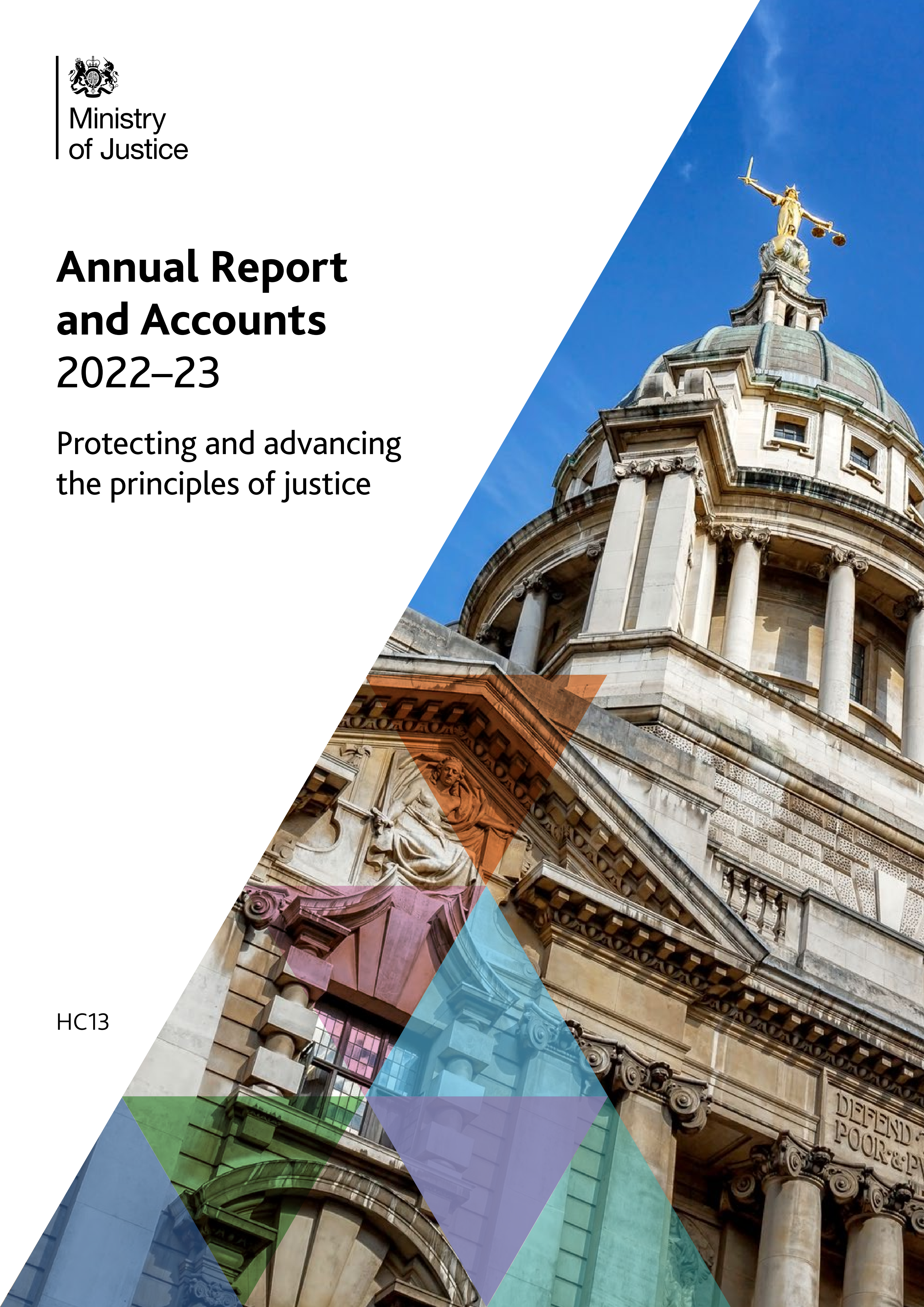
Ministry of Justice

Annual Report and Accounts
2022–23

Protecting and advancing the principles of justice



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Ministry of Justice
Annual Report and Accounts 2022-23

(For the year ended 31 March 2023)

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

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Performance

Overview

This section sets out the department's objectives for 2022-23, the challenges to the delivery of our objectives and how we have performed during the year. Our outcomes for 2022-23 build on those included in the 2021-22 Outcome Delivery Plan published in July 2021.

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 4 to 6

How we operate

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

In 2022-23 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 and 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 objectives

MoJ is responsible for all aspects of justice. In 2022-23 we worked together with purpose, focusing on protecting the public; reducing reoffending; delivering swift access to justice; and reforming the constitution. We have updated our objectives for 2023-24 to reflect the Lord Chancellor's priorities.

Read more about our strategic outcomes, objectives and performance on pages 19 to 60 (performance overview and our performance analysis).

Executive agencies and arm's length bodies

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 corporate functions, we deliver these services, protect the justice system and uphold the rule of law.

Agencies

HM Prison and Probation Service (HMPPS) manages around 84,000 prisoners across over 100 prisons and supervises around 240,000 offenders in the community, providing a high level of monitoring and public protection.[1] The prison service runs public sector prisons 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 children and young people.

HM Courts and 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. HMCTS is governed through a partnership between the Lord Chancellor, the Lord Chief Justice and the Senior President of Tribunals, each of whom has specific responsibilities enshrined in statute.

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.

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.

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

1 As at 31 March 2023.

Arm's length bodies (ALBs) 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 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 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.

2022-23 in numbers

In this section we outline our performance during 2022-23. Here is a snapshot of the services we provide for the public. Further information on our performance is shown in our performance analysis on pages 27 to 60.

Criminal justice

We handled over **1.3 million** criminal cases during 2022-23.

239,518 offenders were supported on probation.*

4,413 full time equivalent band 4 probation officers in post.*

The total number of individuals fitted with an electronic monitoring device was **17,350***, an increase of **13%** from **15,394**.**

In 2022-23, **13,122** body-worn video cameras were in operation in public prisons, increasing the availability from **6,000**.

We held over **565,000** sitting days across our courts and tribunals, of which **100,950** were in Crown Court.

43% increase in adult rape cases going to Crown Court in 2022-23 compared to 2021-22, demonstrating the impact of the Rape Review Action Plan.

22,288 full time equivalent band 3-5 prison officers in post, including youth justice workers.*

Between 1 July 2021 and 31 March 2023, **5,796** prison leavers, who would otherwise have been homeless, were provided with temporary accommodation through our community accommodation services.

* at 31 March 2023

** at 31 March 2022

Family, civil and administrative justice

95% of users surveyed were satisfied with the online civil money claims application process.*

87% of users surveyed were satisfied with the online social security and child support appeal process.*

CICA resolved over **34,700** claims, an increase of **12%** on the previous year, with victims of violent crime receiving **£173 million** in compensation.

OPG registered and dispatched **c.916,000** lasting power of attorneys in 2022-23, compared to **c.721,000** in 2021-22, an increase of **27%**.

* Based on an optional online survey of users following completion of a digital application.

Legal aid

More than **350,000** applications for legal aid processed, with **100%** of criminal legal aid applications processed within two working days and **93%** of civil legal aid applications processed within 20 working days except in the most complex of cases.

Over **1.25 million** bills processed, **99%** of bills were paid within 20 working days, exceeding the **90%** target.

We answered **90,900** civil legal aid application calls and **31,356** crime legal aid application calls. **82%** of our civil calls and **91%** of our crime calls were answered within five minutes against a target of **75%**. Customer satisfaction for our call handling stands at **93%** for civil calls and **90%** for crime calls.

Corporate

£8 billion total comprehensive net spend during the year.

Reduced our total emissions by **28%** compared to our baseline year (2017-18), against a target of **41%** by 2025.

In 2022-23 there has been an increase in the proportion of ethnic minority staff in MoJ. As at the end of March 2023, of staff who declared their ethnicity, **16%** were from ethnic minorities (15% at March 2022). The figure for senior civil servants was **10%**.

In 2022-23 there has been an increase in the proportion of declared disabled staff in MoJ. As at the end of March 2023, of staff who declared their disability status, **17%** were declared disabled (15% at March 2022). The figure for senior civil servants was **12%**.

Parliamentary activity

52 statutory instruments laid.

93% parliamentary questions answered within the parliamentary deadline, against a target of **85%** set by Parliament's Procedure Committee.

Forewords

From the Lord Chancellor and Secretary of State for Justice

It is my pleasure to introduce the Annual Report and Accounts for the Ministry of Justice, outlining its numerous achievements during the 2022-23 financial year.

It was an honour to return to the department as Lord Chancellor and Secretary of State in April of this year after previously having served as both Prisons and Probation Minister and Minister for Victims.

The importance of the work the Ministry of Justice does to maintain the principles of an effective justice system – the rule of law, an independent judiciary, the right to a fair trial and swift access to justice – cannot be overstated. These values underpin our success as a nation and ensure that our society is safe, open, free and fair.

Since taking office, I have been outlining my priorities, which are very much an extension of the work the department has been doing throughout the last financial year.

First, it has continued to work to protect the public by increasing prison capacity with decent places that put rehabilitation at their core. This not only means we can give effect to the order of the courts but ensures the prison estate gives every prisoner the opportunity to turn their life around.

Of the 20,000 additional prisons places we promised, we have already delivered more than 5,500 to September 2023, and opened our newest prison, HMP Fosse Way, in late spring of this year.

Second, the department has continued to spearhead the wider government mission to reduce crime. Central to this is our objective to reduce reoffending and we continue to improve education and employment opportunities for prison leavers, which we know are critical to ensuring successful rehabilitation.

It is crucial that we play an unashamed and muscular role in driving down rates of crime and making the argument that every area of government must be a criminal justice department – because each has a role to play, from education to welfare and beyond in making the United Kingdom a safer place to be.

Third, the MoJ has worked with the judiciary, court staff and the legal profession to ensure timely access to justice is available for all those that need it – from the victim of a crime to the fracturing family and the person standing accused of an offence they did not commit.

We removed the limit on Crown Court sitting days to maximise capacity and minimised disruption resulting from industrial action by the Criminal Bar Association and separately by the PCS Union.

The department has also played its part in the government's mission to operationalise immigration legislation. We are working with the Home Office and other partners to tackle illegal migration and deliver reforms to the justice system in this Parliament. This is vital to give effect to the will of Parliament, which is important for preserving the credibility of the rule of law and ensuring the due process that is the hallmark of a society like ours.

The MoJ has also made progress in tackling violence against women and girls. Rape charges are up significantly compared to the last quarter pre-COVID-19 and we are on track to double the number of cases being referred, charged, and reaching court by the end of this Parliament.

Finally, we continue to boost the role of the justice system and legal services in contributing to UK prosperity, promoting UK legal services exports and improving market access for UK lawyers and law firms, while supporting employment opportunities for hundreds of people in high-quality, sustainable jobs across England and Wales.

Above all, the department has sought to preserve and enhance public confidence in the justice system, which is essential to the proper functioning of our society.

I want to thank the Permanent Secretary, the Executive Committee, and the Ministry of Justice's 92,000 staff for their commitment and professionalism in delivering all the work over the last year – of which they should be rightly proud. As we look ahead to next year, my priorities as Lord Chancellor are very much a continuation of those efforts – as we strive to leave the justice system stronger for our having been here.

