-21: £103.7 million)
Grants funded via 42 Police and Crime Commissioners for provision of victims' services

Notes:

* Includes £4.8 million for child sexual abuse for the local commissioning of victims' services and £3.8 million additional payments for pre-trial support for witnesses and exploring the benefits of full local commissioning for sexual violence support services.

As part of MoJ's finance operating model, the grants centre of excellence (CoE) provides a view of the department's grant giving in order to improve the effectiveness of grant spend, and to strengthen governance and assurance.

The department also operates a grants challenge panel. The panel has oversight of all grants and ensures a strong focus on value for money by:

- scrutinising and assessing all proposed and existing grants annually and as required for new grants
- providing constructive challenge and advice to grant sponsors
- ensuring consistency across the department with regard in particular to grant necessity and appropriateness, benefits, risk and award level
- supporting financial processes, including the allocations process

Projects and programmes

The department's projects and programmes are each led by a senior responsible owner (SRO) who is accountable for the delivery of each project and is responsible for ensuring that the project delivers the business case benefits and outcomes. The accountability and responsibilities of an SRO is set out in a statement or letter. The governance structure, including any responsibilities shared or delegated by the SRO is clearly articulated. The accountabilities and responsibilities of the sponsor (where applicable) provide an appropriate strategic and/or policy context for the project, but do not in any way dilute or compromise the accountability of the SRO for delivery of the project.

The appointment of an SRO to a major project is endorsed by the Infrastructure and Projects Authority (IPA). Where the SRO is dependent on functions and services, agreed mechanisms are in place to hold relevant leads to account. The SRO should have sufficient control or influence over the delivery chain in order to deliver the project. We test the effectiveness of SRO delivery via regular reviews and independent assurance. All major projects require an individual project Integrated Assurance and Approvals Plan, quality assured by our Project Delivery Assurance Team and the Infrastructure and Major Project Authority and reported to our Portfolio Committee. Our projects are assured using the standard gateway assurance review process. Business cases above £10 million are also assured through our keyholder process, utilising a panel of functional experts to test against their relevant functional standards.

Security: cyber, personnel and physical

During 2021-22, we have taken steps to address cyber security risks with our legacy technology, particularly in MoJ's business critical IT systems. We have also centred resource on security monitoring, which is an area we need to improve on in the Cabinet Office minimum cyber security standards.

On personnel security, we have reviewed all our SCS roles to ensure existing SCS carry appropriate levels of security clearance. All SCS roles are assessed at the recruitment stage to ensure consistency of approach. We have introduced a process for developed vetting aftercare, which is an annual review of developed vetting clearance. We are working with the Cabinet Office on implementing the vetting modernisation programme. On physical security, we have carried out a physical site assessment of MoJ's four corporate HQ buildings and we are working with property group to address the recommendations in those assessments.

The team has had a focus on security culture to raise awareness of good practice so that people can take personal responsibility for embedding good security behaviour into everything they do. We have recruited 110 security champions, developed and rolled out training to staff and reviewed our security policies.

Data protection

Last year, the MoJ data protection team became a team of certified data protection professionals. To demonstrate compliance with the legislation and to ensure MoJ knows what its personal data assets are, who is responsible for them, where they are held and who they are shared with, the team developed a programme of work, with MoJ colleagues to record all assets on OneTrust (the department's data protection compliance tool). The team also devised a training and audit programme which is embedding robust policy and governance frameworks and recording MoJ processing activities.

The Information Commissioner's Office carried out an audit on the LAA, focusing on two areas: governance and accountability and information security. MoJ received a 'reasonable' rating for both areas and we are implementing the recommendations in the report.

Looking forward, we will continue to carry out mitigating activity to reduce the principal identified departmental personal data risks, including data subject rights, third-party assurance, information security and policies and processes. Since April 2021, we have reported 14 personal data breaches to the ICO. A summary of incidents involving personal data reported to the ICO during 2021-22 is on page 56.

Information services

Our information services division successfully launched the information wise strategy and will continue to embed good information practice across the MoJ group over the coming year.

Data

We have an ambition to be a data-led and digital department that delivers for citizens. We will use data to support analysis, drive innovation, deliver improved productivity and enable better decision-making. This year we have been developing a data strategy to seize the full potential of data and technology. This will take a systematic approach to data, making high quality data and insight available to our users. This goes hand-in-hand with our Justice Digital Strategy to ensure our technology is fit for purpose – now and in the future. We have allocated dedicated tech debt funding to support in addressing priority legacy technology.

Quality of information

Quality assurance of analysis is regularly reviewed, and the department has analytical quality assurance processes which include:

- improving the quality of the analysis behind cases
- advice on analytical quality and develop tools and processes to drive improvement
- annual review of the business-critical models
- evaluation of policy delivery to ensure expected outcomes are realised or otherwise

All analytical advice is underpinned by quality assurance to provide confidence to the Departmental Board. A powerful public example of transparent assured data in the creation to the crime and adult rape scorecards, which has increased assurance over how the whole criminal justice system is working in partnership and enhanced transparency to provide insights to the public and professionals alike.

Environmental sustainability

Governance and assurance of sustainability across MoJ is co-ordinated by the climate change and sustainability unit. Performance is monitored by the MoJ Senior Sustainability Board.

Environmental sustainability has been recognised as an 'enabler' in our Outcome Delivery Plan, and particular areas of focus for MoJ in 2021-22 included net zero carbon, Greening Government Commitments, biodiversity and embedding sustainability in our processes and governance arrangements. We have also undertaken an organisation wide climate change risk assessment.

MoJ's sustainability strategies and policies are published online at GOV.UK and in the last year MoJ has published an updated sustainable construction and BREEAM policy.

For further information on sustainability within the department, see page 44.

Arm's length bodies (ALBs)

As Principal Accounting Officer, where I don't fulfil the role personally, I have appointed Senior Sponsors for each ALB.

Continued assurance over the management and performance of our ALBs (excluding executive agencies), and other statutory office holders and associated offices is provided to each senior sponsor primarily by our ALBs Centre of Expertise (the ALB CoE).

I have also established a programme of work to update all framework documents to meet revised HM Treasury requirements.

The ALB CoE is also responsible for ensuring that diverse and high-quality public appointments are made to ALBs, and for carrying out periodic reviews of public bodies in line with Cabinet Office guidance. The relationship between the department and ALBs is informed by the Cabinet Office guidance – 'Partnerships with arm's length bodies: Code of good practice'.

The arrangements for providing proportionate oversight and engagement with ALBs include:

- an annual assessment of the optimum risk based partnership arrangement between the department and each ALB
- quarterly or six-monthly holding-to-account meetings between the ALB CoE's assurance partners, finance business partners, policy partners and ALBs, with relevant risks escalated as appropriate to the business group risk register or the departmental risk register
- quarterly updates to senior officials about the oversight of ALBs
- regular attendance at the departmental ARAC to provide assurance in respect of ALBs' performance, finance and management of risk

The ALB response relating to COVID-19 continued to be reported into MoJ's main Departmental Operations Centre through the ALB CoE.

Review of effectiveness

As Principal Accounting Officer, I am required to conduct an annual review of the effectiveness of the department's governance structures, risk management and internal control framework. This review is informed by:

- feedback from senior management with delegated responsibility within the department about the use of resources, responses to risks, compliance with standards and the extent to which in-year budgets and other targets have been met
- information from the department's executive agencies and other arm's length bodies on the performance of their organisations and their relevant boards
- insight into the department's performance from internal audit, including an audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk and control
- the work of the National Audit Office through their financial audit of the accounts of the department and its ALBs and their value for money reports assessing the economy, efficiency and effectiveness with which public money has been deployed
- the views of the ARAC on the design and operation of the department's risk management and internal control frameworks
- the oversight and assurance provided by the Infrastructure and Projects Authority of the department's change projects that are included in the Government's Major Projects Portfolio

As the Principal Accounting Officer, I am responsible for ensuring there is an effective process in place for monitoring and reporting governance issues during the year. In doing so, I rely on assurance from the agency CEOs and directors general who have delegated authority appropriate to their responsibilities. In addition to the in-year assurances provided through the assurance framework, as described in the Accounting Officer System Statement, I prepare the department's governance statement with sight of the following annual assurance process.

This includes:

- completion of annual director assurance statements across MoJ HQ (which have been reviewed and countersigned by the relevant director general) to provide an assessment of the level of compliance against departmental policies and procedures
- information on levels of compliance with relevant government functional standards from function leads, complemented by assurance statements from function leads on their assessment of compliance within the department
- an overview of material issues from executive agencies and other ALBs, assessed for materiality at MoJ level, supported by a formal assurance statement and narrative from each Accounting Officer, providing an overview of compliance for their organisation

Internal audit

One of the main sources of independent assurance in the department comes from the activities of the internal audit function which provides me and the ARAC with a clear view on issues emerging from internal audit work.

The internal audit programme is closely linked to the principal risks of the department, its executive agencies and other ALBs. Arrangements are in place to ensure that I am made aware of any significant issues that indicate that risks are not being effectively managed. I am assured that the internal audit service complies with the public sector internal audit standards.

The MoJ group Chief Internal Auditor has provided a 'moderate' annual opinion on the department's framework of governance, risk management and control, defined as 'some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control'. The overall opinion is also informed by the annual opinions provided across the department's executive agencies and other ALBs, which have each have been given a moderate opinion.

Internal audit reported that oversight and board-level governance arrangements are operating in line with the Cabinet Office code, with work ongoing to drive further enhancements and improvements beyond this baseline. This is coupled with an increasing maturity in risk management and again a departmental appetite to continue to drive improvements. Their work has also referenced a continuing focus on pandemic recovery, providing positive findings in relation to deployment of revised and changing operating arrangements and effective oversight via the Departmental Operations Centre. They also commented that a strong approach to the Spending Review has been demonstrated providing financial stability for the department and throughout this process the impacts on the Outcome Delivery Plan have been clear.

The significant majority of assurance reports issued by internal audit were rated moderate, although some reports were rated 'limited', highlighting the need for improvement within individual policies, processes and oversight mechanisms. Work to embed the department's functional structures and functional standards remains ongoing and internal audit have made observations in relation to establishing further clarity between functional and Agency/ALB responsibilities as this has an impact on driving compliance with policies and holding to account. Continuing embedding of these arrangements will help in establishing more effective assurance processes.

They have also referenced the ambition of the department to improve on the availability and use of data. They have observed examples of effective use of data in support of the development of policy and in the monitoring of achievement of the Outcome Delivery Plan objectives, but have also highlighted that their work across a number of areas in the department has shown that gaps exist in the availability of management information, which again impacts development of effective assurance frameworks.

Independent oversight of assurance arrangements

The department is subject to independent oversight in a number of areas and implements many of the recommendations made. This oversight includes:

- National Audit Office reports (including value for money) and the audit report for the annual report and accounts
- Independent Projects Authority reviews
- feedback from the Major Projects Review Group
- Cabinet Office and HM Treasury representation on programme boards
- HM Chief Inspector of Prisons publications and annual report
- HM Chief Inspector of Probation publications and annual report
- regular Independent Monitoring Board reports
- OFSTED reports

External audit

The notional cost of the statutory audit for the core department was £625,500 (2020-21: £575,000) which also includes the statutory external audit of the consolidated accounts, Office of the Accountant General and the Judicial Pension Scheme.[66] The total cost of statutory external audits across the departmental group was £2,187,500, of which £480,500 was cash and £1,707,000 notional cost (2020-21: £2,017,000 comprising £427,000 cash and £1,590,000 notional cost). The notional external audit cost includes the cost of the HM Courts & Tribunals Service Trust Statement which is not consolidated as part of these accounts.

[66] No cash is paid, as these costs are settled through the funding process.

Overall conclusions

I am satisfied that I have effective governance and risk management frameworks and the necessary policies and procedures in place to provide a sound system of internal control to support the MoJ in delivering its statutory duties and to meet the aims and objectives set by ministers while safeguarding the public funds and assets for which I am responsible, in accordance with the responsibilities assigned to me in my letter of delegation and in Managing Public Money.

Antonia Romeo
Principal Accounting Officer

12 December 2022

Remuneration and staff report

The remuneration and staff report summarises the department's policy on remuneration of ministers, executive board members, non-executive board members and staff. It also provides details of actual costs and contractual arrangements.

The remuneration and staff report has been prepared in accordance with the requirements of the Financial Reporting Manual as issued by HM Treasury.

Remuneration policy

The remuneration of senior civil servants (SCS) is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. The Review Body on Senior Salaries also advises the Prime Minister from time to time on:

- the pay and pensions of MPs and their allowances
- peers' allowances
- the pay, pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975 (as amended)

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

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

The Review Body on Senior Salaries 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 on Senior Salaries can be found at:
www.gov.uk/government/organisations/review-body-on-senior-salaries

Board members and senior civil servants remuneration

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

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.

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

Remuneration and pension entitlements

The following sections provide details of the remuneration and pension interests of the ministers and senior management of the department.

Remuneration (salary and payments in kind) (audited)

Remuneration	2021-22					2020-21				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension related benefits (nearest £1,000)[1]	Severance payments	Total (nearest £1,000)	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension related benefits (nearest £1,000)[1]	Severance payments	Total (nearest £1,000)
Ministers	£	£	£	£		£	£	£	£	£
The Rt Hon Dominic Raab MP, Deputy Prime Minister, Lord Chancellor and Secretary of State for Justice (from 15 September 2021)[2]	33,753 (FYE 67,505)	-	-	-	34,000	-	-	-	-	-
The Rt Hon Robert Buckland KC MP, Lord Chancellor and Secretary of State for Justice (to 14 September 2021)	30,752 (FYE 67,505)	-	7,000	16,876	54,000	67,505	-	17,000	-	84,000
Christopher Philp MP, Parliamentary Under Secretary of State for Justice (to 15 September 2021)	11,187 (FYE 22,375)	-	3,000	-	14,000	22,375	-	5,000	-	28,000
The Rt Hon Lucy Frazer KC MP, Minister for Prisons and Probation (from 13 September to 15 September 2021)[3]	-	-	-	-	-	29,040 (FYE 31,680)	-	7,000	-	36,000
Victoria Atkins MP, Minister for Prisons and Probation (from 16 September 2021)	16,228 (FYE 31,680)	-	4,000	-	20,000	-	-	-	-	-
Tom Pursglove MP, Parliamentary Under Secretary of State (from 17 September 2021)[4]	-	-	-	-	-	-	-	-	-	-
James Cartlidge MP, Parliamentary Under Secretary of State (from 17 September 2021)[4]	-	-	-	-	-	-	-	-	-	-
Alex Chalk KC MP, Parliamentary Under Secretary of State (to 15 September 2021)[4]	-	-	-	-	-	-	-	-	-	-
The Rt Hon Kit Malthouse MP, Minister of State for Justice[4]	-	-	-	-	-	-	-	-	-	-
Lord David Wolfson of Tredegar KC[4]	-	-	-	-	-	-	-	-	-	-

Notes to the table:

1 The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in the lump sum less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

2 Dominic Raab MP opted out of the pension scheme.

3 Lucy Frazer MP returned to MoJ to take up an unpaid role as Minister of State.

4 Alex Chalk MP and James Cartlidge MP are paid by HM Treasury, Kit Malthouse MP and Tom Pursglove MP are paid by Home Office, Lord David Wolfson is an unpaid Parliamentary Under Secretary of State.

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

Remuneration	2021-22					2020-21				
Senior managers	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid	Pension related benefits (nearest £1,000)[1]	Total	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid	Pension related benefits (nearest £1,000)	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Antonia Romeo, Permanent Secretary (from 18 January 21)	185-190	-	15-20	60	260-265	35-40 (185-190 FYE)	-	-	17	50-55
Sir Richard Heaton KCB, Permanent Secretary (to 28 August 2020)[2]	-	-	-	-	-	110-115 (190-195 FYE)	-	-	15	125-130
Mike Driver CB, Chief Financial Officer (to 28 August 2020) Interim Permanent Secretary (from 29 August 2020 to 17 January 2021)[2]	-	-	-	-	-	140-145 (180-185 FYE)	-	10-15	22	175-180
James McEwen, Interim Chief Financial Officer (to 19 January 2022), Chief Operating Officer (from 20 January 2022)	125-130	-	-	36	160-165	70-75 (125-130 FYE)	-	0-5	55	130-135
Jo Farrar, Chief Executive Officer HM Prison and Probation Services and Second Permanent Secretary Ministry of Justice[3,4]	160-165	-	-	25	185-190	160-165	-	10-15	25	200-205
Nick Goodwin, Chief Executive Officer, HM Courts & Tribunals Service[3,5] (from 14 March 2022)	5-10 (120-125 FYE)	-	-	1	5-10					
Kevin Sadler, Interim Chief Executive Officer, HM Courts & Tribunals Service (to 25 March 2022)[3,5]	120-125	-	5-10	36	160-165	75-80 (120-125 FYE)	-	10-15	95	175-180
Susan Acland Hood, Chief Executive, HM Courts & Tribunals Service (to 21 August 2020)[3]	-	-	-	-	-	50-55 (130-135 FYE)	-	-	24	75-80
Jerome Glass, Director General of Policy and Strategy Group (from 2 November 2020)	120-125	-	0-5	69	190-195	45-50 (115-120 FYE)	-	0-5	55	105-110
James Bowler, Director General of Policy, Communication and Analysis Group (to 18 October 2020)	-	-	-	-	-	75-80 (140-145 FYE)	-	-	64	140-145

Notes to the table:

1 The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

2 Sir Richard Heaton and Mike Driver chose not to be covered by the Civil Service pension arrangements and had a partnership pension account in 2020-21.

3 Dr Jo Farrar is remunerated by HMPPS, Nick Goodwin and Kevin Sadler are remunerated by HMCTS. Susan Acland Hood, during her tenure was remunerated by HMCTS.

4 Dr Jo Farrar is a member of the partnership pension scheme and as such did not accrue PCSPS pension benefits in 2021-22 and 2020-21. The employer contributions to her partnership pension account are included in the 'Pension related benefits' column of this table and CETV table below.

5 Nick Goodwin and Kevin Sadler's remuneration is also published in the 2021-22 HMCTS annual report and accounts. Kevin Sadler's bonus includes £2,000 relating to performance in 2021-22. Nick Goodwin held the role of Chief Executive and Public Guardian in the Office of the Public Guardian up to 13 March 2022. His remuneration up to that date is included in the OPG remuneration report.

Remuneration	2021-22			2020-21		
Non-executive board members	Fees (excluding performance related remuneration)	All taxable benefits (nearest £100)	Bonuses paid	Fees (excluding performance related remuneration)	All taxable benefits (nearest £100)	Bonuses paid
	£000	£000	£000	£000	£000	£000
Mark Rawlinson, lead non-executive member	20-25	-	-	20-25	-	-
Shirley Cooper, non-executive member	10-15	-	-	10-15	-	-
Nick Campsie, non-executive member	10-15	-	-	10-15	-	-
Paul Smith, non-executive member	20-25	-	-	20-25	-	-

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

None of the non-executive board members have pension entitlements with the department.

When a minister moves from one department to another, the exporting department pays their salary at the current rate of pay until the end of the month of departure, and the importing department pays in the following month at the appropriate salary plus any arrears.

Salary

'Salary' includes:

- gross salary
- overtime
- reserved rights to London weighting or London allowances
- recruitment and retention allowances
- private office allowances
- any other allowance to the extent that it is subject to UK taxation

This report is based on accrued payments made by the department and thus recorded in these accounts. In respect of ministers in the House of Commons, departments bear only the cost of the additional ministerial remuneration; the salary for their services as an MP: £81,932 (from 1 April 2021), and various allowances to which they are entitled are borne centrally. Ministers in the House of Lords do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the department and is therefore shown in full in the figures above.

All taxable benefits

Taxable benefits include all benefits in kind and taxable cash benefits. 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. Benefits recognised relate to travel and subsistence. Benefits in kind are an estimate, as the final value is to be agreed between the Secretary of State for Justice and HM Revenue and Customs.

Bonuses

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

Bonuses for SCS Pay Band 3 are determined by the Permanent Secretary, with the advice of the Nominations Committee, which is chaired by the Permanent Secretary and includes a non-executive director and the group HR director. Bonuses are subject to in-year performance, following Cabinet Office guidance. The policy for non-consolidated performance related pay remains that such payments should be restricted to the top 25% of performers.

The bonuses reported in 2021-22 relate to performance in 2020-21 and the comparative bonuses reported for 2020-21 relate to performance in 2019-20.

Pension entitlements

Ministerial pensions (audited)

Pension benefits

Ministers	Accrued pension at age 65 as at 31 March 2022	Real increase in pension at age 65	CETV at 31 March 2022	CETV at 31 March 2021	Real increase/ (decrease) in CETV
	£000	£000	£000	£000	£000
The Rt Hon Dominic Raab MP, Deputy Prime Minister, Lord Chancellor and Secretary of State for Justice (from 15 September 22)	-	-	-	-	-
The Rt Hon Robert Buckland KC MP, Lord Chancellor and Secretary of State for Justice (to 14 September 2021)	5-10	0-2.5	119	110	3
The Rt Hon Lucy Frazer KC MP, Minister for Prisons and Probation (from 13 September to 15 September 2021)*	-	-	-	-	-
Christopher Philp MP, Parliamentary Under Secretary of State (to 15 September 2021)	0-5	0-2.5	10	7	1
Victoria Atkins MP, Minister for Prisons and Probations (from 16 September 2021)	0-5	0-2.5	23	19	1
James Cartlidge MP Parliamentary Under Secretary of State (from 17 September 2021)*	-	-	-	-	-
Tom Pursglove MP, Parliamentary Under Secretary of State (from 17 September 2021)*	-	-	-	-	-
The Rt Hon Kit Malthouse MP, Minister of State for Justice (from 14 February 2020)*	-	-	-	-	-
Alex Chalk KC MP, Parliamentary Under Secretary of State (to 15 September 21)*	-	-	-	-	-
Lord David Wolfson of Tredegar KC	-	-	-	-	-

*These ministers were not paid by MoJ during the reporting year. Lord David Wolfson served as an unpaid minister therefore no pension benefits were received by them from the MoJ.

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

Ministerial pension benefits

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

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

Benefits for ministers are payable from state pension age under the 2015 scheme. Pensions are revalued annually in line with pensions increase legislation both before and after retirement. The contribution rate from May 2015 is 11.1% and the accrual rate is 1.775% of pensionable earnings.

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

Cash equivalent transfer value of ministerial pensions

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

Real increase in value of the cash equivalent transfer value on ministerial pensions

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

Civil Service pensions (audited)

Pension benefits

Senior managers	Accrued pension and related lump sum at pension age as at 31 March 2022	Real increase in pension and related lump sum at pension age	CETV at 31 March 2022	CETV at 31 March 2021	Real increase/ (decrease) in CETV	Employer partnership pension account at 31 March 2022
	£000	£000	£000	£000	£000	Nearest £100
Antonia Romeo, Permanent Secretary (from 18 January 21)	55-60 plus a lump sum of 80-85	2.5-5 plus a lump sum of 0	817	745	25	-
Jo Farrar, Second Permanent Secretary for Ministry of Justice and Chief Executive to HMPPS[1]	-	-	-	-	-	25
James McEwen, Interim Chief Financial Officer (to 19 January 2022) Chief Operating Officer (from 20 January 2022)	40-45	0-2.5	507	468	9	-
Susan Acland Hood, Chief Executive, HM Courts & Tribunals Service (to 21 August 2020)	-	-	-	656	-	-
Nick Goodwin, Chief Executive, HM Courts & Tribunals Service (from 15 March 2022)[2]	30-35 plus a lump sum of 55-60	0-2.5 plus a lump sum of 0	506	504	-	
Kevin Sadler, Interim Chief Executive Officer, HM Courts & Tribunals Service (to 14 March 2022)[2]	55-60 plus a lump sum of 175 -180	0-2.5 plus a lump sum of 5-7.5	1,398	1,311	38	-
Jerome Glass, Director General, Policy and Strategy Group (from 2 November 2020)	35-40	2.5-5	443	385	33	-
James Bowler, Director General for Policy Strategy Group (to 18 October 2020)	-	-	-	844	-	-

Notes to the table:

1 Dr Jo Farrar is a member of the partnership pension scheme. No PCSPS pension benefits were accrued in 2021-22 (2020-21: £0). There were no employer contributions to the Local Government Pension Scheme (LGPS).

2 Nick Goodwin and Kevin Sadler's remuneration are also published in the 2021-22 HMCTS annual report and accounts.

Civil Service pension benefits

Pension benefits are provided through the civil service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme, or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's state pension age (or 65 if higher).

From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 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 at some time between 1 June 2015 and 1 February 2022.

All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Contribution rates

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from 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) their pension for a lump sum up to the limits set by the Finance Act 2004.

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

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

Further details about the civil service pension arrangements can be found at: www.civilservicepensionscheme.org.uk

Fair pay disclosure

This section has been subject to audit.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the financial year 2021-22 was £200,000-205,000 (2020-21: £185,000-190,000). This was 7.4 times (2020-21: 7) the median remuneration of the workforce, which was £27,381 (2020-21: £26,611).

In 2021-22, 8 (2020-21: 3) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £15,000-£20,000 to £365,000-£370,000 (restated 2020-21: £15,000-£20,000 to £210,000 to 215,000). These were agency staff who worked for a part of the reporting year. In line with fair pay disclosure guidance, remuneration for agency workers has been annualised to arrive at the figures disclosed and does not reflect actual remuneration payments made to agency staff in 2021-22. No permanent staff received remuneration in excess of the highest paid director.

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 of pensions.

Table 1 - Annual percentage change in remuneration of highest paid director and staff

	2021-22	
	Salary	Bonus payments
Staff average	4%	-86%*
Highest paid director	0%	N/A**

* There has been a significant decrease in bonus payments made in the year, as the 2020-21 figures include bonus payments relating to COVID-19. Bonuses paid in 2021-22 were lower as the COVID-19 bonus scheme was no longer applicable.
** The highest paid director in 2020-21 did not receive a bonus payment.

Table 2 - Ratio between the highest paid director's total remuneration and the pay and benefits of employees in the lower quartile, median and upper quartile

	Lower quartile	Median	Upper quartile
2021-22	8.75:1	7.40:1	5.93:1
2020-21	8.64:1	7.05:1	5.60:1

Table 3 - Lower quartile, median and upper quartile remuneration for staff

	Lower quartile		Median		Upper quartile	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Salary	20,975	N/A*	24,689	N/A*	31,649	N/A*
Total remuneration	23,144	21,713	27,381	26,611	34,143	33,492

* 2021-22 is the first year these disclosures are required

In 2020-21, following approval from Cabinet Office and HM Treasury, a three-year pay deal was implemented for MoJ employees. The three-year pay deal runs from 1 August 2020 until 31 July 2023.

The implementation of the pay award in 2021-22 increased average staff remuneration.

The banded remuneration of our highest paid director increased due to the payment of a bonus in 2021-22. They did not receive an increase in salary.

Compensation for loss of office

This section has been subject to audit.

The former Lord Chancellor, Robert Buckland KC MP, received compensation in 2021-22 of £16,876. No minister received compensation in 2020-21. No senior managers received compensatory payments in 2021-22 and in 2020-21.

Staff numbers and composition

This section has been subject to audit.

Staff costs

Departmental group

				2021-22	2020-21
	Permanently employed staff*	Other	Ministers**	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	2,794,148	213,563	330	3,008,041	2,847,025
Social security costs***	285,251	1,500	38	286,789	270,398
Other pension costs	840,601	15	-	840,616	670,887
Sub total	**3,920,000**	**215,078**	**368**	**4,135,446**	**3,788,310**
Early departure costs	15,159	-	-	15,159	9,990
Early departure provisions	-	-	-	-	43
Add inward secondments	17,578	13,163	-	30,741	16,355
Less recoveries in respect of outward secondments	(32,769)	-	-	(32,769)	(13,570)
Total net costs	**3,919,968**	**228,241**	**368**	**4,148,577**	**3,801,128**
Of which:					
Core department and agencies	3,695,324	200,052	368	3,895,744	3,574,478
Non-departmental public bodies	224,644	28,189	-	252,833	226,650
	3,919,968	**228,241**	**368**	**4,148,577**	**3,801,128**

* Includes staff on permanent and fixed term contracts.

** Ministers' costs include costs of Scotland Offices ministers and staff which are recovered as secondment income.

*** The apprenticeship levy, implemented across England on 6 April 2017, is an employment tax of 0.5% of the annual pay bill and these costs are included within social security costs. Further details of the apprenticeship levy can be found on GOV.UK

During the period ended 31 March 2022, £13.1 million of staff costs (2020-21: £10.3 million) have been capitalised.

The department has disclosed information on the number of hours and associated cost to the department of employees who were relevant union officials during 2020-21 in Annex F.

Under the Ministerial and Other Salaries Act 1975, the salary and social security costs of the Lord Chancellor, included under 'Ministers' above, are paid from the consolidated fund. In 2021-22 the Lord Chancellor's full year equivalent salary was £67,505 (2020-21: £67,505) and the associated combined social security costs were £13,000 (2020-21: £13,000). One severance payment of £16,876 was made to ministers in 2021-22 (2020-21: nil).

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 the 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 PCSPS and the Civil Servants and Other Pension Scheme (known as alpha) are unfunded multi-employer defined benefit schemes where the department 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 accounts of the Cabinet Office: Civil Superannuation on GOV.UK

For 2021-22, employers' contributions of £531.5 million were payable to the PCSPS (2020-21: £513 million) at one of four rates which ranged from 26.6% to 30.3% (2020-21: 26.6% to 30.3%) of pensionable pay, based on salary bands (34.1% for prison officer grades with reserved rights). The scheme actuary reviews employer contributions approximately every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employer pension contributions equivalent to 0.5% (2020-21: 0.5%) of pensionable pay were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of employees in the PCSPS.

Past employees of the probation trusts, and Local Government Pension Scheme probation staff who transferred to community rehabilitation companies and HMPPS National Probation Service (NPS) are covered by the provisions of the Local Government Pension Scheme via one pension fund, Greater Manchester Pension Fund (GMPF), administered by Tameside Metropolitan Borough Council. For the year to 31 March 2022, HMPPS paid employers' contributions of £145.8 million to GMPF, relating to current probation staff, at 29.6% (2020-21: £98.5 million at 29.6%).

Employees of Cafcass are members of the Local Government Pension Scheme through the West Yorkshire Pension Fund (WYPF). For 2021-22 employer contributions of £16.2 million were payable at a rate of 19.4% (2020-21 £15.8 million at a rate of 19.4%).

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions to partnership pension accounts were £1.7 million (2020-21: £2.5 million) and were paid to one or more of the three appointed stakeholder pension providers. Employer contributions, which are age-related, ranged from 8% to 14.75% (2020-21: 8% to 14.75%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

The NEST Defined Contribution Scheme is offered to individuals working in HMPPS who are not civil servants and therefore not eligible to join the Civil Service Pension Scheme or the Local Government Pension Scheme. For the year to 31 March 2022, employer contributions of £0.04 million were paid (2020-21: £0.04 million).

In addition, other pension costs include GMPF pension costs of £122.1 million (2020-21: £29.4 million, WYPF pension costs of £21.1 million (2020-21: £10 million) and other pension scheme costs of £2.3 million (2020-21: £1.76 million) for some of the department's ALBs. For further details on employers' pension contributions and contribution rates for the LSC, Cafcass and Probation pension schemes, refer to Note 25.

35 persons (2020-21: 63 persons) retired early on ill health grounds; the total additional accrued pension liabilities in the year were £160,000 (2020-21: £180,000).

Judicial costs

Departmental group

				2021-22	2020-21
	Senior judicial salaries	Other judicial salaries	Fee-paid judiciary	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	137,958	111,870	141,941	391,769	366,546
Social security costs	18,517	14,843	14,612	47,972	44,588
Other pension costs	68,704	56,404	48,657	173,765	168,844
Total net costs	**225,179**	**183,117**	**205,210**	**613,506**	**579,978**

The Judicial Pension Scheme is an unfunded multi-employer defined benefit scheme which prepares its own accounts, but for which the department (through HM Courts & Tribunals Service) is unable to identify its share of the liabilities. Details of the most recent completed valuation (as at March 2016) are available at:

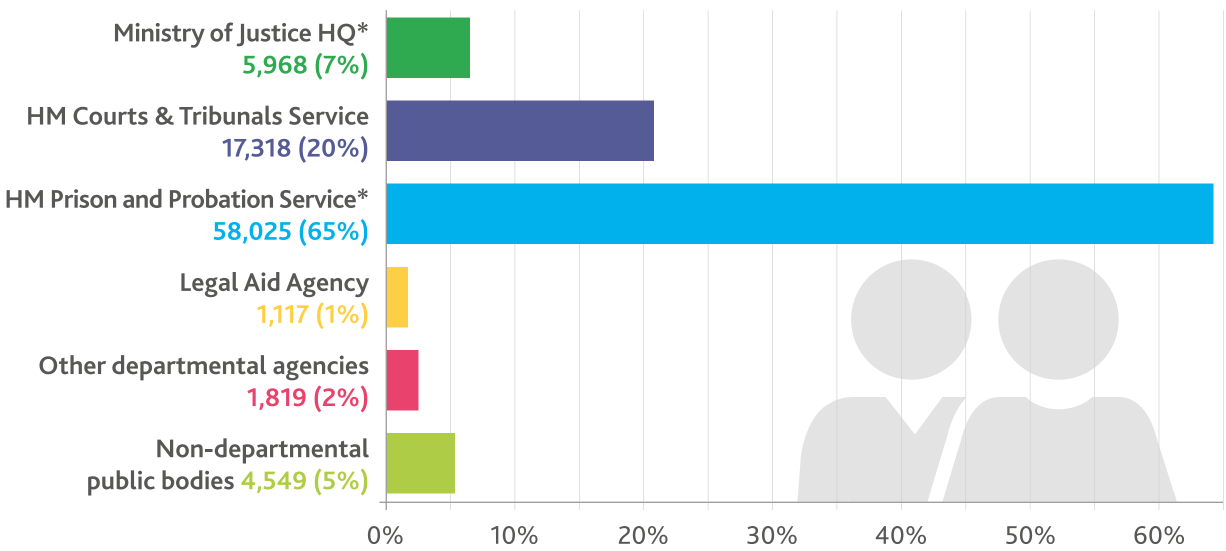
www.gov.uk/government/groups/judicial-pension-board#publications

Judicial pensions are paid out of the consolidated fund where the judicial office holder's salary was paid from that fund, or the Judicial Pension Scheme where the salary has been paid from the department's supply estimate. Contributions to the Judicial Pension Scheme have been made at a rate of 51.35%.