The Right Honourable Alex Chalk KC MP

Lord Chancellor and Secretary of State for Justice

From the Permanent Secretary

The Ministry of Justice has continued to deliver on its commitment to protect the public, reduce reoffending, and deliver swift access to justice in 2022-23. This is despite a challenging operational and fiscal environment. The dedication and professionalism of all our staff and partners have made the achievements of the last year possible.

Our prison build programme remains the largest since the Victorian era. We have delivered more than 5,500 new build places. In 2022-23 we finalised work on HMP Fosse Way, which opened in Spring 2023. We commenced construction at our newest prison HMP Millsike, new houseblocks at HMPs Stocken, Rye Hill, Hatfield and Sudbury, and major refurbishments at HMPs Liverpool, Birmingham and Norwich. In response to rising demand for prison places, we expanded current capacity in the estate by an extra 2,600 places between September 2022 and September 2023. Operation Safeguard, which enables the coordinated use of police cells to temporarily hold prisoners for short periods, was activated in November 2022, and we established Capacity Gold Command, a strategic command team dedicated to manage and maximise space across the estate.

We have rolled out body-worn video cameras to over 13,000 frontline staff in 106 public prisons and introduced abstinence-based drug recovery wings, as well as doubling the number of Incentivised Substance Free Living units, to support thousands of prisoners.

In the community, more ex-offenders are finding jobs and our Electronic Monitoring Expansion Programme has seen us increase the number of individuals we monitor – 17,350 people were monitored by the end of March 2023 (up 13% from 15,394 in March 2022).

In courts and tribunals, we are now in the latter stages of the HMCTS Reform programme of modernisation. By the end of March 2023, Common Platform was live in 78% of criminal courts and the remaining courts went live in July 2023. We have increased the number of Crown Court sitting days, making the maximum use of available circuit judges and recorders. Challenges remain – the impact of the pandemic and disruptive action by the Criminal Bar Association in 2022 means there is much more to do to tackle the outstanding caseload in the Crown Court. We have increased the number of Crown Court rooms in use, and we have announced a £220m investment to further improve the court and tribunal estate.

We have also implemented changes to Legal Aid in response to the Criminal Legal Aid Independent Review, while ensuring that 99% of complete, accurate, eligible bills were paid within 20 working days, against a target of 95%. We have met the ambitions we set out in the 2021 Rape Review, to return volumes of adult rape cases being referred by the police, charged by the CPS, and going to court to at least 2016 levels, well ahead of schedule.

The Victims and Prisoners Bill was introduced into Parliament in March 2023, seeking to improve victims' experience of the criminal justice system by making sure they have confidence that the right support is accessible to them and, if they report crime, that they will be treated in the way they should expect. We have completed the rollout of pre-recorded evidence technology to allow victims and witnesses of crime such as rape and modern slavery to have their cross-examination video-recorded and played later during trial.

MoJ remains a highly purpose-led and motivated organisation. In the 2022 Civil Service People Survey we maintained or increased engagement scores in all themes except pay and benefits. This was a major achievement. Attracting and retaining talented people is a priority. We ran a major campaign to recruit more than 4,500 prison officers and 1,500 trainee probation officers (exceeding our targets), and we have exceeded our 2025 target to increase the number of MoJ roles outside of London.

We are transforming how we manage our data and service delivery by strengthening the MoJ's data function and the MoJ's Digital Strategy aims to help people's experience of interacting with the justice system by creating simpler, faster, and better services. In May 2023 we published the seventh local delivery data dashboard, bringing together data from across the criminal justice system including the police, the Crown Prosecution Service and the courts. These dashboards are part of our commitment to increase public transparency and ensure improvements and decisions which affect the criminal justice system are driven by good-quality data. We have also introduced Justice in Numbers webpages, making justice data accessible to the public.

We have continued to promote transparency that maintains trust and confidence in our work. In July 2022 a judge's sentencing remarks were broadcast for the first time, in December 2022 the first public parole hearing in UK history took place, and our digital court and tribunals services have been used 2.1 million times so far, making services easier to use and more efficient to run.

There have also been changes to the Department's Executive Committee. In May 2022, Richard Price joined the MoJ as Director General – Performance, Strategy, and Analysis. In September 2022, we moved to a new top-level structure in HMPPS, with a Director General Chief Executive Officer (Amy Rees) and Director General Operations (Phil Copple). In April 2023, I announced the appointment of Ross Gribbin as Director General Policy – Prisons, Offenders, and International Justice, with Jerome Glass moving to a new role (Director General – Courts and Access to Justice). In June 2023, the Second Permanent Secretary Jo Farrar left the MoJ to be the Chief Executive for NHS Blood and Transplant. Jo was Chief Executive of HMPPS during an extremely challenging time given the pandemic and as Second Permanent Secretary she led important work to transform our service delivery and digital innovation. The Executive team and I have been well supported by the department's Non-Executive Directors – thank you to them for their advice and challenge throughout the year.

The Rt Hon Dominic Raab MP and the Rt Hon Brandon Lewis MP were Lord Chancellors and Secretaries of State during the reporting period. Since April 2023 the Rt Hon Alex Chalk MP has been the Lord Chancellor and Secretary of State. Our delivery is thanks to the commitment and efforts of the 92,000 people working for the MoJ to uphold the principles of free, fair and open justice. It is a privilege to lead them, and I look forward to working with the Lord Chancellor and the Ministerial team on their priorities for the justice system in the coming year.

Antonia Romeo

Permanent Secretary and Principal Accounting Officer

From the Lead Non-Executive Board Member

2022-23 has been a challenging year for the Ministry of Justice. From the standpoint of the Lead Non-Executive, the two big "stay awake" issues were prison capacity and the court caseload. There were also the implications of the rising cost of living and inflation which presented additional pressures for the department. There were also changes of the Lord Chancellor, starting and finishing the reporting year with Dominic Raab, with a brief period of Brandon Lewis at the helm. Since the reporting year end, Dominic Raab has been succeeded by Alex Chalk. Notwithstanding these changes, the Executive have been diligent and resilient in addressing the challenges the department faced.

Turning first to prison capacity, the department has continued its strategy to secure delivery of 20,000 additional prison places, with around 5,500 delivered to September 2023. The newest prison, HMP Fosse Way, started accepting prisoners in late spring and provides 1,700 places. Construction is well underway at HMP Millsike, due to open in 2025, and which will be the UK's first all electric powered prison. This year also saw significant growth in demand across the adult male estate and underlined ongoing challenges with prison capacity. The department has shown considerable flexibility and agility in providing short-term solutions. However, current forecasts suggest increases in demand for prison places, which will need to be addressed in the medium term.

The department continues its drive to improve the efficiency and effectiveness of the Probation Service following unification of this provision in the previous year. Realising the full potential of probation unification remains a key driver in how we protect the public and reduce reoffending. HMPPS is confident that they are on the right trajectory to improve performances post-unification. The department is undertaking significant recruitment with 1,514 trainee probation officers recruited during the financial year under consideration. In parallel, greater consideration has been given to improve staff retention and reduce attrition rates. Progress will continue to be monitored to ensure results are on the right track.

In the Annual Report and Accounts last year, I summarised the multifaceted approach that the department was taking to increase the volume and speed of cases going through the courts system. Ensuring timely access to justice remains a key priority for the department. The increase in the number of sitting days for judges has been a critical factor and has demonstrated a positive impact on the outstanding caseload. HMCTS continues to work closely with the police, CPS and the judiciary to ensure that all viable levers are tested and implemented. The delivery of the HMCTS Reform Programme remains integral. The pandemic highlighted risks of unforeseen challenges and showed the importance of how modernised systems support effective delivery of the justice system. The Reform Programme is also critical in supporting the drive to reduce the volume of cases. The industrial action both by the Criminal Bar Association and the PCS caused significant disruption, and we worked closely with criminal justice partners to minimise this wherever possible.

Looking now at governance, the Audit and Risk Assurance Committee (ARAC) assists the Departmental Board 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 across the MoJ and its bodies through strong relationships with the agency and ALB ARAC chairs. The ARAC chairs of HMPPS and HMCTS now sit as members on the departmental ARAC ensuring greater connection between the department and its largest delivery agencies. Paul has continued to champion the Union agenda and the sustainability agenda. With the valuable addition of Mark Beaton, the non-executives have provided constructive challenge and scrutiny of the delivery plans for some of the department's major projects through the Delivery Board. Mark's wealth of business experience has been a great asset to the organisation in helping to drive reassessment of some programmes to ensure realistic delivery ambitions, taking account of the current affordability challenges.

The Departmental Board met four times during the reporting year and the in-depth reviews included discussion on recruitment and retention, HMCTS Reform Programme (including the Common Platform) and prisoner employment. As commissioned by the then Secretary of State, I undertook the annual Board Effectiveness Review. Overall, the board was found to be functioning well but there were some areas for improvement. Taking account of the feedback, the planned addition of new non-executive members will help address the areas where skills gaps were identified and work will continue to build on providing greater oversight of the department's arm's length bodies. Greater focus by the board in future on the strategic and operational issues affecting performance, with a view to the long-term health and success of the department are planned.

As non-executives, we are grateful to successive Lord Chancellors and the Executive, under the leadership of the Permanent Secretary and the Executive Committee, for their willingness to involve us in areas where our experience can contribute and for their openness to our constructive challenge. On behalf of the non-executives, we look forward to working with the new Lord Chancellor and the ministerial team to deliver the department's priorities.

Mark Rawlinson
Non-Executive Board Member

Chief Operating Officer's review of the year

Introduction

This was another year of strong performance across the department, set against the context of an unprecedented operating environment. This performance is built on strong financial planning and stewardship which has ensured that we maintain a firm grasp on our finances and effectively manage our resources within the limits voted by Parliament.

The department's resource DEL (RDEL) budget, as voted by Parliament in the Supplementary Estimate, was £10,246 million, capital DEL (CDEL) was £1,458 million, resource AME was £633 million and capital AME was £23 million.

The department's costs are funded, in part, by income. This income comes from a number of sources including fees, fines, contributions from clients who received legal aid funding and income from prison industries. Total income in 2022-23 was £1,711 million, compared to £1,636 million in 2021-22, an increase of 5%. As a proportion of our gross resource budget, income made up 16% in 2022-23 compared to 15% in 2021-22.

Figure 1: Performance against Parliamentary control totals

	Supplementary Estimate £m	Outturn £m	Variance £m
Resource DEL	10,246	10,100	146
Of which			
Administration	548	481	67
Capital DEL	1,458	1,360	98
Resource AME*	633	102	531
Capital AME*	23	6	17
Net cash	11,011	10,616	395

*AME consumption 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

The department created financial flexibility to respond to a number of pressures across the year, including disruptive action by the criminal bar and a backdrop of increasing inflationary pressure on core services.

Our staff remain our most valuable asset, and we continued to invest in our workforce across the year. We have strengthened recruitment and retention efforts across the department, delivering against stretching recruitment targets in prisons, probation and the judiciary.

In 2022-23 we increased our investment in reducing reoffending activity to £70 million. Activities included expanding our transitional accommodation service, completing our roll out of Employment Advisory Boards, and opening the first six drug recovery wings, which will allow prisoners to address their addictions through abstinence-based treatment. Outcomes included an 8.6 percentage point increase in the proportion of prison leavers employed six months post release.

We continue to invest in the reform of justice services. During 2022-23 HMCTS completed the Financial Remedy, Civil Damages and Social Security and Child Support projects and the Future Operations programme.

Capital

We continue to invest in our prison estate to support the delivery of further capacity and are committed to delivering 20,000 additional modern prison places through the largest prison build programme since the Victorian era. By the end of Spending Review 2021, we will have invested nearly £4 billion to support the rising demand for prison places.

As with other construction programmes, prison expansion plans have been affected by high levels of inflation and market-led price increases over the last year, which have had a material impact on actual and estimated costs.

It was not possible to execute our full capital spending plan due to planning permission delays and pressure on suppliers, resulting in an underspend against budget of £98 million, 7% of the capital DEL budget.

In courts and tribunals, our investment in the estate was prioritised in making sure that our buildings are safe secure, meet statutory requirements and protect continuity of service.

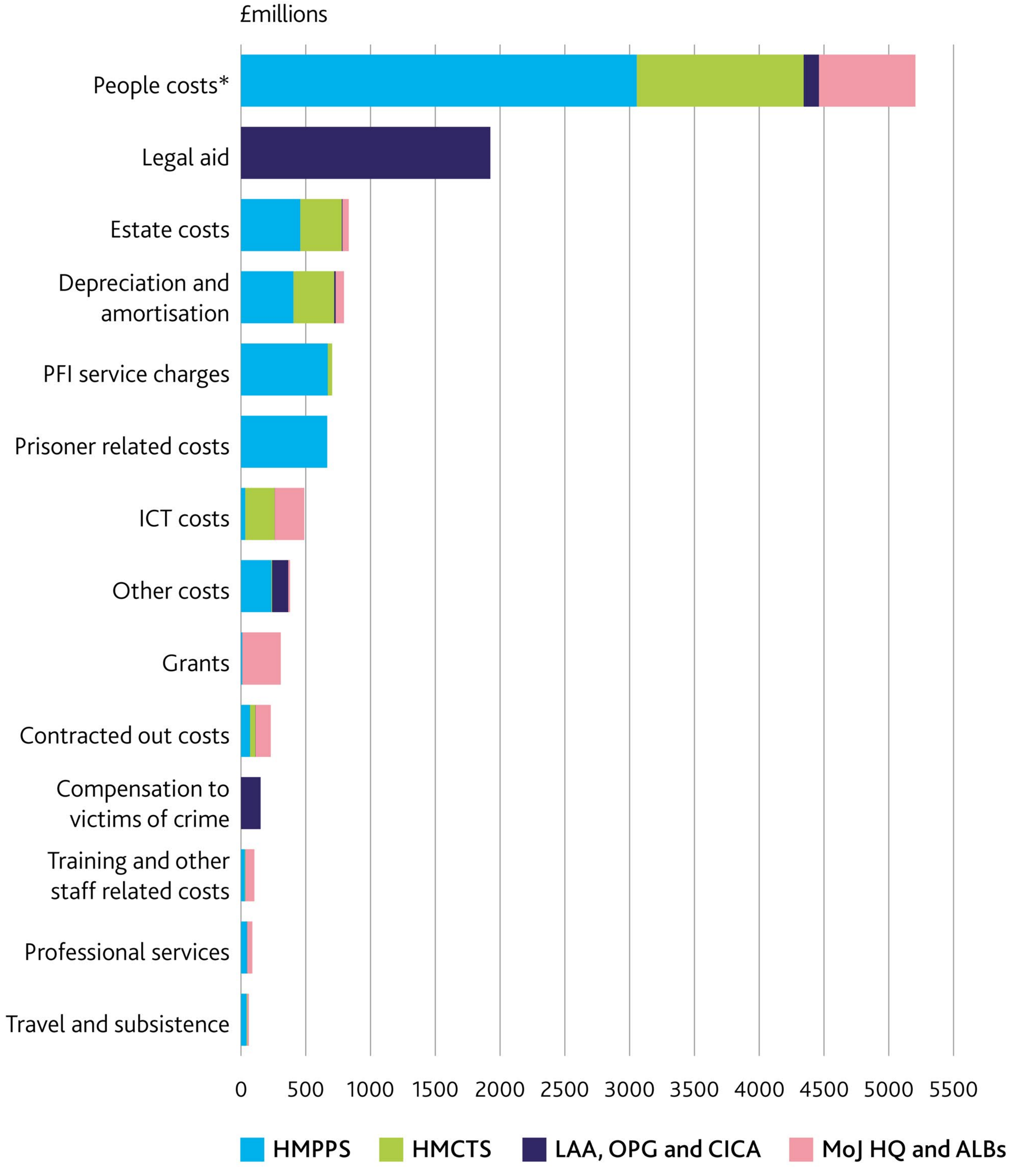
We also invested in improving our technology and have made progress delivering critical digital infrastructure through initiatives such as the Prison Technology Transformation Programme. The replacement of aged digital infrastructure and the modernisation of our digital estate will allow improved access and increase efficiency across our prisons and probation services.

Future plans

Inflation continues to run ahead of the assumptions that underpinned the department's SR21 settlement. Departments have been asked to absorb those financial pressures from within their existing budgets.

This will be the challenging context that underpins our financial position for the remainder of this Parliament and beyond. We are working closely across the department, and with our partners across the justice system to prioritise resource, improve productivity and focus resources on activity that will have the biggest impact on our outcomes.

Figure 2: Departmental expenditure



*People costs include, wages and salaries, social security costs, pension costs, early departure costs and the net cost of secondments.

Our performance

Our outcomes for 2022-23 build on those included in the 2021-22 Outcome Delivery Plan which was published in July 2021.[2,3] As such our priority outcomes were to:

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

The department also focused on work to progress the government's commitments on human rights.

Our performance is measured through analysis of performance data which is captured throughout the year. This analysis enables us to understand the broader impact of the department with a view to deliver improvement. All our performance information is published on GOV.UK

Performance overview

The performance overview provides a high-level summary of organisational performance against our priority outcomes. Our Performance Analysis, which is set out on pages 27 to 60, provides full details of our activities and analysis of performance against each outcome.

2 www.gov.uk/government/publications/ministry-of-justice-outcome-delivery-plan/ministry-of-justice-outcome-delivery-plan-2021-22

3 Following the Autumn Statement 2022, the government agreed that departments would not be required to publish Outcome Delivery Plans for 2022-23 but should instead concentrate on the production of Outcome Delivery Plans for 2023-24. Outcome Delivery Plans continue to be an important internal tool for allowing departments to track delivery against their outcomes. The Chief Secretary of the Treasury and Minister for the Cabinet Office have decided that Departments will be required to produce internal ODPs for 2023-24, which we will report on the delivery of in our next set of Annual Reports and Accounts. This approach will enable focus on delivering the Prime Minister's five priorities while satisfying the broader delivery metrics that ODPs track.

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

We protect the public by holding prisoners securely, robustly supervising and managing offenders in the community, and strengthening our capability to mitigate terrorist threats. Throughout 2022-23 we prioritised public protection in the criminal justice system by:

- preparing for the opening of HMP Fosse Way and progressing construction at HMP Millsike in Yorkshire, which will deliver over 3,000 places between them
- surpassing our targets for recruitment of trainee probation officers, hiring 1,514 against a target of 1,500, and recruiting 4,314 band 3-5 prison officers (which includes prison officers and specialists, supervising officers and custodial managers)[4]
- tackling terrorism in prisons by launching a counter terrorism training package and improving our use of Separation Centres
- rolling out our Electronic Monitoring Expansion Programme

Reduce reoffending

We are working to divert people away from crime by tackling the main drivers of re-offending, including through:

- improving the proportion of prison leavers in settled accommodation three months post release from 75.3% to 75.6%
- focusing on helping prisoners into employment on release, including through the recruitment of dedicated Employment Leads in all resettlement prisons to support prisoners in accessing job vacancies, writing CVs and applying for jobs. In 2022-23, 25.9% of prison leavers were employed six months post release, up from 17.3% in 2021-22
- opening six drug recovery wings, allowing prisoners to address their addictions through abstinence-based treatment
- publishing the Female Offender Strategy Delivery Plan on 31 January 2023, which outlines cross government commitments to improve outcomes for women and reduce women's offending over the next three years. This was supported with an investment of over £15 million in women's community services
- delivering the Turnaround programme, an additional investment for youth services targeted at early intervention, which has provided 153 youth justice services with multi-year funding

4 Over the year to 31 March 2023, 4,663 band 3 to 5 officers were appointed (consisting of 4,314 direct new recruits, and existing staff who converted to a band 3 officer grade).

Deliver swift access to justice

Justice is a vital public service, relied on directly by victims, families and businesses. It underpins the operation of society and the economy in our country. Throughout 2022-23 we have delivered by:

- increasing the number of Crown Court sitting days and improving the efficiency of courtroom use
- completing the rollout of pre-recorded evidence technology which allows vulnerable victims and witnesses to have their cross-examination video recorded and played later during trial. We introduced the Victims and Prisoners Bill and made progress implementing the Rape Review Action Plan as part of our work to tackle violence against women and girls[5,6]
- publishing our response to the Criminal Legal Aid Independent Review and established the Criminal Legal Aid Advisory Board to facilitate improved dialogue between government and the legal professions
- we published our response to the consultation on the Means Test Review, which when fully implemented will increase the number of people eligible for civil legal aid in England and Wales by an additional 2.5 million, with 3.5 million more people eligible for criminal legal aid in the magistrates' court

Constitutional reform

The government's commitment to reform human rights remained an objective in 2022-23. In June 2023 the Lord Chancellor confirmed that the government would not proceed with the Bill of Rights, but that it remains committed to a human rights framework that is up to date, fit for purpose, and works for the British people. In 2023-24 we have updated our objectives to reflect the Lord Chancellor's priorities.

Strategic enablers

Our corporate functions supported delivery of our priority outcomes by:

- running a major campaign recruiting 4,314 prison officers and 1,514 trainee probation officers to meet projected demand, helping to protect the public[7]
- supporting the government's Levelling Up agenda by opening another 24 Justice Collaboration Centres and Justice Satellite Offices to recruit into, taking our total up to 29 at March 2023, and exceeding our target of 24
- promoting innovation and better use of technology to improve the department's efficiency and effectiveness
- rolling out of new mailroom services in prisons to provide confidence in legitimacy of legally privileged mail; and to support detection of illicit items
- rolling out in-cell technology to a further five prisons, improving access to education, rehabilitation programmes designed to reduce reoffending, and allowing prisoners to manage their own affairs – such as diet, medication and training
- delivering our Evaluation and Prototyping Strategy, testing and assessing the impact and cost-effectiveness of our programmes and interventions so that our decisions are based on robust evidence

5 www.gov.uk/government/publications/victims-and-prisoners-bill

6 www.gov.uk/government/publications/end-to-end-rape-review-progress-report

7 Over the year to 31 March 2023, 4,663 band 3 to 5 officers were appointed (consisting of 4,314 direct new recruits, and existing staff who converted to a band 3 officer grade).