The benefits payable are governed by the provisions of either: the Judicial Pensions Regulations 2015 (for newly appointed judicial office holders after 1 April 2015 and those transferring from previous schemes); the Judicial Pensions Act 1981 or the Judicial Pensions and Retirement Act 1993 (for those remaining in these schemes due to transitional protection); or the Judicial Pensions Regulations 2017 (for eligible fee-paid judges with reckonable service from 7 April 2000 up to 31 March 2015).

The department makes employer contributions to the Judicial Pension Scheme in respect of all these schemes as service is incurred.

Average number of full-time equivalent staff employed in the year



* Includes staff engaged in capital projects (MoJ HQ 74 staff; HMPPS 145 staff).

Departmental group

					2021-22	2020-21
	Permanently employed staff*	Other	Ministers	Special advisers	Total	Total
Ministry of Justice HQ and associated offices						
People group	975.8	22.1	0.1	0.1	998.1	822.9
Chief Operating Officer group	3,264.9	225.8	0.2	1.1	3,492.0	2,618.9
Policy and strategy group	1,397.0	3.8	2.1	1.3	1,404.2	1,674.2
Agencies						
HM Courts & Tribunals Service	14,935.0	2,381.0	1.0	0.6	17,317.6	16,713.9
Office of the Public Guardian	1,291.1	232.3	0.1	0.1	1,523.6	1,487.9
HM Prison and Probation Service	57,012.0	866.0	1.1	0.7	57,879.8	51,378.1
Legal Aid Agency	1,112.0	4.0	0.3	0.2	1,116.5	1,137.6
Criminal Injuries Compensation Authority	295.0	-	0.1	0.1	295.2	277.2
Non-departmental public bodies						
Non-departmental public bodies	4,143.9	405.0	-	-	4,548.9	4,316.7
Capital projects						
Staff engaged on capital projects	42.1	177.2	-	-	219.3	192.8
Total	**84,468.8**	**4,317.2**	**5.0**	**4.2**	**88,795.2**	**80,620.2**
Of which:						
Core department and agencies	80,324.9	3,912.2	5.0	4.2	84,246.3	76,303.5
Non-departmental public bodies	4,143.9	405	-	-	4,548.9	4,316.7
	84,468.8	**4,317.2**	**5.0**	**4.2**	**88,795.2**	**80,620.2**

* Includes staff on permanent and fixed term contracts. Data for agencies is taken from agency published accounts.

The full-time equivalent analysis for ministers and special advisers reflects the proportion of time spent across the different functions within the departmental group.

Average number of full-time equivalent judiciary in post in the year

Departmental group

				2021-22	2020-21
	Senior judicial salaried	Other judicial salaried	Fee-paid judiciary	Total	Total
Core department and agencies	918.0	928.0	1,113.0	2,959.0	2,787.0
Total	**918.0**	**928.0**	**1,113.0**	**2,959.0**	**2,787.0**

The judiciary is independent. Their payroll costs disclosed within HM Courts & Tribunals Service are met either directly from the consolidated fund, in the case of senior judiciary, or by the department for other judiciary. All costs are included within these accounts to ensure that the full cost is disclosed.

Civil service and other compensation schemes – exit packages

This section has been subject to audit.

Departmental group

	2021-22			2020-21		
	Compulsory redundancies	Other compensated departures	Total exit packages	Compulsory redundancies	Other compensated departures	Total exit packages
Exit package cost band	Number	Number	Total number	Number	Number	Total number
< £10,000	-	107	107	-	154	154
£10,000 - £25,000	1	74	75	1	95	96
£25,001 - £50,000	1	89	90	1	135	136
£50,001 - £100,000	-	108	108	-	106	106
£100,001 - £150,000	-	23	23	-	6	6
£150,001 - £200,000	-	8	8	-	-	-
£200,001 - £250,000	-	2	2	-	-	-
£250,001 - £300,000	-	1	1	-	1	1
Total number of exit packages by type	**2**	**412**	**414**	**2**	**497**	**499**
Total cost of exit packages by type (£000)	**54**	**17,208**	**17,262**	**44**	**15,448**	**15,492**
Number of exit packages						
Of which:						
Core department and agencies	1	412	413	-	497	497
Non-departmental public bodies	1	-	1	2	-	2
	2	**412**	**414**	**2**	**497**	**499**
Cost of exit packages (£000)						
Of which:						
Core department and agencies	35	17,208	17,243	-	15,448	15,448
Non-departmental public bodies	19	-	19	44	-	44
	54	**17,208**	**17,262**	**44**	**15,448**	**15,492**

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 accordance with IAS19 Employee Benefits within the financial statements. The table above discloses exit packages in the year the exit package is confirmed. Where the department has agreed early retirements, the additional costs are met by the department and not by the PCSPS. Ill health retirement costs are met by the pension scheme and are not included in the table above.

Other departure exit costs include 332 efficiency departure exit packages at a value of £10.9 million (2020-21: 446 at a value of £12.9 million) within payment bands not exceeding £150,000 (2020-21: £150,000). Efficiency departures are authorised in the interests of the continued efficiency of the service and the wellbeing of the individual, under section 6.3 of the Civil Service management code.

Spend on consultancy and temporary staff

			2021-22			2020-21
	Core and agencies	NDPBs	Total	Core and agencies	NDPBs	Total
	£000	£000	£000	£000	£000	£000
Consultancy	10,231	168	10,399	15,742	60	15,802
Temporary staff	185,186	10,790	195,976	221,493	11,841	233,334
Total	**195,417**	**10,958**	**206,375**	**237,235**	**11,901**	**249,136**

The decrease in agency costs is mainly due to backdated IR35 charges (£49 million) incurred in 2020-21 relating to incorrect tax treatment of contingent labour. There were increases in IT and Digitech, due to increased need for IT specialists on various projects, which increased contingent labour costs by £15.7 million.

Staff redeployment related to COVID-19 and EU Exit

			2021-22		2020-21
	Grade	Long-term loan	Short-term loan	Long-term loan	Short-term loan
COVID-19	SCS	-	-	7	2
	Grade 6/7	-	-	16	4
	SEO	-	-	2	-
	HEO	-	-	2	3
	EO and below	-	-	2	-
	Chaplain	-	-	-	1
EU Exit		-	-	-	-
Total		-	-	29	10

No staff were redeployed into the department for the purpose of EU Exit or COVID-19 work.

Our staff

Recruitment

Our recruitment is managed in line with the principles of selection on merit through fair and open competition, as described in the Civil Service Commission recruitment principles available at: http://civilservicecommission.independent.gov.uk/civil-service-recruitment.

As an equal opportunity employer, we take action to attract, recruit, retain and develop talented people from different backgrounds and lived experience, recognising potential at all levels so we can reflect the communities we serve.

The Civil Service success profiles framework is used in recruitment across the department for all grades below SCS to assess candidates and is due to be introduced for SCS Pay Band 1. Our assessment methods ensure that we recruit the right people, with the right skills, capabilities and motivation.

Modernisation and continuous improvement are embedded in our recruitment practice, processes and selection methods, which includes:

- introducing innovation and new technology to improve candidate experience
- focusing on reducing the time to hire
- delivering impactful communications that attract candidates and keep them engaged
- increasing the diversity of new recruits in terms of background, experience and location
- ensuring our campaigns remain compliant with the required legislation

All recruitment below SCS Pay Band 2 is anonymised up to the point of an interview or online assessment. The department has adopted and kept under review the use of diverse recruitment panels and has embedded an inclusive recruitment guide to support business areas in their local recruitment activity and a diverse recruitment framework for our most senior appointments.

Employment of people with disabilities

Following re-accreditation as disability confident leaders in 2021, MoJ committed to ensuring that processes, policies and organisational culture promote the inclusion of people with disabilities.

The department now has access to an in-house workplace adjustments service providing advice and guidance for line managers and staff. The embedding of this service underpins wide-ranging work that supports the department and executive agencies maintain disability confident leaders status and supports workplace change such as return to the office initiatives. The service incorporates support for staff previously provided under the access to work scheme. This includes inclusive and accessible recruitment for disabled people and offering reasonable adjustments to allow disabled applicants to be considered for a job on an equal basis with non-disabled applicants. It also includes processes and guidance change after the pandemic. Disabled staff continue to have access to targeted career development through the Civil Service 'Future Leaders Scheme' Disability Empowers Leadership Talent (DELTA) mentorship.

The department has established a disability action group, chaired by the Executive Committee disability champion, to bring together stakeholders from across the organisation to address thematically remaining disparities identified by both the disability confident work and people survey and other survey data on lived experience, via Task and Finish groups. The department supports disability and other staff networks and a cohort of senior disability champions who role model, raise awareness and lead task and finish work. There is also a network of mental health allies who are trained to provide advice and guidance to those experiencing mental health, signposting specialist support. Their work is underpinned by the mental health strategy and action plan, and all staff have access to disability awareness and mental health awareness training.

Diversity, inclusion and wellbeing

MoJ is committed to meeting our Public Sector Equality Duties and ensuring that this is embedded throughout the work we do across the department and its agencies.

In order to do this, we are delivering against the Civil Service aims as set out in the Civil Service Diversity and Inclusion Strategy 2022-25 and Government Reform Statement.[67] In MoJ, our core values – purpose, humanity, openness and togetherness – shape our approach to diversity, inclusion and wellbeing. We aim to deliver a justice system that reflects our diverse society, so we are absolutely committed to creating a workplace where all staff feel welcome and valued, and are able to reach their potential and perform effectively. Equality analysis is embedded into all our decision-making processes and equality data is used to monitor the impact of our employee policies and procedures.

We publish diversity information in our workforce monitoring report (last published in 2021 and covering 2019-20). We publish gender pay gap information annually including our action plan to close the gap, available at: www.gov.uk/government/publications/ministry-of-justice-gender-pay-gap-report-2021

We also publish our equalities objectives as part of our Outcome Delivery Plan available at: www.gov.uk/government/publications/ministry-of-justice-outcome-delivery-plan/ministry-of-justice-outcome-delivery-plan-2021-22

We continue to make progress against our diversity targets. As at the end of March 2022, women make up 50% of the department's SCS, and female representation across all grades is 57%. Recording rates (declarations) for ethnicity, disability, religion and sexual orientation in the department overall stand at a similar level in March 2022 as they were in March 2021. As at the end of March 2022, of those staff who have declared their ethnicity, 15% of staff are from black, Asian and minority ethnic communities, and 11% of SCS. Of those staff who have declared their disability status, 15% of staff are disabled, and 12% of SCS are disabled. We maintain our commitment to strengthen the diversity of our workforce.

Modern Slavery

MoJ produced its second Modern Slavery Statement in September 2022. This document sets out MoJ's approach to guard against modern slavery with regard to supply chains, service users and staff. It confirms our commitment to identify and minimise the risk of exploitation, and our ongoing commitment to continuous improvement.

The statement covers almost all the MoJ family, including its agencies, His Majesty's Prisons and Probation Service (HMPPS), His Majesty's Courts and Tribunal Service (HMCTS), and our arm's length bodies (ALBs) to whom we provide core services, including legal, commercial, and human resources. The MoJ also procures on behalf of the Office of the Secretary of State for Wales and as such they are within the scope of our statement. The Legal Aid Agency, which is our largest ALB by budget and procures some of its own services, is publishing its own modern slavery statement.

Sickness absence data

Across the department (including its executive agencies), the number of average working days lost in the last 12 months was 12.2 at the end of March 2022, compared to 9.8 at the end of March 2021 and reflects the range of operational and non-operational functions across the organisation. The figures include the impact of COVID-19 on absence through this period of the pandemic, which along with absences due to mental health and behavioural disorders (including stress, anxiety and depression), and musculoskeletal system issues were the largest sickness categories.

Business areas actively monitor this data with HR business partner support. The attendance management policy is based on the cross-government Civil Service HR policy and is

[67] www.gov.uk/government/publications/civil-service-diversity-and-inclusion-strategy-2022-to-2025/civil-service-diversity-and-inclusion-strategy-2022-to-2025-html

periodically refreshed. Our proactive approach to wellbeing provides a range of support for staff, as well as encouraging a preventative culture to reduce sickness absence in line with the approach across the civil service. Managers have specialist casework support in managing sickness absence cases and a variety of support is available to staff through occupational health and the employee assistance programme.

Employment and occupation

Trade union relationships

MoJ (excluding HMPPS) recognises four trade unions – PCS (Public and Commercial Services Union), FDA (formerly the First Division Association), Prospect and GMB (formerly the General, Municipal and Boilermakers' Union). GMB is recognised for the Legal Aid Agency only.

This year we have continued to engage on reforming pay strategy, organisational change and supporting our people in emerging from the pandemic.

HMPPS recognises ten trade unions across a complex operational environment. In respect of the prison service, youth custody service and HQ, this includes the Prison Officers Association (the POA), the Prison Governors Association (PGA) and NTUS (an amalgamation of five trade unions representing non-operational staff – the PCS, GMB, UNITE, FDA and PROSPECT). In respect of the probation service, this comprises the National Association of Probation Officers (NAPO), UNISON and GMB SCOOP (for senior probation grades).

Health and safety at work

All MoJ employees are subject to the protection set within the Health and Safety at Work etc. Act 1974.[68] All work processes are subject to the required risk assessment process.

From early 2020, all MoJ properties have been certified as COVID-19 secure. Risk assessments and guidance were developed for our HQ building, 102 Petty France, London, and then cascaded across our estate. The guidance is available to all staff and includes working from home support, personal risk assessments and travel risk assessments. During this period, we have had two HSE spot checks and passed both to underpin our COVID-19 secure status. In addition to the current risk assessment, we have carried out an equality impact assessment.

Staff engagement

Some 40,430 MoJ staff (45%) took part in the annual Civil Service People Survey 2021. Although this represents an increase in the number of responses from 2020 (35,668), this is most likely due to the transfer of staff from local Community Rehabilitation Companies into the Probation Service. As in previous years, the MoJ continues strongly to advocate completion of the survey across the department to amplify employee voice.

The overall employee engagement index in MoJ has dropped by 1 percentage point (pp) from 61 to 60, with most business groups seeing a decrease. However, most notable is a 3pp increase in HMCTS which has steadily increased by 10pp over the last four years.

The results in 2021 show that staff belief that action has been taken on last year's survey results reduced by 1pp from 30% in 2020 to 29%. There was no change in staff belief that senior managers will act on the results of this year's survey (41%). Most business areas saw an increase in response to both these questions.

Where action has been taken in business areas, and specific interventions put in place, there are signs this is having a positive impact. The best outcomes were seen in business areas who took action around inclusivity (specifically support for carers and those with long-term health conditions), and who increased communication with staff particularly around changes that would impact employees. Although some improvements were seen where action was taken on bullying, harassment and discrimination (BHD), these were smaller, and will take longer to embed.

[68] www.legislation.gov.uk/ukpga/1974/37/contents

BHD has consistently and significantly impacted all people survey scores over time. Those who experience BHD score significantly lower across all people survey scores, impacting employee experience and wellbeing. Despite the MoJ seeing a slight improvement in BHD this year, the proportion of those experiencing BHD in MoJ remains significantly higher (11%) than the Civil Service average (7%). However, this is primarily driven by responses in HMPPS with many other business groups sitting below the average score.

Staff turnover

Staff turnover for the department and its agencies is shown below. Turnover increased across all business areas with operational roles in the prison and probation service being most impacted. This situation is not unique to the MoJ and is driven by wider labour market trends.

Attracting and retaining talented people enables the department to deliver its priorities. In response to increasing staff turnover the department has:

- established a Retention Oversight Board focussing on the sites that have the biggest attrition risks, enabling the sequencing and support for both local and national interventions to take place, while collating key information and data to ensure that we are keeping senior leader and ministers briefed on the actions we are taking to address one of our key organisational priorities
- embedded an exit interview survey process, carrying out monthly analysis of the data and insights, ensuring appropriate strategies and action plans are in place to respond
- launched a retention strategy and toolkit, providing guidance, best practice and tools to support the business
- begun a shadow process of the Retention Oversight Process in those establishments and business units that are showing cause for concern in order to take preventative action before they become a risk

To address this risk, we are developing a people strategy, improving and joining up recruitment campaigns across MoJ, focusing on organisational culture as well as ensuring MoJ salaries remain competitive.

	2021-22		2020-21	
	Turnover	Departmental turnover	Turnover	Departmental turnover
MoJ HQ	7.2%	14.9%	4.6%	12.7%
HMPPS	11.9%	12.8%	7.7%	8.5%
HMCTS	12.7%	15.9%	8.5%	10.8%
OPG	4.7%	14.6%	4.5%	10.5%
LAA	4.7%	8.8%	3.2%	5.6%
CICA	2.9%	9.6%	3.9%	10.9%

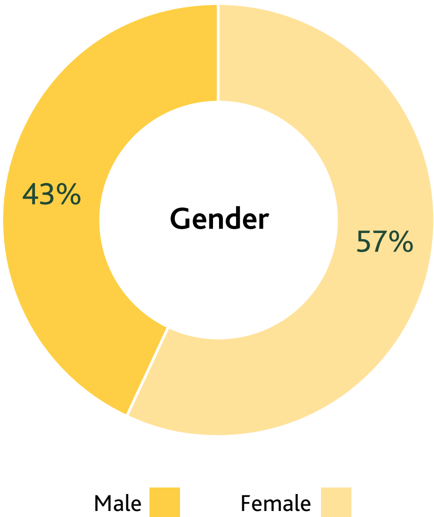
Note: Transfers of staff within the Civil Service are included in ‘Departmental turnover’ and excluded from ‘Turnover’.

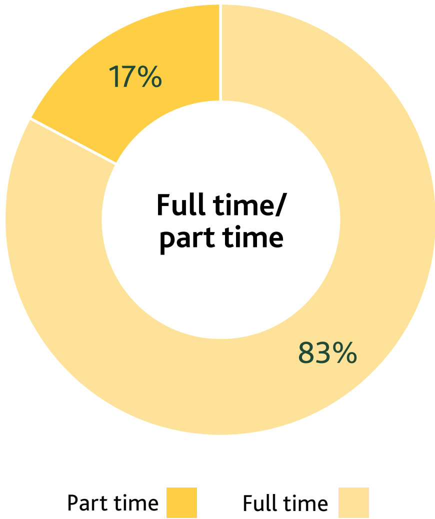
Workforce composition[69]

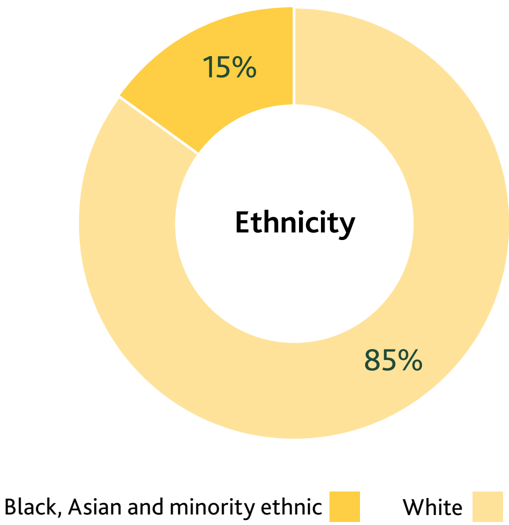
The number of staff split between male and female as at 31 March 2022

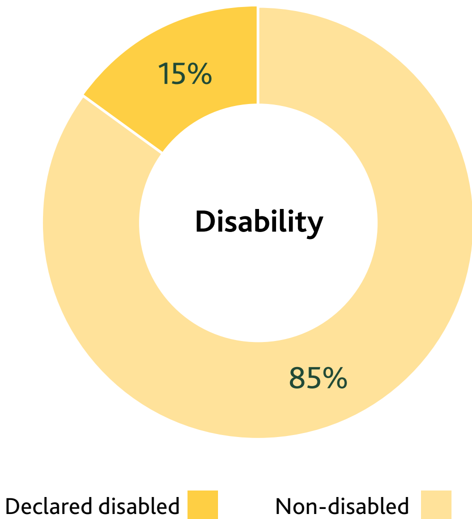
	2021-22		2020-21	
	Male	Female	Male	Female
Board members	34	31	26	23
Senior Civil Service (SCS) equivalent[70]	165	168	157	174
Departmental employees (excluding SCS equivalent)[70]	37,315	49,776	35,468	43,547

Departmental core diversity statistics - payroll staff in post on 31 March 2022









[69] The data represents the department and executive agencies (HMPPS, HMCTS, LAA, OPG and CICA). Disability and ethnicity percentages are calculated based on all staff who have provided information on their ethnicity or disability status.

[70] Headcount for the department and its executive agencies (excluding NDPB's), at 31 March 2022. The number of staff reported on page 98 represent the average number of full time equivalent (FTE) staff over the year. The number of staff reported on page 13 represent the headcount of the department, its executive agencies and NDPB's at 31 March 2022.

These statistics provide a snapshot of the department's workforce. Further detail on MoJ workforce diversity can be found within the Civil Service Statistics 2022 publication. This is available at www.gov.uk/government/statistics/civil-service-statistics-2022.

Senior Civil Service equivalent staff by band

Salary band	SCS or equivalent within band as at 31 March 2022		SCS or equivalent within band as at 31 March 2021	
	Number	Percentage	Number	Percentage
£60,000-£69,999	0	0%	0	0%
£70,000-£79,999	131	39%	129	39%
£80,000-£89,999	61	18%	54	16%
£90,000-£99,999	66	20%	65	20%
£100,000-£109,999	47	14%	47	14%
£110,000-£119,999	14	4%	16	5%
£120,000-£129,999	7	2%	11	3%
£130,000-£139,999	1	0%	1	0%
£140,000-£149,999	3	1%	4	1%
£150,000-£159,999	1	0%	1	0%
£160,000-£169,999	1	0%	1	0%
£170,000-£179,999	0	0%	0	0%
£180,000-£189,999	1	0%	2	1%
£190,000-£199,999	0	0%	0	0%
£200,000-£209,999	0	0%	0	0%
Total	**333**	**100%**	**331**	**100%**

Off-payroll engagements

During the financial year 2021-22, the department has reviewed off-payroll engagements where we are required to consider intermediaries (IR35) legislation using HMRC's guidance and online status indicator. We have advised our contracting body of the outcome of the status determinations so that, where appropriate, tax deductions are made at source from payments made in respect of the engagement with the MoJ. Further details of off-payroll engagements for the core department, executive agencies and arm's length bodies are shown in the off-payroll tables in Annex D and form part of the accountability reports.

Parliamentary accountability

Statement of Outturn against Parliamentary Supply

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the financial reporting manual 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 of the Comptroller and Auditor General to the House of Commons.

The SOPS shows an entity's spend against its 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 its 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 contains a summary table, detailing performance against the control limits that Parliament has voted on, cash spent (budgets are compiled on an accruals basis and so outturn will not match exactly to cash spent) and administration.

The supporting notes detail the following: outturn by estimate line, providing a more detailed breakdown (Note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (Note 2); a reconciliation of outturn to net cash requirement (Note 3); and an analysis of income payable to the Consolidated Fund (Note 4).

Summary of resource and capital outturn 2021-22

		2021-22								2020-21
				Outturn			Estimate		Outturn vs Estimate, saving/ (excess)	Outturn
		Voted	Non-Voted	Total	Voted	Non-voted	Total	Voted	Total	Total
	Note	£000	£000	£000	£000	£000	£000	£000	£000	£000
Departmental Expenditure Limit										
- Resource	SOPS 1.1	9,231,192	145,280	9,376,472	9,269,247	140,460	9,409,707	38,055	33,235	9,165,498
- Capital	SOPS 1.2	1,420,858	-	1,420,858	1,546,230	-	1,546,230	125,372	125,372	1,066,578
Annually Managed Expenditure										
- Resource	SOPS 1.1	349,941	-	349,941	659,920	-	659,920	309,979	309,979	158,643
- Capital	SOPS 1.2	10,546	-	10,546	42,131	-	42,131	31,585	31,585	-
Total Budget		**11,012,537**	**145,280**	**11,157,817**	**11,517,528**	**140,460**	**11,657,988**	**504,991**	**500,171**	**10,390,719**
Non-Budget										
- Resource	SOPS 1.1	-	-	-	-	-	-	-	-	-
Total		**11,012,537**	**145,280**	**11,157,817**	**11,517,528**	**140,460**	**11,657,988**	**504,991**	**500,171**	**10,390,719**
Total Resource		9,581,133	145,280	9,726,413	9,929,167	140,460	10,069,627	348,034	343,214	9,324,141
Total Capital		1,431,404	-	1,431,404	1,588,361	-	1,588,361	156,957	156,957	1,066,578
Total		**11,012,537**	**145,280**	**11,157,817**	**11,517,528**	**140,460**	**11,657,988**	**504,991**	**500,171**	**10,390,719**

Net Cash Requirement 2021-22

		2021-22			2020-21
		Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn Total
Item	Note	£000	£000	£000	£000
Net cash requirement	Annex A, SOPS 3	10,124,758	10,629,642	504,884	**9,215,023**

Administration Costs 2021-22

		2021-22			2020-21
		Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn Total
Type of spend	SOPS Note	£000	£000	£000	£000
Administration costs	1.1	444,379	495,328	50,949	**423,557**

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. Due to their size, the variances in estimate to outturn of resource departmental expenditure limit (RDEL) and annually managed expenditure (AME) have been explained below.

In 2021-22, the RDEL budget for day-to-day spending was £9,410 million (2020-21: £9,500 million) and the final outturn was £9,376 million (2020-21: £9,165 million). This meant total RDEL spend was 99.6% of the department's RDEL budget.

AME spend is by its nature inherently volatile. The department has a relatively small AME budget and therefore large variances are not unusual. In 2021-22, the department budgeted for £660 million (2020-21: £602 million) of resource AME and the final outturn was £350 million (2020-21: £159 million). The main reason for this underspend was that the budgeted figure included prudent assumptions about the value of year-end pension liabilities and the utilisation of provisions, including those for legal aid costs. These areas are always highly uncertain and the actual requirement was significantly lower.

SOPS Note 3 and 4 in Annex A form part of the Statement of Outturn against Parliamentary Supply. These notes are subject to audit.

Notes to the Statement of Outturn against Parliamentary Supply 2021-22

SOPS 1. Outturn detail, by estimate line

SOPS 1.1 Analysis of resource outturn by estimate line

	Resource Outturn							Estimate				Outturn
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs Estimate saving/ (excess)	2020-21 Prior year Outturn Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Spending in Departmental Expenditure Limits (DEL)												
Voted expenditure												
A Policy, Corporate Services and Associated Offices	416,282	(46,547)	369,735	1,417,671	(1,083,267)	334,404	704,139	494,279	244,773	739,052	34,913	566,838
B HM Prison and Probation Service	23,698	393	24,091	4,499,491	(282,567)	4,216,924	4,241,015	4,373,585	(131,812)	4,241,773	758	4,599,619
C HM Courts & Tribunals Service	20,321	(33)	20,288	2,105,587	(85,969)	2,019,618	2,039,906	2,053,302	(13,089)	2,040,213	307	1,865,942
D Legal Aid Agency	16,468	-	16,468	1,804,653	(33,978)	1,770,675	1,787,143	1,908,893	(120,387)	1,788,506	1,363	1,550,239
E Criminal Injuries Compensation Authority	770	-	770	170,716	(1,249)	169,467	170,237	143,409	26,828	170,237	-	165,837
F Office of the Public Guardian	67	-	67	65,957	(68,576)	(2,619)	(2,552)	(375)	(2,177)	(2,552)	-	1,512
G Children and Family Court Advisory and Support Service (net)	5,192	-	5,192	134,592	-	134,592	139,784	140,372	(450)	139,922	138	130,013
H Criminal Cases Review Commission (net)	715	-	715	6,257	-	6,257	6,972	7,303	(331)	6,972	-	6,392
I Judicial Appointments Commission (net)	434	-	434	7,296	-	7,296	7,730	8,186	(447)	7,739	9	7,274

	Resource Outturn							Estimate				Outturn
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs Estimate saving/ (excess)	2020-21 Prior year Outturn Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
J Legal Services Board (net)	1	-	1	4,098	-	4,098	4,099	4,097	2	4,099	-	3,906
K Office for Legal Complaints (net)	-	-	-	13,757	-	13,757	13,757	13,676	81	13,757	-	13,151
L Parole Board (net)	982	-	982	20,525	-	20,525	21,507	23,478	(1,557)	21,921	414	20,360
M Youth Justice Board (net)	3,094	-	3,094	90,710	-	90,710	93,804	94,282	(478)	93,804	-	86,312
Gov Facility Services Limited (Net)	-	-	-	(360)	-	(360)	(360)	-	(360)	(360)	-	(692)
N Independent Monitoring Authority (Net)	2,542	-	2,542	1,469	-	1,469	4,011	4,760	(596)	4,164	153	1,964
Total Voted expenditure in DEL	**490,566**	**(46,187)**	**444,379**	**10,342,419**	**(1,555,606)**	**8,786,813**	**9,231,192**	**9,269,247**	**-**	**9,269,247**	**38,055**	**9,018,667**
Non-Voted expenditure												
O Higher judiciary judicial salaries	89	-	89	162,995	-	162,995	163,084	158,234	-	158,234	(4,850)	163,898
P Levy income - Legal Services Board and Office for Legal Complaints (CFER)	-	-	-	-	(17,804)	(17,804)	(17,804)	(17,774)	-	(17,774)	30	(17,067)
Total non-voted expenditure in DEL	**89**	**-**	**89**	**162,995**	**(17,804)**	**145,191**	**145,280**	**140,460**	**-**	**140,460**	**(4,820)**	**146,831**
Total Resource DEL Spending	**490,655**	**(46,187)**	**444,468**	**10,505,414**	**(1,573,410)**	**8,932,004**	**9,376,472**	**9,409,707**	**-**	**9,409,707**	**33,235**	**9,165,498**

	Resource Outturn							Estimate				Outturn
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs Estimate saving/ (excess)	2020-21 Prior year Outturn Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Spending in Annually Managed Expenditure Limits (AME)												
Voted expenditure												
Q Policy, Corporate Services and Associated Offices	-	-	-	119,815	-	119,815	119,815	250,571	(25,773)	224,798	104,983	(34,865)
R HM Prison and Probation Services	-	-	-	104,637	-	104,637	104,637	172,000	-	172,000	67,363	63,648
S HM Courts & Tribunals Service	-	-	-	69,436	-	69,436	69,436	44,488	24,948	69,436	-	23,678
T Legal Aid Agency	-	-	-	39,570	-	39,570	39,570	150,000	-	150,000	110,430	89,133
U Criminal Injuries Compensation Authority	-	-	-	(10,613)	-	(10,613)	(10,613)	15,000	-	15,000	25,613	(4,544)
V Office of the Public Guardian	-	-	-	(29)	-	(29)	(29)	300	-	300	329	4,418
W Children and Family Court Advisory and Support Service (net)	-	-	-	26,925	-	26,925	26,925	26,427	498	26,925	-	16,271
X Criminal Cases Review Commission (net)	-	-	-	(73)	-	(73)	(73)	723	-	723	796	117
Y Judicial Appointments Commission	-	-	-	10	-	10	10	1	9	10	-	-
Z Legal Services Board (net)	-	-	-	(74)	-	(74)	(74)	1	-	1	75	74
AA Office for Legal Complaints (net)	-	-	-	-	-	-	-	1	-	1	1	24
AB Parole Board (net)	-	-	-	31	-	31	31	165	-	165	134	(141)
AC Youth Justice Board (net)	-	-	-	(54)	-	(54)	(54)	200	-	200	254	100

	Resource Outturn							Estimate				Outturn
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs Estimate saving/ (excess)	2020-21 Prior year Outturn Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
AD Gov Facility Services Limited (net)	-	-	-	360	-	360	360	42	318	360	-	730
AE Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	-	-	-	-	1	-	1	1	-
Total Resource AME Spending	**-**	**-**	**-**	**349,941**	**-**	**349,941**	**349,941**	**659,920**	**-**	**659,920**	**309,979**	**158,643**
Total Resource	**490,655**	**(46,187)**	**444,468**	**10,855,355**	**(1,573,410)**	**9,281,945**	**9,726,413**	**10,069,627**	**-**	**10,069,627**	**343,214**	**9,324,141**

SOPS 1.2 Analysis of capital outturn by Estimate line

	Outturn			Estimate				Outturn
	Gross	Income	Total	Total	Virements	Total including virements	Outturn vs Estimate saving/ (excess)	2020-21 Prior year Outturn Total
	£000	£000	£000	£000	£000	£000	£000	£000
Spending in Departmental Expenditure Limits (DEL)								
Voted expenditure								
A Policy, Corporate Services and Associated Offices	426,559	(15)	426,544	406,121	20,423	426,544	-	272,558
B HM Prison and Probation Service	499,177	(2,274)	496,903	636,986	(23,620)	613,366	116,463	502,217
C HM Courts & Tribunals Service	486,435	(3,097)	483,338	485,267	-	485,267	1,929	287,920
D Legal Aid Agency	3,416	-	3,416	4,865	-	4,865	1,449	491
E Criminal Injuries Compensation Authority	(63)	167	104	100	4	104	-	1
F Office of the Public Guardian	8,295	-	8,295	5,254	3,041	8,295	-	(47)
G Children and Family Court Advisory and Support Service (net)	658	-	658	5,622	-	5,622	4,964	449
H Criminal Cases Review Commission (net)	455	-	455	868	-	868	413	659
I Judicial Appointments Commission (net)	117	-	117	150	-	150	33	513
J Legal Services Board (net)	10	-	10	24	-	24	14	21
K Office for Legal Complaints (net)	145	-	145	250	-	250	105	245
L Parole Board (net)	235	-	235	122	113	235	-	421
M Youth Justice Board (net)	598	-	598	600	-	600	2	729
Gov Facility Services Limited (net)	-	-	-	-	-	-	-	401
N Independent Monitoring Authority (Net)	40	-	40	1	39	40	-	-
Total voted expenditure in DEL	**1,426,077**	**(5,219)**	**1,420,858**	**1,546,230**	**-**	**1,546,230**	**125,372**	**1,066,578**
Non-voted expenditure								
O Higher Judiciary Judicial Salaries	-	-	-	-	-	-	-	-
P Levy Income - Legal Services Board and Office for Legal Complaints (CFER)	-	-	-	-	-	-	-	-
Total non-voted expenditure in DEL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	Outturn			Estimate				Outturn
	Gross	Income	Total	Total	Virements	Total including virements	Outturn vs Estimate saving/ (excess)	2020-21 Prior year Outturn Total
	£000	£000	£000	£000	£000	£000	£000	£000
Total Capital DEL Spending	**1,426,077**	**(5,219)**	**1,420,858**	**1,546,230**	**-**	**1,546,230**	**125,372**	**1,066,578**
Spending in Annually Managed Expenditure Limits (AME)								
Voted expenditure								
Q Policy, Corporate Services and Associated Offices	3,555	-	3,555	10,437	(249)	10,188	6,633	-
R HM Prison and Probation Service	1,340	-	1,340	22,300	-	22,300	20,960	-
S HM Courts & Tribunals Service	3,919	-	3,919	7,100	-	7,100	3,181	-
T Legal Aid Agency	90	-	90	1	89	90	-	-
U Criminal Injuries Compensation Authority	-	-	-	1	-	1	1	-
V Office of the Public Guardian	1,222	-	1,222	1,088	134	1,222	-	-
W Children and Family Court Advisory and Support Service (net)	393	-	393	1,200	-	1,200	807	-
X Criminal Cases Review Commission (net)	27	-	27	1	26	27	-	-
Y Judicial Appointments Commission (net)	-	-	-	-	-	-	-	-
Z Legal Services Board (net)	-	-	-	1	-	1	1	-
AA Office for Legal Complaints (net)	-	-	-	1	-	1	1	-
AB Parole Board (net)	-	-	-	-	-	-	-	-
AC Youth Justice Board (net)	-	-	-	-	-	-	-	-
AD Government Facility Services Limited (net)	-	-	-	-	-	-	-	-
AE Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	1	-	1	1	-
Total Capital AME Spending	**10,546**	**-**	**10,546**	**42,131**	**-**	**42,131**	**31,585**	**-**
Total Capital	**1,436,623**	**(5,219)**	**1,431,404**	**1,588,361**	**-**	**1,588,361**	**156,957**	**1,066,578**

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

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

SOPS 2 Reconciliation of outturn to net operating expenditure

		Outturn Total	2020-21 Prior year Outturn Total
	Note	£000	£000
Total resource outturn in SOPS			
Voted DEL	SOPS 1.1	9,231,192	9,018,667
Non-voted DEL	SOPS 1.1	145,280	146,831
Total DEL		9,376,472	9,165,498
Total AME	SOPS 1.1	349,941	158,643
Total non-budget		-	-
		9,726,413	9,324,141
Add:			
Capital grants (net of EU contributions)		(1)	1,754
Other			
Research costs classified as capital under ESA 10		2,873	4,101
Other costs and income transferred to capital		29	-
Adjustment for other capital expenditure in CSoCNE		-	-
		2,901	5,855
Less:			
Income payable to the Consolidated Fund (excluding non-voted levy income)		(2,820)	(267)
Other			
Private Finance Initiatives adjustments		32,471	380
Prior period adjustments		-	-
		29,651	**113**
Net Operating Expenditure in CSoCNE	**CSoCNE**	**9,758,965**	**9,330,109**

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. This reconciliation therefore bridges the resource outturn to net operating expenditure, linking the SOPS to the financial statements.