Principal risk summary

Principal risk area	Outcome /enabler	Trend this year	Comment on trend	External factors
Operational delivery Ensuring effective service delivery in our operations	①②③	▲ Increase	We have delivered additional prison places during the year. However, since September 2022 we have seen an acute rise in the prison population, driven by higher flows into the sentenced, recall and remand populations, the impact of the criminal bar disruptive action, and the aftermath of the pandemic. The CBA action has contributed to driving up outstanding caseloads in the criminal courts. To manage this and other high caseloads we have increased sitting days and continue to recruit judicial resource.	Criminal Bar Association disruptive action; CJS demand; OGD pay and labour; market factors
Capacity Managing and maintaining sufficient system capacity to meet an uncertain demand into our frontline services	①②③	▲ Increase	We have seen significant growth in the total prison population. We continue to increase prison capacity through the delivery of 20,000 new places, and have taken additional steps to ensure we are using the existing estate at its maximum capacity. In the courts we continue to maximise productivity, keep open the 24 temporary Nightingale courtrooms, and extend plans for judicial recruitment to secure enough capacity to sit at the required levels to reduce the open caseload. Ageing property infrastructure continues to impact physical capacity across the operations of HMCTS and HMPPS.	Planning permission for new capacity; Criminal Bar Association disruptive action; police officer recruitment; the pandemic

Principal risk area	Outcome /enabler	Trend this year	Comment on trend	External factors
People and capability Recruiting and retaining sufficient capable individuals to ensure continually effective service delivery	① ② ③ ④ ⑤ ⑥	No change	Recruitment targets for prison and probation officers have been met or increased, against the backdrop of a challenging labour market. Retention rates are beginning to improve following a concerted set of activities including improved levels of support and training.	OGD pay and labour market factors concerns in the early part of the year; cost of living and potential for strike action in latter part of the year
Digital Reducing the level of technical debt and improving resilience and flexibility of digital and technology services to the business. Improving innovation and productivity	① ③ ⑤ ⑥	No change	We launched our 2025 Digital Strategy with positive feedback from the business. However, our ability to reduce technical debt remains a challenge. We have created a dashboard for our most critical systems to reflect the risks and plans to address them. People resource and capability continues to be an issue, both to maintain old systems and develop new innovative systems to support business improvements.	Competitive labour markets; rapid development of new technologies; developments in artificial intelligence
Security and information Reducing the likelihood of a cyber security attack, together with keeping our information secure and enabling better information practice. Improving compliance with GDPR and other legislation	① ③ ⑤	No change	There has been a heightening of risk from internal and external threats of exposure to loss of personal or sensitive information and data. The scale and complexity of MoJ coupled with large volumes of sensitive information remains a challenging factor in reducing risks. We have worked hard to improve our information security culture through policy and guidance. We continue to focus on supplier assurance given the reliance MoJ has on outsourced services.	Geopolitical tensions; economic climate particularly cost of living increases

Principal risk area	Outcome /enabler	Trend this year	Comment on trend	External factors
Commercial Ensuring we can put in place and manage effective contracts which support the delivery of justice services	①②③⑤⑦	◀▶ No change	Supply chain risks and issues have continued across multiple industries. We monitor our critical suppliers and have ensured contingency plans are in place. This has enabled services to continue uninterrupted. MoJ is one of the most heavily outsourced government departments and as such has an extensive pipeline of new or recurring contracts to oversee which has stretched our resources but remains manageable.	Market cost pressures coupled with exchange rate fluctuations; supply chain concerns due to geopolitical tension; service delivery gaps due to lack of staff and strikes
Change We have an ambitious portfolio of change projects with a range of risks that require active management to ensure delivery	①②③④⑥⑦⑧	◀▶ No change	We continue to ensure that our major projects and programmes are set up for success, supported by robust oversight, constructive challenge processes and a core team of project delivery professionals, who provide expertise across the portfolio. We have continued to manage the risks in our change portfolio throughout the year.	Planning permission; inflationary pressures on construction materials; market cost pressures
Evidence and insight Ensuring decisions taken by ministers and others are underpinned by sufficiently accurate evidence	①②③⑤⑥	◀▶ No change	In line with our revised target operating model a new senior staffing model has been put in place. This aligns with the increasing demand for analytical support from across MoJ, seeking modelling and data science capability. We continue to improve data pipelines so that data can be extracted from source in ways that are quicker and more auditable with fewer errors. We have invested in new capacity and capability to meet the increasing demands for evidence and insight to support decisions.	Reliance on OGD delivery partners to join up CJS data

Principal risk area	Outcome /enabler	Trend this year	Comment on trend	External factors
Property Failure to maintain an estate that is compliant, operational, environmentally sensitive and efficient	① ② ③ ⑥ ⑧	▲ Increase	We continue to invest in the maintenance of our buildings to maintain capacity and reduce dilapidations, while also undertaking planned maintenance programmes. Condition surveys have taken place throughout 2022-23, including for fire and asbestos to ensure future plans can be appropriately prioritised to align with the wider strategy.	Inflationary pressures on construction materials and supply shortages; service delivery gaps due to lack of staff and strikes
Climate change and sustainability Failure to adapt effectively to physical and transitional climate change exposures	① ② ③ ⑥ ⑧	**NEW**	We have progressed a detailed action plan to embed climate change and sustainability within the organisation. We are improving our understanding of how climate change will adversely impact our estate from rising temperatures and flooding, and what is needed to adapt our estate. We continue to revise plans to adjust to new government commitments.	Extreme weather; high energy prices
Finance Long-term funding uncertainty and inflationary pressures on current budgets leading to difficult prioritisation decisions and disrupted operational delivery, inefficiency and reputational damage	① ② ③ ④ ⑤ ⑥ ⑦ ⑧	**NEW**	Short term financial risks were minimised by a positive outcome of our efficiency and savings review with HMT. Continued management will require all additional expenditure decisions to be counter balanced with savings. Long term plans are being developed in line with the next spending review.	Wider macro-economic environment in particular, inflationary pressures and consequent pay settlements

Principal risk area	Outcome /enabler	Trend this year	Comment on trend	External factors
Stakeholder Failure to effectively engage OGDs and our stakeholders impacts on delivery, trust and reputation	①②③④	**NEW**	Currently trending at a stable but medium-high level. Relationships have been impacted by an accelerated delivery approach which has created some challenges in effectively engaging and addressing concerns of stakeholders in a timely manner. We aim to bring this down over the next year through having a more consistent and planned approach.	Legislative agenda for other government departments and macro-economic environment

Key to outcomes and strategic enablers

Outcomes		Enablers	
①	Protect the public from serious offenders	⑤	Workforce, skills, location
②	Reduce reoffending	⑥	Innovation, technology, data
③	Deliver swift access to justice	⑦	Delivery, evaluation, collaboration
④	Constitution	⑧	Sustainability

Our performance analysis

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

Our core focus is to ensure our services continue to protect the public, working towards our 10-year vision as set out in the Prisons Strategy White Paper, published in December 2021.

Prison capacity

Since Autumn 2022, the adult male prison estate has seen an increase in demand. This has been driven by higher flows into the sentenced, recall and remand populations, the impact of the criminal bar disruptive action, and the aftermath of the pandemic. In response to this increase in demand, we have implemented a suite of contingency measures, including making full use of all existing capacity, increasing cell occupancy where safe to do so and delaying non-essential maintenance. Through this action, we have expanded current capacity in the estate by an extra 2,600 places between September 2022 and September 2023.

By the end of the Spending Review 2021 period, we will have invested nearly £4 billion to modernise and increase the capacity in our prisons, continuing to make progress towards the delivery of 20,000 additional, modern prison places, ensuring the right conditions are in place to rehabilitate prisoners, cut crime, and protect the public. These places are being delivered through the construction of six new prisons, as well as the expansion and refurbishment of the existing estate and temporary accommodation. The new HMP Fosse Way opened in June 2023 and construction is well underway at HMP Millsike in Yorkshire, delivering more than 3,000 places between them. This new prison is due to open in 2025 and will be the UK's first all-electric prison.

As at September 2023, we have already delivered around 5,500 additional prison places through a combination of refurbishments, installing around 700 temporary accommodation places, and opening the new prison, HMP Five Wells. Construction has started on new houseblocks at HMPs Rye Hill and Stocken and Cat D expansions at HMPs Hatfield and Sudbury which will deliver 850 additional places between them.

In addition, Operation Safeguard, which enables the co-ordinated use of police cells to temporarily hold prisoners for short periods, was activated in November 2022, with the first spaces coming into operation in February 2023. This contingency measure provides additional resilience in the system where capacity pressures are most acute.

Prison capacity pressures have restricted our ability to take places out of use for refurbishment and compliance works. We have prioritised our investment in the Fire Safety Improvement Programme and across 2022-23 we have brought many prison places in line with modern safety standards, creating a safer environment for our staff and prisoners.

Probation

Following the successful unification of probation services in June 2021 there have been increasing pressures with our probation caseload, which grew from around 225,000 cases in June 2020, to around 240,000 cases by March 2023 (an increase of 6.7%). To address this we have:

- recruited unprecedented numbers of trainee probation officers in recent years, exceeding recruitment targets of 1,000 in 2020-21 and 1,500 in each of 2021-22 and 2022-23. Recruitment has remained an area of focus throughout 2022-23, particularly in hard to recruit locations, and has been affected by the volatility of the labour market and cost of living pressures
- improved the volume of applications received and reduced time to hire in regions where the need for particular operational roles was most important
- taken action to reduce the leaving rate for probation officers. In the 12 months to 31 March 2023, the leaving rate for probation officers was 7.5%, with 358 leavers. This is a decrease of 0.5 percentage points compared to the prior year, which had 367 leavers

Security

Crime in prisons undermines safety and security by putting prisoners and staff at significant risk. We have continued to improve security by:

- completing implementation of the Security Investment Programme with the successful installation of X-ray baggage scanner technology to support searching in 45 prisons[8]
- delivering a counter drone strategy to address the growing challenge posed by illicit use of drones[9]
- deploying an additional 60 drug detection machines to prevent drugs entering the system through the post, bringing the total to 95 devices
- rolling out upgraded phone blocking capability to prevent prisoner access to illicit communications

Counter terrorism in prisons

We combat terrorism in prisons via the Joint Counter Terrorism in Prisons and Probation Hub, which works in partnership with Counter Terrorism Police and MI5 to increase intelligence gathering and identify terrorist threats. We are also:

- implementing the recommendations from Jonathan Hall KC's review into terrorism in prisons, including the introduction of the crime in prisons referral agreement and the introduction of specialist probation teams to manage convicted terrorists[10]
- improving our use of separation centres to hold those who present the most serious threat, as part of a new Separation Centre Policy Framework launched in November 2022
- committing to launch a new counter terrorism training package in October 2023, building on the existing Step-Up programme to empower staff to identify threats and risks to prison safety and security

8 Prison Security Investment Programme: X-ray Body Scanner Management Information - GOV.UK

9 Countering Drones: Finding and neutralising small UAS threats - Phase 2 - GOV.UK

10 Terrorism in Prison – Independent Reviewer of Terrorism Legislation's Report and Government Response - GOV.UK

Parole reform

In March 2022, we set out a landmark package of reforms to the Parole Board designed to restore public confidence in the system:

- in December 2022 the first public parole hearing in UK history took place[11]
- in March 2023 we introduced the Victims and Prisoners Bill, which will make reforms to the Parole Board intended to improve public protection and confidence

Safety

We are committed to ensuring that prisons are safe and secure places to live, work and support rehabilitation. Although rates of assaults remain lower than in 2019, we have taken action over the last year to address rises in rates of assaults and self-harm, including:

- working with our Women's Self-Harm Taskforce to tackle increased rates of self-harm in the female estate, which increased by 51% in 2022-23 compared to a 5% decrease in the male estate. So far, we have introduced a number of measures, including rolling out the Support Through Enhanced Management programme to support women with complex needs, and piloting access to psychologists when women first enter custody, when the risks of self-harm are greater
- rolling out body-worn video cameras to staff in 106 public prisons, with more than 13,000 cameras now operational, enough for every band 3-5 operational staff member on duty at any one time. These cameras help to keep prisons safer, providing valuable evidence and supporting fairness and trust through transparency

Electronic monitoring

Our Electronic Monitoring Expansion Programme has helped us to increase the number of individuals we monitor, with 17,350 people tagged by the end of March 2023: an increase of 13% from 15,394 at the end of March 2022. We have extended the use of electronic monitoring with the use of location monitoring tags for new offender cohorts, as well as the continued rollout of alcohol monitoring tags for offenders subject to Alcohol Abstinence and Monitoring Requirements.

11 First public parole hearing following government reforms - GOV.UK

Our performance metrics

Key to metrics

Value change from previous year:

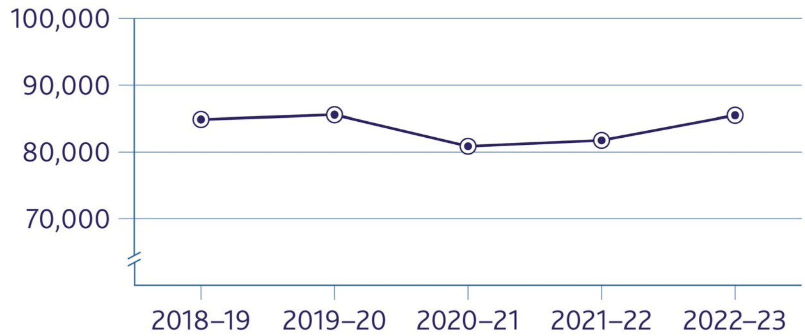
- Increasing
- Decreasing
- No change

Progress on previous year:

- Green = improving
- Amber = marginal or no change
- Red = worsening

Useable prison places

Prisons capacity – useable prison places

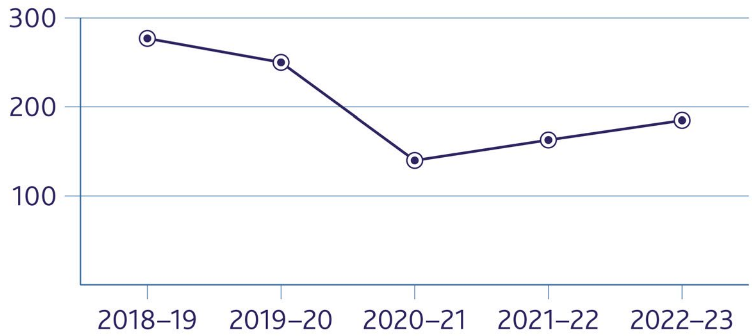


Value change / progress

The number of useable prison places increased by 3,751 between 31 March 2022 and 31 March 2023. Prison capacity continues to be put under pressure by increasing demand. The increase in places can be attributed to the ramp up of HMP Five Wells; the return of a number of places out for operational purposes; and a net decrease in the total number of places out for maintenance.

Prisoner-on-prisoner assault

Rate of incidents per 1,000 prisoners

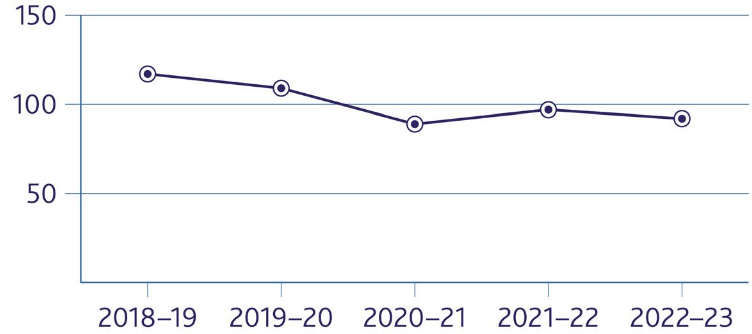


Value change / progress

The rate of prisoner-on-prisoner assaults increased by 14% in the 12 months to March 2023. The rate started to rise since the reopening of prison regimes following the end of restrictions during the pandemic, but assaults remain below pre-pandemic levels. The above data does not include the Youth Secure Estate.

Prisoner-on-staff assault

Rate of incidents per 1,000 prisoners

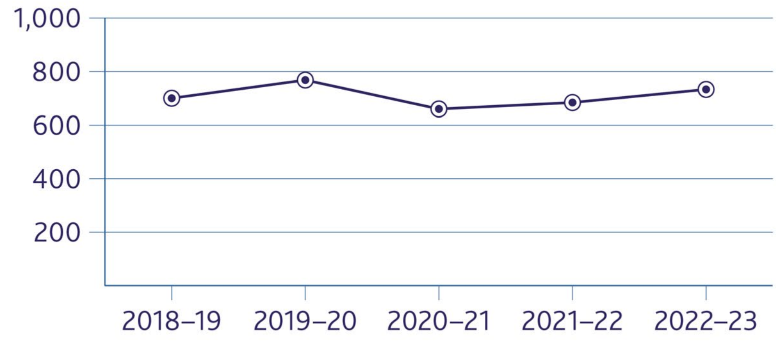


Value change / progress

The rate of assaults on staff in the latest 12 months was 5% lower than in the previous 12 months. The data above does not include the Youth Secure Estate.

Self-harm incidents

Annual rate of incidents per 1,000 prisoners



Value change / progress

The overall rate of self-harm incidents per 1,000 prisoners increased by 7% in the 12 months to March 2023. There continue to be considerable differences in self-harm trends by gender. The rate in female establishments has increased by 51% (5,826 per 1,000 prisoners), whereas it has decreased by 5% in male establishments (523 per 1,000 prisoners), meaning the rate is now over 11 times higher in female establishments. We are taking action to address the increase in self-harm in the female estate through the work of the women's self-harm taskforce and a range of interventions. The data above does not include the Youth Secure Estate.

Random mandatory drug tests

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

In 2019-20, 14% of random mandatory drugs tests (rMDT) for illicit substances were positive. There is no published data from 2020-21 onwards, as all rMDT testing was paused in March 2020 following the outbreak of the COVID-19 pandemic. Although there has been a slow increase in testing over time, testing is yet to return to the levels required for reliable national or establishment-level estimates.

Robust test reporting also requires a testing panel which captures the range of drugs in circulation; as the testing panel was not updated in 2022-23 the test results for the last 12 months are likely to be inaccurate as there may be new drugs in circulation that are not being tested for.

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. Available published data currently covers a period up until 31 March 2021.

There is a lag in conviction data due to allow time for cases to complete the criminal justice process. Following a lag, the information is added to the published data. However, figures for some years may be provisional as some cases may not yet have concluded.

Published SFO data is available at: https://assets.publishing.service.gov.uk/media/6538ea2880884d000df71a87/Serious_Further_Offences_bulletin_2023.pdf

Priority outcome 2: Reduce reoffending

Reducing reoffending is central to the government's commitment to cut crime.

Building on the successes of 2021-22, we have worked to support individuals in custody with their accommodation, education, and employment needs. We have done this by:

- expanding our transitional accommodation service (CAS3), initially available in five probation regions, into Wales in June 2022. This provides prison leavers who would otherwise be homeless with temporary accommodation for up to 12 weeks. Between 1 July 2021 and 31 March 2023, 5,796 prison leavers who would have otherwise been homeless were accepted into CAS3 accommodation
- completing our rollout of Employment Advisory Boards in 92 prisons, linking prisons with business networks and ensuring that prisoners have the skills and training employers need to meet labour market demands. We also met our commitment to recruit dedicated Prison Employment Leads and ID and Banking Administrators in 92 prisons. In the year to March 2023, 25.9% of prison leavers were employed six months post release, up from 17.3% in the previous year
- introducing a Head of Education, Skills and Work role into 17 accelerator prisons, with recruitment for the national rollout well under way, with all successful candidates expected to be in post by January 2024
- we have also recruited 63 Neurodiversity Support Leads to identify and support neurodivergent prisoners in accessing education and work opportunities within prison, with a further 60 to be recruited in 2023-24

Support and treatment for prisoners struggling with substance misuse is central to breaking the cycle of reoffending. With the £120 million funding announced in the 2021 Drugs Strategy 'From harm to hope' we began delivering on interventions, including:

- recruiting 18 Drug Strategy Leads in prisons to engage with stakeholders in prisons and community and to support prisoners to continue the work they have done in prison to beat addiction on release
- opening six drug recovery wings, which will allow prisoners to address their addictions through abstinence-based treatment
- doubling the number of Incentivised Substance Free Living units to 50, helping prisoners to address their dependence on drugs through regular drug testing and support
- introducing Health and Justice Partnership Coordinators with over 40 staff already in post helping to build connections between substance misuse and mental health services in the community to ensure continuity of care for all prison leavers

We have focused on improving outcomes for children and young people in custody and the community by:

- preparing to launch the Secure School Project in early 2024 through refurbishment of the previous Secure Training Centre in Medway. Co-commissioned between the Youth Custody Service (YCS) and NHSE, the Secure School is established both as a secure 16 to 19 academy and as a Secure Children's Home, to provide an integrated approach to health and education for 49 children
- awarding and mobilising new education contracts for the four publicly operated Young Offender Institutions in England. These will deliver a broad and balanced curriculum which meets the needs of all learners through traditional face-to-face classroom-based teaching as well as digitally enabled in-room learning
- providing funding to 153 youth justice services across England and Wales via the early intervention Turnaround programme. It is anticipated that this funding will support up to 17,500 children over three years, with the aim of preventing them from going on to offend
- delivering the Youth Justice Sport Fund across England and Wales between November 2022 and March 2023. The £5 million programme supported 220 voluntary and community sector organisations to work with 10-to-17-year-olds considered vulnerable to involvement in crime and anti-social behaviour, using sport as a vehicle to address problem behaviour

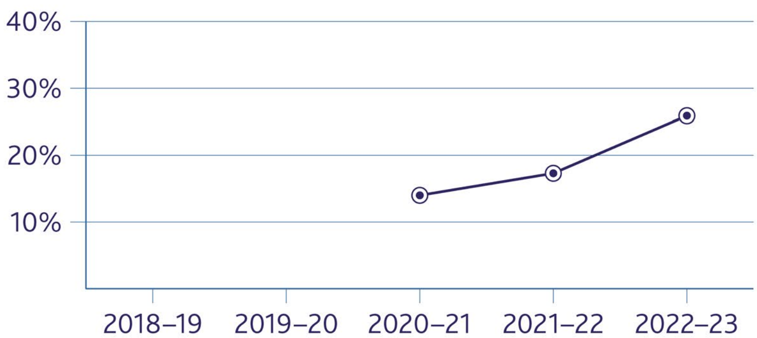
We have improved outcomes for adults on probation by:

- phasing in enhanced probation services in 11 probation regions. Probation practitioners will work with individuals who have 10 months or less of their prison sentence left to serve, identifying immediate resettlement needs and pre-release planning requirements, enabling a more timely offer of support
- continuing to clear a backlog of unpaid work requirements that had built up as a consequence of COVID-19 restrictions. Delivery is now back to pre-COVID-19 levels with a plan to remove the backlog by 2025

Our performance metrics

Prison leavers in employment

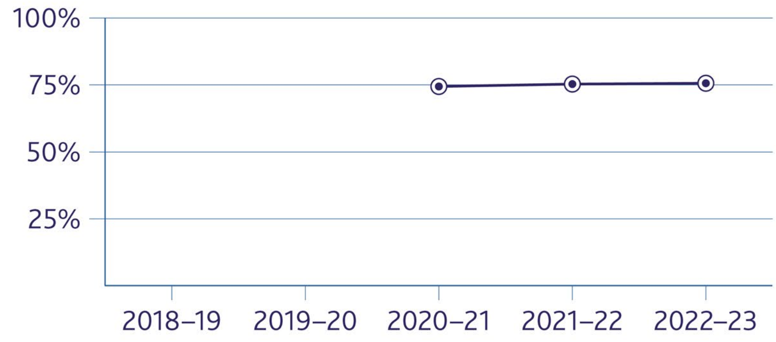
% of prisoners in work six months after their release



In 2022-23, 25.9% of prison leavers were employed six months post release. This is up from 17.3% in the previous year - an 8.6 percentage point increase. Every region within England and Wales saw a rise in the proportion of prison leavers employed six months post release in 2022-23, in comparison to 2021-22. 2020-21 is the earliest year for which we have data of sufficient quality.