Capital grants and research costs are budgeted for as CDEL but accounted for as spend on the face of the CSoCNE, and therefore function as a reconciling item between Resource and Net Operating Expenditure. The depreciation on certain PFI contract assets is accounted for as spend in the CSoCNE, but is non-budget spend and therefore does not appear in the SOPS.

Regularity of expenditure

Losses and special payments

This section has been subject to audit.

Losses statement

Values	31 March 2022 Core department and agencies	31 March 2022 Departmental group	31 March 2021 Core department and agencies	31 March 2021 Departmental group
	£000	£000	£000	£000
Cash losses	242	242	554	554
Claims abandoned	176	176	2,642	2,642
Administrative write-offs	7,624	7,625	5,499	5,500
Fruitless payments	10,265	10,265	196,524	196,683
Store losses	2,184	2,184	2,215	2,215
Constructive losses	5,660	5,660	30,615	30,625
Total value of losses	**26,151**	**26,152**	**238,049**	**238,219**

Numbers	31 March 2022 Core department and agencies	31 March 2022 Departmental group	31 March 2021 Core department and agencies	31 March 2021 Departmental group
Cash losses	1,031	1,031	865	865
Claims abandoned	55	55	108	108
Administrative write-offs	4,313	4,318	2,166	2,167
Fruitless payments	4	4	41	42
Store losses	16,648	16,648	17,343	17,343
Constructive losses	4	4	2	10
Total number of losses	**22,055**	**22,060**	**20,525**	**20,535**

In 2021-22 there were six losses (2020-21: eight) over £300,000 as follows:

In 2020-21, HMRC carried out an audit of our historic IR35 assessments procured through the public sector framework and challenged our interpretation of some of the IR35 rules. This audit is closed, and all liabilities settled. In 2021-22, MoJ has carried out an internal review of managed service arrangements and examined contracts to assess whether any contingent labour has been brought into the business and incorrectly badged as being part of an outsourcing arrangement. The review identified a small number of contracts which had been incorrectly classed as part of an outsourced arrangement, resulting in a liability of £3.9 million due to HMRC (fruitless payment).

HMCTS is developing with CPS the Common Platform as a case management system in the criminal courts. The Crime Programme Board (which includes membership from across the criminal justice system, including HMCTS and

CPS) decided that CPS will retain their own case management system and interface into common platform. As a result the work to date relating to CPS case management directly on the common platform is no longer useable, leading to a £4.2 million impairment (constructive loss).

In November 2021, HMPPS took the decision to terminate early its contract for the operational management of Rainsbrook Secure Training Centre following openly reported safety concerns, resulting in a loss of £5.7 million. This consists of £4.7 million for payments made to Management and Training Corporation Limited (MTC) to cover costs incurred prior to termination, and £1.0 million for contract breakage made to MTC (fruitless payment).

In HMPPS, £681,000 for contract breakage payments due to the management decision to discontinue the electronic monitoring legacy programme, based on three months of service cost which was an obligation in the event of early termination. This is the final payment arising from the decision in 2020-21 to cancel a case management system for electronic monitoring, which gave rise to a loss in that year (fruitless payment).

In HMPPS, £485,000 due to excess PPE (personal protective equipment) resulting from a significant reduction in the need for PPE due to a change in UK Health Security Agency (previously Public Health England) guidelines which was bought in as part of the fight against the spread of the COVID-19 infection (constructive loss).

In MoJ, £868,000 in respect of recoverable VAT which was not reclaimed from HMRC. There is no net loss to the taxpayer.

Special payments

	31 March 2022		31 March 2021	
Values	**Core department and agencies**	**Departmental group**	**Core department and agencies**	**Departmental group**
	£000	**£000**	**£000**	**£000**
Compensation payments	26,320	26,459	33,721	33,895
Ex gratia	2,921	2,953	6,754	6,754
Extra-contractual payments	25,058	25,058	50,560	50,560
Total value of special payments	**54,299**	**54,470**	**91,035**	**91,209**

	31 March 2022		31 March 2021	
Numbers	**Core department and agencies**	**Departmental group**	**Core department and agencies**	**Departmental group**
Compensation payments	6,768	6,893	7,760	7,895
Ex gratia	8,694	8,702	2,677	2,677
Extra-contractual payments	357	357	1,461	1,461
Total number of special payments	**15,819**	**15,952**	**11,898**	**12,033**

In 2021-22 there were eight (2020-21: thirteen) special payments over £300,000:

£23.7 million payable to retired fee-paid judiciary in lieu of pensions. The Court of Justice of the European Union has ruled that pre-2000 judicial service should be included when calculating pension entitlement for fee-paid judges. However, pension benefits for this period cannot be paid from the Judicial Pension Scheme until the scheme regulations have been amended by legislation. In the interim the department is compensating eligible retired fee-paid judges for the additional pension benefits due.

Historical payments totalling £3.3 million have been made in relation to partial retirements to fee-paid judicial office holders which were subsequently found to not be in line with the FPJPS 2017 regulations. Within this total £1.3 million was paid through the Judicial Pensions Scheme and £2 million reimbursed by MoJ at the time as part of payments in lieu of pension (PILs). These payments have been regularised via a special payment authorisation and within the JPS accounts, the £1.3 million has been recorded as a PILs debtor due from MoJ.

Five compensation payments were made to operational members of HMPPS staff injured in the course of their duties: £610,863, £490,907, £410,000, £409,734, £350,548.

One compensation payment was made to a third party for work-related injuries: £325,000.

Charitable donations

HMCTS made charitable donations totalling £25,000 in 2021-22 (2020-21: £25,000). These donations were made to an organisation that provides young people with an opportunity to take part in mock trials, to build their confidence, understanding and interest in the law.

Publicity and advertising

The department spent £824,260 on publicity and advertising in 2021-22 (£611,205 in 2020-21). This includes advertising for the recruitment of prison and probation officers and magistrates.

Gifts and hospitality

Details of the department's ministers, directors general, permanent secretary and special advisers' gifts, hospitality, travel and meetings can be found at:
www.gov.uk/government/collections/moj-gifts-hospitality-travel-and-meetings

Fees and charges

This section has been subject to audit.

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

					2021-22	2020-21
	Gross income net of remissions	Full cost	Surplus/ (deficit)	Fee recovery actual	Fee recovery target	Fee recovery actual
	£000	£000	£000	%	%	%
Office of the Accountant General	3,738	6,858	(3,120)	55%	100%	0%
Official Solicitor and Public Trustee						
Litigation	1,467	8,004	(6,537)	18%	-	20%
Trust and Estates	653	467	186	140%	-	102%
HM Courts & Tribunals Service						
Family	168,147	310,594	(142,447)	54%	100%	49%
Civil	480,774	554,762	(73,988)	87%	100%	74%
Asylum and Immigration	4,885	107,527	(102,642)	5%	-	3%
Other	1,274	18,579	(17,305)	7%	-	14%
Office of the Public Guardian	68,576	77,319	(8,743)	89%	100%	77%
Legal Services Board	4,047	4,047	-	100%	100%	100%
Office for Legal Complaints	13,757	13,757	-	100%	100%	100%
HMCTS - Employment tribunal refunds	(71)	-	(71)	-	-	-
HMCTS CTLO Fee refunds and interest paid	(31,495)	-	(31,495)	-	-	-
HMCTS - Other fee refunds	(658)	-	(658)	-	-	-
HMCTS - Movement in fee refunds provision	46,611	-	46,611	-	-	-
	761,705	**1,101,914**	**(340,209)**	**-**	**-**	**-**

Fee charging segments

Operating segment	Details
Office of the Accountant General (OAG)	The OAG invests money on behalf of its clients in the court funds investment account, which earns interest at the Bank of England base rate, or in the equity index tracker fund for long-term investments. Clients do not pay fees for investment services but the operational costs of OAG are paid out of the surplus interest earned on their funds. OAG is therefore intended to run at nil net cost to the department's vote and in terms of the principles of cost recovery should be 100% self-funding.
Official Solicitor and the Public Trustee (OSPT)	The Official Solicitor's civil, family and court of protection (CoP) litigation services continue to be largely publicly funded due to the nature of the cases dealt with, although where appropriate, alternative funding arrangements (such as conditional fee agreements) are also entered into. In some classes of CoP case, where appropriate to do so, the Official Solicitor charges clients at full cost for services provided. The Official Solicitor and the Public Trustee charge for their work in administering trusts and estates. The fee income associated with Public Trustee trusts and estates cases is governed by a Fees Order and the Official Solicitor's trusts and estates work is charged for on an hourly rate basis. The Public Trustee also processes 'Title on death' applications under the Law of Property Act. The budget allocation to the OSPT also covers the cost of the Lord Chancellor's 'Reciprocal enforcement of maintenance orders' unit and the 'International child abduction and contact unit'. This service is publicly funded in full.
HM Courts & Tribunals Service	HMCTS collects and reports upon fee charges that have been set by MoJ policy and which appear in statutory instrument fees orders. Section 180 of the Anti-social Behaviour, Crime and Policing Act 2014 gives the Lord Chancellor, with the consent of HM Treasury, the statutory power to set certain court and tribunal fees above cost recovery levels. The income generated must be reinvested back into the courts and tribunals service. Government introduced enhanced fee charging for money claims on 9 March 2015, and further enhanced fees including divorce, civil and some tribunals in March, April and July 2016. The system of 'Help with fees' (fee remissions) exists to ensure that individuals are not denied access to the courts if they genuinely cannot afford the fee. Only the civil and tribunal businesses have systems for charging fees. HMCTS reports on both the civil and tribunal fee-charging business segments. Civil business contains two business streams: family (including probate and court of protection) and civil (including civil business in the county court, higher courts and magistrates' courts). Tribunal business contains two business streams: immigration and asylum; and other fee charging special tribunals (including lands, residential property, gambling and gender recognition). Further detail regarding current fees orders can be found within the HMCTS Annual Report and Accounts.

Operating segment	Details
Office of the Public Guardian (OPG)	The Mental Capacity Act 2005 provides for fees to be charged for proceedings brought in relation to the functions carried out by the Public Guardian. The levels of charges are contained in two statutory instruments as well as the Lasting Powers of Attorney, Enduring Powers of Attorney, Public Guardian Regulations 2007 and the Public Guardian (Fees etc.) Regulations 2007.
Legal Services Board (LSB) and Office for Legal Complaints (OLC)	LSB and the OLC income relates to levies receipted from approved regulators. This income is surrendered to the Consolidated Fund in line with the Legal Services Act 2007. In return, LSB and OLC receive grant-in-aid funding from the department equal to the income surrendered.

Remote contingent liabilities

As required by Managing Public Money, in addition to contingent liabilities disclosed in accordance with IAS 37 in Note 25 to the accounts, MoJ discloses, for Parliamentary reporting and accountability purposes, certain statutory and non-statutory contingent liabilities where the likelihood of transfer of economic benefit is remote. This section has been subject to audit.

Heathrow Airport Holdings Limited indemnity: Assurance has been given to Heathrow Airport Holdings Limited and other third parties (e.g. airlines) which may be affected by the operations of HM Prison and Probation Service. The likelihood of a liability arising from these contingencies is considered to be remote.

The assurance covers the following amounts:

- up to £50 million for damage or injury per incident to third parties caused airside in the event of negligence of HMPPS
- up to £250 million to damage or injury to third parties per incident in the event of negligence by HMPPS while on board an aeroplane
- personal accident and/or sickness for HMPPS staff while on escorting duties

Privately managed prisons: HMPPS would be liable as underwriter of last resort to meet certain losses incurred by the privately managed prisons.

Local Government Pension Scheme (LGPS) guarantee: The Secretary of State for Justice has provided a guarantee to the Greater Manchester Pension Fund (GMPF) in respect of the Community Rehabilitation Companies' (CRCs) participation in the GMPF for pension liabilities that transferred to the CRCs. The responsibility for funding the past service liabilities associated with the original employees who are deferred or pensioner members of the LGPS transferred to HMPPS under the Secretary of State for Justice.

Criminal Injuries Compensation Authority (CICA): on occasions, compensation cases at appeal stage, under the jurisdiction of the First-tier Tribunal – Criminal Injuries Compensation, may proceed to judicial review. These could have an impact on CICA's future liabilities. These cases are not included within the provision due to the fact that a possible obligation exists which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of CICA.

Antonia Romeo
Principal Accounting Officer

12 December 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 the Ministry of Justice and of its departmental group for the year ended 31 March 2022 under the Government Resources and Accounts Act 2000. The department comprises the core department and its agencies. The departmental group consists of the department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2021. The financial statements comprise: the department's and the departmental group'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 group 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 and the departmental group's affairs as at 31 March 2022 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of 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 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 and its group 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 and its group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the department and its group'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 and its group 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 Annual Report, but does not include the financial statements nor my auditor's certificate and report. 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 the Ministry of Justice and its group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

- 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;
- 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;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- 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 and its group'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 and its group 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 and its group'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 and its group'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 and its group's controls relating to the department's compliance with the Government Resources and Accounts Act 2000, Managing Public Money and the Supply and Appropriation (Main Estimates) Act 2021;
- discussing among the engagement team including significant component audit teams and involving relevant internal and external specialists, including actuaries and property valuation experts, 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 and its group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management 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 and group's framework of authority as well as other legal and regulatory frameworks in which the department and group 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 and its group. 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; employment law; tax legislation; and legislation setting out fees, charges and compensation in relation to legal aid, courts and tribunals and criminal injuries compensation.

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, the Audit and Risk Committee and in-house legal counsel 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;
- testing income to confirm appropriate fees have been applied; and
- reviewing the processes, verifying the data used and the appropriateness of the assumptions and judgements applied for material estimates presented within the accounts.

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

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

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
12 December 2022

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

Financial statements

Financial statements

Consolidated Statement of Comprehensive Net Expenditure

for the year ended 31 March 2022

	Note	2021-22 Core department & agencies £000	2021-22 Departmental group £000	2020-21 Core department & agencies £000	2020-21 Departmental group £000
Revenue from contracts with customers	3	(1,545,561)	(1,562,306)	(1,250,404)	(1,266,608)
Other operating income	4	(73,244)	(73,243)	(79,101)	(78,953)
Total operating Income		**(1,618,805)**	**(1,635,549)**	**(1,329,505)**	**(1,345,561)**
Staff costs	5	3,895,744	4,148,577	3,574,478	3,801,128
Judicial costs	5	613,506	613,506	579,978	579,978
Purchase of goods and services	6	2,304,037	2,181,020	2,280,264	2,167,789
Depreciation, amortisation and impairment charges	7	819,589	825,891	677,662	681,285
Provision expense	8	2,016,236	2,015,979	1,740,464	1,741,863
Net (gain)/loss on disposal of assets	9	743	898	(5,973)	(5,961)
Revaluation of non-current and financial assets	10	63,234	63,234	(5,224)	(5,224)
Other operating expenditure	11	1,544,796	1,450,139	1,739,555	1,648,254
Total Operating Expenditure		**11,257,885**	**11,299,244**	**10,581,204**	**10,609,112**
Net Operating Expenditure before financing		**9,639,080**	**9,663,695**	**9,251,699**	**9,263,551**
Finance income		-	-	-	-
Finance expense	12	85,018	91,585	62,293	68,264
Borrowing cost on provisions		3,685	3,685	(1,707)	(1,706)
Net Operating Expenditure before tax		**9,727,783**	**9,758,965**	**9,312,285**	**9,330,109**
Taxation		-	-	-	-
Net Expenditure for the year ended 31 March 2022		**9,727,783**	**9,758,965**	**9,312,285**	**9,330,109**
Other Comprehensive Net Expenditure					
Items that will not be reclassified to operating expenditure:					
Net (gain)/loss on revaluation of:					
Property, plant and equipment		(708,990)	(708,978)	171,432	171,331
Right of use assets		87,391	87,391	-	-
Intangible assets		2,134	2,054	(4,645)	(4,846)
Assets for sale		23	23	1,358	1,358
Net (gain)/loss on impairment of:					
Property, plant and equipment		-	-	-	176
Remeasurement of pension schemes:					
Cafcass pension scheme		-	(108,268)	-	35,384
LSC pension scheme		(22,359)	(22,359)	29,512	29,512
By-analogy pension schemes		47	420	59	398
Probation pension schemes		(950,558)	(950,558)	704,781	704,781
Total Comprehensive Net Expenditure for the year ended 31 March 2022		**8,135,471**	**8,058,690**	**10,214,782**	**10,268,203**

The notes on pages 138 to 211 form part of these accounts.

Consolidated Statement of Financial Position

as at 31 March 2022

		31 March 2022		31 March 2021	
		Core department & agencies	Departmental group	Core department & agencies	Departmental group
	Note	£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	13	13,240,377	13,242,745	12,150,665	12,153,828
Right of use assets	14	1,423,393	1,432,506	-	-
Intangible assets	15	654,373	663,093	606,561	617,015
Investments		381	381	641	641
LSC pension net asset	25	112,462	112,462	88,887	88,887
Trade and other receivables	17	188,532	188,537	3,353	3,353
Total non-current assets		**15,619,518**	**15,639,724**	**12,850,107**	**12,863,724**
Current assets					
Assets held for sale	16	6,465	6,465	9,713	9,713
Inventories		55,089	56,420	54,792	56,005
Trade and other receivables	17	475,591	479,255	546,020	549,782
Cash and cash equivalents	18	181,685	222,894	214,590	266,618
Total current assets		**718,830**	**765,034**	**825,115**	**882,118**
Total assets		**16,338,348**	**16,404,758**	**13,675,222**	**13,745,842**
Current liabilities					
Trade and other payables	19	(1,623,571)	(1,645,624)	(1,781,931)	(1,814,815)
Financial liabilities	19	(177,525)	(179,566)	(52,166)	(52,166)
Provisions	20	(916,691)	(920,237)	(942,996)	(945,921)
Total current liabilities		**(2,717,787)**	**(2,745,427)**	**(2,777,093)**	**(2,812,902)**
Total assets less current liabilities		**13,620,561**	**13,659,331**	**10,898,129**	**10,932,940**
Non-current liabilities					
Trade and other payables	19	(37,034)	(38,144)	(41,274)	(43,397)
Other Financial liabilities	19	(1,727,659)	(1,735,024)	(497,050)	(497,050)
Provisions	20	(695,004)	(695,803)	(611,685)	(613,188)
Cafcass pension net liability	25	-	(236,267)	-	(316,967)
By-analogy pension liabilities		(1,391)	(8,274)	(1,487)	(8,221)
Probation pension net liability	25	(1,630,843)	(1,630,843)	(2,410,011)	(2,410,011)
Total non-current liabilities		**(4,091,931)**	**(4,344,355)**	**(3,561,507)**	**(3,888,834)**
Assets less liabilities		**9,528,630**	**9,314,976**	**7,336,622**	**7,044,106**
Taxpayers' equity					
General Fund		5,241,581	5,026,974	3,510,822	3,217,084
Revaluation Reserve		4,287,049	4,288,002	3,825,800	3,827,022
Total taxpayers' equity		**9,528,630**	**9,314,976**	**7,336,622**	**7,044,106**

The notes on pages 138 to 211 form part of these accounts.

Antonia Romeo
Principal Accounting Officer
12 December 2022

Consolidated Statement of Cash Flows

for the year ended 31 March 2022

	Note	2021-22 Core department & agencies £000	2021-22 Departmental group £000	2020-21 Core department & agencies £000	2020-21 Departmental group £000
Cash flows from operating activities					
Net operating expenditure	CSoCNE	(9,727,783)	(9,758,965)	(9,312,285)	(9,330,109)
Adjustments for non-cash transactions		1,547,172	1,552,009	2,443,412	2,458,796
Finance costs/(income)		37,392	37,390	27,893	27,893
Movements in pensions		110,068	130,843	(1,979)	7,753
(Increase)/decrease in trade and other receivables	16	(114,750)	(114,657)	98,389	104,437
Less: Movements in receivables not passing through the CSoCNE and receivable impairments		(13,090)	(13,085)	(19,628)	(19,574)
(Increase)/decrease in inventories		(297)	(415)	3,824	3,597
(Decrease)/increase in trade and other payables	18	(162,600)	(174,444)	235,754	246,432
Less: Movements in payables relating to items not passing through the CSoCNE		34,127	33,365	(258,459)	(249,198)
Increase/(decrease) in other financial liabilities	18	1,335,737	1,347,704	18,578	18,578
Less: Movements in other financial liabilities relating to items not passing through the CSoCNE		-	-	(17,798)	(17,798)
Utilisation of provisions	19	(1,984,899)	(1,985,172)	(1,724,553)	(1,724,849)
Intra-departmental adjustment through SoCiTE (between MoJ core and agencies)		(7,689)	(7,912)	(30,275)	(6,287)
Other		2	-	-	-
Net cash outflow from operating activities		**(8,946,610)**	**(8,953,339)**	**(8,537,127)**	**(8,480,329)**
Cash flows from investing activities					
Purchase of property, plant and equipment		(1,180,664)	(1,181,348)	(978,653)	(980,173)
Purchase of intangible assets		(139,049)	(139,968)	(141,600)	(143,508)
New PFI liabilities in year		41,538	41,538	55,707	55,707
Adjust for increase/(decrease in capital payables)		12,008	12,033	76,668	76,668
Proceeds on disposal of property, plant and equipment		1,094	1,140	(386)	(386)
Proceeds on disposal of intangible assets		625	626	383	364
Proceeds on disposal of assets held for sale		3,402	3,402	18,676	18,676
Asset transfers out of the group to GPA		-	-	900	-
Net cash outflow from investing activities		**(1,261,046)**	**(1,262,577)**	**(968,305)**	**(972,652)**
Cash flows from financing activities					
From the Consolidated Fund (Supply)		10,089,757	10,089,757	9,237,140	9,237,140
From the Consolidated Fund (Supply) - Prior year		-	-	192,387	192,387
From the Consolidated Fund (Non-Supply)		163,084	163,084	163,898	163,898
Capital element of finance leases and on-balance sheet Private Finance Initiative (PFI) contracts		(21,307)	(23,868)	(37,909)	(37,909)
Repayment of local authority loans		(1,600)	(1,600)	193	193
Interest paid		(37,392)	(37,390)	(27,893)	(27,893)
Net cash inflow from financing activities		**10,192,542**	**10,189,983**	**9,527,816**	**9,527,816**
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**(15,114)**	**(25,933)**	**22,384**	**74,835**
Receipts due to the Consolidated Fund outside the scope of the department's activities		-	-	(267)	(17,334)
Payments of amounts due to the Consolidated Fund		(17,791)	(17,791)	(785)	(9,446)

	Note	2021-22 Core department & agencies £000	2021-22 Departmental group £000	2020-21 Core department & agencies £000	2020-21 Departmental group £000
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(32,905)	(43,724)	21,332	48,055
Cash and cash equivalents at the beginning of the period	18	214,590	266,618	193,258	218,563
Cash and cash equivalents at the end of the period	18	181,685	222,894	214,590	266,618

The notes on pages 138 to 211 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2022

		Core department & agencies			Departmental group		
	Note	General fund £000	Revaluation reserve £000	Total reserves £000	General fund £000	Revaluation reserve £000	Total reserves £000
Balance at 1 April 2021		**3,510,822**	**3,825,800**	**7,336,622**	**3,217,084**	**3,827,022**	**7,044,106**
Changes in accounting policy		68,541	-	68,541	68,541	-	68,541
Restated balance at 1 April 2021		**3,579,363**	**3,825,800**	**7,405,163**	**3,285,625**	**3,827,022**	**7,112,647**
Net Parliamentary Funding – drawn down		10,089,757	-	10,089,757	10,089,757	-	10,089,757
Net Parliamentary Funding – deemed		214,504	-	214,504	214,504	-	214,504
Other grant funding received from MoJ		-	-	-	-	-	-
Unspent Supply drawn down repayable to the Consolidated Fund		(179,503)	-	(179,503)	(179,503)	-	(179,503)
Consolidated Fund Standing Services							
- Judicial salaries		155,402	-	155,402	155,402	-	155,402
- Lord Chancellor's salary		89	-	89	89	-	89
- Utilisation of Judicial Service Award		7,593	-	7,593	7,593	-	7,593
CFERs payable to the Consolidated Fund		(2,820)	-	(2,820)	(20,624)	-	(20,624)
Net expenditure for the year	CSoCNE	(9,727,783)	-	(9,727,783)	(9,758,965)	-	(9,758,965)
Net gain/(loss) on revaluation of							
- Property, plant and equipment		-	708,990	708,990	-	708,978	708,978
- Right of use assets		-	(87,391)	(87,391)	-	(87,391)	(87,391)
- Intangible assets		-	(2,134)	(2,134)	-	(2,054)	(2,054)
- Assets held for sale		-	(23)	(23)	-	(23)	(23)
Net gain/(loss) on impairment of							
- Property, plant and equipment		-	-	-	-	-	-
Remeasurement of pension schemes							
- Cafcass pension scheme	25	-	-	-	108,268	-	108,268
- LSC pension scheme	25	22,359	-	22,359	22,359	-	22,359
- By-analogy pension schemes		(47)	-	(47)	(420)	-	(420)
- Probation pension schemes	25	950,558	-	950,558	950,558	-	950,558
Assets transferred out of the group		-	-	-	-	-	-

		Core department & agencies			Departmental group		
		General fund	Revaluation reserve	Total reserves	General fund	Revaluation reserve	Total reserves
	Note	£000	£000	£000	£000	£000	£000
Non-cash adjustment							
- Auditors' remuneration	6	1,707	-	1,707	1,707	-	1,707
- Corporate overhead charges	11	(3,037)	-	(3,037)	-	-	-
Movements in reserves							
- Transfers from Revaluation Reserve		158,195	(158,195)	-	158,537	(158,537)	-
Other movements							
Adjustment in respect of prior periods		(5,677)	-	(5,677)	(5,725)	8	(5,717)
Other		(19,079)	2	(19,077)	(2,188)	(1)	(2,189)
Balance at 31 March 2022		**5,241,581**	**4,287,049**	**9,528,630**	**5,026,974**	**4,288,002**	**9,314,976**

Consolidated Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2021

	Note	Core department & agencies			Departmental group		
		General fund	Revaluation reserve	Total reserves	General fund	Revaluation reserve	Total reserves
		£000	£000	£000	£000	£000	£000
Balance at 1 April 2020		**4,046,612**	**4,151,957**	**8,198,569**	**3,796,025**	**4,153,088**	**7,949,113**
Net Parliamentary Funding – drawn down		9,237,140	-	9,237,140	9,237,140	-	9,237,140
Net Parliamentary Funding – deemed		192,387	-	192,387	192,387	-	192,387
Unspent Supply drawn down repayable to the Consolidated Fund		(214,504)	-	(214,504)	(214,504)	-	(214,504)
Consolidated Fund Standing Services							
- Judicial salaries		155,694	-	155,694	155,694	-	155,694
- Lord Chancellor's salary		76	-	76	76	-	76
- Utilisation of Judicial Service Award		8,128	-	8,128	8,128	-	8,128
CFERs payable to the Consolidated Fund		(267)	-	(267)	(17,334)	-	(17,334)
Net expenditure for the year	CSoCNE	(9,312,285)	-	(9,312,285)	(9,330,109)	-	(9,330,109)
Net gain/(loss) on revaluation of							
- Property, plant and equipment		-	(171,432)	(171,432)	-	(171,331)	(171,331)
- Intangible assets		-	4,645	4,645	-	4,846	4,846
- Assets held for sale		-	(1,358)	(1,358)	-	(1,358)	(1,358)
Net gain/(loss) on impairment of							
- Property, plant and equipment		-	-	-	-	(176)	(176)
Remeasurement of pension schemes							
- Cafcass pension scheme	25	-	-	-	(35,384)	-	(35,384)
- LSC pension scheme	25	(29,512)	-	(29,512)	(29,512)	-	(29,512)
- By-analogy pension schemes		(59)	-	(59)	(398)	-	(398)
- Probation pension schemes	25	(704,781)	-	(704,781)	(704,781)	-	(704,781)
Assets transferred out of the group		-	-	-	(673)	-	(673)
Non-cash adjustment							
- Auditors' remuneration	6	1,590	-	1,590	1,590	-	1,590
- Corporate overhead charges	11	(3,513)	-	(3,513)	-	-	-

		Core department & agencies			Departmental group		
		General fund	Revaluation reserve	Total reserves	General fund	Revaluation reserve	Total reserves
	Note	£000	£000	£000	£000	£000	£000
Movements in reserves							
- Transfers from Revaluation Reserve		164,391	(164,391)	-	164,426	(164,426)	-
Adjustment in respect of prior periods		(32,067)	6,379	(25,688)	(7,143)	6,379	(764)
Other		1,792	-	1,792	1,456	-	1,456
Balance at 31 March 2021		**3,510,822**	**3,825,800**	**7,336,622**	**3,217,084**	**3,827,022**	**7,044,106**

The notes on pages 138 to 211 form part of these accounts.

Notes to the accounts for the year ended 31 March 2022

1a) Statement of accounting policies

1.1 Basis of preparation

These accounts have been prepared in accordance with the ***Government Financial Reporting Manual (FReM) 2021-22*** issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be the most appropriate to the circumstances of the department for the purpose of giving a true and fair view has been selected. The accounting policies adopted by the department are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FReM requires the department to prepare a Statement of Outturn against Parliamentary Supply and supporting notes showing the outturn against estimates in terms of the net resource requirement and the net cash requirement. These are included within the Parliamentary accountability section in this document.