Post-custody accommodation

% of prisoners in settled accommodation three months after release

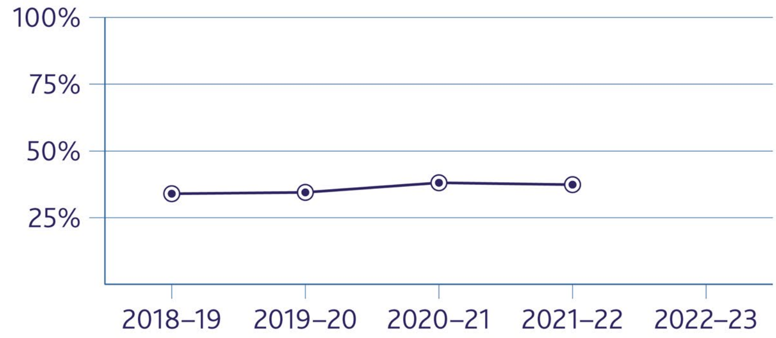


Value change / progress

In 2022-23, 75.6% of prison leavers were in settled accommodation three months post release (excluding cases where the status was unknown). This is up slightly from 75.3% in the previous year. 2020-21 is the earliest year for which we have data of sufficient quality to report.

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



Value change / progress

The proportion of adults released from prison and successfully starting community treatment decreased compared to the previous year (37.4% in 2021-22 and 38.1% in 2020-21) but is still 7.1 percentage points higher than when this data was first reported in 2015-16 (30.3%).

Priority outcome 3: Deliver swift access to justice

Our focus this year has been on recovering courts and tribunals, providing support to victims, increasing eligibility criteria for Civil and Criminal Legal Aid and delivering the latter stages of the HMCTS reform programme. We have made progress in recovering our services from the significant impact of the COVID-19 pandemic, supporting the public commitment to reducing the outstanding caseload in the Crown Court to 53,000 cases by March 2025. We did this by:

- increasing the number of Crown Court sitting days, making the maximum use of available circuit judges and recorders. We also increased available judicial capacity by increasing sittings in the Crown Court of High Court judges, appropriately authorised District Judges (magistrates' courts) and judges sitting in retirement
- increasing the number of Crown Court rooms in use and available to hear cases, including continuing Nightingale hearing rooms across 11 venues through to the end of March 2024
- increasing magistrates' court sentencing powers from 6 to 12 months for a single offence in May 2022. This meant that more cases could be dealt with by the magistrates' courts while the Crown Court could focus their resources on getting through more serious, complex cases. This increase was paused in March 2023 in order to ease downstream pressures in the criminal justice system
- minimising disruption from action by the Criminal Bar Association and separately by the PCS Union by working closely with local partners and stakeholders and making sure judges had the information they needed to best prioritise open cases. The Criminal Bar Association disruptive action was resolved in October 2022 following the extension of fee rises which led to subsequent increases in Crown Court disposals.[12,13]

Since the end of the reporting period an increase in the number of cases coming into the Crown Court each month means that the outstanding caseload in the Crown Court has begun to increase, up by 7% from March 2023 to the end of September 2023

Court reform

We introduced our ambitious court reform programme in 2016, aiming to modernise the justice system to make courts and tribunals more efficient and accessible to all users.[14] This includes digitisation of core services and migrating or decommissioning legacy IT systems. This means judges and magistrates have more time to hear cases by cutting down on unnecessary paperwork and reserving court and tribunal time to hear the most complex cases.

We made good progress delivering modernised services during 2022-23, including completing the financial remedy, civil damages and social security and child support projects and the Future Operations Programme. We also started to roll out our new Video Hearings Service, improving the functionality and security of remote hearings.

The reform programme is a complex portfolio with diverse stakeholders and dependencies and there have been challenges around implementing changes while courts were working at full capacity to recover from the impact of the COVID-19 pandemic. This particularly impacted the implementation of Common Platform, the new digital case management system in the criminal courts. We have listened to feedback from users and temporarily paused rolling it out further to ease some immediate pressures and make the rollout smoother.[15] By the end of March 2023, Common Platform was live in 78% of criminal courts and the remaining courts went live by end July 2023.

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12 questions-statements.parliament.uk/written-statements/detail/2022-10-12/HCWS317

13 www.gov.uk/government/news/crime-news-extension-of-fee-rises-after-MoJ-and-cba-deal

14 www.gov.uk/guidance/the-hmcts-reform-programme

15 www.gov.uk/guidance/hm-courts-and-tribunals-service-engagement-groups

We extended the completion of the reform programme by three months to March 2024 – with an additional year to March 2025 for the final two releases and implementation of the Common Platform.

We are conducting an overarching evaluation of the reform programme, looking at its implementation and whether it has achieved its intended aims. A final report will be published following the end of the programme, once reforms have had time to bed in and sufficient volumes of cases have completed using reformed systems and processes.

Victims

We have demonstrated our ongoing commitment to put victims at the heart of the criminal justice system by:

- introducing the Victims and Prisoners Bill into Parliament on 29 March 2023 seeking to improve victims' experiences of the criminal justice system.[16] The Bill introduces measures to help victims have confidence that the right support is accessible and that, if they report crime, the criminal justice system will treat them in the way they should truly expect
- continuing to increase the number of Independent Sexual Violence and Independent Domestic Violence advisers to 1,000 by 2024-25 to ensure victims receive tailored, trauma-informed support
- quadrupling funding for victim and witness support services by 2024-25, from £41 million in 2009-10
- completing the rollout of pre-recorded evidence technology in September 2022 (available to vulnerable children and adults since November 2020), allowing victims and witnesses of crimes such as rape and modern slavery to have their cross-examination video recorded and played later during trial

Rape Review Action Plan

We have continued to make significant progress on delivering the milestones of the Rape Review Action Plan,[17] including the introduction of the landmark Victims and Prisoners Bill; the national rollout of Operation Soteria, a new operating model for the investigation and prosecution of rape that focuses on the suspects rather than the victims in rape and serious sexual offence cases; and the launch of our 24/7 Rape and Sexual Abuse Support Line, delivered by Rape Crisis England and Wales, in December 2022.[18]

As a result of these actions, we have exceeded our ambitions to return to 2016 levels for each of these volumetrics. In the latest quarter of data (to 31 March 2023) we have seen:

- 1,341 police referrals to CPS for advice, early advice, or charge for adult rape cases, exceeding the 2016 ambition of 766
- 567 CPS charges for adult rape, exceeding the 2016 ambition of 538
- 605 Crown Court receipts for adult rape cases, exceeding the 2016 ambition of 553

The amount of time it takes for adult rape cases to pass through the system remains challenging, as are the levels of victim attrition. This is why we are extending activity against all eight levers of the Rape Review Action Plan to December 2024, beyond its original completion date of June 2023.

Transparency of the criminal justice system

In May 2023 we published the seventh local delivery data dashboard, bringing together data from across the criminal justice system including the police, the Crown Prosecution Service and the courts. These dashboards are part of our commitment to increase public transparency and ensure improvements and decisions which affect the criminal justice system are driven by good quality data.

16 Victims and Prisoners Bill - GOV.UK

17 www.gov.uk/government/publications/end-to-end-rape-review-progress-report

18 New 24/7 support service for victims of rape launched - GOV.UK

To allow the public a greater understanding of how judges make decisions on sentences, a judge's sentencing remarks were broadcast for the first time in July 2022.

Judicial recruitment

We worked closely with HMCTS, the judiciary and Judicial Appointments Commission to recruit more judges, launching the recruitment for nearly 1,000 judicial posts in 2022-23. A virtual region was established to provide flexibility for designated judges, allowing cases in a number of jurisdictions to be heard virtually from any geographical region.

To better support our judiciary, MoJ introduced the Judicial Pension Scheme (JPS) in April 2022, providing a generous and attractive benefits package.[19]

Criminal Legal Aid Independent Review (CLAIR)

In November 2022, we published our substantive response to CLAIR which followed our interim response which was published in July 2022.[20] Taken together, they set out ambitious reforms that put us on the road to a better functioning, more efficient and improved criminal justice system.

We initially responded by uplifting most criminal legal aid fee schemes by 15%, including the scheme which remunerates barristers. This amounted to an injection of up to £115 million – the biggest uplift the sector has seen in over a decade.

We will be providing a further £21 million of funding for criminal defence solicitors, to ensure that they are fairly paid for all the vital work they do. This includes an extra £16 million for police station work – meaning funding for this will be 30% higher than it was before the CLAIR reforms – and £5 million specifically for work in the youth court, so that children continue to get the best possible legal representation.

In addition, for barristers we set aside £4 million for cases involving pre-recorded cross-examination of vulnerable victims and witnesses, and £3.3 million of funding for special and wasted preparation.

This brings our total funding package to over £141 million extra for the legal aid sector each year taking projected annual spend on criminal legal aid to £1.2 billion.[21]

We have also established the independently chaired Criminal Legal Aid Advisory Board, to facilitate discussion between the government and the legal professions, and will be reforming the structure of fee schemes to ensure they properly reflect the way legal professionals work today.

Legislation

We worked with the Home Office to prepare for implementation of reforms under the Nationality and Borders Act 2022 and supported the introduction and passage of the Home Office led Illegal Migration Bill.[22,23] We started developing plans for introducing these wide reaching reforms which will improve efficiency and throughput of appeals within the Immigration and Asylum Chamber.

In April 2022, we implemented the new no fault divorce measures in the Divorce, Dissolution and Separation Act.[24] The change removes unnecessary conflict to ease stress on couples and children and forms wider action to improve the family justice system.

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19 Judicial Pension Scheme 2022 Guide www.gov.uk/government/publications/judicial-pension-scheme-2022-guide

20 Government's full response to the Criminal Legal Aid Independent Review and consultation on policy proposals - GOV.UK

21 Criminal Legal Aid Review (justice.gov.uk)

22 www.gov.uk/government/news/borders-act-to-overhaul-asylum-system-becomes-law

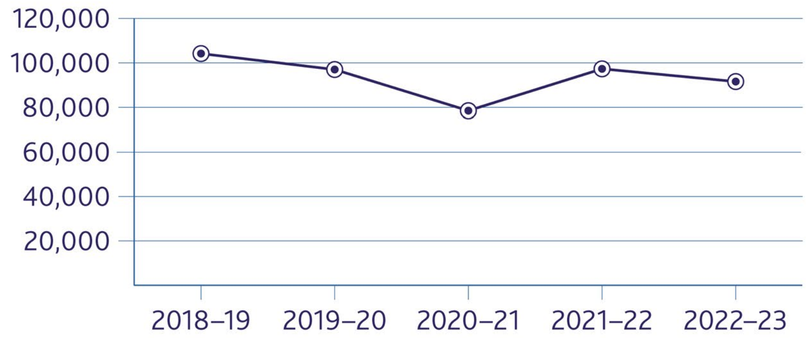
23 www.gov.uk/government/collections/illegal-migration-bill

24 www.gov.uk/government/news/blame-game-ends-as-no-fault-divorce-comes-into-force

Our performance metrics

Crown Court disposals

Number of cases disposed of in Crown Court



Value change / progress

Over the first half of the financial year, there was an increase in the level of the outstanding caseload due in part to the impact of the Criminal Bar Association (CBA) action. Following the end of the CBA action in October 2022, disposal levels returned to those seen pre-pandemic, achieved by maximising judicial and court capacity. While disposals are lower than the previous financial year, there were in total just under 92,000 disposals, and the open caseload rose 7% from 57,923 to 62,212.

Magistrates' courts disposals

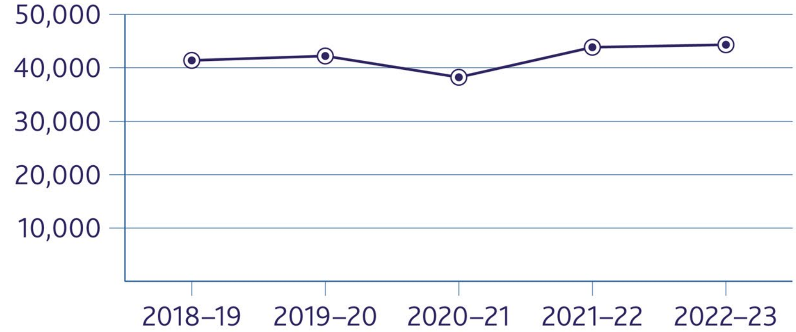
Number of cases disposed of in magistrates' courts

Value change / progress

Following the end of disruptive action, disposal levels have returned closer to, but still below, pre-pandemic levels. In total, there were over 1.2 million criminal disposals in the magistrates' courts.

Family court disposals (private law)

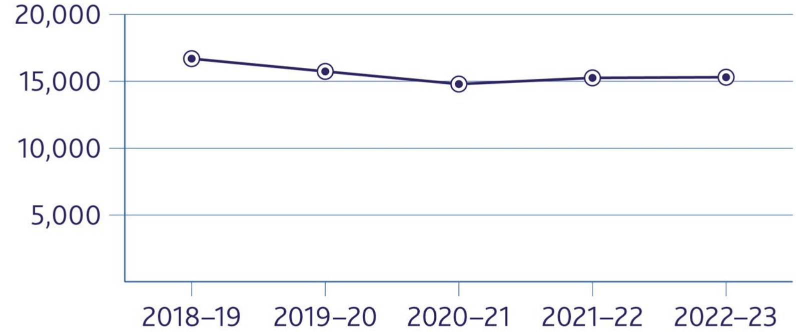
Number of cases disposed of in private law family courts



Value change / progress

Family court disposals (public law)

Number of cases disposed of in public law family courts



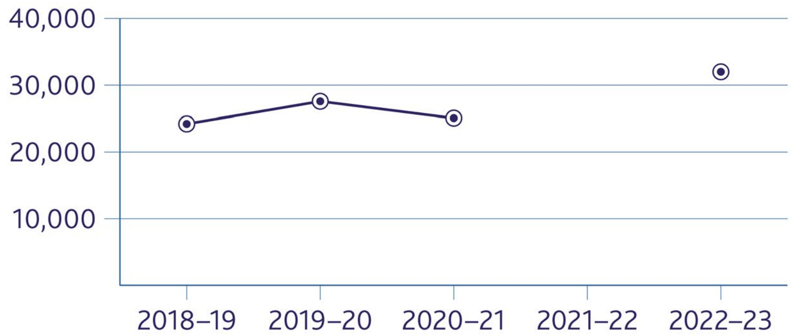
Value change / progress

Private law disposals were 1% higher than the previous year with over 44,100 disposals made in 2022-23 and the open caseload decreased by 5% during 2022-23. Public law disposals were 1% higher than the previous year with over 15,300 disposals made in 2022-23 and the open caseload increased by 4% during 2022-23.[25] Virtual Regions were piloted/established in July 2022 to provide flexibility for judicial resources located throughout England and Wales to hear family cases by remote hearings. We also recruited additional legal advisers to hear more family cases and continue to explore ways to reduce demand.

25 www.gov.uk/government/publications/hm-courts-tribunals-service-annual-report-and-accounts-2022-to-2023

Employment tribunal disposals (single claims)

Number of cases disposed of in employment tribunals



In December 2022, we received additional funding to sit 2,000 extra days in the jurisdiction, which contributed to an increase in disposals at the end of 2022-23. At the end of March 2023, the open caseload was 4% lower than the previous year. Employment tribunals transitioned to a new database (Employment Case Management) during March to May 2021. We are not able to provide results for the migration period and therefore data for 2021-22 has not been included to avoid a misleading comparison. Metrics are not currently available to provide a like-for-like comparison with data from the old database, so results from June 2021 onwards should not be compared to results prior to March 2021.

Victims' Code

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

Data has not been available since the year ending March 2020 as the question behind this metric was removed from the Crime Survey for England and Wales during the pandemic due to the shortening of the survey questionnaire. The data to March 2023 is yet to become available.

Constitutional reform

Bill of Rights

In June 2023 the Lord Chancellor confirmed that the government would not proceed with the Bill of Rights, but that the government remains committed to a human rights framework that is up to date, fit for purpose and works for the British people. In 2023-24 we have updated our objectives to reflect the Lord Chancellor's priorities.

The government has taken and is taking action to address specific issues with the Human Rights Act 1998 and the European Convention on Human Rights, including through the Illegal Migration Bill, the Victims and Prisoners Bill and the Overseas Operations (Service Personnel and Veterans) Act 2021.

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 deliver better public services.

Workforce, skills, location

We continue to work to ensure we have a strong, high skilled and appropriately resourced workforce across the country. Action taken includes:

- exceeding our ambitious targets to recruit 4,500 prison officers and 1,500 probation officers, while just narrowly missing our target of 2,000 Operational Support Grades in controllable attrition rates decreasing by 0.4 percentage points from 2021-22 (11.0%) to 2022-23 (10.6%)
- supporting the government's Levelling Up agenda by opening another 24 Justice Collaboration Centres and Justice Satellite Offices to recruit into, taking our total up to 29 at March 2023, and exceeding our target of 24. We have shown strong progress increasing roles outside of London, exceeding our 2025 target of 1,205 roles
- delivering a portfolio of more than 30 programmes, initiatives, schemes and events that have reached an audience of almost 20,000 staff across MoJ – organised by Leadership, Talent and Capability. These included Grow Your Leadership sessions, matching participants from underrepresented backgrounds with Senior Civil Service (SCS) sponsors through our Luminate scheme and exceeding our target of 5% of staff being on apprenticeships, with this reaching 7% in January 2023

Innovation, technology, data

In 2022 we launched MoJ's Digital Strategy, to transform people's experience of interacting with the justice system by creating simpler, faster and better services. We are doing this by:

- creating more user-centred services – for example the 'Prepare a case for sentencing' service was rolled out to over 150 magistrates' courts, helping to save approximately 50% of staff time. The 'Send Legal Mail' service is now live in all prisons in England and Wales, simplifying the process of sending legal mail to prisons and helping to reduce the amount of contraband being smuggled in through the legal mail route
- creating greater flexibility in MoJ by improving connectivity in over 100 approved premises and increasing network capacity at more than 90 prison sites, as well as reducing dependency on physical legacy servers and moving more services to the cloud
- improving analytical capability with the MoJ Analytical Platform, leading to more data-driven decision-making. With tools such as MoJ Forms and digitising processes in prisons and courts we have reduced our use of paper

Elsewhere we have undertaken work to strengthen the data function within MoJ through our data improvement programme. We have created and filled the role of Chief Data Officer to give senior ownership of data across the organisation and to champion the work of our data team and the value of data.

We have also taken tangible steps to better use our data to drive positive outcomes. We continued to develop our open-source data linkage software, Splink, with Version 3 launched in July 2022. This has helped to de-duplicate and link data, reducing workload and improving data quality.

We delivered greater transparency to our citizens this year through the introduction of our Justice in Numbers (JiN) web pages.[26] JiN brings together headline statistics from across our publications in one place, together with latest trends and time series. By making it live and updating it as and when new statistics are published, JiN is the single source of truth for justice data.

Sustainability

We are committed to embedding sustainability principles into everything we do. We have taken tangible steps including:

- ensuring that HMP Millsike, our next new prison due to open in 2025, will be net zero ready, achieving at least 10% biodiversity net gain and designed to achieve a BREEAM (Building Research Establishment's Environmental Assessment Method) Excellent rating
- introducing reuse schemes and recycling workshops within prisons, including TV repair workshops at HMP Guys Marsh and The Verne, and a phone repair workshop at HMP Risley. It is estimated that this activity saves MoJ over £2 million each year, in addition to reducing waste and developing new 'green' skills for prisoners
- developing plans to replace our least efficient boilers
- installing circa 650 electric vehicle charging points across the estate
- undertaking an estate-wide climate change risk assessment and developing an initial 'adaptation pathway' for prison services
- developing a net zero strategy, climate adaptation strategy, water efficiency strategy, nature recovery plan and carbon reduction programme through 2022-23

Delivery, evaluation and collaboration

In MoJ we are working to embed a culture of innovation and collaboration which allows the department to enhance its delivery of public services through insightful evaluation. We are doing this through:

- publishing our Evaluation and Prototyping Strategy in April 2023, which outlines twelve actions to help the department improve outcomes and deliver value for the taxpayer
- taking significant steps to further embed functional standards and continuously improve the maturity of our functional delivery model. We have collaborated across all our functions to agree and implement an approach to continuous improvement in both adherence to standards and the quality of functional delivery. Our approach has attracted significant interest beyond the department and has been recognised as best practice[27]
- delivering over 400 projects totalling approximately £340 million across the MoJ estate. These included a new workshop at HMP Highdown which won three Constructing Excellence SECBE Awards in 2023; a video conferencing centre at HMP Birmingham, allowing prisoners to attend court hearings from prison via video link, resulting in circa 900 fewer people to process in and out of prison; and the full redesign of Royalty House in Watford to create a new eight-court hearings facility and back office[28]

26 https://data.justice.gov.uk/justice-in-numbers

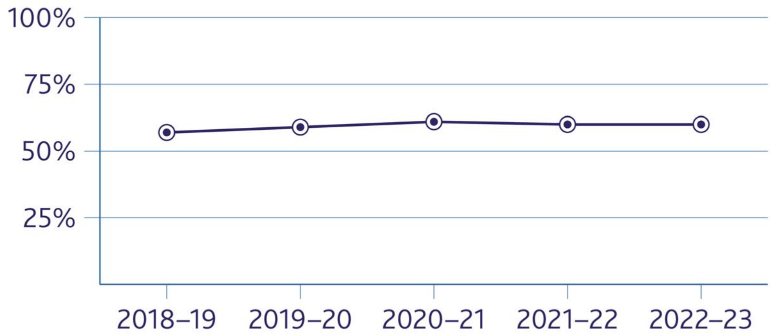
27 https://www.gov.uk/government/publications/guide-to-functional-standards/guide-to-functional-standards

28 https://www.ce-awards.co.uk/finalists/CE-SECBE-Awards-2023-Winners

Our performance metrics

People survey engagement score

Average engagement score (%)



Value change/ progress

The engagement score has been maintained at around 60%.