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

1.2 Going concern

In common with other government departments, the group's liabilities are expected to be met by future grants of supply and the application of future income, both to be approved annually by Parliament. The department considers there is no reason to believe that future approvals will not be forthcoming. Hence, it is considered appropriate to adopt a going concern basis for the preparation of these financial statements.

1.3 Accounting convention

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

1.4 Basis of consolidation

These accounts consolidate the core department, executive agencies and non-departmental public bodies (NDPBs) which fall within the departmental boundary as defined in the FReM and make up the departmental group. A list of entities included within the departmental boundary is given at Note 29.

Where two columns are included, the first contains amounts for the core department and its agencies and the second contains amounts for the departmental group as a whole. Accounting policies are harmonised across the group and all significant intra-departmental balances and transactions between entities within the departmental boundary are eliminated.

All consolidated entities have accounting reference dates that align with the core department.

1.5 Machinery of government changes and restatement of comparatives

There have been no machinery of government changes in 2021-22 (none in 2020-21).

1.6 The impact of new International Financial Reporting Standards (IFRS) on the 2021-22 accounts

a) New and amended standards adopted

IFRS 16 Leases is due for adoption across government bodies reporting under the FReM from 1 April 2022. However, HMT has permitted the department to early adopt the standard from 1 April 2021, in these accounts. IFRS 16 introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases. This replaces the previous standard, IAS 17 Leases. Further details are disclosed in Note 1.11.

b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2021 and not early adopted

IFRS 17 Insurance Contracts requires a discounted cash flow approach to accounting for insurance contracts. Subject to UK adoption, it may come into effect for accounting periods commencing on, or after, 1 January 2023 and should be included in the 2023-24 FReM at the earliest. To assess the impact of the standard, we are reviewing contracts which meet the definition of insurance contracts.

We do not consider that any other new, or revised standard, or interpretation will have a material impact.

1.7 Property, plant and equipment

Initial recognition and capitalisation threshold

Property, plant and equipment, including subsequent expenditure on existing assets, are initially recognised at cost when it is probable that future economic benefits or service potential associated with the asset will flow to the departmental group and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the CSoCNE during the financial year in which they are incurred. The core department's capitalisation threshold for individual assets is £10,000. The thresholds across the departmental group range from £500 to £10,000.

Where significant purchases of individual assets which are separately below the capitalisation threshold arise in connection with a single project, they are treated as a grouped asset. The core department's capitalisation threshold for grouped assets is £1 million. The thresholds across the departmental group range from £500 to £1 million. Where an item costs less than the prescribed limit, but forms an integral part of a package whose total value is greater than the capitalisation level, then the item is capitalised. All thresholds include irrecoverable VAT. Where capital budgets on agency projects are held centrally by MoJ as the parent department, expenditure is first capitalised in the MoJ accounts and transferred to the agencies when the associated project is complete.

Subsequent valuation method

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

Different indices are applied, depending on the assets, to reflect current value. For buildings and leasehold improvements, the index applied is the Building Cost Information Service Construction data Tender Price Index (TPI). Professional valuations are primarily undertaken by the Valuation Office

Agency using the Royal Institution of Chartered Surveyors (RICS) appraisal and valuation manual, known as the 'Red Book'.

Criminal courts, prisons and some parts of the probation estate are mostly classified as specialised buildings which cannot be sold on the open market. Specialised properties are valued at Depreciated Replacement Cost (DRC) to a modern equivalent basis in accordance with the FReM and RICS guidelines, taking into account the functional obsolescence of the property and other assumptions. Non-specialised properties are valued based on existing use or market value where there is an open market valuation for such properties.

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

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

Fair value hierarchy and inputs

The valuation technique applied to all fair value figures of surplus properties is the market approach in accordance with IFRS 13; it uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets.

The inputs to this technique constitute level 2 inputs in each instance. Level 2 inputs are inputs that are observable for the asset, either directly or indirectly. The inputs used take the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

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

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

Revaluation

Gains arising on revaluation are credited to the revaluation reserve and shown in other comprehensive net expenditure, unless they reverse a revaluation decrease on the same asset. Reversals are credited to the Consolidated Statement of Comprehensive Net Expenditure (CSoCNE) to the extent of the previous amount expensed, and any excess is credited to the revaluation reserve.

When an asset's carrying value decreases as a result of a permanent diminution in the value of the asset due to a clear consumption of economic benefit or service potential, the decrease is charged directly to operating expenditure in the SoCNE, with any remaining revaluation reserves balance released to the General Fund.

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

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

Depreciation

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

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

Estimated useful asset lives are within the following ranges:

Freehold land	Not depreciated
Leasehold land	Remaining lease period
Freehold buildings (including dwellings)	Shorter of remaining life or 60 years
Leasehold buildings (including dwellings)	Shortest of remaining life, remaining lease period or 60 years
Information technology	Shorter of remaining lease period or 3 to 15 years
Plant and equipment	Shorter of remaining life or 3 to 15 years
Furniture, fixtures and fittings	Shorter of remaining lease period or 3 to 20 years

Assets under construction

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

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

Disposal of non-current assets

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

When revalued assets are sold, the amounts included in the revaluation reserve are transferred to the General Fund.

1.8 Intangible assets

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

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

Other expenditure that does not meet these criteria is recognised as an expense as incurred.

The useful lives of internally developed software range from 1 to 15 years. In accordance with ***IAS 38 Intangible Assets*** the department reviews the useful economic lives of its intangible assets each financial year.

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

The department utilises an agile development approach. For each module of information technology (IT), amortisation begins when it is ready for its intended use, regardless of whether the IT will be placed into service in planned stages that may extend beyond a reporting period. If the functionality of a module is entirely dependent on the completion of other modules, amortisation begins when both that module and the other modules upon which it is functionally dependent are ready for their intended use.

The thresholds across the departmental group range from £500 to £250,000 (including irrecoverable VAT).

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

1.9 Impairment

Impairments are recognised in accordance with ***IAS 36 Impairment of Assets*** as adapted by the FReM.

An impairment reflects a diminution in the value of an asset as a result of a clear consumption of economic benefits or service potential. At each reporting date, the department assesses all assets for indications of impairment. If any such indications exist, the assets in question are tested for impairment by comparing the carrying value of those assets with their recoverable amounts. If the recoverable amount of an asset is less than its carrying value, the carrying value of the asset is reduced to its recoverable amount.

When an asset's carrying value decreases as a result of a permanent diminution in the value of the asset due to a clear consumption of economic benefit or service potential, the decrease is charged directly to net operating costs in the CSoCNE. If the asset has previously been revalued, any remaining revaluation reserve balance (up to the level of the impairment loss) is released to the General Fund. Any reversal of an impairment loss is recognised in the CSoCNE to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised, with any remaining amount recognised in the revaluation reserve.

1.10 Non-current assets held for sale

Non-current assets are classified as assets held for sale in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' as interpreted by the FReM: when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Assets held for sale are stated at the lower of their carrying amount immediately prior to classification as 'held for sale' or their fair value less the costs of selling the asset. Any subsequent impairment or reversal of impairment is recognised in the CSoCNE. Assets classified as held for sale are not depreciated.

1.11 Leases

Government bodies typically lease properties used for administrative purposes for reasons of efficiency and flexibility. The departmental group also benefits from the lease of land under leases with peppercorn consideration, which could not have been obtained through outright purchase. For other types of asset, the departmental group determines whether to lease or purchase based on value for money considerations, such as whether the underlying asset is required for its entire life or for a more limited period.

IFRS 16 Leases is due for adoption across government bodies reporting under the FReM from 1 April 2022. However, HMT have permitted the department to early adopt the standard from 1 April 2021, in these accounts. IFRS 16 this introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases (except for the exemptions listed below).

Scope and exclusions – the departmental group as lessee

In accordance with IFRS 16 Leases, contracts, or parts of contracts, that convey the right to control the use of an asset for a period of time, in exchange for consideration, are accounted for as leases.

Contracts for services are evaluated to determine whether they convey the right to control the use of an identified asset, incorporating both the right to obtain substantially all the economic benefits from the asset and to direct its use. If so, the relevant part of the contract is treated as a lease.

As adapted by the FReM, IFRS 16 has also been applied to leases with nil or nominal (that is, significantly below market value) consideration and arrangements for sharing accommodation between government departments.

When making the above assessments, the department excludes two types of leases. Firstly, those relating to low value items, which it considers as those where the underlying asset would have a cost of less than £10,000 when new, provided those items are not highly dependent on or integrated with other items. Secondly, contracts whose term (comprising the non-cancellable period together with any extension options the department is reasonably certain to exercise and any termination options the department is reasonably certain not to exercise) is less than twelve months.

Initial recognition – the departmental group as lessee

At the commencement of a lease (or on the date of transition to IFRS 16, if later), the department recognises a right of use asset and a lease liability.

The lease liability is measured at the value of the remaining lease payments discounted either by the interest rate implicit in the lease or, where this is not readily determinable, the department's incremental rate of borrowing. This rate is advised annually by HM Treasury (0.91% for leases recognised in 2021, 0.95% for those in 2022). Where the lease includes extension or termination options, the lease payments will be for the non-cancellable period together with any extension options the department is reasonably certain to exercise and any termination options the department is reasonably certain not to exercise.

In the event that a lease contract has expired, but the department remains in occupation pending negotiations for a renewed term, the decision about whether the lease should be recognised factors in an assessment of the economic incentives for both the landlord and the lessee and how long the lease will be in place.

The measurement of lease payments excludes any VAT payable, and irrecoverable VAT is expensed at the point it falls due in line with ***IFRIC 21 Levies***.

The right of use asset is measured at the value of the lease liability, adjusted for: any lease payments made before the commencement date; any lease incentives received; any incremental costs of obtaining the lease; and any costs of removing the asset and restoring the site at the end of the lease. However, in accordance with the FReM, where the lease requires nil or nominal consideration (usually referred to as a 'peppercorn' lease) the asset will instead be measured at its existing use value, using market prices or rentals for equivalent land and properties, with the difference between the carrying amount of the right of use asset and lease liability treated as notional income (or on transition, a credit to the General Fund).

Enhancements to leased assets, such as alterations to a leased building, are not classified within right of use assets but are classified as property, plant and equipment in accordance with the FReM. The transitional impact of adopting IFRS 16 are set out in Note 14.

Subsequent measurement – the departmental group as lessee

After initial recognition, the right of use asset will be measured using the fair value model. The departmental group considers that the cost model (measurement by reference to the lease liability) is a reasonable proxy for fair value, in the case of non-property leases, and for property leases of less than five years or with regular rent reviews. For other leases, the asset will be carried at a revalued amount.

The value of the asset will be adjusted for subsequent depreciation and impairment, and for reassessments and modifications of the lease liability as described below. Where the amount of a reduction to the asset exceeds the carrying value of the asset, the excess amount is recognised as expenditure in the CSoCNE.

The lease liability will be adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments are reappraisals of the probability of the options given by the existing lease contract, for example where we no longer expect to exercise an option; modifications are changes to the lease contract. Reassessments and modifications are accounted for by discounting the revised cash flows: using a revised discount rate where the department becomes or ceases to be reasonably certain to exercise or not exercise an extension or termination option, or the lease is modified to amend the non-cancellable period, change the term of the lease, change the consideration or the scope; or at the existing discount rate where there is a movement in an index or rate that will alter the cash flows, or the amount payable under a residual value guarantee changes.

Expenditure charged to the CSoCNE for each financial year includes interest on the lease liability and a straight-line depreciation charge on the right of use asset over the life of the lease, together with any impairment of the right of use asset and any change in variable lease payments, that was not included in the measurement of the lease payments during the period in which the triggering event occurred. Lease payments are debited against the liability. Rental payments in respect of leases of low value items, or with a term under twelve months, are also expensed.

Finance and operating leases – the departmental group as lessor

Where the department acts as a lessor, the arrangement will be assessed to determine whether it constitutes a finance lease, this being where the risks and rewards incidental to ownership of an underlying asset are substantially transferred to the lessee. For these leases the asset is derecognised, and a receivable is recognised, with accrued interest being treated as income over its life. All other leases are treated as operating leases and rental income is recognised in the CSoCNE on a straight-line basis.

Transitional arrangements

We have applied a number of options and practical expedients on initial adoption of IFRS 16, these principally being mandated by the FReM.

IFRS 16 has been adopted retrospectively using the 'cumulative catch-up' approach, without restatement of comparative balances. Consequently, the financial statements for 2020-21 have been prepared in accordance with the previous standard, IAS 17 Leases.

There has been no reassessment of existing contracts that the department had previously assessed as containing or not containing a lease. However, new contracts will be classified according to the criteria given in IFRS 16.

For leases previously treated as operating leases, the right of use assets have been measured at the present value of the remaining lease payments, adjusted for any prepayment or accrual balances in respect of the lease payments. The department has used hindsight in determining the remaining term of leases and no adjustment has been made for leases whose term ends within twelve months of the date of first adoption.

For leases previously recognised as finance leases, the carrying amount of the lease liability and the right of use asset as at the date of first adoption are the respective carrying amounts of the lease liability and leased asset as determined immediately before that date, in accordance with IAS 17.

Where the department subleases a right of use asset, the classification of the sublease as a finance or operating lease has been reassessed. Where an arrangement previously treated as an operating lease is found to be a finance lease, it has been treated as a new lease, commencing on the date of first adoption.

In addition, the department has adopted the following practical expedient:

For leases that were previously onerous and provided for, the department has adjusted the right of use asset by the amount of that provision. Leased assets that are deemed surplus continue to be treated as such, with no right of use asset recognised.

Estimates and judgements

Where a lease is embedded in a contract for services, the amount to be recognised as the right of use asset and lease liability should be the stand-alone price of the lease component only. Where this is not readily observable, a determination will be made by reference for other observable data, such as the fair value of similar assets or price of contracts for similar non-lease components.

As described above, the department has determined the lease term by assessing the level of certainty as to whether termination or extension options will be exercised. In making these judgements, reliance has been placed on the professional judgement of estates staff, supported by information on corporate asset management plans, other business strategies, investment already made in the underlying asset, ongoing business needs and market conditions.

The department has determined that the cost model is a reasonable proxy for fair value in most cases, because the rents payable are aligned to open market rates. In the case of longer leases, where there are not regular rent reviews, there is a greater chance of divergence between cost and fair value, hence a professional revaluation is appropriate.

The department also leases various non-property assets such as vehicles and IT equipment. It has determined that, at the present time, all non-property leases which are not individually low value, are immaterial. Consequently, no non-property leases have been recognised in these accounts.

1.12 Service Concession Arrangements

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

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

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

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

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

1.13 Employee benefits

Short term benefits such as salaries and wages or post-employment benefits resulting from employment and long term benefits such as long service awards, including termination benefits (for example early departure costs) and pension benefits are recognised at the cost of providing the benefit in the period in which it is earned by the employee, rather than when it is paid or becomes payable.

IAS 19 ('Employee Benefits') requires the department to recognise the expected cost of the annual leave entitlement of its employees that is accrued at the end of each financial year.

Defined benefit pension schemes

Principal Civil Service Pension Scheme and Judicial Pension Scheme

The provisions of the Principal Civil Service Pension Scheme (PCSPS) cover most past and present employees; salaried and fee-paid judicial office holders are covered by the Judicial Pension Scheme (JPS). Both the PCSPS and the JPS are unfunded defined benefit schemes although, in accordance with the FReM paragraph 8.2 adaptation of IAS 19, the department accounts for these as defined contribution schemes and recognises contributions it pays as an expense in the year in which they are incurred. The legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

The department is responsible for the administration of the JPS that provides for the pension entitlements of salaried and fee-paid judicial office holders of six other participating bodies.

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

A UK Supreme Court hearing on 6 February 2013 ruled that a retired fee-paid judicial office holder is entitled to a pension on terms equivalent to those of a salaried judicial office holder. This lead case set the precedent for other stayed cases. Consistent with the accounting for salaried judicial office holders, and in accordance with FReM 8.2, we account for employer contributions payable to the JPS for eligible fee-paid judicial office holders as they are incurred but do not recognise a liability in respect of back payments or the pension liability arising pursuant to the claim. Accordingly, provision for the fee-paid pension entitlement is recognised in the JPS Accounts.

Provisions have been recognised in the department's accounts for both the liability to fee-paid judicial office holders in respect of the Judicial Service Award, and the separate element of the pension liability relating to fee-paid judges, as neither of these is a liability covered by the JPS and its governing acts.

The JPS is not consolidated within these accounts and further information can be found in the JPS accounts at www.gov.uk/government/publications/judicial-pensions-scheme-annual-report-and-accounts-2021-to-2022.

Further information about these provisions is set out in Note 20.

Funded pension schemes

Unlike the schemes described above, funded pension schemes are accounted for through the department's CSoFP, applying ***IAS 19 Employee Benefits*** in full. These accounts contain the Local Government Pension Scheme (LGPS) for HMPPS probation staff and past employees of the probation trusts (including those who transferred to community rehabilitation companies (CRCs) and/or community rehabilitation services (CRSs) the Children and Family Court Advisory and Support Service (Cafcass) and the Legal Services Commission Pension Scheme (LSCPS). The cost of providing benefits is determined using the projected unit credit method, with formal actuarial valuations being carried out at the end of every third reporting period (the most recent valuations being 31 March 2019). The results of the valuation as at 31 March 2019 were shown in the actuarial report as at 31 March 2021 and were reflected in the 2020-21 accounts.

The Local Government Pension Scheme (LGPS) fund is administered by the Greater Manchester Pension Fund (GMPF). The Secretary of State for Justice has provided a guarantee to GMPF in respect of the CRSs' participation in the GMPF for pension liabilities that transferred to the CRSs.

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

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

Remeasurements (comprising actuarial gains and losses) the effect of the asset ceiling (including irrecoverable surplus adjustments), and the return on plan assets (excluding interest) are recognised within Other Comprehensive Expenditure in full in the period in which they arise. Service costs are recognised in the CSoCNE and are spread systematically over the working lives of the employees. The net interest charge to the CSoCNE is calculated by applying the discount rate to the net defined benefit liability or asset.

Other defined benefit pension schemes

The department has separate schemes that are 'by-analogy' or similar to the PCSPS. However, they are funded by provisions from the department's vote and pension payments are administered by the department and made via the payroll system.

Early departure and injury benefit costs

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

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

The early departure and injury benefit provisions are discounted using the rate disclosed in Note 1.18.

1.14 Income

IFRS15 Revenue from Contracts with Customers and the FReM require that, when applying income recognition policies, legislation and regulations which enable an entity to receive cash or another financial asset from another entity should be assessed for performance obligations, so as to match revenue to the performance obligation.

Income is generated directly from the operating activities of the departmental group and includes both budgetary and non-budgetary income. Non-budgetary income is outside the ambit of the departmental group and is surrendered to the Consolidated Fund as CFERs: refer to Annex A, SOPS 4.

Income is stated net of VAT and comprises mainly fees and charges for services which are set on a full cost recovery basis.

The department recognises revenue from a number of different sources, primarily from: fees collected by HM Courts & Tribunals Service (HMCTS) in relation to court fees for services rendered to civil, family court and tribunal users; Legal Aid Agency (LAA) civil representation and criminal case recoveries; Office of the Public Guardian (OPG) fees (largely Power of Attorney fees); HM Prison and Probation Service (HMPPS) income (largely prison related) as well as recoveries from other government departments.

Fee Income

HMCTS fee income

The majority of fees paid to HMCTS are for an application to commence the administration of a process or, to a lesser, extent a court process or for a particular stage of the administration of the court process. The payment of a fee does not convey the right to a decision, or a particular outcome from the court, nor does it set out the timescale or process which will be followed by the court or tribunal, which is at the discretion of the judge. It is a fundamental principle of an independent judiciary that judges do not hold performance obligations to individuals or organisations in relation to court and tribunal activities.

The power to charge fees is conferred by section 92 of the Courts Acts 2003, and the power to charge enhanced fees is conferred by section 180 of the Anti-Social Behaviour Crime and Policing Act 2014. This is the legislation against which HMCTS assesses its performance obligations. This legislation also provides for statutory instruments to set out a price list for the fees to be charged. These statutory instruments, determined in the FReM adaption as contracts under IFRS 15, are interpreted as the performance obligations on HMCTS in respect of the individual fees charged. This does not place a performance obligation on the judiciary.

HMCTS has therefore adopted an income policy which recognises that in the administration of the courts system, HMCTS, whose role is to support the judiciary in their administration of justice, bears a responsibility to applicants to ensure their application is progressed upon receipt of the correct fee.

In recognition of this obligation, HMCTS defers most of its revenue until the issue of an application is completed, or any other obligations are completed that are required as part of the statutory instrument.

Civil fees make up the majority of HMCTS income and can be disaggregated into broad jurisdictional categories. Within each category, there are three significant common performance recognition points: issue, hearing and enforcement.

OPG fee income

For OPG fees and charges, revenue from contracts with customers comprises fees for services which are set based on an OPG full cost recovery basis. Fee income consists of amounts for services rendered from Power of Attorney (POA), Supervision, and copies of POA certificates.

Fines and penalties

The department also collects fines, criminal court charges and fixed penalties imposed by the judiciary or police. The department is permitted to retain part of the value of fines and penalties collected. The HMCTS Trust Statement accounts for fines and penalties imposed by the criminal justice system as revenue ultimately payable to the Consolidated Fund, on a gross basis. It also accounts for the cash and balances payable to the Consolidated Fund and third parties in relation to the collection of the fines and penalties amounts.

The victim surcharge

An additional surcharge is added to fines that are imposed. HMCTS is responsible for collecting the victim surcharge and passing the receipts to MoJ justice reform directorate of the department to fund victims' services.

Recoveries from other government departments and income from the NHS and other healthcare providers

Recoveries from other government departments relate to the recharge of expenditure to other government departments. HMPPS receives income from the NHS in relation to healthcare funding from the Home Office in relation to and Immigration Removal Centres. HMCTS receives funding from DWP and HMRC in respect of the operations of the First Tier Tribunal (Social Security and Child Support).

Retail sales

Retail income is generated within HMPPS from retail sales in prison shops.

Levy income of the Office of Legal Complaints (OLC) and Legal Services Board (LSB)

The Legal Services Act 2007 (the Act) makes provision for the costs of OLC and LSB to be recovered through the imposition of a levy on the legal profession's approved regulators. In accounting for levy income, section 175 of the Act requires all levy income collected by OLC and LSB to be surrendered to the Consolidated Fund. In return, OLC and LSB receive Grant-in-Aid (GiA) funding from the core department equal to the income surrendered. Accordingly, a notional transfer to the Consolidated Fund has been shown in the Statement of Changes in Taxpayers' Equity and an equal amount is shown as a notional Grant-in-Aid receipt from MoJ as the sponsoring department.

The LSB and OLC, in conjunction with the department and HM Treasury, are seeking to identify a suitable legislative vehicle to make an amendment to section 175 of the 2007 Act to enable them to retain the levy income and not surrender it in return for an equal grant.

Other income

European Social Fund and other European funding

Through HMPPS, the department receives a financial allocation for delivery of resettlement services to offenders. The funding is used to support offenders considered hard to reach, in both custody and community settings, to increase employability and provide opportunities to access mainstream services. Funding is matched to eligible expenditure on an accruals basis. The performance obligation is met and income recognised when expenditure is incurred that meets the funding payment criteria.

1.15 Grants payable and paid

Grant-in-Aid financing to the department's NDPBs is reported on a cash basis in the period in which payments are made. Co-funding grants from other government departments are paid to NDPBs via the core department and are included as part of the Grant-in-Aid funding for the year. All Grant-in-Aid and supply funding made by the core department to its agencies and NDPBs is fully eliminated within the departmental group.

The department also makes a small number of grants to a variety of public sector, private sector and voluntary bodies. These grants are recognised at the point at which an authorised request is received from the recipient body, in accordance with the terms of the relevant financial memoranda.

1.16 Costs borne by the Consolidated Fund

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

1.17 Notional costs

Notional costs comprise statutory auditors' remuneration, which represents the National Audit Office's cost for the audit of the department and executive agencies' accounts, and notional costs for corporate overheads which are recharged to business areas. Such notional costs are credited directly to the General Fund. The majority of the notional recharge costs relate to IT services, estates costs, and shared services processing charges that are centrally managed on behalf of the Group.

1.18 Provisions

Provisions are recognised in accordance with ***IAS 37 Provisions, contingent liabilities and contingent assets***. Provisions are recognised when the department has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and for which a reliable estimate can be made for the amount of the obligation.

Where the effect of discounting is material, provisions are measured at their present value using the current discount rates set by HM Treasury based on the underlying cash flows: 0.47%, 0.70% and 0.95% for short-term, medium-term and long-term cash flows respectively. Early departure and injury benefit provisions are discounted using the HM Treasury post-employment benefits real discount rate of -1.03% (2020-21: -0.95%).

1.19 Contingent liabilities

A contingent liability is disclosed when the likelihood of a payment is less than probable, but more than remote, or the obligation cannot be measured reliably. Where the time value of money is material, contingent liabilities required to be disclosed under ***IAS 37 Provisions, Contingent Liabilities and Contingent Assets*** are stated at discounted amounts.

1.20 Value Added Tax

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

1.21 Third party assets

The department holds, as custodian or trustee, certain assets belonging to third parties. In line with FReM requirements, these assets are not recognised in the CSoFP and are disclosed within Note 28 since neither the department nor the government has a direct beneficial interest in them.

Other third party monies held at the Government Banking Service (GBS) at 31 March 2022 are recognised as both cash and cash equivalents (Note 18) and trade and other payables (Note 19), and therefore have no net impact on the CSoFP.

1.22 Financial instruments

Recognition

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

De-recognition

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

Classification and measurement of financial assets

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

Financial assets at fair value through profit and loss

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

Receivables relating to LAA's statutory charge are measured at fair value in line with the requirements of ***IFRS 13 Fair Value Measurement*** which applies the consideration of the three hierarchies set under the standard for determining fair value. The practical application of IFRS 13 with reference to the LAA's assets is explained in further detail in the Legal Aid Agency's Annual Report and Accounts 2021-22.

The department, through HMPPS, holds share investments of £0.4 million (2020-21: £0.6 million) in milk companies due to the milk producing prison farms run by HMPPS at HMP Usk. They are held as financial assets at fair value through profit and loss. Fair value is equal to market value at the reporting date, and the movement in the value of assets is recognised immediately in the SoCNE, as income or as an expense.

Financial assets at amortised cost

Cash and trade and other receivables are held at amortised cost. For assets at amortised cost, the amortised cost balance was reduced where appropriate by an allowance for amounts which were considered to be impaired or uncollectable.

The department recognises a provision for expected credit losses on financial assets measured at amortised cost. Any interest receivable or loss arising on impairment is recognised in the Statement of Comprehensive Net Expenditure.

Trade receivables are generally due for settlement within 30 days and are therefore classed as current. The majority of the department's receivables relate to other government departments and other public bodies. These bodies are funded by Parliament and there is historical evidence to show that this debt is collected. The department is therefore not exposed to significant credit risk on these balances.

Receivables that are not due from other public bodies are grouped together for the purpose of working out the expected credit loss. For trade receivables with no significant financing components, ***IFRS 9 Financial Instruments*** allows an entity to use a simplified method for calculating expected losses using historical default rates over the expected life of the trade receivables and adjusting for forward-looking estimates. Receivables are shown net of expected credit loss using this approach.

Impairment of financial assets

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

Classification and measurement - financial liabilities

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

1.23 Cash and cash equivalents

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

1b) Critical accounting estimates and judgements

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

Critical accounting estimates and assumptions

The preparation of the financial statements requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Revaluation and impairment of non-current assets

Subsequent to initial recognition land and buildings (including dwellings) are recorded at fair value, as interpreted by the FReM, based on professional valuations which are conducted for each property at least once every five years. The majority of operational buildings are specialised and are therefore valued at depreciated replacement cost (DRC) to a modern equivalent basis. This modern equivalent is assumed to be in the same location with the same internal area as the existing property. All other buildings are measured at fair value determined from market based evidence.

All assets other than land and buildings and assets under construction are revalued at each reporting date using the Producer Price Index prepared by the ONS. Intangible assets include internally generated software and software licences. Internally generated software is initially recognised as assets under construction in the financial statements based on the cost (for example capitalised staff and consultancy costs) of creating that software, which could be a bespoke IT system or a modified existing system. When the system becomes available for use the asset is transferred to Intangible IT and an impairment review is carried out.

The carrying amounts of these assets are shown in Notes 13, 15 and 16.

Net pension assets and liabilities

The present value of the net pension liability detailed in Note 25 depends on a number of actuarially derived assumptions about inflation, salary and pension trends, discount factors and mortality rates. The estimated net liability or asset is subject to fluctuation and uncertainty due to changes in these assumptions over time and differences between assumptions and actual events.

The pension liabilities for 2021-22 reflect the appropriate assumptions. As a result of the large increase in the discount rate at 31 March 2022, this has significantly reduced the pension liability for all Local Government Pension Scheme (LGPS) employers. All assumptions remain under constant review. As the economic climate changes and more information becomes available, assumptions will be updated to reflect this.

Provisions for liabilities and charges

The recognition and measurement of provisions rely on the application of professional judgement, historical experience, and other factors expected to influence future events. Where the likelihood of a liability crystallising is deemed probable and can be measured with reasonable certainty, a provision is recognised. Provision balances which contain regular, homogeneous transactions are often derived from complex financial models. Estimates and assumptions applied in these models are continually evaluated and reviewed. Further information is set out in Note 20.

Accounting for receivables impairment

Receivables are shown net of impairments in accordance with the requirements of the FReM.

Allowances are made for credit losses on an 'expected loss' basis. The amortised cost of receivables is determined by making an impairment to reduce the carrying value of receivables to the estimated future flow of repayments.

LAA financial assets

For assets held at amortised cost, IFRS 9 requires the LAA to recognise expected credit losses based on historic experience and adjust for reasonable and supportable forward-looking information such as management's assessment of likely recoveries. This assessment may be of individual assets (individual impairment) or of a portfolio of assets (collective impairment). An assessment of collective impairment is made of financial assets with similar risk characteristics. For these assets, the LAA's previous experience of losses in each portfolio is used to estimate the degree of impairment on that asset class.

Where such an estimate is made, impairment provisions are made to reduce the carrying value of financial assets accordingly. LAA apply the 'simplified model' and recognise lifetime expected credit losses.

The measurement of expected credit loss involves increased complexity and judgement. Further detail on the valuation model used to generate this estimate and the actual impairments against the LAA's receivables is included in Note 24 to these financial statements.

Default is determined by reference to one or more missed contractual payments but also includes arrangements in place to pay less than contractual payments, fraud and bankruptcy or other indicators. The key areas in which management make estimations and assumptions are trade and other receivables (Note 17 and Note 24) and provisions for liabilities and charges (Note 20).

Critical judgements in applying accounting policies

Valuation of court buildings and prisons earmarked for closure

As part of an ongoing justice transformation strategy, ministers have identified a number of under-utilised court buildings and prisons no longer fit for purpose, for closure over the next few years. This has reduced the remaining estimated useful life of these assets.

Prior to the announcement of closure these buildings are considered specialised assets and are valued at depreciated replacement cost (DRC). The announcement of closure triggers the impairment event. The reduction in the remaining useful life of these assets represents an impairment indicator. All impairment expenditure is charged to the CSoCNE, with the balance of any revaluation reserve taken to the General Fund. The valuation method will be altered from DRC to the appropriate valuation methodology when the asset is transferred to 'assets held for sale' or when it becomes surplus.

LAA financial assets

For assets held at amortised cost, IFRS 9 requires the LAA to recognise at amortised cost and to then recognise expected credit losses based on historic experience and adjusted for reasonable and supportable forward-looking information such as management's assessment of likely recoveries. This assessment may be of individual assets (individual impairment) or of a portfolio of assets (collective impairment). An assessment of collective impairment is made of financial assets with similar risk characteristics. For these assets, the LAA's previous experience of losses in each portfolio is used to estimate the degree of impairment on that asset class. However, past payment profiles have been adjusted to account for the exceptional circumstances arising from COVID-19: our expectation is that these extraordinary payment patterns will not be repeated in the future.

The key areas in which management make estimations and assumptions are trade and other receivables (Note 17 and Note 24) and provisions for liabilities and charges (Note 20).

Service Concession Arrangements

The classification of arrangements as Service Concession Arrangements requires the department to determine, based on an evaluation of the terms and conditions of the arrangements, whether it controls the infrastructure. Where the department is judged to control the infrastructure, the contract assets are reflected in the SoFP.

2. Statement of Operating Expenditure by Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM), that is, categorised according to business group.. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee (ExCo).

These segments are: Centrally held; Policy and Corporate Services; HM Courts & Tribunals Service (HMCTS); HM Prison and Probation Service (HMPPS) and other delivery agencies.

The segmental analysis presents the financial information based on the structure reported to ExCo.

Centrally held comprises centrally managed budgets and departmental unallocated provision.

Policy and Corporate Services includes departmental headquarters functions: Chief Finance Officer Group, Policy and Strategy Group, People Group and the department's NDPBs.

The other delivery agencies are the department's three remaining executive agencies: LAA; Criminal Injuries Compensation Authority and OPG.

The ExCo does not receive a CSoFP analysed by operating segment and therefore such an analysis is not presented here.

2. Statement of Operating Expenditure by Operating Segment (continued)

						2021-22
	Centrally held	Policy and corporate services	HMCTS	HMPPS	Other delivery agencies	Gross total (pre-eliminations)
	£000	£000	£000	£000	£000	£000
Income						
Revenues from external customers	(3,947)	(95,297)	(53,831)	(240,636)	(35,227)	(428,938)
Revenues from transactions with other operating segments of the department	-	(157,629)	-	-	(19)	(157,648)
Interest revenue	-	-	-	-	-	-
Material items of income						
EU Grant	-	-	-	(41,539)	-	(41,539)
CFERs	-	(20,624)	-	-	-	(20,624)
Fee Income	(377,931)	(29,999)	(669,467)	-	(68,557)	(1,145,954)
Total income	**(381,878)**	**(303,549)**	**(723,298)**	**(282,175)**	**(103,803)**	**(1,794,703)**
Individual items of expenditure						
Depreciation	-	73,699	215,174	336,581	2,731	628,185
Amortisation	-	11,868	47,654	9,912	9,907	79,341
Material items of expenditure						
Staff costs	(4,181)	650,181	658,534	2,733,734	110,436	4,148,704
Costs of the judiciary	106	9,961	603,439	-	-	613,506
Accommodation, maintenance and utilities	-	41,353	324,081	568,180	5,436	939,050
Offender related costs	-	-	-	672,715	-	672,715
Service concession charges	-	78,200	32,807	524,141	-	635,148
IT services & telecommunications (non-service concession arrangements)	158	115,993	189,623	39,530	329	345,633
Costs of Community Rehabilitation Companies	-	-	-	179,462	-	179,462
Payments of grant-in-aid to NDPBs which eliminate with receipts of grant-in-aid by NDPBs	-	272,480	-	-	-	272,480
Cost of legal services and disbursements (civil)	-	-	-	-	7,162	7,162
Cost of legal services and disbursements (crime)	-	-	-	-	3,780	3,780
Provisions provided for in year	40,989	(354)	43,029	29,527	1,902,788	2,015,979
Corporation tax	-	-	-	-	-	-
Rentals under operating leases	1	5,686	22,034	1,787	1,124	30,632
Finance charges on leases and service concession arrangements	-	7,933	15,057	13,551	93	36,634
Current Grants	-	243,394	25	4,713	-	248,132
Corporate Overhead recharge	-	(513,902)	93,376	378,128	42,398	-
SoCNE Impairments	-	5,609	3,889	95,687	95	105,280
Immaterial items of expenditure	19,904	328,891	195,901	275,913	43,716	864,325
Total expenditure	**56,977**	**1,330,992**	**2,444,623**	**5,863,561**	**2,129,995**	**11,826,148**

						2020-21
	Centrally held £000	Policy and corporate services £000	HMCTS £000	HMPPS £000	Other delivery agencies £000	Gross total (pre-eliminations) £000
Income						
Revenues from external customers	(2,345)	(85,991)	(62,061)	(203,697)	(26,651)	(380,745)
Revenues from transactions with other operating segments of the department	-	(144,517)	-	-	-	(144,517)
Interest revenue	-	(2)	-	-	-	(2)
Material items of income						
EU Grant	-	-	-	(32,850)	-	(32,850)
CFERs	-	(17,334)	-	-	-	(17,334)
Fee income	(260,622)	(30,000)	(563,202)	-	(62,262)	(916,086)
Total income	**(262,967)**	**(277,844)**	**(625,263)**	**(236,547)**	**(88,913)**	**(1,491,534)**
Individual items of expenditure						
Depreciation	-	53,665	134,242	305,761	1,398	495,066
Amortisation	-	15,292	35,193	9,973	11,085	71,543
Material items of expenditure						
Staff costs	53,462	563,048	625,064	2,450,721	108,876	3,801,171
Costs of the judiciary	129	6,164	573,685	-	-	579,978
Accommodation, maintenance and utilities	891	40,473	307,806	568,876	4,127	922,173
Offender related costs	-	-	-	702,805	-	702,805
Service concession charges	-	79,477	30,029	526,091	-	635,597
IT services & telecommunications (non-service concession arrangements)	-	86,825	156,042	28,310	410	271,587
Costs of Community Rehabilitation Companies	-	-	-	411,040	-	411,040
Payments of grant-in-aid to NDPBs which eliminate with receipts of grant-in-aid by NDPBs	336	254,141	-	-	-	254,477
Cost of legal services and disbursements (crime)	-	-	-	-	4,739	4,739
Cost of legal services and disbursements (civil)	-	-	-	-	5,169	5,169
Provisions provided for in year	47,048	(4,273)	5,533	344	1,693,211	1,741,863
Corporation tax	-	-	-	-	-	-
Rentals under operating leases	(1,299)	26,001	90,859	1,774	1,706	119,041
Finance charges on leases and service concession arrangements	-	7,920	4,937	14,098	-	26,955
Current Grants	-	220,746	25	4,752	-	225,523
Corporate Overhead recharge	1	(453,126)	82,337	326,367	44,421	-
SoCNE Impairments	-	12,350	43,522	39,220	-	95,092
Immaterial items of expenditure	11,326	280,932	102,727	252,117	65,199	712,301
Total expenditure	**111,894**	**1,189,635**	**2,192,001**	**5,642,249**	**1,940,341**	**11,076,120**

3. Revenue from contracts with customers

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Fines receipts	407,924	407,924	290,622	290,622
Fee income	744,061	744,067	622,955	622,955
Victim surcharge	37,864	37,864	35,393	35,393
Legal Aid Agency - Civil Representation recoveries	16,412	16,412	10,695	10,695
Legal Aid Agency - Criminal cases recoveries	17,506	17,506	14,958	14,958
Remand income	32,054	32,137	31,022	31,080
Income from NHS and other healthcare providers	53,927	53,927	49,622	49,622
Income from Community Rehabilitation Companies	-	-	-	-
Recoveries from other government departments	127,411	127,013	101,368	101,219
External sales of prison industries	13,747	13,747	9,771	9,771
Retail prison shop income	67,265	67,265	65,884	65,884
In-cell TV income	547	547	33	33
Training	1,294	1,294	1,557	1,557
Compensation	5,053	5,053	4,256	4,256
Internal customers	1,509	1,509	1,375	1,375
Miscellaneous income	16,167	15,417	10,626	9,854
Revenue from contracts with customers within the department's ambit	**1,542,741**	**1,541,682**	**1,250,137**	**1,249,274**
CFER Receipts	2,820	20,624	267	17,334
Total Revenue from contracts with customers	**1,545,561**	**1,562,306**	**1,250,404**	**1,266,608**

4. Other operating income

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Rental income	31,705	31,705	46,251	46,251
European Social Fund and other European funding	41,539	41,539	32,850	32,850
Miscellaneous income	-	(1)	-	(148)
Other operating income within the department's ambit	**73,244**	**73,243**	**79,101**	**78,953**
Consolidated Fund Extra Receipts	-	-	-	-
Total other operating income	**73,244**	**73,243**	**79,101**	**78,953**

5. Staff and judiciary costs

Staff costs

				2021-22	2020-21
	Permanently employed staff[71]	Other	Ministers	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	2,794,148	213,563	330	3,008,041	2,847,025
Social security costs	285,251	1,500	38	286,789	270,398
Other pension costs	840,601	15	-	840,616	670,887
Sub total	**3,920,000**	**215,078**	**368**	**4,135,446**	**3,788,310**
Early departure costs	15,159	-	-	15,159	9,990
Early departure provisions	-	-	-	-	43
Add inward secondments	17,578	13,163	-	30,741	16,355
Less recoveries in respect of outward secondments	(32,769)	-	-	(32,769)	(13,570)
Total Net Costs	**3,919,968**	**228,241**	**368**	**4,148,577**	**3,801,128**
Of which:					
Core department and agencies	3,695,324	200,052	368	3,895,744	3,574,478
NDPBs	224,644	28,189	-	252,833	226,650
	3,919,968	**228,241**	**368**	**4,148,577**	**3,801,128**

Judiciary costs

				2021-22	2020-21
	Senior judicial salaries	Other judicial salaries	Fee-paid judiciary	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	137,958	111,870	141,941	391,769	366,546
Social security costs	18,517	14,843	14,612	47,972	44,588
Other pension costs	68,704	56,404	48,657	173,765	168,844
Total Net Costs	**225,179**	**183,117**	**205,210**	**613,506**	**579,978**
Of which:					
Core department and agencies	225,179	183,117	205,210	613,506	579,978
NDPBs	-	-	-	-	-
	225,179	**183,117**	**205,210**	**613,506**	**579,978**

Staff and judiciary numbers and further details of related costs, including exit packages, are reported in the Remuneration and Staff Report within the Accountability section.

[71] As part of the probation reform programme over 7,000 staff from the Community Rehabilitation Companies (CRCs), their parent organisations and supply chain, transferred into HMPPS in June 2021 on termination of the contracts with the CRCs.

6. Purchase of goods and services

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Lease/service concession charges:				
PFI service charges	635,148	635,148	635,701	635,701
Other service concession service charges (non-PFI)	-	-	(104)	(104)
Rentals under operating leases	30,589	30,632	118,800	118,951
Other services:				
Accommodation, maintenance and utilities	934,029	780,975	915,340	777,257
Communications, office supplies and services	54,849	56,589	51,832	53,467
Travel, subsistence and hospitality	36,255	38,489	20,518	21,709
Training and other staff related costs	74,507	78,062	73,918	77,072
IT services and telecommunications (non-service concession arrangements)	337,018	345,053	263,536	270,953
Professional services	78,952	83,154	86,564	90,088
Other contracted out services	120,983	130,421	112,569	120,626
Shared Service outsourcing	-	293	-	-
External Auditor's remuneration and expenses	-	481	-	427
Other legal aid service costs	-	16	-	52
Non-cash services:				
External Auditor's remuneration*	1,707	1,707	1,590	1,590
Total purchase of goods and services	**2,304,037**	**2,181,020**	**2,280,264**	**2,167,789**

* Non-cash external auditors' remuneration represents the statutory audit fees of the core department and agencies. Refer to page 82 in the Governance Statement, for details of total statutory audit fees for the group.

7. Depreciation, amortisation and impairment charges

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Depreciation	624,554	628,185	494,030	495,066
Amortisation	76,673	79,341	68,987	71,543
Impairment charge on non-current assets:				
Property, plant and equipment	99,819	99,826	76,562	76,647
Intangible assets	5,503	5,504	18,349	18,349
Assets held for sale	(50)	(50)	-	-
Investments	-	-	96	96
Increase/(decrease) in receivables impairment	-	-	-	-
	13,090	13,085	19,638	19,584
Total depreciation, amortisation and impairment charges	**819,589**	**825,891**	**677,662**	**681,285**

8. Provision expense

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Provisions provided in year net of release	273,921	273,664	195,869	197,268
Civil legal help and representation – solicitors' charges, counsel fees and disbursements	907,473	907,473	848,216	848,216
Criminal cases – solicitors' charges, counsel fees and disbursements	834,842	834,842	696,379	696,379
Total provision expense	**2,016,236**	**2,015,979**	**1,740,464**	**1,741,863**

Not included in the provisions expense note are employment tribunal refunds, which are charged against income, and dilapidations provisions which have been capitalised and added to right of use assets.

9. Net (gain)/loss on disposal of assets

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Net (gain)/loss on disposal of:				
Property, plant and equipment	1,872	1,963	2,060	2,060
Intangible assets	(25)	39	716	728
Assets held for sale	(1,104)	(1,104)	(8,749)	(8,749)
Total net (gain)/loss on disposal of assets	**743**	**898**	**(5,973)**	**(5,961)**

10. Revaluation of non-current and financial assets charged to CSoCNE

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
(Increase)/decrease in the valuation of:				
Property, plant and equipment	62,874	62,874	(5,337)	(5,337)
Intangible assets	194	194	-	-
Assets held for sale	(94)	(94)	303	303
Investments	260	260	(190)	(190)
Total revaluation of non-current and financial assets	**63,234**	**63,234**	**(5,224)**	**(5,224)**

11. Other operating expenditure

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Grants:				
Current	165,836	248,132	150,385	225,523
Capital	-	-	3,901	3,901
Criminal justice costs:				
Offender related costs	672,715	672,715	702,805	702,805
Youth offender costs	52,903	52,905	59,143	59,143
Contracted probation services*	179,462	179,462	411,040	411,040
Judicial and juror costs	51,883	51,883	30,421	30,421
Cost of legal services and disbursements (Civil)	7,162	7,162	4,739	4,739
Cost of legal services and disbursements (Crime)	3,780	3,780	5,169	5,169
Cost from Central Funds	12,291	12,291	9,405	9,405
Compensation payments	28,404	28,404	28,538	28,538
Other administrative expenditure	15,794	15,938	6,855	7,059
Other programme costs	105,485	197,801	52,397	136,753
Grant-in-Aid to NDPBs	272,480	-	254,477	-
Other PSP related personal protective equipment	-	-	24,035	24,035
Non-cash operating expense:				
Notional charges	-	-	-	-
Corporate notional overhead charge	(3,037)	-	(3,513)	-
Other pension costs	707	707	1,205	1,205
Other non-cash	(21,069)	(21,041)	(1,447)	(1,482)
Total other operating expenditure	**1,544,796**	**1,450,139**	**1,739,555**	**1,648,254**

* The termination of the CRC contracts, and reunification of the Probation Service, changed the spending profile, removing costs from the single 'Contracted probation services' line and spreading across the various headings relevant to the costs now incurred directly by HMPPS, including staff costs.

12. Finance expense

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Finance charges on leases and service concession arrangements	36,636	36,634	26,955	26,955
Local authority loan interest	756	756	-	-
Non-cash finance expense:				
Net interest on pension	47,626	54,195	35,338	41,309
Total finance expense	**85,018**	**91,585**	**62,293**	**68,264**

13. Property, plant and equipment

Departmental group 2021-22

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2021	**1,609,080**	**9,120,029**	**42,747**	**540,770**	**434,635**	**31,248**	**1,083,287**	**12,861,796**
Adoption of IRFS 16 - reclassification	**(1,200)**	**(115,892)**	**(987)**	**-**	**-**	**-**	**-**	**(118,079)**
Restated balance at 1 April 2021	**1,607,880**	**9,004,137**	**41,760**	**540,770**	**434,635**	**31,248**	**1,083,287**	**12,743,717**
Additions	56,160	138,364	-	46,155	71,001	3,585	866,083	1,181,348
Disposals	(1,236)	(1,433)	-	(1,248)	(15,491)	(271)	21	(19,658)
Reclassifications	(8,166)	642,753	7,362	69,419	19,210	3,379	(746,771)	(12,814)
Revaluations	127,899	108,125	4,411	(7,700)	26,308	1,582	-	260,625
Transfers	-	24	-	-	(25)	-	19	18
Impairments	434	(56,969)	-	(32,334)	(34,707)	-	9,821	(113,755)
At 31 March 2022	**1,782,971**	**9,835,001**	**53,533**	**615,062**	**500,931**	**39,523**	**1,212,460**	**14,039,481**
Depreciation								
At 1 April 2021	**-**	**(1,854)**	**-**	**(398,555)**	**(280,309)**	**(27,250)**	**-**	**(707,968)**
Charged in year	(583)	(400,027)	(1,095)	(70,643)	(31,299)	(1,211)	-	(504,858)
Disposals	-	361	-	1,234	14,691	269	-	16,555
Reclassifications	-	143	3	-	-	-	-	146
Revaluations	583	399,422	1,080	6,046	(20,313)	(1,358)	-	385,460
Transfers	-	-	-	-	-	-	-	-
Impairments	-	-	-	13,918	9	2	-	13,929
At 31 March 2022	**-**	**(1,955)**	**(12)**	**(448,000)**	**(317,221)**	**(29,548)**	**-**	**(796,736)**
Carrying amount at 31 March 2022	**1,782,971**	**9,833,046**	**53,521**	**167,062**	**183,710**	**9,975**	**1,212,460**	**13,242,745**
Carrying amount at 1 April 2021	**1,609,080**	**9,118,175**	**42,747**	**142,215**	**154,326**	**3,998**	**1,083,287**	**12,153,828**
Owned	1,647,093	8,828,716	53,521	167,062	134,851	9,975	1,212,460	12,053,678
Finance leased	-	-	-	-	-	-	-	-
On balance sheet PFI and other service concession arrangements	135,878	1,004,330	-	-	48,859	-	-	1,189,067
Carrying amount at 31 March 2022	**1,782,971**	**9,833,046**	**53,521**	**167,062**	**183,710**	**9,975**	**1,212,460**	**13,242,745**

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Of the total								
Core department and agencies	1,782,971	9,832,412	53,521	165,516	183,708	9,789	1,212,460	13,240,377
NDPBs	-	634	-	1,546	2	186	-	2,368
Carrying amount at 31 March 2022	**1,782,971**	**9,833,046**	**53,521**	**167,062**	**183,710**	**9,975**	**1,212,460**	**13,242,745**

The £118.1 million restated opening balance is due to the reclassification to right of use assets of £45.9 million of leased property (peppercorn leases) within HMCTS, and £72.2 million of finance leases within MoJ Core, under IFRS 16.

Departmental group 2020-21

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2020	**1,561,842**	**9,550,583**	**43,532**	**467,383**	**368,814**	**30,809**	**531,821**	**12,554,784**
Additions	4,392	82,927	-	52,129	71,917	149	768,659	980,173
Disposals	-	(610)	-	(1,739)	(7,187)	(2)	(948)	(10,486)
Reclassifications	4,200	149,586	(1,497)	7,525	37,640	243	(201,674)	(3,977)
Revaluations	40,003	(623,482)	712	15,471	(12,794)	49	-	(580,041)
Transfers	-	(1,765)	-	1	-	-	-	(1,764)
Impairments	(1,357)	(37,210)	-	-	(23,755)	-	(14,571)	(76,893)
At 31 March 2021	**1,609,080**	**9,120,029**	**42,747**	**540,770**	**434,635**	**31,248**	**1,083,287**	**12,861,796**
Depreciation								
At 1 April 2020	**-**	**(2,160)**	**1**	**(335,267)**	**(272,272)**	**(26,292)**	**-**	**(635,990)**
Charged in year	(592)	(412,268)	(1,123)	(53,394)	(26,770)	(919)	-	(495,066)
Disposals	-	-	-	2,149	6,662	1	-	8,812
Reclassifications	-	14	19	(66)	1	1	-	(31)
Revaluations	592	412,313	1,103	(11,977)	12,057	(41)	-	414,047
Transfers	-	190	-	-	-	-	-	190
Impairments	-	57	-	-	13	-	-	70
At 31 March 2021	**-**	**(1,854)**	**-**	**(398,555)**	**(280,309)**	**(27,250)**	**-**	**(707,968)**
Carrying amount at 31 March 2021	**1,609,080**	**9,118,175**	**42,747**	**142,215**	**154,326**	**3,998**	**1,083,287**	**12,153,828**
Carrying amount at 1 April 2020	**1,561,842**	**9,548,423**	**43,533**	**132,116**	**96,542**	**4,517**	**531,821**	**11,918,794**
Asset financing								
Owned	1,529,172	7,735,236	37,562	141,335	94,591	3,998	1,083,287	10,625,181
Finance leased	59,572	410,883	5,185	-	2,202	-	-	477,842
On-balance sheet PFI and other SCAs	20,336	972,056	-	880	57,533	-	-	1,050,805
Carrying amount at 31 March 2021	**1,609,080**	**9,118,175**	**42,747**	**142,215**	**154,326**	**3,998**	**1,083,287**	**12,153,828**

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Of the total								
Core department and agencies	1,609,080	9,117,475	42,747	140,379	154,324	3,775	1,082,885	12,150,665
NDPBs	-	700	-	1,836	2	223	402	3,163
Carrying amount at 31 March 2021	**1,609,080**	**9,118,175**	**42,747**	**142,215**	**154,326**	**3,998**	**1,083,287**	**12,153,828**

Included in the carrying values above are non-operational sites with a combined value of £15.9 million (2020-21: £23.9 million). These sites are vacant, but do not yet meet the criteria for classification as assets held for sale.

14. Right of use leased assets

As explained in Note 1.11, the department adopted IFRS 16 'Leases' from 1 April 2021. As required by the FReM, we have implemented it using the cumulative catch-up method, without restatement of prior year figures. The majority of leases, treated as operating leases until 31 March 2021 have now been recognised on-balance sheet as right-of use assets and lease liabilities. As a result, we have recognised an additional £1,475.2 million of right of use assets and £1,506.5 million of lease liabilities.

The group's lease contracts comprise leases of operational land and buildings.

Departmental group 2021-22

	Land	Buildings	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2021			
Initial recognition on implementation of IFRS 16	1,199,803	275,349	1,475,152
Additions	93,700	74,450	168,150
Disposals	-	-	-
Reclassifications	483	(559)	(76)
Revaluations	(86,459)	(2,010)	(88,469)
Transfers	-	-	-
Impairments	-	50	50
At 31 March 2022	**1,207,527**	**347,280**	**1,554,807**
Depreciation			
At 1 April 2021			
Charged in year	(79,029)	(44,298)	(123,327)
Disposals	-	-	-
Reclassifications	-	(52)	(52)
Revaluations	(345)	1,423	1,078
Transfers	-	-	-
Impairments	-	-	-
At 31 March 2022	**(79,374)**	**(42,927)**	**(122,301)**
Carrying amount at 31 March 2022	**1,128,153**	**304,353**	**1,432,506**
Carrying amount at 1 April 2021	**-**	**-**	**-**
Of the total			
Core department and agencies	1,128,153	295,240	1,423,393
NDPBs	-	9,113	9,113
Carrying amount at 31 March 2022	**1,128,153**	**304,353**	**1,432,506**

A maturity analysis of lease liabilities is given within Note 19, Trade payables.

Amounts recognised in the Statement of Comprehensive Net Expenditure

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Sub-leasing income	(24,880)	(24,880)	-	-
Depreciation	120,690	123,019	-	-
Interest expense	19,554	19,627	-	-
Low value and short term leases	8,347	8,347	-	-
Non-recoverable VAT	13,535	13,535	-	-
Total charged to the SoCNE	**137,246**	**139,648**	**-**	**-**

Amounts recognised in the Statement of Cash Flows

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Right of use assets	18,670	18,670	-	-
Interest expense	19,554	19,627	-	-
Repayment of principal on leases	127,924	130,135	-	-
Total cash outflow for leases	**166,148**	**168,432**	**-**	**-**

Reconciliation from IAS 17 to IFRS 16

This table reconciles the amounts of the department's operating lease commitments as at 31 March 2021, to the lease liabilities as at 1 April 2021 immediately following adoption of IFRS 16. The operating lease commitments figure has been restated for arrangements not previously identified as leases. Thereafter, the material reconciling items are an adjustment for the impact of discounting and for the adjustment of irrecoverable VAT reported within IAS 17.

Opening lease liabilities are higher than right of use assets because there are additional adjustments for the differing assessments of the lease term (the previous operating lease commitment reflected amounts payable during the non-cancellable lease period, while the IFRS 16 lease term reflects the department's assessment of the likelihood that it will exercise lease extension or cancellation options).

	2021-22	
	Core department & agencies	Departmental group
	£000	£000
Closing operating leases disclosed at 31 March 2021	**1,574,947**	**1,584,600**
Adjustments from IAS 17 to IFRS 16		
Impact of discounting	(220,433)	(220,727)
Non-recoverable VAT	(209,977)	(210,872)
Assessments of lease extension periods and break clauses	31,644	31,629
Low value, short-term leases and intra-MoJ leases	(35,418)	(35,825)
Adjustments for straight lining and stepped increases	185,075	185,075
Finance lease liabilities as at 31 March 2021	121,474	121,474
Other	31,779	35,125
IFRS 16 opening balance lease liabilities	**1,479,091**	**1,490,479**

15. Intangible assets

Departmental group 2021-22

	Software licences	Information technology	Internally generated software	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2021	**42,768**	**451,365**	**460,259**	**382,488**	**1,336,880**
Additions	19,683	160	7,265	112,860	139,968
Disposals	(776)	(6,363)	(6,250)	(600)	(13,989)
Reclassifications	(593)	3,832	303,221	(312,573)	(6,113)
Revaluations	(506)	(5,992)	(5,000)	-	(11,498)
Transfers	-	-	-	(20)	(20)
Impairments	131	(1)	(6,811)	(4,701)	(11,382)
At 31 March 2022	**60,707**	**443,001**	**752,684**	**177,454**	**1,433,846**
Amortisation					
At 1 April 2021	**(37,187)**	**(372,241)**	**(310,437)**	**-**	**(719,865)**
Charged in year	(4,789)	(18,615)	(55,937)	-	(79,341)
Disposals	712	6,362	6,250	-	13,324
Reclassifications	(359)	359	-	-	-
Revaluations	394	5,142	3,714	-	9,250
Transfers	-	-	1	-	1
Impairments	-	-	5,878	-	5,878
At 31 March 2022	**(41,229)**	**(378,993)**	**(350,531)**	**-**	**(770,753)**
Carrying amount at 31 March 2022	**19,478**	**64,008**	**402,153**	**177,454**	**663,093**
Carrying amount at 1 April 2021	**5,581**	**79,124**	**149,822**	**382,488**	**617,015**
Asset financing					
Owned	19,478	64,008	402,153	177,454	663,093
Carrying amount at 31 March 2022	**19,478**	**64,008**	**402,153**	**177,454**	**663,093**
Of the total					
Core department and agencies	18,781	62,490	396,477	176,625	654,373
NDPBs	697	1,518	5,676	829	8,720
Carrying amount at 31 March 2022	**19,478**	**64,008**	**402,153**	**177,454**	**663,093**

Departmental group 2020-21

	Software licences	Information technology	Internally generated software	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2020	**64,195**	**412,330**	**365,474**	**388,221**	**1,230,220**
Additions	1,600	62	2,689	139,157	143,508
Disposals	(24,114)	(417)	(24,113)	(675)	(49,319)
Reclassifications	(132)	19,477	111,889	(125,862)	5,372
Revaluations	1,218	13,300	11,515	(2)	26,031
Transfers	1	6,613	(7,195)	(2)	(583)
Impairments	-	-	-	(18,349)	(18,349)
At 31 March 2021	**42,768**	**451,365**	**460,259**	**382,488**	**1,336,880**
Amortisation					
At 1 April 2020	**(56,195)**	**(341,531)**	**(278,688)**	**-**	**(676,414)**
Charged in year	(4,064)	(19,283)	(48,196)	-	(71,543)
Disposals	24,107	16	24,104	-	48,227
Reclassifications	64	403	-	-	467
Revaluations	(1,099)	(11,102)	(8,984)	-	(21,185)
Transfers	-	(744)	1,327	-	583
At 31 March 2021	**(37,187)**	**(372,241)**	**(310,437)**	**-**	**(719,865)**
Carrying amount at 31 March 2021	**5,581**	**79,124**	**149,822**	**382,488**	**617,015**
Carrying amount at 1 April 2020	**8,000**	**70,799**	**86,786**	**388,221**	**553,806**
Asset financing					
Owned	5,581	79,124	149,822	382,488	617,015
Carrying amount at 31 March 2021	**5,581**	**79,124**	**149,822**	**382,488**	**617,015**
Of the total					
Core department and agencies	4,884	76,824	143,041	381,812	606,561
NDPBs	697	2,300	6,781	676	10,454
Carrying amount at 31 March 2021	**5,581**	**79,124**	**149,822**	**382,488**	**617,015**

At 31 March 2022 and 31 March 2021 there were no individually material intangible assets.

16. Assets held for sale

	31 March 2022		31 March 2021	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Balance at 1 April	**9,713**	**9,713**	**23,228**	**23,228**
Reclassifications	(1,021)	(1,021)	(1,831)	(1,831)
Disposals	(2,298)	(2,298)	(9,927)	(9,927)
Revaluations	71	71	(1,661)	(1,661)
Impairments	-	-	(96)	(96)
Balance at 31 March	**6,465**	**6,465**	**9,713**	**9,713**

HMPPS has committed to a plan to sell surplus properties, which are to be sold for commercial use and domestic dwellings. These sites have a combined value of £6.2 million.

In addition, as part of an ongoing court rationalisation review, HMCTS has committed to a plan to sell a number of surplus properties (land and buildings) that were previously used to provide court services. These sites have a combined net book value of £291,000. The properties are available for sale in their present condition and the sales are highly probable to occur within one year from the date of classification as an asset held for sale.

17. Trade and other receivables

	31 March 2022		31 March 2021	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Amounts falling due within one year				
Trade receivables	71,179	71,326	77,492	78,310
Other receivables	179,496	181,153	170,170	171,517
Contributions due from funded clients	631	631	6,047	6,047
Statutory charge and interest	12,494	12,494	90,971	90,971
Amounts due from service providers	30,664	30,664	27,062	27,062
VAT receivables	76,728	76,728	82,855	82,855
Deposits and advances	40	81	54	102
Prepayments and accrued income	103,799	106,178	90,602	92,918
Intra-departmental receivables	560	-	767	-
Receivables related to CFERs	-	-	-	-
	475,591	**479,255**	**546,020**	**549,782**
Amounts falling due after more than one year				
Sub-leasing receivables	64,760	64,760	-	-
Other receivables	36,395	36,395	2,943	2,943
Prepayments and accrued income	49	54	410	410
Contributions due from funded clients	4,860	4,860	-	-
Statutory charge and interest	82,468	82,468	-	-
	188,532	**188,537**	**3,353**	**3,353**

The above includes a receivables impairment provision of £246.6 million (2020-21: £248.2 million) for LAA on the statutory charge and interest and the amounts due from service providers. For further detail regarding the LAA impairment provision refer to Note 24.

Other receivables includes £109.1 million (2020-21: £74.8 million) from the HMCTS Trust Statement.

18. Cash and cash equivalents

	31 March 2022		31 March 2021	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Balance at 1 April	**214,590**	**266,618**	**193,258**	**218,563**
Net change in cash and cash equivalents	(32,905)	(43,724)	21,332	48,055
Balance at 31 March	**181,685**	**222,894**	**214,590**	**266,618**
Of which:				
Government Banking Service (GBS)	154,587	182,109	195,996	224,616
Commercial banks and cash in hand	27,098	40,785	18,594	42,002
	181,685	**222,894**	**214,590**	**266,618**

18.1 Reconciliation of liabilities arising from financing activities

Amendments to IAS 7 introduced a requirement for an entity to provide disclosures that enabled users of the financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. The table below provides a breakdown of movements in liabilities arising from financing activities.

	Opening liabilities at 1 April 2021	Cash flows (out)/in	Interest charged	Capital repayment	Interest paid	Adjustments upon adoption of IFRS16	Closing liabilities at 31 March 2022
	£000	£000	£000	£000			
Capital element of finance leases and on-balance sheet PFI contracts	-	(23,868)	-	23,868	-	-	-
Repayment of local authority loans	-	(1,600)	-	1,600	-	-	-
Interest paid	-	(37,390)	(37,390)	-	37,390	-	-
Long-term borrowings	22,351	-	756	(1,600)	(756)	-	20,751
Finance lease liabilities	97,013	-	7,935	93,668	(7,935)	(190,681)	-
Lease liabilities	-	-	11,692	(130,135)	(11,692)	1,726,999	1,596,864
PFI & SCA Liabilities	305,040	-	17,007	12,599	(17,007)	-	317,639
Total liabilities from financing activities	**424,404**	**(62,858)**	**-**	**-**	**-**	**1,536,318**	**1,935,254**

	Opening liabilities at 1 April 2020	Cash flows (out)/in	Interest charged	Capital repayment	Interest paid	Closing liabilities at 31 March 2021
	£000	£000	£000	£000		
Capital element of finance leases and on-balance sheet PFI contracts	-	17,798	-	(17,798)	-	-
Repayment of local authority loans	-	(1,734)	-	1,734	-	-
Interest paid	-	(27,893)	(27,893)	-	27,893	-
Long-term borrowings	24,085	-	938	(1,734)	(938)	22,351
Lease Liabilities	107,318	-	8,491	(10,305)	(8,491)	97,013
PFI & SCA Liabilities	276,937	-	18,464	28,103	(18,464)	305,040
Total liabilities from financing activities	**408,340**	**(11,829)**	**-**	**-**	**-**	**424,404**

19. Trade payables and other current liabilities

19.1 Payables - Analysis by type

	31 March 2022		31 March 2021	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Amounts falling due within one year				
Trade payables	100,546	109,766	109,659	118,365
Taxation and social security	76,205	80,583	67,799	73,910
Capital payables	184,085	184,137	172,077	172,104
Other payables	95,649	96,561	90,303	92,415
Accruals	803,545	820,899	946,598	968,501
Deferred income	88,799	89,048	82,977	83,314
Amounts due to solicitors, counsel and advice agencies	59,638	59,638	62,013	62,013
Contribution refunds to funded clients	1,284	1,284	755	755
Creditor for pension transfer deficit: amounts payable to LGPS	4,219	4,219	11,781	11,781
Amounts issued from the Consolidated Fund for supply but not spent at year end	179,503	179,503	214,504	214,504
CFERs due to be paid to the Consolidated Fund:				
- received	2,182	19,986	86	17,153
- receivable	-	-	-	-
Intra-departmental payables	27,916	-	23,379	-
	1,623,571	**1,645,624**	**1,781,931**	**1,814,815**
Amounts falling due after more than one year				
Local Authority loan balances	20,751	20,751	22,351	22,351
Deferred income	-	1,110	-	2,123
Creditor for pension transfer deficit: amounts payable to LGPS	-	-	4,068	4,068
Other payables	16,283	16,283	14,855	14,855
	37,034	**38,144**	**41,274**	**43,397**

19.2 Other financial liabilities - Analysis by type

	31 March 2022		31 March 2021	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Amounts falling due within one year				
Lease incentive creditors	87	87	1,766	1,766
Straight lining creditors	-	-	5,154	5,154
Finance lease creditors	138,972	141,013	11,697	11,697
Imputed finance lease element of on-balance sheet PFI contracts	38,466	38,466	33,549	33,549
	177,525	**179,566**	**52,166**	**52,166**
Amounts falling due after more than one year				
Lease incentive creditors	-	-	13,499	13,499
Straight lining creditors	-	-	126,744	126,744
Finance lease creditors	1,448,486	1,455,851	85,316	85,316
Imputed finance lease element of on-balance sheet PFI contracts	279,173	279,173	271,491	271,491
	1,727,659	**1,735,024**	**497,050**	**497,050**

20. Provisions for liabilities and charges

	2021-22		2020-21	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Balance at 1 April	**1,554,681**	**1,559,109**	**1,541,829**	**1,545,153**
Provided in the year	2,117,726	2,119,285	1,823,309	1,825,650
Provisions not required written back	(79,498)	(80,867)	(84,197)	(85,139)
Provisions utilised in the year	(1,984,899)	(1,985,172)	(1,724,553)	(1,724,849)
Borrowing costs (unwinding of discount)	3,685	3,685	(1,707)	(1,706)
Balance at 31 March	**1,611,695**	**1,616,040**	**1,554,681**	**1,559,109**
Analysis of expected timing of discounted cash flows				
Not later than one year	916,691	920,237	942,996	945,921
Later than one year but not later than five years	329,706	330,474	288,299	289,788
Later than five years	365,298	365,329	323,386	323,400
Balance at 31 March	**1,611,695**	**1,616,040**	**1,554,681**	**1,559,109**

Provisions by type

	Judicial Service Award	Injury benefit scheme	Early departure costs	Costs from Central Funds	Legal claims	Repayment schemes (OPG and HMCTS)	CICA pre-tariff scheme	CICA tariff scheme	Leasehold dilapidations	LAA outstanding balances on funded cases	Other	Total
												2021-22
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2021	**193,260**	**155,666**	**88,622**	**18,515**	**73,782**	**64,507**	**14,828**	**161,015**	**78,920**	**658,621**	**51,373**	**1,559,109**
Provided in the year	21,390	16,818	4	38,251	66,997	77	529	127,775	17,642	1,768,621	61,181	2,119,285
Provisions not required written back	(29,000)	(1,814)	(4,132)	-	(16,761)	(14,517)	(3,660)	(1,666)	(8,225)	-	(1,092)	(80,867)
Provisions utilised in the year	(23,390)	(5,896)	(5,129)	(31,303)	(21,757)	(32,532)	(11,173)	(122,326)	(1,335)	(1,716,295)	(14,036)	(1,985,172)
Borrowing costs (unwinding of discount)	500	-	1,043	-	2,175	-	-	(33)	-	-	-	3,685
Balance at 31 March 2022	**162,760**	**164,774**	**80,408**	**25,463**	**104,436**	**17,535**	**524**	**164,765**	**87,002**	**710,947**	**97,426**	**1,616,040**
Analysis of expected timing of discounted cash flows												
Not later than one year	45,100	5,697	4,136	25,463	12,222	7,299	524	78,943	14,307	710,947	15,599	920,237
Later than one year but not later than five years	67,800	22,685	15,983	-	83,208	10,236	-	85,822	39,769	-	4,971	330,474
Later than five years	49,860	136,392	60,289	-	9,006	-	-	-	32,926	-	76,856	365,329
Balance at 31 March 2022	**162,760**	**164,774**	**80,408**	**25,463**	**104,436**	**17,535**	**524**	**164,765**	**87,002**	**710,947**	**97,426**	**1,616,040**

Judicial Service Award and fee-paid judicial claims

The Judicial Service Award (JSA) was created to equalise the tax position of judicial pensions affected by the provisions of the Finance Act 2004. Following the introduction of the Fee-Paid Judicial Pensions Scheme on 1 April 2017, the provision held for JSAs covers the liability to both salaried and fee-paid judges. The provision is calculated by the Government Actuary's Department (GAD), taking into account the number of reckonable years served by the existing judiciary and the projected final salaries or fee earnings of existing members.

The JSA provision takes into account liabilities arising from recent litigation. In November 2018 the Court of Justice of the European Union (CJEU) extended the period of service to be taken into account in calculating pensions for eligible fee-paid judges, and in December 2019 the UK Supreme Court ruled that the time limit to make a pension claim ran from three months from the date of retirement rather than from the end of fee-paid service, thereby extending the number of potential eligible claimants.

In June 2019, the Supreme Court refused the government permission to appeal the McCloud and Sergeant cases, which decided that the transitional protection provisions in the Judicial Pension Scheme (JPS) 2015 Regulations were unlawful on grounds of age discrimination.

The JSA provision of £162.8 million can be analysed as follows:

	£m
Salaried judicial office holders	**78.5**
Fee-paid judicial office holders	36.0
Transitional protection	24.8
Length of service protection	23.5
Total	**162.8**

Sensitivity analysis

A sensitivity analysis for the JSA provision was undertaken by GAD to identify the impact of changes in the assumptions used to calculate the liability as at 31 March 2022. Each change is shown separately to enable the reader to understand the impact that an adjustment would have on the accounts. The following assumptions are used in the calculation of this provision:

(i) Discount rate: The liability is accounted for under ***IAS 37 Provisions, Contingent Liabilities and Contingent Assets*** and uses the general provisions discount rate as published by HM Treasury. The discount rate is used to calculate the present value of expected future cash flows. The sensitivity analysis shows the impact of a +0.5% change in the discount rate for the short term, medium term and long term. A +0.5% change in the rate which would result in a reduction in the liability of 2.5% or £2.9 million.

(ii) (Long-term) salary increase: A long-term salary increase of CPI +1.25% pa is used to calculate the provision. This is in keeping with the Judicial Pension Scheme resource accounts. The sensitivity analysis shows the impact of a +0.5% change in the earnings assumptions which would result in an increase in the liability of 2.5% or £2.9 million.

(iii) Post-employment rates: This sensitivity shows the impact of calculating the provision using the post-employment rate rather than the general provisions rates. This would increase the liability by 1.0% or £1.1 million.

(iv) Retirement age: This is the unweighted average age at which members are assumed to retire on grounds other than ill health in each of the Judicial Pension Schemes. A one-year increase in the retirement age assumption would increase the liability by 3% or £3.4 million.

(v) Inflation: A service award is paid when a member retires and is dependent on the earnings assumptions but not inflation.

	Approximate effect on total liability	
Change in assumption	**%**	**£m**
(i) Discount rate: +0.5% p.a.	- 2.5	- £2.9
(ii) (Long-term) salary increase: +0.5% p.a	+ 2.5	+ £2.9
(iii) Post-employment rates	+ 1.0	+ £1.1
(iv) Retirement age: all members retire 1 year later	+ 3.0	+ £3.4
(v) Inflation: +0.5% pa	Nil	Nil

A separate element of liability has also been recognised for fee-paid judiciary:

MoJ is required to compensate eligible retired fee-paid judges for the additional pension benefits due, including interest where applicable, until the Judicial Pension Scheme can be amended by legislation to allow full benefits to be paid from the scheme. These are known as payments in lieu of pension and are expected to be settled within the next year. MoJ has recognised a provision of £11.9 million for the outstanding payments. This is included within the total for 'Other Provisions'.

Injury benefits scheme

HMPPS meets the costs of the Civil Service Injury Benefit Scheme (CSIBS) for payments granted under the scheme after 1 April 1998. The scheme pays benefits to any PCSPS member who suffers disease or injury, which is wholly or partially attributable to the nature of their duty, or who suffers an attack or similar act which is directly attributable to employment within the service. Benefits are paid only in respect of loss of earning capacity, and a provision is made for expected future costs. The Government Actuary's Department (GAD) provides HMPPS with annuity rates each year covering whole of life (for total liability value), 1 year and 1 to 5 years (for cash flow values). These assumptions take the time value of money into account.

Early departure costs

The department meets the additional costs of benefits beyond normal PCSPS benefits for employees who retire early. This involves paying amounts determined by the pension administrator annually to PCSPS over the period between early departure and normal retirement date. The department provides for this in full when the early retirement programme becomes binding on the department by establishing a provision for the estimated payments discounted at the HM Treasury rate of -1.3% (2020-21: -0.95%) in real terms.

Costs from Central Funds

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

Legal claims

Provision has been made for all known claims where legal advice indicates that it is more likely than not that the claim will be successful and the amount of the claim can be reliably estimated. The figures represent the best estimate of the amount payable. Legal claims which are likely to succeed with a lesser degree of certainty or cannot be estimated reliably are disclosed as contingent liabilities in Note 26.

Legal claims includes a provision of £48.8 million for salaried judges who sit from time to time in judicial capacities remunerated, on a substantive basis, at a higher level than their respective salaries.

CICA pre-tariff scheme

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

Pre-tariff scheme award values are assessed by the First-Tier Tribunal (FTT). This assessment includes the application of a discount rate (the Lord Chancellor's discount rate, which is currently -0.25%). The award values assessed by the FTT are not then further discounted by CICA, due to uncertainties surrounding both the final liability and the settlement date. Additionally due to these uncertainties no analysis with regard to timing of cashflows is provided.

CICA tariff scheme

The tariff scheme provision is reflective of CICA's liabilities under the 1996, 2001, 2008 and 2012 Schemes. CICA recognises liabilities that are based on an evaluation of total applications that are currently known and received which are held within CICA and have not yet been processed; these are referred to as claims reported but not completed (discounted value £164.8 million). Where an event has occurred on or before the reporting date, but an application has not yet been made, CICA recognises this as a contingent liability. This is because no legal obligation as a result of a past event exists. It is only where an application for compensation has been received that an obligation is recognised in relation to the scheme.

Due to the fixed nature of the tariff scheme the liability has been discounted at the prevailing HM Treasury Discount Rates in order to recognise the time value of money. The rates used are nominal to reflect that the tariffs are not influenced by inflationary pressures, therefore a real rate for discounting is not used. This discount will be unwound over the remaining life of the provision and be shown as a finance charge in the CSoCNE.

In 2021-22, a review of the provision estimate methodology was conducted, resulting in the following refinements to the estimate:

Tariff schemes

Due to the introduction of a new public application service, and the requirement to have the provision model expanded to also include a forecast, a few changes have been made.

The percentage (%) nil assessed 2012 scheme

The new public application service does not operate in a way allowing the model to split % nil by tariff so this part of the process has been re-worked.

The methodology continues to consider the likelihood of cases being nil but this is now included in the tariff profiles, as a tariff which gains a nil award.

The percentage (%) nil assessed pre-2012 tariff schemes

Continues to compare end of year data extracts for cases resolved with a monetary award against end of year extracts for live cases. There has been one update:

- Due to the low volumes any movement in the data has more of an impact so to reduce this the live case extracts now include cases that have been re-opened.

Age profiles

To avoid volatility due to low volume in the older brackets, rather than creating five separate age brackets CICA now aggregates the data into two, current age 0 to 12 months and current age 12 months plus. By grouping to 12 months plus, CICA is allowing for the complexity to be recognised while also not being limited to tight one-year brackets where movement between them can be due to other limitations rather than just complexity.

Decided cases

The model now reverts to the original treatment by CICA of assuming these cases will be paid 100% of their decided value. CICA's analysis still stands that it is in fact not 100% but due to the minimal impact this has on the model's outputs it is instead considered and monitored by sensitivity testing.

Following the review, CICA has assessed the impact on the tariff provision disclosed in the 2020-21 Annual Report and Accounts. The impact of the refinements has not led to a material difference in the disclosed value.

Leasehold dilapidations

Dilapidation costs are an estimate of the expenditure required to return vacated leased buildings to their original condition as at the date of commencement of the lease. The movement in the year is as a result of updated information relating to property vacations, new properties leased during the year, and changes in the cost per square metre of the properties leased due to the general market conditions' impact on prices.

LAA outstanding balances on funded cases

The LAA funds legal aid across four main schemes: Civil Representation, Legal Help, Crime Higher, and Crime Lower. At any point in time there will be unbilled costs for each of these schemes, pertaining to live cases. The value of unbilled work and costs is estimated each year using complex models and based on the latest data available. The resulting work in progress (WIP) provisions are estimates of the expenditure required to settle any obligation in existence at the end of the reporting period.

As all liabilities for funded cases are expected to be settled within the next 12 months, no discounting of provisions for the time value of money is applied.

In recognition of the uncertainty inherent in estimates, a sensitivity analysis is performed for each major class of funded WIP provision. Reasonable changes are made to the key assumptions in the models, and the impact on the final WIP balance calculated. Assumptions have been changed to either represent those which would have been utilised by the model based on historical data trends or flexed by a percentage that is considered appropriate by management to show the impact on the provision. For each assumption which is being analysed for sensitivity, only that assumption is changed. If two or more assumptions are changed at one time, the actual sensitivity of a change in assumption is obscured because of the potential interaction between the assumptions.

Underlying the estimates of liabilities for unbilled work across all of the Legal Aid funding schemes is the modelling assumption that costs accrue at a constant rate throughout the lifetime of cases. In reality, it is accepted that costs are generally concentrated towards the beginning and the end of legal matters. The LAA have demonstrated, however, that over a sufficiently large population of cases, this concentration of costs averages out to be equivalent to the assumption used within the modelling, that costs accrue at a constant rate.

The significant WIP provision balances relate to civil representation – £224.6 million (2020-21: £204.3 million) – and 'crime higher' – £408.6 million (2020-21: £378.6 million).

Civil representation WIP provision

Civil Representation legal aid relates to funding for representation by barristers and solicitors in civil cases that go to court. The civil representation work in progress provision is calculated using past patterns of activity, and assuming that these are a reasonable indicator of likely activity on live cases. Historical information is used to derive profiles that indicate the length of time that passes between subsequent transactions, and separate profiles that indicate the average value of payments relative to their distance in time from any prior transaction. These profiles are derived for each distinct category of law funded within Civil Representation. The profiles are then combined to produce probabilistic estimates of the value of work likely to have been conducted on cases upon which the previous transaction (or the case start date) was a given number of days prior to the estimate. These estimates are then applied to the population of cases that are live at the end of the accounting period to determine the estimate of liability.

Civil representation: COVID-19 adjustments

The impact of COVID-19 was taken into account when estimating the liabilities within the Legal Aid funding schemes. For Civil Representation the following amendments have been made:

- Civil and family court capacity: the capacity of the family and civil courts was reduced during the pandemic, meaning that cases could not be cleared at the same rate. An adjustment has been made to the model, reducing the assumed rate at which work accumulated on cases during this period in direct proportion to the reduction in court capacity. The reduced capacity has also been assumed to apply over a larger population of outstanding cases, as court backlogs increased.
- Payment on account: during the pandemic, the LAA increased the amount of completed work that was remunerated through payment on account (POA) from 75% to 80% for non-Family Advocacy Scheme (FAS) claims, and to 100% for FAS claims. This has been taken into account within the WIP provision model in generating the bill value profiles.
- Duration profiles: until August 2020, a subset of Civil Representation bills were sent to HMCTS for assessment prior to being submitted to the LAA for payment. As a result of the pandemic, the LAA decided to bring the assessment of these bills in-house, in order to speed up payments to providers. This meant that the delay in claiming prior to August 2020 and post could be significantly different. In order to address this incongruity, the basis of the duration profiles for solicitor profit costs was amended to operate on the basis of the period during which work was done, removing the billing delay period from the profiles in order that all cases were considered on a consistent basis.

The civil representation work in progress provision is calculated on a case-by-case basis using past patterns of activity, with multiple potential duration and cost outcomes. The calculations are segmented between the different expenditure streams and between different milestones in a case's lifecycle. The model estimates activity to the next financial event in each expenditure stream, reflecting the business realities of billing timing.

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

Civil representation assumptions tested:

	Increase in provision		(Decrease) in provision	
	Assumption	£m	Assumption	£m
Duration profile[1]	Max duration + 1 year	13.5	Max duration + 1 year	(13.5)
Final billing duration[2]	+15 days	0.0	-15 days	(0.0)
Average final bill value (new since COVID-19[3]	+15%	43.4	-15%	(43.4)
COVID-19 capacity profile[4]	Maximum capacity	19.1	Minimum capacity	(10.0)
Provider COVID-19 billing behaviour[5]	-25.0%	13.4	+25%	(13.4)

1 Duration profile: The model implicitly assumes that recent historical billing timing profiles are an indicator of future timing profiles for equivalent workstreams. The model also assumes that bill volumes beyond 1,500 days from a prior transaction are negligible.

2 Final billing duration: it can take some time for providers to compile and submit their bills to us once work has completed on a case: the estimate assumes that the average delay will be equivalent to that seen in the preceding quarter, however this does vary to a small degree over time.

3 Average bill value: The model implicitly assumes that recent historical bill values are an indicator of future bill values for equivalent workstreams.

4 Court capacity profiles: The model assumes that the rate at which work accumulates on cases during periods of COVID-19 related reductions in the capacity of the relevant court jurisdictions declines in proportion with the reduction in court capacity, and further that this work is diluted across an increased volume of outstanding cases. This approach implicitly assumes that the delays in cases progressing through the courts due to COVID-19 related capacity constraints are not indicative of additional work being conducted on affected cases.

5 Provider COVID-19 billing behaviour: during the COVID-19 pandemic, significant changes were observed in the pattern of provider billing. Most notably, there was a marked increase in claims for payment on account and in claims for interim bills on cases with multiple proceedings. The impact of these changes has not yet fed through to the profiles used to estimate the provision, but the increased rate of payment clearly reduces the outstanding liability, therefore an assessment has been made of the anticipated level of increased payment due to variance from pre-pandemic billing patterns, and deducted from the provision.

Using these reasonable alternative assumptions, the fair value of the financial liabilities at 31 March 2022 could be higher by up to +25.2% (£89.4 million) or lower by up to -22.6% (-£80.3 million).

The above inputs are case data driven, with an overlay of management judgement, for example choosing the number of years' historical case data to use in creating historical profiles. It should be noted the inherent sensitivity of the civil representation WIP provision is such that relatively small percentage movements in the above inputs could lead to the estimate crystallising at a significantly different amount. All assumptions are reviewed periodically to ensure they remain appropriate.

Crime higher WIP provision

Crime higher legal aid relates to funding for solicitors and advocates in relation to representation in Crown Courts, the Court of Appeal and the Supreme Court. The crime higher WIP estimate is calculated by considering cohorts of case starts and modelling their progress through the legal aid system. A separate calculation is then done to estimate the amount that has already been paid on these cases through interim payments.

The impact of the COVID-19 pandemic led to substantial changes across the justice system. Consideration of these changes has had to be taken when estimating liabilities within the Legal Aid funding schemes. For crime higher, the following amendments have been made:

- Crown Court capacity: Crown Court capacity was substantially reduced during the pandemic, meaning that cases could not be cleared at the same rate. An adjustment has been made to the model, reducing the assumed rate at which work accumulated on cases during this period in direct proportion to the reduction in court capacity. The reduced capacity has also been assumed to apply over a larger population of outstanding cases, as court backlogs increased.

- Interim payment profiles: as fewer cases were completing in the Crown Court, the estimated proportion of interim-billed cases that don't close was being over-estimated by the model. An adjustment has been made to account for this, assuming that the overall proportion of such cases is in line with pre-pandemic levels.
- Price adjustment: in addition to operating at a reduced capacity, the social distancing restrictions in place within the Crown Court during the pandemic has meant that the capacity to hear more complex cases involving multiple parties has been severely hampered. This has resulted in the mean cost of the cases that have been cleared through the court substantially reducing. This in turn means that the value of outstanding cases will be skewed towards the more expensive end of the spectrum, and an adjustment has been made to the model to account for this, increasing the value of the liability in accordance with the reduction in case values that has been seen.

Crime higher: sensitivity analysis

Crime higher assumptions tested:	**Increase in provision**		**(Decrease) in provision**	
	Assumption	**£m**	**Assumption**	**£m**
Price profiles	+10.0%	67.2	-10.0%	(67.2)
Completion rates	+2.5%	26.6	-2.5%	(25.2)
Case duration	+10.0%	(63.8)	-10.0%	61.4
Capacity baseline (new since COVID-19)	+25.0%	(1.4)	-25.0%	(15.1)

Relatively small changes in these inputs could lead to a significant difference in the work in progress realised. Assumptions are reviewed annually to ensure they remain appropriate.

Using these reasonable alternative assumptions, the fair value of the financial liabilities at 31 March 2022 could be higher by up to +7% (£28.5 million) or lower by up to -11.3% (-£46.0 million).

Other provisions

OPG repayment scheme: Provision has been made for the estimated cost of repayment for Power of Attorney (POA) and Supervision fees recovered in excess of costs. The estimated cost of refunds under the scheme is based on the volume of cases and value of surplus for each year from 1 April 2013 to 31 March 2017. The estimated cost of refunds for Supervision fees is based on the number of assessments and supervisions which took place between 1 April 2008 and 31 March 2015.

In accordance with the department's accounting policies, the provision is reviewed annually and reflects the likely settlement values at the year-end. The online application service for Power of Attorney fees came to an end on 31 January 2021 and it is anticipated that application volumes will fall. An assessment of the closing liability at 31 March 2022 was based on the average payment and refund volume over this period and a provision of £0.9 million remains.

Supervision refunds will continue until 4 October 2025. This refund is split into two parts: proactive refunds to those payees already on record with a live supervision case and reactive refunds where the public is required to submit a claim. All proactive refunds are completed. The reactive refund uptake is very low and projecting current refund profile and costs has resulted in a £2 million reduction in provision.

Employment Tribunals and Employment Appeal Tribunal Fee Repayment Scheme: On 26 July 2017 the UK Supreme Court handed down a judgment that quashed the Employment Tribunals and the Employment Appeal Tribunal Fees Order 2013/1893. The Lord Chancellor has committed to refunding those who paid the fees. We identified £32.2 million in fees paid and to date have refunded £18.6 million including interest. During 2021-22 £90,160 of fees were refunded including interest and accruals. As we are not able to reliably estimate the probability that the remaining fees will be claimed and refunded, we have not created a provision but have recognised a contingent liability of £13.9 million, including an estimate of the interest payable.

In July 2018 the Court of Protection, Civil Proceedings and Magistrates Courts Fees (Amendment) Order 2018 became law. The statutory order reduced a small number of fees which were mistakenly set above cost. These changes affect fees charged for certain proceedings in the Court of Protection (COP), particular fees relating to civil proceedings in the magistrates' courts (including Council Tax Liability Orders – CLTOs), fees for general applications in insolvency proceedings and the fees charged for High Court Judges sittings as arbitrators. The refund scheme applicable to these cases was launched by the department in January 2020.

A contingent liability of £9.3 million is recognised in these accounts in respect of COP, Insolvency, RCJ and other fees.

The CTLO liability remained in the 2020-21 accounts as a provision of £5.7 million, due to uncertainty of timing to discharge the liability to each recipient. In 2021-22 we refunded £31 million and recognised an accrual of £0.5 million.

Following an internal review of fees, it was determined that an incorrect fee for low value personal injury claims was charged; the error arose as a result of a single flat fee being charged for cases which should have been treated as money claims and had a sliding fee scale applied. This has resulted in an overcharge of £16.4 million for which a refund scheme was launched in October 2020.

The refund provisions for Personal injury and other claims (COP, Insolvency, RCJ and other fees) at 31 March 2022 were estimated at £5.3 million, and HMCTS continues to accept the liability for all claims until the end of the qualifying period. The balance of the liability, £10.5 million, is shown as a contingent liability as there is significant uncertainty that we would refund this amount.

Other provisions include a provision in HMCTS for an onerous lease of undeveloped land of £73.7 million. The increase of £49 million relates to a change in the discount rate used to calculate the onerous lease provision.

21. Capital commitments

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

		31 March 2022		31 March 2021
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Property, plant and equipment	206,774	206,774	441,904	441,904
Intangible assets	17,116	17,116	34,754	34,754
Total capital commitments	**223,890**	**223,890**	**476,658**	**476,658**

22. Commitments under PFI and Service Concession Arrangements

22.1 Arrangements not recognised on the Consolidated Statement of Financial Position

As at 31 March 2022 there are no off-balance sheet PFI commitments.

22.2 Arrangements recognised on the Consolidated Statement of Financial Position

Project name	Entity	Contract start date	Duration (years)	Description
Hereford & Worcester Magistrates' Courts	HM Courts & Tribunals Service	March 2000	25	Provision of serviced accommodation for magistrates' courts at Bromsgrove, Kidderminster, Worcester and Redditch. The contract term can be extended by mutual agreement for another 10 years. At the end of the contract term the buildings shall revert to HMCTS at no cost.
Humberside Magistrates' Courts	HM Courts & Tribunals Service	March 2000	25	Provision of serviced magistrates' courthouses in Hull, Beverley and Bridlington. On expiry, HMCTS has the option of taking the assets back for a nominal amount of £3 million.
Manchester Magistrates' Court	HM Courts & Tribunals Service	March 2001	25	Provision of serviced accommodation at Manchester Magistrates Court at Spinningfields in Manchester. The contract term can be extended by mutual agreement by up to ten years. At the end of the contract term the building shall revert to HMCTS at no cost.
Derbyshire Magistrates' Courts	HM Courts & Tribunals Service	August 2001	27	Provision of serviced accommodation for magistrates' courts at New Mills, Chesterfield and Derby. The contract term can be extended (subject to agreement of mutually acceptable terms) by up to five years. At the end of the contract term the buildings shall revert to HMCTS at no cost.
East Anglia	HM Courts & Tribunals Service	October 2002	25	Provision of Crown Court centres in Ipswich (five criminal courtrooms) and Cambridge (three criminal courtrooms). At the end of the contract term the buildings in Ipswich and Cambridge will revert to HMCTS at no cost.
Exeter	HM Courts & Tribunals Service	November 2002	30	Provision of a courthouse comprising four criminal courts, one civil court and four District Judge hearing rooms. At the end of the contract term the building will revert to HMCTS at no cost.
Sheffield	HM Courts & Tribunals Service	November 2002	25	Provision of a Family Hearing Centre in Sheffield. At the end of the contract term HMCTS has the option of acquiring the under lease at the lower of its open market value or £2 million.
Avon & Somerset Magistrates' Court	HM Courts & Tribunals Service	August 2004	27	Provision of serviced accommodation at Bristol Magistrates Court, North Somerset Magistrates Court and Avon & Somerset Probation HQ and Training Centre, both at Worle. The contract term can be extended by mutual agreement by up to five years. At the end of the contract term the buildings shall revert to HMCTS at no cost.
HMP Altcourse	HMPPS	December 1997	25	Design, build, finance and operate an 800-place category B prison at HMP Altcourse, Liverpool.
HMP Parc	HMPPS	December 1997	25	Design, build, finance and operate a 1,519-place category B prison near Bridgend, South Wales.

Project name	Entity	Contract start date	Duration (years)	Description
HMP Lowdham Grange	HMPPS	February 1998	25	Design, build, finance and operate a 760-place category B prison at HMP Lowdham Grange, Nottingham.
HMP Ashfield	HMPPS	November 1999	25	Design, build, finance and operate a 400-place young offenders and juveniles category B prison at Pucklechurch, near Bristol; converted in 2013 to hold adult offenders.
HMP Forest Bank	HMPPS	January 2000	25	Design, build, finance and operate an 800-place category B prison, HMP Forest Bank, on site of former Agecroft power station.
HMP Rye Hill	HMPPS	January 2001	25	Design, build, finance and operate a 600-place category B prison, HMP Rye Hill at Onley, near Rugby.
HMP Dovegate	HMPPS	July 2001	25	Design, build, finance and operate a 1,060-place category B prison and therapeutic community facility at HMP Dovegate, Marchington.
HMP Bronzefield	HMPPS	June 2004	25	Design, build, finance and operate a 500-place category B prison at Ashford in Middlesex.
HMP Peterborough	HMPPS	March 2005	25	Design, build, finance and operate an 840-place category B prison at Peterborough in Cambridgeshire.
HMP Thameside	HMPPS	March 2012	25	Design, build, finance and operate a 900-place category B prison at Woolwich in London.
Oakhill Secure Training Centre	HMPPS	May 2004	25	Design, construct and manage a secure training centre, located in Milton Keynes, Oakhill.
Prisoner Escort Custody Service	HMPPS	August 2020	10	The supply and running of the prison vans and escorts.

The total amount charged in the CSoCNE in respect of the service element of on-balance sheet (SoFP) PFI or other service concession transactions was £635.1 million (2020-21: £635.7 million). Details of the imputed finance lease charges under service concession arrangements recognised on the CSoFP are given in the table below for each of the following periods:

	31 March 2022		31 March 2021	
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Rentals due not later than one year	52,626	52,626	51,641	51,641
Rentals due later than one year but not later than five years	172,582	172,582	172,110	172,110
Rentals due later than five years	177,404	177,404	191,953	191,953
	402,612	**402,612**	**415,704**	**415,704**
Less: interest element	(84,973)	(84,973)	(110,664)	(110,664)
Present value of obligations	**317,639**	**317,639**	**305,040**	**305,040**

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

		31 March 2022		31 March 2021
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Rentals due not later than one year	38,466	38,466	33,549	33,549
Rentals due later than one year but not later than five years	132,441	132,441	119,883	119,883
Rentals due later than five years	146,732	146,732	151,608	151,608
Present value of obligations	**317,639**	**317,639**	**305,040**	**305,040**

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

		31 March 2022		31 March 2021
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Service charge due within one year	633,928	633,928	576,589	576,589
Service charge due later than one year but not later than five years	1,506,195	1,506,195	1,720,589	1,720,589
Service charge due later than five years	1,137,836	1,137,836	1,410,689	1,410,689
Total	**3,277,959**	**3,277,959**	**3,707,867**	**3,707,867**

23. Other financial commitments

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

		31 March 2022		31 March 2021
	Core department & agencies	Departmental group	Core department & agencies	Departmental group
	£000	£000	£000	£000
Not later than one year	382,403	385,453	736,379	739,601
Later than one year but not later than five years	600,643	601,021	785,901	788,709
Later than five years	90,097	90,097	77,210	77,210
Total other financial commitments	**1,073,143**	**1,076,571**	**1,599,490**	**1,605,520**

Included within the table for 2020-21, there was a commitment totalling £103 million relating to the Community Rehabilitation Companies that were terminated in June 2021.

24. Financial instruments

IFRS 7 'Financial Instruments: Disclosures', requires disclosure of the role that financial instruments have had during the year in creating or changing risks an entity faces in carrying out its business.

As the cash requirements of the department are met through the parliamentary supply estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The LAA is exposed to minimal market, liquidity or interest rate risk. The department's exposure to financial risk is mainly in respect of credit risk in relation to LAA's receivables.

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

Interest rate risk

The LAA is not exposed to significant interest rate risk. At 31 March 2022, £93.7 million (2020-21: £89.9 million) of statutory charge debt was due, the principal of which carried a fixed rate of interest.

Money received by the LAA on behalf of funded clients is held on deposit until the case is concluded. Interest is paid to funded clients by reference to the London Interbank Offered Rate (LIBOR), at the rate of 0.5% per annum less the rate payable on damages on deposit in the general account.

Money received by the LAA in relation to Crown Court Means Test contributions is held until the final judgment and costs of the case have been determined. Refunds of contributions are paid to applicants that have been found not guilty including interest calculated at 2% per annum from the date of contribution receipt by the LAA. The balance of contribution monies is held as cash.

Credit risk

Credit risk is the risk that counterparties to financial instruments do not perform according to the terms of the contract or instrument, causing a financial loss to the department by failing to discharge their contractual obligations.

Legal Aid Agency receivables

LAA has an inherent risk within trade receivables and other current assets, as LAA is not predisposed to straightforward cash collections. LAA recognises this risk and mitigates it in the case of statutory charge debts, where repayment of the debt may be deferred, by securing land charges and using active credit management policies to recover unsecured debts. In some cases, the debt collection activities are outsourced to commercial debt collectors.

The size of the risk is reflected in the receivables impairment provision which totals £246.6 million (31 March 2021: £284.2 million). This includes receivables valued at fair value and those measured at amortised cost. The majority of the LAA's trade and other receivables are the result of a statutory charge: £93.7 million (31 March 2021: £89.9 million) out of a total receivables balance after impairment of £181.3 million (31 March 2021: £167.9 million).

A high proportion of these are secured on property and settlement is deferred until the property is sold. Secured statutory charge debt is measured under IFRS 13 and reductions in carrying value are classed as fair value adjustments rather than impairments.

The LAA provides for impairment of receivables based on historical cash collection experience and management assessment of likely recoveries, for each category of debt. This analysis is also used to inform the expected cash flows for trade and other receivables which are measured at fair value. This assumes that future performance will be reflective of past performance and there will be no significant change in the payment profile or recovery rates within each identified group of receivables. To address the risk that this assumption is incorrect, the LAA undertakes a rollback review to compare previous estimated repayment profiles with the actual experience in subsequent years, to assess the accuracy of the profile and resulting impairment, adjusting assumptions where required. There have been no material adjustments to the assumptions as a result of this review at 31 March 2022.

However, past payment profiles have been adjusted to account for the exceptional circumstances arising from COVID-19; our expectation is that these extraordinary payment patterns will not be repeated in the future.

There is no additional adjustment in the impairment of the LAA's receivables at 31 March 2022 to reflect the potential future impact of the macroeconomic effect of COVID-19. Based on the experience from previous recessions we do not consider this will have a material impact on the fair value of receivables, and in particular secured debt, recognised in these accounts. The impact of a recession has historically resulted in a delay in the cash receipts on secured debt, due to the impact on the property market and delays to property sales which result in the repayment of the debt. The financial impact of COVID-19 on the property market has been ameliorated in the short term through government action e.g. stamp duty holidays, and it may be that cash receipts have been accelerated rather than delayed. Again, based on experience from previous recessions we do not consider this will have a material impact.

Disclosed below is the impact of a 10% reduction in cash receipts across both secured and unsecured debt, which is a more significant reduction than previously experienced.

The LAA's impairment model uses historical recovery profiles by debt category to estimate the provision required against debt balances. The impairment model is underpinned by specific assumptions including: the life of debt, the expected remittance profiles, and the discount rate is 1.9% nominal and (1.1%) and (0.2%) in excess of RPI real until February 2030 and post February 2030 respectively (2020-21: 3.7% nominal and 0.7% real).

The impact of the following reasonable possible alternatives to these assumptions has been considered:

- cash received evenly throughout the year rather than at the end of the year
- predicted cash receipts used to calculate the impairment provision cashflows +/- 10%
- discount rate +/-1% (this rate is set by HM Treasury)

	Increase/(decrease) in net financial asset		
		31 March 2022	31 March 2021
	Assumption	£m	£m
Income received	Evenly through the year	1.7	1.1
Expected cash inflows based on historic repayment profiles	+10%	14.6	14.7
Expected cash inflows based on historic repayment profiles	-10%	(14.7)	(14.8)
Discount rate	+1%	(8.4)	(7.4)
Discount rate	-1%	9.4	8.2

Using these reasonably possible alternative assumptions, the fair value of the LAA financial assets at 31 March 2022 could be higher by £25.6 million (31 March 2021: £24.0 million) or lower by £23.1 million (31 March 2021: £22.2 million). These assumptions will be reviewed annually and changed if management believe alternative assumptions are a better reflection of the underlying trends.

Other credit risks

Credit risk related to fines and penalties collection and banking activities is explained in the HMCTS Trust Statement.

The department is exposed to minimal credit risk in respect of other financial assets. The maximum exposure to credit risk is equal to the carrying amount of outstanding receivable balances. The department manages its credit risk by undertaking background and credit checks prior to establishing a debtor relationship.

The IFRS 9 approach to impairment provisioning is a forward-looking 'expected loss' approach. Expected losses on the department's financial assets are not considered to be material.

Fair values

In accordance with IFRS 9 each financial asset is classified at initial recognition, or at the point of first adoption of IFRS 9, into one of three categories:

- financial assets at fair value through profit and loss ('FVP&L')
- financial assets at fair value through other comprehensive income ('FVOCI') or
- financial assets at amortised cost

For assets at amortised cost, the amortised cost balance was reduced where appropriate by an allowance for amounts which were considered to be impaired or uncollectible.

Financial liabilities are classified into one of two categories:

- Financial liabilities at FVP&L
- Financial liabilities at amortised cost

Categories of financial assets and financial liabilities: carrying value compared to fair value

The following tables summarise the carrying amounts and fair values of financial assets and liabilities.

				2021-22
	Assets at FVPTL	Assets at FVOCI	Assets at amortised cost	Total carrying value at 31 March 2022
Financial assets:	**£'000**	**£'000**	**£'000**	**£'000**
Cash at bank and in hand	-	-	222,894	222,894
Trade and other receivables	93,727	-	389,306	483,033
Other financial assets	381	-	-	381
Total financial assets	**94,108**	**-**	**612,200**	**706,308**

	Liabilities at FVPTL	Liabilities at amortised cost	Total carrying value at 31 March 2022
Financial liabilities:	**£000**	**£000**	**£000**
Trade and other payables	**-**	**1,217,246**	**1,217,246**
Other financial liabilities	**-**	**1,914,590**	**1,914,590**
Total financial liabilities	**-**	**3,131,836**	**3,131,836**

				2020-21
	Assets at FVPTL	Assets at FVOCI	Assets at amortised cost	Total carrying value at 31 March 2021
Financial assets:	**£'000**	**£'000**	**£'000**	**£'000**
Cash at bank and in hand	-	-	266,618	266,618
Trade and other receivables	89,887	-	326,080	415,967
Other financial assets	641	-	-	641
Total financial assets	**90,528**	**-**	**592,698**	**683,226**

	Liabilities at FVPTL	Liabilities at amortised cost	Total carrying value at 31 March 2021
Financial liabilities:	**£000**	**£000**	**£000**
Trade and other payables	**-**	**1,360,873**	**1,360,873**
Other financial liabilities	**-**	**549,216**	**549,216**
Total financial liabilities	**-**	**1,910,089**	**1,910,089**

The department considers that the carrying amounts for cash and cash equivalents, trade payables and other liabilities approximate to their fair value due to the short-term maturities of these instruments.

Trade and other receivables have been discounted over the period from the reporting date to the expected date of collection. This has a material impact on their present value.

To take account of this time value of money effect an estimation technique has been used, discounting all receivable balances over periods commensurate with historical cash flow patterns for each class of receivable at a rate of -1.30% real and 1.55% nominal (2020-21: 3.7% real, 0.7% nominal). The discount rate used is the HM Treasury discount rate. The estimation technique used assumes that the timing of future cash flows will follow historical trends.

Fair value hierarchy

The department uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

All of the financial assets and liabilities measured at fair value fall within level 3.

25. Pension costs

Reconciliation of net pension (liability)/asset 2021-22:

	Cafcass Pension			LSC Pension			Probation Pension		
	Present value of obligation	Fair value of plan assets	Net (liability)/ asset	Present value of obligation	Fair value of plan assets	Net (liability)/ asset	Present value of obligation	Fair value of plan assets	Net (liability)/ asset
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2021	**(930,080)**	**613,113**	**(316,967)**	**(366,206)**	**455,093**	**88,887**	**(7,010,827)**	**4,600,816**	**(2,410,011)**
Service costs									
Current service cost	(37,287)	-	(37,287)	-	-	-	(275,730)	-	(275,730)
Past service cost	-	-	-	-	-	-	(3,240)	-	(3,240)
Administration costs	-	-	-	(556)	-	(556)	-	-	-
Net interest	(19,382)	12,895	(6,487)	(7,226)	8,998	1,772	(141,598)	92,218	(49,380)
Total recognised in the CSoCNE	**(56,669)**	**12,895**	**(43,774)**	**(7,782)**	**8,998**	**1,216**	**(420,568)**	**92,218**	**(328,350)**
Scheme participant's contributions	(5,607)	5,607	-	-	-	-	(33,886)	33,886	-
Employer contributions	-	16,206	16,206	-	-	-	-	156,960	156,960
Benefits paid after net transfers	20,247	(20,247)	-	10,409	(10,409)	-	164,149	(164,149)	-
Total cash flows	**14,640**	**1,566**	**16,206**	**10,409**	**(10,409)**	**-**	**130,263**	**26,697**	**156,960**
Actuarial gains/(losses)									
Changes in demographic assumptions	9,263	-	9,263	727	-	727	40,708	-	40,708
Changes in financial assumptions	48,785	-	48,785	22,791	-	22,791	498,074	-	498,074
Experience gains/(losses)	(3,247)	-	(3,247)	(10,732)	-	(10,732)	(12,367)	-	(12,367)
Return on assets excluding amounts included in net interest	-	53,467	53,467	-	9,573	9,573	-	424,143	424,143
Remeasurements through Other Comprehensive Net Expenditure	**54,801**	**53,467**	**108,268**	**12,786**	**9,573**	**22,359**	**526,415**	**424,143**	**950,558**
Balance at 31 March 2022	**(917,308)**	**681,041**	**(236,267)**	**(350,793)**	**463,255**	**112,462**	**(6,774,717)**	**5,143,874**	**(1,630,843)**
Of which									
Core department and agencies	-	-	-	(350,793)	463,255	112,462	(6,774,717)	5,143,874	1,630,843
NDPBs	(917,308)	681,041	(236,267)	-	-	-	-	-	-
	(917,308)	**681,041**	**(236,267)**	**(350,793)**	**463,255**	**112,462**	**(6,774,717)**	**5,143,874**	**(1,630,843)**

Reconciliation of net pension (liability)/asset 2020-21:

	Cafcass Pension			LSC Pension			Probation Pension		
	Present value of obligation	Fair value of plan assets	Net (liability)/ asset	Present value of obligation	Fair value of plan assets	Net (liability)/ asset	Present value of obligation	Fair value of plan assets	Net (liability)/ asset
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2020	**(762,931)**	**497,218**	**(265,713)**	**(311,234)**	**427,604**	**116,370**	**(5,412,433)**	**3,774,615**	**(1,637,818)**
Service costs									
Current service cost	(25,818)	-	(25,818)	-	-	-	(151,014)	-	(151,014)
Past service cost	-	-	-	(5)	-	(5)	(319)	-	(319)
Administration costs	-	-	-	(635)	-	(635)	-	-	-
Net interest	(17,343)	11,488	(5,855)	(7,043)	9,712	2,669	(124,614)	86,634	(37,980)
Total recognised in the CSoCNE	**(43,161)**	**11,488**	**(31,673)**	**(7,683)**	**9,712**	**2,029**	**(275,947)**	**86,634**	**(189,313)**
Scheme participant's contributions	(5,356)	5,356	-	-	-	-	(27,844)	27,844	-
Employer contributions	-	15,803	15,803	-	-	-	-	121,901	121,901
Benefits paid after net transfers	23,590	(23,590)	-	11,403	(11,403)	-	160,410	(160,410)	-
Total cash flows	**18,234**	**(2,431)**	**15,803**	**11,403**	**(11,403)**	**-**	**132,566**	**(10,665)**	**121,901**
Actuarial gains/(losses)									
Changes in demographic assumptions	-	-	-	880	-	880	(27,927)	-	(27,927)
Changes in financial assumptions	(151,275)	-	(151,275)	(63,619)	-	(63,619)	(1,482,981)	-	(1,482,981)
Experience gains/(losses)	9,053	-	9,053	4,047	-	4,047	55,895	-	55,895
Return on assets excluding amounts included in net interest	-	106,838	106,838	-	29,180	29,180	-	750,232	750,232
Remeasurements through Other Comprehensive Net Expenditure	**(142,222)**	**106,838**	**(35,384)**	**(58,692)**	**29,180**	**(29,512)**	**(1,455,013)**	**750,232**	**(704,781)**
Balance at 31 March 2021	**(930,080)**	**613,113**	**(316,967)**	**(366,206)**	**455,093**	**88,887**	**(7,010,827)**	**4,600,816**	**(2,410,011)**
Of which									
Core department and agencies	-	-	-	(366,206)	455,093	88,887	(7,010,827)	4,600,816	(2,410,011)
NDPBs	(930,080)	613,113	(316,967)	-	-	-	-	-	-
	(930,080)	**613,113**	**(316,967)**	**(366,206)**	**455,093**	**88,887**	**(7,010,827)**	**4,600,816**	**(2,410,011)**

The assumptions used by the actuaries were:

	Cafcass Pension	LSC Pension	Probation Pension	Cafcass Pension	LSC Pension	Probation Pension
	2021-22 %	2021-22 %	2021-22 %	2020-21 %	2020-21 %	2020-21 %
Inflation assumption	3.00	3.25	n/a	2.70	2.85	n/a
Rate of increase in salaries	4.25	n/a	3.95	3.50	n/a	3.60
Pension increase rate	3.00	3.25	3.20	2.70	2.85	2.85
Discount rate	2.70	2.70	2.70	2.10	2.00	2.00
Pension accounts revaluation rate	3.00	n/a	n/a	2.70	n/a	n/a

The major categories of scheme assets for 2021-22 were:

	Cafcass Pension				LSC Pension				Probation Pension			
	Quoted £000	Unquoted £000	Total £000	Value as a percentage of total scheme assets %	Quoted £000	Unquoted £000	Total £000	Value as a percentage of total scheme assets %	Quoted £000	Unquoted £000	Total £000	Value as a percentage of total scheme assets %
Equities	461,746	81,725	543,471	79.8	104,724	-	104,724	22.6	2,123,959	358,738	2,482,697	48.9
Gilts	50,397	-	50,397	7.4	328,514	-	328,514	70.9	-	-	-	-
Corporate bonds	32,690	-	32,690	4.8	-	-	-	-	440,639	-	440,639	8.7
Property	10,897	16,345	27,242	4.0	-	-	-	-	-	196,717	196,717	3.9
Cash and cash equivalents	-	19,750	19,750	2.9	25,170	-	25,170	5.4	158,797	-	158,797	3.1
Investment funds & unit trusts	-	-	-	-	-	-	-	-	928,209	870,706	1,798,915	35.4
Other	-	7,491	7,491	1.1	-	4,847	4,847	1.1	-	-	-	-
Total plan assets	**555,729**	**125,312**	**681,041**	**100.0**	**458,408**	**4,847**	**463,255**	**100.0**	**3,651,604**	**1,426,161**	**5,077,765**	**100.0**

The major categories of scheme assets for 2020-21 were:

	Cafcass Pension				LSC Pension				Probation Pension			
	Quoted	Unquoted	Total	Value as a percentage of total scheme assets	Quoted	Unquoted	Total	Value as a percentage of total scheme assets	Quoted	Unquoted	Total	Value as a percentage of total scheme assets
	£000	£000	£000	%	£000	£000	£000	%	£000	£000	£000	%
Equities	427,340	61,311	488,651	79.7	123,683	-	123,683	27.0	2,016,983	273,837	2,290,820	50.0
Gilts	50,888	-	50,888	8.3	324,921	-	324,921	72.0	-	-	-	-
Corporate bonds	28,203	-	28,203	4.6	-	-	-	-	282,151	-	282,151	6.0
Property	9,810	13,488	23,298	3.8	-	-	-	-	-	171,909	171,909	4.0
Cash and cash equivalents	-	12,262	12,262	2.0	873	-	873	0.0	91,438	-	91,438	2.0
Other	-	-	-	-	-	-	-	-	1,092,471	672,027	1,764,498	38.0
Total plan assets	**-**	**9,811**	**9,811**	**1.6**	**-**	**5,616**	**5,616**	**1.0**	**-**	**-**	**-**	**-**
	516,241	**96,872**	**613,113**	**100.0**	**449,477**	**5,616**	**455,093**	**100**	**3,483,043**	**1,117,773**	**4,600,816**	**100.0**

Sensitivity analysis - change in assumptions relative to 31 March 2022 actuarial assumptions for Cafcass pension liabilities (based on the change in liabilities):

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

	Actuarial value of liabilities on 31 March 2022	Actuarial value of liabilities on 31 March 2021
	£000	£000
0.1% decrease in discount rate	934,737	947,752
0.1% increase in the salary increase rate	919,143	931,840
1 year decrease in post retirement mortality age rating*	885,202	964,493
0.1% increase to pension increase rate	932,902	945,891

*A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is one year older than them.

Sensitivity analysis - change in assumptions relative to 31 March 2022 actuarial assumptions for LSC pension liabilities (based on total liabilities):

	Actuarial value of liabilities on 31 March 2022	Actuarial value of liabilities on 31 March 2021
	£000	£000
0.5% decrease in discount rate	384,329	403,420
1 year increase in life expectancy	364,825	380,854
0.5% p.a. increase in inflation	380,056	398,749

Sensitivity analysis - change in assumptions relative to 31 March 2022 actuarial assumptions for Probation Pension liabilities (based on the change in liabilities):

	Approximate monetary amount	Approximate increase to employer liability	Approximate monetary amount	Approximate increase to employer liability
	2021-22	2021-22	2020-21	2020-21
	£000	%	£000	%
0.5% decrease in real discount rate	679,350	10.0	725,070	10.0
0.5% increase in the salary increase rate	72,860	-	79,640	1.0
0.5% increase in the pension increase rate	601,140	10.0	629,339	9.0

The principal demographic assumption is the mortality assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one-year increase in life expectancy would approximately increase the employer's defined benefit obligation by around 3% to 5%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages). For 2021-22, a one-year increase in member life expectancy would increase the liability by 4% or £270,945.

25.1 Cafcass pension scheme

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

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

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

Funding/governance arrangements of the LGPS

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the fund's 'Funding strategy statement'. The employer contribution rate for 2021-22 was 19.4%. The last actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2023 resulting from that valuation are set out in the fund's 'Rates and adjustment certificate' (employer contributions over this period will be 19.4% plus an additional lump sum payment that varies each year (£0.63 million in 2021-22).

The Fund Administering Authority, City of Bradford Metropolitan District Council, is responsible for the governance of the fund.

Assets

The assets allocated to the employer in the fund are notional and are assumed to be invested in line with the investments of the fund for the purposes of calculating the return over the accounting period. The fund holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the disclosures.

The Fund Administering Authority may invest a small proportion of the fund's investments in the assets of some of the employers participating in the fund if it forms part of their balanced investment strategy.

Risks associated with the fund in relation to accounting

Asset volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield this will create a deficit in the accounts. The fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long term, creates volatility and risk in the short term in relation to the accounting figures.

Changes in bond yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result (to the extent the fund invests in corporate bonds).

Inflation risk

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit.

Life expectancy

The majority of the fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Exiting employers

Employers which leave the fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the fund. Further the assets at exit in respect of 'orphan liabilities' may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the fund. The 'Funding strategy statement' (www.wypf.org.uk/publications/policy-home/wypf-index/funding-strategy-statement/) sets out the risk management strategies for the risks that impact on the funding strategy of the Pension Fund. One of these strategies, for example, is that the Fund Administering Authority has diversified investments held to mitigate the risk of asset volatility.

25.2 LSC pension scheme (LSCPS) – closed

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

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

The LSCPS is a registered defined benefit final salary scheme. The average duration of the LSCPS scheme liabilities as at 31 March 2022 was 19.2 years. It has a crown guarantee, with the department as the sponsoring employer, but in effect retains most of the UK regulatory framework for pensions including 'scheme specific funding'. The LSCPS is operated under trust and as such, the trustees of the Scheme are responsible for operating the Scheme and have a statutory responsibility to act in accordance with the Scheme's 'Trust deed and rules', in the interests of the beneficiaries of the LSCPS and UK legislation (including trust law). Any contributions that are paid to the LSCPS are defined by a funding arrangement between the trustees and the department.

Risks to which the LSCPS exposes the department

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

- members living for longer than expected
- higher than expected actual inflation
- lower than expected investment returns

- the risk that movements in the value of the Scheme's liabilities are not met by corresponding movements in the value of the Scheme's assets
- the LSCPS hedges 90% of its interest rate and inflation exposure as assessed on a gilts basis using index-linked and fixed-interest gilts
- the LSCPS also holds a historical buy-in policy (approximatively 1% of scheme accounts) which fully matches benefits covered by the policy

The trustees of the LSCPS maintain a risk register which they use to determine appropriate responses to mitigate the risks identified. These include maintaining a high level of hedging for interest rate and inflation changes and a prudent approach when setting future longevity assumptions.

Expected contributions over the next accounting period and future funding arrangements

The department does not expect to contribute to the LSCPS for the year to 31 March 2022. The 'Schedule of contributions' dated 2 November 2016 sets out the current contributions payable by the department to the Scheme. Future contributions depend on the Scheme's funding position at each formal valuation and are set out in the Scheme's funding framework.

The funding arrangements and asset ceiling are set out in Section 18 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012. Where the value of the Scheme assets is more than 105% of the value of the Scheme's technical provisions on the effective date of an actuarial valuation, this constitutes a refundable surplus. The department can request payment of amounts not exceeding the refundable surplus. The Scheme would be required to make payment unless advised by the actuary that, because of events subsequent to the date of the actuarial valuation, payment would reduce the value of the assets of the Scheme to less than 105% of the value of the Scheme's technical provisions.

25.3 Probation pension schemes

HMPPS offers retirement benefits within the Local Government Pension Scheme (LGPS) to probation staff working within the Probation Service (PS).

With effect from 1 June 2014, HMPPS is responsible for the overall pension liability for past and present LGPS employees employed in the Probation Service (formerly the NPS), including the former probation trusts and the former community rehabilitation companies (and their sub-contracted bodies) and, with effect from 26 June 2021, the current LGPS employees within the outsourced community rehabilitation service (CRS) providers. The total pension liability is recorded within the HMPPS accounts below. The contracts with the CRS providers (and previously with the CRCs) were designed so that the CRSs paid a fixed fee with the pension liability risk remaining with HMPPS. The total LGPS pension liability transferred to HMPPS on 1 June 2014, under absorption accounting and the transforming rehabilitation programme, which saw the creation of CRCs and NPS. Up to 31 May 2014, 35 probation trusts accounted for their pension liability separately via locally administered pension funds. Under the transforming rehabilitation programme, the probation trusts were dissolved and the NPS (within HMPPS) and the outsourced CRCs were created on 1 June 2014. At this point, the community rehabilitation companies became LGPS admitted bodies under the responsibility of HMPPS who became the LGPS scheme employer.

Past employees of the probation trusts, and LGPS probation staff who transferred to community rehabilitation companies and HMPPS NPS are covered by the provisions of LGPS via one pension fund, GMPF, administered by their local authority council, Tameside Metropolitan Borough Council. The assets and liabilities from the former probation trusts' own pension funds were transferred to GMPF.

From 25 June 2021, the contracts with the community rehabilitation companies ended and the majority of LGPS employees transferred into the Probation Service, with a few remaining LGPS employees transferred to 13 of the new outsourced CRS providers. The 13 outsourced providers became LGPS admitted bodies, under the responsibility of HMPPS as the scheme employer. The total pension liability will continue to be the responsibility of HMPPS and will be reported in the HMPPS annual report and accounts.

The LGPS is a statutory scheme primarily governed by the LGPS Regulations 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014. These are subject to amendment over time. The LGPS is a funded, multi-employer defined benefit scheme. An LGPS pension scheme liability is recognised in these accounts in accordance with IAS 19.

A liability arises as employees earn their future entitlement to payments when they retire. The pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate. The contribution rates reflect benefits as they are accrued and reflect the past experience of the schemes. The LGPS provides benefits on a 'final salary' basis, up to 31 March 2014, at a normal retirement age of 65. For pensionable service up to 31 March 2008, benefits accrued at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3/80ths of final pay for every year of total membership is payable on retirement. Benefits accrued at the rate of 1/60th of pensionable salary for service from 1 April 2008 to 31 March 2014 with no automatic lump sum.

From 1 April 2014, the scheme provides benefits on a career average revalued earnings (CARE) basis. Benefits accrue at the rate of 1/49th of pensionable salary for each year of service.

The scheme permits employees to take a lump sum payment on retirement in exchange for a reduction in their future annual pension. Members pay contributions of between 5.5% and 12.5% of pensionable earnings. Member contributions changed from 1 April 2014 and benefits accrued from this date are on a CARE basis, with protections in place for those members in the scheme before the changes took effect.

For the year to 31 March 2022, HMPPS paid employers' contributions of £145.6 million to GMPF, relating to current probation staff, at 29.6% 2020-21: £98.5 million at 29.6%. The increase in contributions paid is due to the former CRC employees transferring into HMPPS on 26 June 2021 and joining the LGPS.

Following the 2019 triennial valuation, the employer contribution rates for 2020-21 to 2022-23 will remain unchanged at 29.6%.

The pension position as at 31 March 2022, as detailed in the table, is based on the actuarial report from Hymans Robertson LLP, the independent actuary for GMPF, in compliance with IAS 19. There were no plan curtailments or settlements during the year.

Full details of GMPF's investment strategy statement 'Funding strategy statement', including its annual report and financial statements, and responsibilities of the GMPF management panel can be found on the GMPF website www.gmpf.org.uk. Tameside Metropolitan Borough Council is the administering authority of GMPF.

A number of assumptions are made as part of the actuarial valuation process and the major assumptions are set out in the table above. The assumptions underlying the calculation of the net liability as at 31 March 2022 are used for accounting purposes as required under IAS 19.

Risks associated with the fund in relation to accounting, including COVID-19 impact

In March 2020, there were significant falls in some global markets as a result of the COVID-19 pandemic. This reduced the value of the LGPS assets recorded by GMPF and the share of assets applicable to HMPPS. Since then, the markets have improved and the assets held by GMPF have performed extremely well over the past year, as set out in the table. While the impact of COVID-19 continues to produce some uncertainty on the market valuation of properties, management acknowledges the uncertainty but considers that the valuation provided by GMPF is appropriate at the date of reporting.

The overall reduction in pension liabilities is partially offset by the increase in asset valuation, as shown in the table. The pension liabilities for 2021-22 reflect the appropriate assumptions; all assumptions remain under constant review. As the economic climate changes and more information becomes available assumptions will be updated to reflect this.

HMPPS is only liable for the pension obligations due to GMPF relating to Probation Service employees (and ultimately the CRS employees under the Secretary of State for Justice Pension Guarantee). HMPPS is not liable for pension obligations of other employers that participate in the LGPS with GMPF.

Should HMPPS move to another pension fund or pension scheme, an exit payment to cover the pension liability due would be determined by GMPF and their actuary. However, there are no plans to move to another pension fund or pension scheme.

Discount rate

The discount rate is the most significant financial assumption for assessing pension obligations. A reduction in the discount rate results in an increase in pension liability for accounting purposes and vice versa. This discount rate used in these financial statements, as required by IAS 19, is based on the market yields on high quality corporate bonds valued as at the reporting date of 31 March. Hymans corporate bond yield curve is based on the constituents of the iBoxx AA corporate bond index. The discount rate assumptions set by the actuary are considered appropriate in light of COVID-19. The large increase in discount rate compared to last year has resulted in a significant reduction in the pension liability.

Inflation

The inflation assumption is the second most significant financial assumption for assessing pension obligations and drives the assumption for salary growth and pension increases (to the extent they are inflation linked). A higher inflation assumption will lead to an increase in pension liabilities. The government announced the measure of Retail Price Index will change from 2030 to be in line with Consumer Prices Index including housing costs. This has been allowed for when deriving the inflation assumption. This has resulted in an increase this year in the projection for future pension increases and salary growth.

Mortality

The baseline mortality assumptions are based on analysis carried out by longevity experts Club Vita. Future life expectancy predictions use their continuous mortality investigation model. For 2021-22 the CMI 2021 model has been used, which uses more up to date longevity data when compared to the CMI 2020 model used for the 2021-22 assumptions. Based on very high-level analysis it is not expected that mortality arising from COVID-19 in the short term will have a significant impact on the valuation of the pension liability for HMPPS. In the longer term, COVID-19 has the potential to impact on future mortality, but it is too early to quantify at this stage. The mortality rate assumptions used for 2021-22 have not been adjusted specifically in relation to the potential impact of COVID-19.

Risk mitigation strategies

The GMPF management panel carries out a similar role to the trustees of a pension scheme. They are the decision makers for:

- investment strategy
- monitoring investment activity and performance
- overseeing administrative activities
- guidance to officers in exercising delegated powers
- reviewing governance arrangements

Each local authority within Greater Manchester is represented on the management panel, along with the department. There have been no concerns raised by MoJ to date on GMPF's investment or funding strategy or asset performance.

McCloud judgment (impact on LGPS)

The December 2018 McCloud Judgment found that transitional arrangements put in place during the reform of firefighters and judges pension schemes were discriminatory on grounds of age. The government has confirmed this ruling also applies to the LPGS. Based on the findings of the Government Actuary's Department (GAD), published in June 2019 and taking account of the proposed remedial action published by HM Treasury in July 2020 in their consultation document, Hymans Robertson has calculated an estimated past service cost applicable to HMPPS and CAFCASS. The impact of the McCloud judgement was accounted for in the 2019-20 accounts under IAS19. The government response to the consultation for unfunded pension schemes was published in February 2021. However, the government response for the LGPS has not yet been published and is not expected until later in the year. On 13 May 2021, a written Ministerial Statement on McCloud and LGPS was made. Further information can be found at https://questions-statements.parliament.uk/written-statements/detail/2021-05-13/hcws26.

Based on the response for the unfunded pension schemes and written Ministerial Statement, no further adjustment to the cost in the pension liability has been made for 2021-22. Further information on the McCloud Judgment can be found at www.civilservicepensionscheme.org.uk/your-pension/remedy/.

26. Contingent assets and liabilities

Contingent liabilities disclosed under IAS 37

The department has contingent liabilities as defined within *IAS 37 Provisions, Contingent Liabilities and Contingent Assets.* Unless otherwise stated, the amount of each contingent liability cannot be determined with sufficient reliability or to quantify it would jeopardise the outcome of the legal case.

Fee-paid judicial office holders' claims: Following a legal challenge, the department has conceded that the current policies for sitting in retirement (where a judge may retire and draw a pension from their salaried office, and then sit in a fee-paid office), does not apply equally to fee-paid judges. We will consult on changes to rectify this. In the interim, there is potential for affected judges to bring compensation claims in respect of this and in the longer term for pension benefits to become payable earlier, increasing the actuarial value of the pension liability. This effect cannot currently be estimated and, should there be a change to the pattern of retirement, will be reflected in the ongoing regular valuations process.

There are also a number of other legal claims in relation to discrimination between fee-paid and salaried judges, which may give rise to further pension claims. At present we are unable to provide a reliable estimate of the potential liability until the appeals process has been completed.

Employment Tribunals: The department is currently defending several Employment Tribunal claims at various stages. Where it can be quantified, the estimated possible liability for MoJ is £0.2 million.

Other European Court of Human Rights claims: The department is currently engaged in several cases at the European Court of Human Rights, some of which may involve possible financial liabilities and others which are unquantifiable. Where it can be quantified, the estimated possible liability for the department is £0.5 million.

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

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

Incidents 'incurred but not yet received' (IBNYR): IBNYR is an unquantifiable contingent liability in respect of a possible future obligation to individuals who have been victims of violent crime as of 31 March 2022. This liability depends upon uncertain future events occurring and an application being submitted to CICA which meets the criteria set out in the relevant scheme. Although the department recognises that this contingent liability exists in respect of IBNYR, the amount of the obligation cannot be measured with sufficient reliability. This is because it is not possible to establish with any reliable certainty the total number of eligible victims who sustained eligible criminal injuries, the likelihood of an application being made and then qualifying for compensation.

Offers not accepted within time limits: Under the Criminal Injuries Compensation Scheme 2012, a claimant's legal entitlement to an award crystallises on the date on which CICA receives written notice from the claimant or representatives of acceptance of a determination made by a claims officer. The Scheme provides that the acceptance of the award must (normally) be sent within 56 days, but other provisions of the Scheme mean that CICA is not legally empowered to withdraw a First Decision or Appeal offer until 2 years and 56 days have passed or to withdraw a Review Decision offer until 2 years and 90 days have passed. Once this deadline has passed CICA is able to send out withdrawal letters.

There are cases where the deadline for acceptance has passed but CICA has not yet withdrawn the offer. Such offers require a formal decision to be made withdrawing the offer and for the applicant to be given the opportunity to exercise rights of review and appeal against that decision. In some of those cases, information may be received which may lead CICA to exercise its discretion under the Scheme in favour of the claimant, and not withdraw the offer even though the deadline has passed. It is not possible to quantify the value of cases where CICA would so exercise discretion. However, the total value of cases 'on-offer' and passed the deadline is £1.8m: any liability would therefore be below that value.

HMCTS: Is involved in a number of legal cases in relation to ex gratia, compensation and other claims. The estimated cost of settlement for HMCTS is £1.4 million (2020-21: £0.9 million).

HMCTS fee refunds: Our current estimate of the total value of the refunds likely to be due is £44.6 million, of which £11 million has been provided for; the balance of £33.6 million is held as a contingent liability. Note 20 provides an analysis of both the provisions and contingent liability by refund scheme.

HMPPS: HMPPS faces claims amounting to £113.9 million (2020/21: £69.9 million) for injury to staff, prisoners and the public and for third party contract disputes where the likelihood of a liability arising is deemed possible but not likely or not reliably measurable.

LAA contingent assets: The LAA has two contingent assets in relation to costs orders from legal proceedings with a total value of £29 million (31 March 2021: two with a total value of £29 million).

Other contingent liabilities: A review of contracted-out service contracts was carried out in the current financial year and a small number of these were identified as including elements of resource. Contracted out service arrangements operating with resource elements may lead to a liability for employment taxes and VAT where this has been recovered in error. MoJ is carrying out a review to determine any impact.

27. Related party transactions

Associated departments and other central government bodies

The MoJ is the parent of the LAA, HMCTS, HMPPS, CICA and OPG agencies and the sponsor of NDPBs as listed in Note 29. All of these bodies are regarded as related parties with which the department has had various material transactions during the year. In accordance with the requirements of the FReM these transactions have not been reported.

In addition, the department had a number of transactions with other government departments and central government bodies, as well as with local authorities. The most significant of these transactions have been with HM Revenue & Customs, Home Office, PCSPS and HM Treasury.

Management personnel

Lucy Frazer KC MP, Minister of State at MoJ from 13 September to 15 September 2021, 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 and was a supplier to MoJ prior to the Minister's appointment. AMS also subcontract elements of their work to the department via two other providers of contingent labour, Brook Street and Hays. In 2021-22, MoJ paid £57.4 million to AMS (£45.3 million in 2020-21). The majority of this cost relates to payments to agency staff but an element covers the services provided by AMS to source these temporary workers. The Minister had no role in the decisions relating to this expenditure.

On 30 September 2021 Andrew Baigent stepped down as a director for Integrated Debt Services Limited (trading as Indesser), which had been a joint venture between the Government and TDX Group Limited offering a single route for government bodies to use the private sector to recover debt. As at the 30 September 2021 HMCTS had paid £72,005 to Indesser in 2021-22, with a total payables balance of £13,205. Andrew had represented the Government as a non-executive director on the board of Indesser since 16 July 2018.

HMCTS use Indesser to provide information and analysis to assist with the recovery of debt. HMCTS paid £173,843 in total to Indesser for goods and services during 2021-22, with a total payable balance of £14,793 (all amounts shown include VAT).

The brother of Nick Goodwin, the CEO of HMCTS, is a partner at Ward Hadaway, a law firm offering legal representation for cases that fall within the provision of the Legal Aid Agency. In 2021-22, Legal Aid Agency made payments totalling £1.6 million to Ward Hadaway.

Other

Registry Trust Limited is a private company limited by guarantee with no share capital. It maintains the Register of County Court judgements on behalf of the Lord Chancellor and the Secretary of State for Justice. Revenue recognised from the Registry Trust Limited in the year amounted to £0.6 million (2020-21 £0.6 million) with a total debtor balance due to us as at 31 March 2022 of £0.0 million (2020-21: £0.0 million).

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

28. Third party assets

The department holds, as custodian or trustee, certain assets belonging to third parties. These assets are not recognised in the CSoFP and neither the department nor the government has a direct beneficial interest in them.

Funds in Court

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

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

	31 March 2022	31 March 2021
	£000	£000
Cash at bank and on deposit	2,611,167	2,406,082
Securities	82,512	83,831
Total	**2,693,679**	**2,489,913**

Other third party assets

	Official Solicitor and Public Trustee (OSPT)	Criminal Injuries Awards (CICA)	Pending legal aid amounts (LAA)	Bail monies (HM Courts & Tribunals Service)	Prisoner monies (HMPPS)	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Cash	1,184	84,350	17,016	57,465	15,004	175,019
Investments	59,760	-	-	-	-	59,760
Non-cash assets	8,293	-	-	-	-	8,293
At 31 March 2022	**69,237**	**84,350**	**17,016**	**57,465**	**15,004**	**243,072**
At 31 March 2021	**67,303**	**83,876**	**16,838**	**75,350**	**16,894**	**260,261**

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

- The Official Solicitor (OS) administers trusts and estates as administrator/trustee of last resort. The OS acts as last resort litigation friend, and in some cases solicitor, for adults who lack mental capacity and children (other than those who are the subject of child welfare proceedings) in court proceedings because they lack decision making capacity in relation to the proceedings. The Public Trustee (PT) acts as executor or trustee where they have been appointed under a will or a new settlement with the aim of providing an effective executor and trustee service of last resort. The figures above represent the most up to date information available about assets managed by the OS and PT on behalf of clients
- CICA holds third party compensation awards to minors. The purpose of this action is to ensure that the victim will be the sole beneficiary of the award (including accrued interest) when they reach their majority (18 years of age). Where appropriate, interim payments are made on an 'as needs' basis against an agreed framework
- LAA receives awarded damages awaiting the final settlement of a case and contribution monies from clients towards legal costs. The LAA receives contributions towards costs awaiting the final judgment and calculation of the total costs of a case. The outcome of the case will determine whether the third party asset transfers to LAA or is returned to the third party
- HMCTS holds a number of cash balances on behalf of third parties. These consist of bail monies and monies held on behalf of court users which are received and held while the case progresses. At 31 March 2022 these amounted to £57.5 million (2020-21: £75.0 million) and have not been recognised in the accounts in accordance with FReM requirements
- HMPPS holds cash on behalf of offenders. At 31 March 2022 the balance held was £15.0 million (2020-21: £16.9 million).

29. The departmental boundary

Entities within the departmental boundary

Entities within the departmental boundary comprise supply financed agencies and those entities listed in the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2021, known as the Designation Order, is set out below.

The core department

These are entities that are accounted for within the core accounting boundary. These entities are managed independently of the department.

- Advisory Committees on Justices of the Peace in England and Wales
- Assessor of Compensation for Miscarriages of Justice
- Chief Coroner's Office
- Civil Justice Council
- Civil Procedure Rule Committee
- Criminal Procedure Rule Committee
- Family Justice Council
- Family Procedure Rule Committee
- Independent Advisory Panel on Deaths in Custody
- Independent Monitoring Boards of Prisons, Immigration Removal Centres and Short Term Holding Facilities
- Judicial Appointments and Conduct Ombudsman
- Judicial College
- Judicial Conduct and Investigations Office

- Judicial Office
- Law Commission
- Office of the Commissioner for Victims and Witnesses
- Office of HM Inspectorate of Prisons
- Office of HM Inspectorate of Probation
- Office of the Judge Advocate General
- Office of the Official Solicitor
- Office of the Prisons and Probation Ombudsman for England and Wales
- Prison Service Pay Review Body
- Public Trustee
- Recognition Panel
- Sentencing Council for England and Wales and
- Tribunal Procedure Committee

Supply financed agencies

- Criminal Injuries Compensation Authority
- HM Courts & Tribunals Service
- HM Prison and Probation Service
- Legal Aid Agency
- Office of the Public Guardian

Other entities captured in the Departmental group including Executive NDPBs

- Children and Family Court Advisory and Support Service
- Criminal Cases Review Commission
- Gov Facility Services Limited
- Independent Monitoring Authority for the Citizens' Rights Agreements
- Judicial Appointments Commission
- Legal Services Board
- Office for Legal Complaints
- Parole Board for England and Wales
- Youth Justice Board for England and Wales
- Press Recognition Panel[72]

The Annual Report and Accounts for the individual entities can be found at: www.gov.uk/official-documents

30. Events after the reporting period

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

On 1 September 2022, Amy Rees (formerly HMPPS Director General for Probation, Youth and Wales) was appointed as HMPPS Director General Chief Executive Officer and as Accounting Officer for HMPPS. Former CEO Dr Jo Farrar will continue in her role as Second Permanent Secretary of the MoJ.

On 29 September 2022 the Lord Chancellor announced changes to criminal aid funding. A planned 15 percent fee increase for criminal barristers will now apply to the vast majority of cases currently in the Crown Court. This will also apply to fee increases for solicitors and is part of a wider package of proposals announced by the government to help tackle the court backlog. The LAA work in progress provision recognised in these accounts has been calculated on the basis that the fee increase would only apply to new cases.

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[72] The 2017-18 Designation Order established the Press Recognition Panel (PRP) as part of the Ministry of Justice (MoJ) departmental boundary. This is an administrative action on behalf of government with no change to the Lord Chancellor's responsibilities as stated under the Charter. DCMS remain the policy lead in relation to the PRP.

In the period after the reporting date there has been significant volatility in both investment markets and exchange rates. As this is the result of events which occurred after the balance sheet date, this is a non-adjusting event under IAS 10. We do not consider that any meaningful mid-year estimate of the impact can be made, however the net impact of all movements throughout the year will be reflected in the pension scheme asset and liability figures at 31 March 2023. The proportion of the HMPPS and Cafcass funds investment and therefore exposure to government and corporate bonds was low and any negative movement was largely offset by other investments in its portfolio. No significant change in asset allocations was required and there has been no ongoing impact in terms of fund liquidity. Investment strategy is managed on behalf of HMPPS by GMPF, and Cafcass by WYPF and is not in the direct control of the department, therefore no action has been taken by the department in relation to the recent market volatility.

Annexes

Annex A: Other notes to the Statement of Outturn Against Parliamentary Supply

This section is subject to audit.

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

				2021-22
	Note	Outturn £000	Estimate £000	Net total outturn compared with Estimate: saving/(excess) £000
Net Resource Outturn	SOPS 1.1	9,726,413	10,069,627	343,214
Capital Outturn	SOPS 1.2	1,431,404	1,588,361	156,957
Accruals to cash adjustments:				
Adjustments to remove non-cash items:				
Depreciation and Amortisation		(701,227)	(871,288)	(170,061)
New provisions and adjustments to previous provisions		(2,041,913)	(673,881)	1,368,032
Other non-cash items		(358,978)	-	358,978
Adjustments for Non-Departmental Public Bodies (NDPBs):				
Remove voted resource and capital		(320,687)	(332,556)	(11,869)
Add cash Grant in Aid		272,480	297,686	25,206
Adjustments to reflect movements in working balances:				
Increase / (decrease) in receivables		114,750	-	(114,750)
Increase / (decrease) in inventories		297	-	(297)
(Increase) / decrease in payables		162,600	540,000	377,400
Use of provisions		1,984,899	152,153	(1,832,746)
Removal of non-voted items:				
Consolidated Fund Standing Services		(163,084)	(158,234)	4,850
OLC and LSB non-voted levy income		17,804	-	(17,804)
Other adjustments		-	17,774	17,774
Net cash requirement		**10,124,758**	**10,629,642**	**504,884**

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. This reconciliation therefore bridges the resource and capital outturn to the net cash requirement. The net cash requirement calculation only applies to the core department and executive agencies.

SOPS 4. Income payable to the Consolidated Fund

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

	Outturn 2021-22		Outturn 2020-21	
	Income £000	Receipts £000	Income £000	Receipts £000
Income outside the ambit of the estimate	2,820	2,820	267	267
Levy income of OLC and LSB within the ambit of the estimate	17,804	17,804	17,067	17,067
Total income payable to the Consolidated Fund	**20,624**	**20,624**	**17,334**	**17,334**

The department also collects fines and penalties imposed by the judiciary and police; however, these are excluded from the income reported here and are reported separately in the HMCTS Trust Statement which can be found at:
www.gov.uk/government/publications/hm-courts-and-tribunals-service-trust-statement-2021-to-2022

Annex B: Public expenditure core financial tables

The Core Tables represent expenditure for resource and capital, set for each year in the Spending Review process (amended to incorporate transfers of functions to other government departments as they have arisen). These tables are not reported on the same basis as the financial statements disclosures, with differing categories and headings.

The Core Tables are produced automatically from the HM Treasury System (Online System for Central Accounting and Reporting (OSCAR)) which is used by all central government departments to record their spending and plans. At 31 March 2022, OSCAR reflects the position agreed at Budget 2021. This won't match the outturn in previous years' financial statements and some spending may also appear on different lines, this may frequently result in restatement of the previous years' core table figures.

Table 1 Total departmental spending (£000)

Section headings are based on 2021-22 Supplementary Estimate headings.

	2016-17 Restated Outturn[1]	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Plans
Resource DEL							
Policy, Corporate Services and Associated Offices	(100,468)	123,413	141,570	-36,628	566,838	704,139	860,365
HM Prison and Probation Service	-	3,709,003	4,021,404	4,170,755	4,599,619	4,241,015	4,697,935
National Offender Management Service	3,722,864	-	-	-	-	-	-
HM Courts & Tribunals Service	1,565,064	1,576,656	1,662,392	1,834,627	1,865,942	2,039,906	2,115,571
Legal Aid Agency	1,639,385	1,680,067	1,715,014	1,746,141	1,550,239	1,787,143	1,999,609
Criminal Injuries Compensation Authority	135,229	148,812	121,365	206,512	165,837	170,237	140,785
Office of The Public Guardian	2,092	(12,299)	(13,952)	(14,069)	1,512	(2,552)	(12,901)
Children and Family Court Advisory and Support Service (net)	113,147	119,414	119,758	129,950	130,013	139,784	144,116
Criminal Cases Review Commission (net)	5,349	5,240	5,262	5,765	6,392	6,972	7,348
Judicial Appointments Commission (net)	3,622	4,852	7,029	6,988	7,274	7,730	8,723
Legal Services Board (LSB) (net)	3,525	3,470	3,725	3,774	3,906	4,099	4,287
Office of Legal Complaints (OLC) (net)	11,855	12,240	13,228	12,351	13,151	13,757	15,317
Parole Board (net)	16,753	17,544	16,855	18,427	20,360	21,507	24,404

	2016-17 Restated Outturn[1]	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Plans
Youth Justice Board (net)	149,432	104,755	84,634	83,407	86,312	93,804	101,001
Government Facility Services Limited	-	-	-	(24)	(692)	(360)	-
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	-	1,964	4,011	5,577
Higher Judiciary Judicial Salaries	152,165	148,407	153,988	159,886	163,898	163,084	162,000
OLC/LSB Levy CFER	(14,083)	(14,480)	(15,695)	(25,728)	(17,067)	(17,804)	(19,604)
Total Resource DEL	**7,405,931**	**7,627,094**	**8,036,577**	**8,302,134**	**9,165,498**	**9,376,472**	**10,254,533**
Of which:							
Staff costs	3,261,219	3,333,741	3,811,703	4,011,613	4,398,670	4,785,069	5,021,589
Purchase of goods and services	4,872,655	4,763,208	4,747,172	5,053,486	4,855,394	5,051,442	5,810,181
Income from sales of goods and services	(594,733)	(723,609)	(685,386)	(441,310)	(69,287)	(72,237)	(1,329,837)
Other income	-	-	-	-	(563,625)	(637,542)	(455,846)
Current grants to local government (net)	184,452	180,230	138,137	142,359	182,388	198,162	201,970
Current grants to persons and non-profit bodies (net)	-	-	31,909	29,799	43,135	49,970	102,048
Rentals	142,774	745,283	733,856	116,404	754,638	665,780	49,807
Depreciation[3]	491,328	492,519	534,706	470,052	598,957	717,143	854,211
Other resource	(951,764)	(1,164,278)	(1,275,520)	(1,080,269)	(1,034,772)	(1,381,315)	410
Resource AME[1]							
Policy, Corporate Services and Associated Offices	153,139	(55,692)	93,576	(1,773,220)	(34,865)	119,815	105,141
National Offender Management Service	47,036	-	-	-	-	-	-
HM Prison and Probation Service	-	84,351	125,009	1,862,813	63,648	104,637	247,000
HM Courts & Tribunals Service	9,644	(44,498)	20,519	38,232	23,678	69,436	87,200
Legal Aid Agency	37,414	18,401	33,795	(7,479)	89,133	39,570	38,421
Criminal Injuries Compensation Authority	4,601	33,175	35,492	(12,648)	(4,544)	(10,613)	20,000
Office of the Public Guardian	504	(64)	(78)	220	4,418	(29)	200
Children and Family Court Advisory and Support Service (net)	5,554	10,054	10,456	14,014	16,271	26,925	30,300

	2016-17 Restated Outturn[1]	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Plans
Criminal Cases Review Commission (net)	343	186	156	182	117	(73)	266
Parole Board (net)	1,052	(1,144)	(42)	104	(141)	31	50
Youth Justice Board (net)	-	398	(398)	62	100	(54)	100
Office of Legal Complaints (net)	67	30	(50)	12	24	-	-
Legal Services Board (net)	-	-	-	-	74	(74)	-
Judicial Appointments Commission (net)	-	-	-	-	-	10	-
Government Facility Services Limited	-	-	-	93	730	360	-
Total Resource AME	**259,354**	**45,197**	**318,435**	**122,385**	**158,643**	**349,941**	**528,678**
Of which:							
Staff costs	1,919	-	-	-	-	-	-
Net public service pensions[2]	-	-	-	168	-	-	-
Depreciation[3]	116,221	(65,616)	48,492	87,712	62,744	95,663	183,514
Take up of provisions	2,036,774	1,924,749	2,011,770	1,928,438	1,740,200	2,045,971	(139,192)
Release of provision	(1,936,251)	(1,983,927)	(1,872,492)	(1,941,284)	(1,724,849)	(1,985,172)	483,708
Change in pension scheme liabilities	-	-	217,081	-	219,073	370,991	148
Unwinding of the discount rate on pension scheme liabilities	182	-	-	-	-	-	-
Other resource	40,509	169,991	(86,416)	47,351	(138,525)	(177,512)	500
Total Resource Budget	**7,665,285**	**7,672,291**	**8,355,012**	**8,424,519**	**9,324,141**	**9,726,413**	**10,783,211**
Of which:							
Depreciation[3]	607,549	426,903	583,198	557,764	661,702	812,806	1,037,725

	2016-17 Restated Outturn[1]	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Plans
Capital DEL							
Policy, Corporate Services and Associated Offices[4]	197,294	212,555	203,554	164,963	272,558	426,544	306,215
National Offender Management Service	71,827	-	-	-	-	-	-
HM Prison and Probation Service	-	83,460	68,346	190,793	502,217	496,903	1,252,916
HM Courts & Tribunals Service	130,998	111,322	169,869	133,073	287,920	483,338	192,010
Legal Aid Agency	9,168	265	451	2	491	3,416	2,024
Criminal Injuries Compensation Authority	1,192	1,340	557	898	1	104	100
Office of The Public Guardian	1,524	2,332	2,322	100	(47)	8,295	1,900
Children and Family Court Advisory and Support Service (net)	-	697	-	-	449	658	3,600
Criminal Cases Review Commission (net)	247	122	125	220	659	455	213
Judicial Appointments Commission (net)	-	147	-	750	513	117	-
Legal Services Board (net)	-	-	-	368	21	10	74
Office of Legal Complaints (net)	407	371	129	60	245	145	250
Parole Board (net)	877	915	9	98	421	235	190
Youth Justice Board (net)	3,666	941	440	600	729	598	600
Government Facility Services Limited	-	-	-	-	401	-	-
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	-	-	40	-
Total Capital DEL	**417,200**	**414,467**	**445,802**	**491,925**	**1,066,578**	**1,420,858**	**1,760,092**
Of which:							
Purchase of goods and services	16,168	-	-	4,782	-	-	-
Capital support for local government (net)	14,367	4,180	16,572	-	1,754	(1)	
(net) Purchase of assets	420,290	446,189	517,287	548,387	1,123,681	1,480,427	1,768,742
Income from sales of assets	(35,666)	(56,345)	(94,181)	(59,077)	(5,425)	(7,231)	(8,650)
Other capital	2,041	20,443	6,124	(2,167)	(53,432)	(52,337)	-

	2016-17 Restated Outturn[1]	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Plans
Capital AME							
Policy, Corporate Services and Associated Offices	-	-	-	-	-	3,555	23,203
HM Prison and Probation Service	-	-	-	-	-	1,340	-
HM Courts & Tribunals Service	-	-	-	-	-	3,919	-
Legal Aid Agency	-	-	-	-	-	90	-
Office of the Public Guardian	-	-	-	-	-	1,222	-
Children and Family Court Advisory and Support Service (net)	-	-	-	-	-	393	100
Criminal Cases Review Commission	-	-	-	-	-	27	-
Total Capital AME	**-**	**-**	**-**	**-**	**-**	**10,546**	**23,303**
Total Capital	**417,200**	**414,467**	**445,802**	**491,925**	**1,066,578**	**1,431,404**	**1,783,395**
Total departmental spending[4]	**7,474,936**	**7,659,855**	**8,217,616**	**8,358,680**	**9,729,017**	**10,345,011**	**11,528,881**
Of which:							
Total DEL[4]	7,331,803	7,549,042	7,947,673	8,324,007	9,633,118	10,080,187	11,160,414
Total AME[4]	143,133	110,813	269,943	34,673	95,899	264,824	368,467

[1] The figures for 2016-17 have been restated to reflect the machinery of government transfer of commonhold law from the department to the Ministry for Housing, Communities and Local Government on 20 July 2017 (£14,000). In addition, the figures for 2016-17 have been restated to reflect the final outturn position on OSCAR for 2016-17, which was finalised after the publication of the 2016-17 Annual Report and Accounts. The figures for 2017-18 have been restated for the correction of prior period errors in 2018-19.

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

[3] Includes amortisation and impairments.

[4] Total departmental spending is the sum of the Resource and the Capital outturn less depreciation. Similarly, total DEL is the sum of the Resource DEL and Capital DEL less depreciation in DEL, and total AME is the sum of Resource AME and Capital AME less depreciation in AME.

Table 2 Administration costs (£000)

Section headings are based on 2021-22 Supplementary Estimate headings.

	2016-17 Restated Outturn[1]	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Plans
Policy, Corporate Services and Associated Offices	240,339	289,215	294,423	299,414	350,763	369,735	468,593
National Offender Management Service	131,396	-	-	-	-	-	-
HM Prison and Probation Service	-	98,388	62,043	52,931	19,516	24,091	24,625
HM Courts & Tribunals Service	24,766	20,266	17,171	19,487	19,636	20,288	20,215
Legal Aid Agency - Administration	84,452	24,465	20,208	20,574	19,456	16,468	18,872
Criminal Injuries Compensation Authority	12,753	4,857	2,293	2,401	2,063	770	(640)
Office of the Public Guardian	52	56	58	63	63	67	-
Children and Family Court Advisory and Support Service (net)	7,289	6,046	5,219	(59)	5,295	5,192	5,440
Criminal Cases Review Commission (net)	1,139	596	654	918	751	715	669
Judicial Appointments Commission (net)	219	354	276	375	399	434	426
Legal Services Board (net)	-	-	-	-	-	1	-
Parole Board (net)	2,655	1,190	911	1,085	998	982	3,527
Youth Justice Board (net)	4,977	4,244	2,958	2,854	3,255	3,094	3,110
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	-	1,362	2,542	3,300
Higher Judiciary Judicial Salaries	94	75	76	-	76	89	-
Total Administration	**510,131**	**449,752**	**406,290**	**400,043**	**423,633**	**444,468**	**548,137**
Of which:							
Staff costs	321,685	295,467	259,244	267,705	284,053	312,538	319,775
Purchase of goods and services	136,371	129,388	137,936	118,346	133,292	137,186	181,094
Other income	(12,615)	(14,714)	(36,732)	(13,807)	(47,642)	(46,187)	(28,866)
Current grants to local government (net)	25	-	-	-	-	-	-
Current grants to persons and non-profit bodies (net)	-	-	-	88	-	-	-
Rentals	21,985	18,704	23,502	(1,673)	24,741	5,755	1,784
Depreciation[2]	23,728	19,512	20,625	31,470	27,189	33,629	74,350
Other resource	18,952	1,395	1,715	(2,086)	2,000	1,547	-

[1] The figures for 2016-17 have been restated to reflect the machinery of government transfer of commonhold law from the department to the Ministry for Housing, Communities and Local Government on 20 July 2017 (£14,000). In addition, the figures for 2016-17 have been restated to reflect the final outturn position on OSCAR for 2016-17, which was finalised after the publication of the 2016-17 Annual Report and Accounts. The figures for 2017-18 have been restated for the correction of prior period errors in 2018-19.

[2] Includes amortisation and impairments.

Annex C: Information on arm's-length bodies

The department is required to report total operating income, total operating expenditure and net expenditure for the year and staff numbers and costs for each component ALB.[73] The table below includes the final consolidated figures in the department's accounts including adjustments and intragroup eliminations. As a result of adjustments on consolidation, the annexed figures may not agree directly to the published ALB accounts.

				Permanently employed staff		Other staff	
	Total operating income	Total operating expenditure	Net expenditure for the year (including financing)	Number of employees	Staff costs	Number of employees	Staff costs
	£000	£000	£000		£000		£000
Children & Family Court Advisory & Support Service	(102)	166,811	166,709	1,998	129,047	224	9,945
Youth Justice Board	(83)	95,080	94,997	97	5,651	1	274
Parole Board	-	22,458	22,458	166	6,694	13	12,219
Judicial Appointments Commission	(2)	8,245	8,243	87	4,800	27	1,628
Criminal Cases Review Commission	(4)	6,903	6,899	91	4,716	-	459
Independent Monitoring Authority	-	4,378	4,378	43	2,790	1	19
Legal Services Board	(4,053)	4,031	(22)	33.9	2,499	-	520
Gov Facility Services Limited	(157,648)	157,648	-	1,378	58,405	135	2,664
Office of Legal Complaints	(13,757)	13,757	-	250	10,169	4	461

All tabled information was correct and accurate as at the approval date of the accompanying annual report and accounts.
Staff numbers are presented by the average number of Full Time Equivalent. The costs of board members, panel members and commissioners of ALBs are included in other staff costs above but there is no corresponding FTE figure assigned against these individuals because it would not be appropriate to do so.

[73] The 2017-18 Designation Order established the Press Recognition Panel as part of the MoJ Departmental Boundary. This is an administrative action on behalf of government with no change to the Lord Chancellor's responsibilities as stated under the Charter. DCMS remain the policy lead in relation to the Press Recognition Panel.

Annex D: Off-payroll engagements

Highly paid off-payroll worker engagements as at 31 March 2022, earning £245 per day or greater

	HQ	HMPPS	HMCTS	LAA	OPG	CICA	Cafcass	OLC	Parole Board	CCRC	JAC	LSB	YJB	GFSL	IMA	Total
Number of existing engagements as of 31 March 2022	382	15	38	1	2	-	-	-	-	-	-	-	-	-	1	**439**
Of which:																
Number that have existed for less than one year at time of reporting	287	5	22	1	2	-	-	-	-	-	-	-	-	-	1	**318**
Number that have existed for between one and two years at time of reporting	94	8	12	-	-	-	-	-	-	-	-	-	-	-	-	**114**
Number that have existed for between two and three years at time of reporting	1	2	1	-	-	-	-	-	-	-	-	-	-	-	-	**4**
Number that have existed for between three and four years at time of reporting	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	**3**
Number that have existed for four or more years at time of reporting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2022, earning £245 per day or greater

	HQ	HMPPS	HMCTS	LAA	OPG	CICA	Cafcass	OLC	Parole Board	CCRC	JAC	LSB	YJB	GFSL	IMA	Total
Number of temporary off-payroll workers engaged during the year ended 31 March 2022	681	48	82	1	7	-	-	-	1	-	-	-	-	-	2	**822**
Of which:																
Not subject to off-payroll legislation	652	42	75	1	7	-	-	-	1	-	-	-	-	-	2	**780**
Subject to off-payroll legislation and determined as in-scope of IR35	25	2	1	-	-	-	-	-	-	-	-	-	-	-	-	**28**
Subject to off-payroll legislation and determined as out-of-scope of IR35	4	4	6	-	-	-	-	-	-	-	-	-	-	-	-	**14**
Number of engagements reassessed for compliance or assurance purposes during the year	634	37	71	1	5	-	-	-	1	-	-	-	-	-	-	**749**
Of which: Number of engagements that saw a change to IR35 status following review	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**

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

	HQ	HMPPS	HMCTS	LAA	OPG	CICA	Cafcass	OLC	Parole Board	CCRC	JAC	LSB	YJB	GFSL	IMA	Total
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	**1**
Total number of individuals on payroll and off-payroll that have been deemed 'board members and/or senior officials with significant financial responsibility', during the financial year. This figure should include both on payroll and off-payroll engagements	26	8	9	9	6	2	6	2	8	7	16	6	23	7	4	**139**

Annex E: Report by the Secretary of State on the use of powers under section 70 of the Charities Act 2006 for the year 2021-22

Section 70 of the Charities Act ('the Act') sets out the powers for ministers to give financial assistance to charitable, benevolent or philanthropic institutions and requires that payments made under this power are reported.

During 2021-22, the department awarded grants totalling £5,787,603 under the provisions of the Act. This spending does not represent the total amount of grant funding provided to the voluntary and community sector, as many other grants have been paid to this sector under the powers conferred by alternative legislation.

The activities undertaken by various organisations which the department has funded are in line with the department's aims and objectives.

The table below sets out the financial assistance provided by the Secretary of State under these powers for 2021-22.

Name of organisation	Grant name	Amount £
Reunite International Child Abduction Centre	Prevention of international child abduction	**118,000**
National Association of Child Contact Centres	Standards for child contact centres	**192,000**
Justice	Administrative Justice Council	**20,000**
Access to Justice Foundation	Litigants in person support strategy	**1,450,000**
Access to Justice Foundation	Legal support for litigants in person	**1,518,399**
Access to Justice Foundation	Legal support sector sustainability	**2,000,000**
Wirral Citizens Advice Bureau Limited	Co-located advice hub	**11,237**
The Citizenship Foundation	Magistrates' Court mock trials competition	**25,000**
Circles UK	Provision and development of circles of accountability	**111,240**
Lucy Faithfull Foundation	'Stop it now' helpline	**216,727**
The Butler Trust	The Butler Trust	**125,000**
Total		**5,787,603**

Annex F: Trade union facility time

The department is required, by the Trade Union (Facility Time Publication Requirements) Regulations 2017 which came into force on 1 April 2017, to disclose the number of hours spent on facility time by employees who are a relevant union official during the reporting period, which are paid by the department.

Facility time is recognised as the time an employee has spent on paid trade union activities where the employee has received wages from the department.

Table 1 Relevant union officials

The total number of employees who were relevant union officials during 2021-22.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
639	634.32

Table 2 Percentage of time spent on facility time

The number of employees who were relevant union officials employed during 2021-22, who spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time.

Percentage of time	Number of employees
0%	17
1-50%	622
51-99%	0
100%	0

Table 3 Percentage of pay bill spent on facility time

The percentage of the total pay bill spent on paying employees who were relevant union officials for facility time during 2021-22.

Total cost of facility time (£000)	£2,291,030
Total pay bill (£000)	£3,867,516,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.06%

Table 4 Paid trade union activities

As a percentage of total paid facility time hours, the number of hours spent by employees who were relevant union officials during 2021-22 on paid trade union activities.

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%

Glossary

Accounting Officer		A person appointed by HM Treasury or designated by a department to be accountable for the operations of an organisation and the preparation of its accounts. The appointee is, by convention, usually the head of a department or other organisation, or the Chief Executive of a non-departmental public body.
Administration budget		A Treasury budgetary control that forms part of the resource Departmental Expenditure Limit (DEL). It is normally spent on the running costs of the department and its agencies, including back office staff and accommodation.
Annually Managed Expenditure	AME	A Treasury budgetary control. AME is spending included in Total Managed Expenditure, which does not fall within DEL. Expenditure in AME is generally less predictable and controllable than expenditure in DEL. AME is split between resource and capital expenditure.
Capital expenditure		Spending on assets and investment.
Cash Losses		Physical losses of cash and its equivalents which we have recorded receipt of (e.g., cheques, vouchers, credit cards, electronic transfers).
Cash Equivalent Transfer Value	CETV	The overall value, as calculated by an actuary, of an individual's pension entitlement. This is the anticipated cost of providing the pension throughout retirement
Claims abandoned		Losses that may arise if claims are waived or abandoned because, though properly made, it is decided not to present or pursue them.
Consolidated Fund		The government's current account, operated by HM Treasury
Consolidated Fund Extra Receipt	CFER	Income, or related cash, received by a department that it is not authorised to retain and which are surrendered/paid over to the consolidated fund.
Constructive Loss		A loss caused by a procurement action. For example, stores correctly ordered, delivered or provided, then paid for as correct; but later, perhaps because of a change of policy, they prove not to be needed or to be less useful than when the order was placed.
Departmental Expenditure Limit	DEL	A Treasury budgetary control. Annually voted expenditure which covers the day-to-day, planned, and controllable departmental expenditure. DEL is split between resource (RDEL) and capital expenditure (CDEL).
Estimate (or supply estimate)		Supply estimates are the means by which Parliament gives approval to (and grants resources for) departmental spending plans. The amount approved by Parliament is often termed 'the Vote'. The resources granted in the Vote are specifically for the set of departmental operations covered under the ambits. The Vote also includes the net cash requirement.

Executive agency		A public body which, while being a separate entity to its parent/sponsoring government department, is subject to significant control from the department and its ministers. Executive agencies usually have a narrow remit covering one policy area of the parent department.
Ex-gratia payments		Payments made when there is no legal obligation to do so. Ex-gratia payments go beyond statutory cover, legal liability, or administrative rules.
Extra-contractual claims		Also known as common law claims, are claims for damages for breach of contract.
Fees and charges		A department's income generated from services where it is permitted to charge recipients for the service.
Financial Reporting Manual	FReM	The HM Treasury technical guide to accounts preparation for government bodies. www.gov.uk/government/collections/government-financial-reporting-manual-frem
Fruitless payment		A payment that cannot be avoided because the recipient is entitled to it even though the department will receive nothing of use in return.
Grant-in-aid	GIA	Grant provided to a body by government for a specific purpose. Most NDPBs are grant-in-aid funded.
Inland Revenue off-payroll tax	IR35	The IR35 rules make sure that workers, who would have been an employee if they were providing their services directly to the client, pay broadly the same income tax and national insurance contributions as employees.
International Financial Reporting Standards	IFRS	The set of financial reporting standards adopted by the government, as adapted by the FReM. IFRS comprises International Accounting Standards (IAS) and IFRSs.
Managing Public Money	MPM	The HM Treasury guide for civil and other public servants containing the principles for dealing with public resources. www.gov.uk/government/publications/managing-public-money
Materiality		The threshold above which amounts in the financial statements affect the decisions of users of the accounts. The threshold is subject to judgement and may depend on value, nature (e.g. senior staff salaries are low in value, but of significant interest to readers of the accounts), or context.
National Audit Office	NAO	Office of the Comptroller and Auditor General, which audits accounts of government bodies and carries out value for money inspections within the bodies it audits. www.nao.org.uk/
Net cash requirement	NCR	The limit voted by Parliament reflecting the maximum amount of cash that can be released from the consolidated fund to a department in support of expenditure in its estimate.
Non-departmental public body	NDPB	A body which is not an integral part of a department, and which operates at arm's length from ministers (in contrast to an executive agency).

Other comprehensive income/expenditure		A section of the Statement of Comprehensive Net Expenditure which contains gains and losses which are not yet recognised in profit and loss (e.g. revaluations of non-current assets).
Private Finance Initiative	PFI	A means of funding public infrastructure or services by collaboration between the public and private sectors. Typically, a private sector contractor will build and operate an asset, which the public sector entity will use to deliver services for which it pays an annual charge.
Programme budget/ expenditure		A department's direct frontline delivery costs, including support costs directly associated with frontline service delivery.
Regularity		The principle that all consumption of resources should be made in accordance with the legislation authorising them, any applicable delegated authority and Managing Public Money.
Resource expenditure		The department's resource budget, as voted by Parliament. Resource expenditure reflects the consumption of resources in that year.
Service concession arrangement		An arrangement whereby a public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor's infrastructure assets (e.g. prisons). The grantor controls or regulates what services the operator must provide.
Spending Review		A cross-government review of departmental aims and objectives and analysis of spending programmes which results in the allocation of multi-year budgetary limits.
Store losses		Losses of accountable stores through damage, obsolescence, fraud, theft, arson or any other causes.
Supply		The funds paid to the department by HM Treasury. The amount paid in the year is shown in the Statement of Changes in Taxpayers' Equity.

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