Representation of female staff

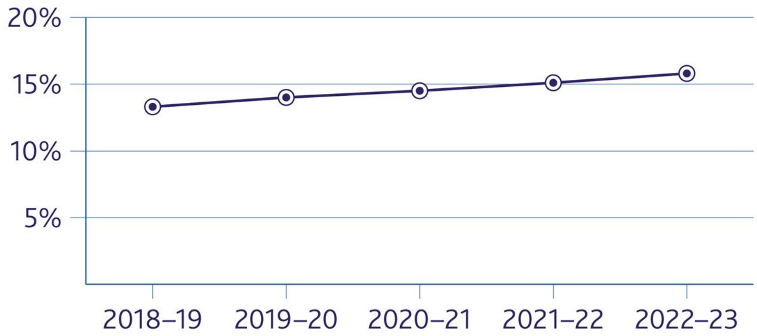
% of staff who are female

Value change/ progress

Representation of female staff in MoJ has steadily increased from 53.6% to 57.9% between 2018-19 and 2022-23. There are strategic actions to improve gender equality by attracting and retaining talent across our workforce. Representation is monitored and the actions overseen by the MoJ Gender Equality Forum.

Representation of ethnic minority staff

% of staff from ethnic minority backgrounds

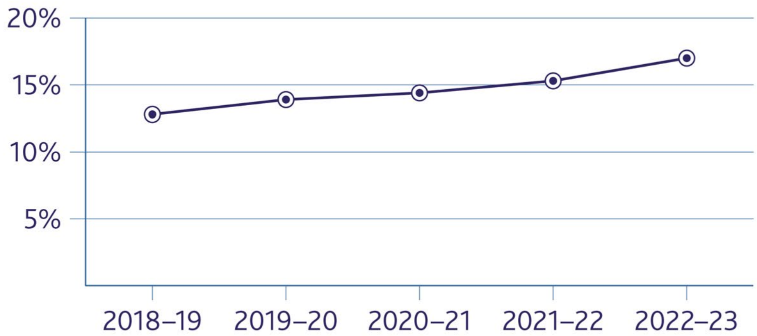


Value change / progress

Representation of ethnic minority staff in MoJ has steadily increased from 13.3% to 15.8% between 2018-19 and 2022-23. There is a strategic programme of work across MoJ to improve the attraction, retention and development of ethnic minority staff.

Representation of disabled staff

% of staff who are declared disabled

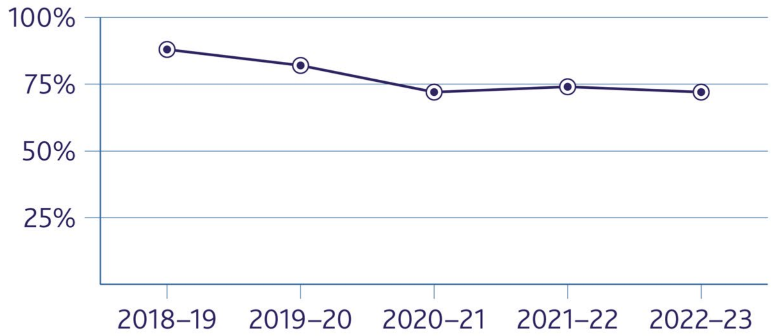


Value change / progress

Representation of disabled staff in MoJ has increased from 12.8% to 17% between 2018-19 and 2022-23. There is a strategic programme of work led by a disability action group to improve the attraction, retention and development of staff with a disability or long term health condition.

Greenhouse gas emissions – annual CO_2 emissions

% vs baseline year



Currently our emissions have reduced by 28% compared to our baseline year (2017-18), 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.

United Nations Sustainable Development Goals

We share responsibility with other government departments for supporting delivery of the UK's commitments to the UN Sustainable Development Goals (SDG).[29] The table describes MoJ's contributions.

SDG	MoJ's priority outcomes (contributing to SDG)	MoJ activity in 2022-23
SDG 3 – Good health and wellbeing Target 3.5 – Substance abuse	Reduce reoffending ▪ substance misuse	In July 2022, we announced plans to invest £120 million to support more offenders into drug treatment, by increasing use of Drug Rehabilitation Requirements as part of community sentences and increasing the proportion of prison leavers who need drug treatment that engage with it post-release.[30] This has included recruitment of dedicated Health and Justice Partnership Coordinators nationwide and rolling out specific wings in prisons for prisoners committed to living drug-free.
SDG 4 – Quality education Targets 4.4 – Youth and Adult Skills 4.6 – Literacy and numeracy 4a – Education facilities	Reduce reoffending ▪ education	The government committed in its manifesto, to deliver a transformed Prisoner Education Service. We have made progress against our published Prisons Strategy White Paper commitment to deliver the Prisoner Education Service, with new expert support roles being rolled out across the estate, funding awarded to specialist literacy providers, and we have changed the law to allow prisoners to begin apprenticeships.[31,32]

29 https://sdgs.un.org/goals

30 Drive to get offenders drug-free and cut crime - GOV.UK

31 www.gov.uk/government/publications/prisons-strategy-white-paper

32 www.gov.uk/government/news/prisoners-start-as-apprentices-at-big-name-employers

SDG	MoJ's priority outcomes (contributing to SDG)	MoJ activity in 2022-23
SDG 5 – Gender equality Targets 5.1 – Discrimination against women and girls 5.2 – Violence against women and girls 5c – Gender equality policies	Reduce reoffending ▪ tackling female reoffending Deliver swift access to justice ▪ domestic abuse	We published a Female Offender Strategy Delivery Plan for 2022-25 in January 2023, setting out a range of commitments to improve outcomes for women in the criminal justice system.[33] This was supported with an investment of over £15 million in women's community services. During 2022-23, the vast majority of the MoJ measures in the Domestic Abuse Act 2021 were brought into force including new offences for non-fatal strangulation and suffocation as well as making domestic abuse complainants eligible for special measures in the criminal, family and civil courts.[34] In July 2022, the Home Office also published statutory guidance to support the understanding of the definitions of 'domestic abuse' and 'personally connected' as set out in the Act. Work is in train to pilot the remaining measure from the Act (Domestic Abuse Protection Notices/ Orders) from 2024. In February 2023 we worked with the Home Office to announce an intention to amend legislation so that offenders convicted of coercive and controlling behaviour (sentenced to a year or more) will automatically be managed by the police, prison and probation services under multi-agency public protection arrangements. Work will start immediately to ensure that those offenders are recorded on the dangerous persons database (ViSOR).

33 www.gov.uk/government/publications/female-offender-strategy-delivery-plan-2022-to-2025

34 www.gov.uk/government/publications/domestic-abuse-act-2021

SDG	MoJ's priority outcomes (contributing to SDG)	MoJ activity in 2022-23
SDG 8 – Decent work and economic growth Targets 8.3 – Job creation, entrepreneurship, creativity, innovation and SMEs 8.5 – Full and productive employment 8.6 – Youth not in employment, education or training 8.8 – Labour rights and safe working environments	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	New Futures Network, the specialist employment team in HMPPS, continues to broker partnerships between prisons and employers and has overseen the delivery of major Prisons Strategy White Paper commitments.[35] We launched the Employability Innovation Fund, to enable prisons to work with more employers and training providers to deliver sector specific skills training. We have delivered quarterly sector recruitment drives for hospitality, construction and manufacturing sectors, which invite employers into prisons to meet potential candidates and offer employment support. We are developing a digital candidate matching system to match prisoners to roles on release and will launch a new, digital jobs board that prisoners will use to search for and apply for vacancies within Hubs. We are continuing to develop the design of Resettlement Passports and are now working with five prisons and three probation regions to trial a prototype, with over 2,000 already created. This brings together all of the essentials that prison leavers need to lead crime-free lives on release into one place, such as ID and bank account information, details of education, skills and work qualifications, and details of post-release appointments. In parallel, development of the digital resettlement passport is underway. We are working with the Department for Work and Pensions to test approaches for prisoners preparing to make their Universal Credit claim. The tests are live in 15 prisons, with nearly 500 prison leavers supported to make a Universal Credit claim at the point of release, providing a foundation to seek and secure work.

35 https://newfuturesnetwork.gov.uk/

SDG	MoJ's priority outcomes (contributing to SDG)	MoJ activity in 2022-23
SDG 10 – Reduced inequalities Target 10.2 – Empower and promote the social, economic and political inclusion of all	Reduce reoffending	In November 2022 we published our annual Gender Pay Gap report setting out updates and actions for 2023 in three areas: talent, flexible and family friendly, and inclusive culture.[36] We are committed to tackling racial disparities in the criminal justice system. As a member of the Judicial Diversity Forum, MoJ is working collectively with members to implement its action plan to support greater diversity in the judiciary, as well as ensuring the large recruitment campaign for magistrates is representative. This was published in April 2023 on the progress of the Inclusive Britain Strategy, our response to the Commission on Race and Ethnic Disparities Report.[37]
SDG 12 – Responsible consumption and production Targets 12.6 – Companies adopting sustainable practices 12.8 – Understanding sustainable development and lifestyles	Protect the public from serious offenders and improve the safety and security of our prisons ▪ building sustainable prisons	MoJ and its agencies continue to reduce our consumption, emissions and wastes. See ARA pages 52 to 60 for further detail. Construction has commenced on the first of our four new all electric, net zero ready prisons, HMP Millsike, opening 2025. The design achieved an 'outstanding' certificate at the Design and Procurement stage.[38] The prison will run solely on electricity with solar panels and heat pump technology meaning it will generate around 90% less operational carbon than an equivalent existing prison.
SDG 13 – Climate action Target 13.2 – Integrate climate change measures into national policies	Protect the public from serious offenders and improve the safety and security of our prisons	We introduced a principal risk on operational resilience to climate change and developed a pathway for reducing climate change risks to prison services. Detailed flood risk assessments have been completed for priority sites and these are informing our climate adaptation strategy refresh and emerging climate adaptation action plan.

36 www.gov.uk/government/publications/ministry-of-justice-gender-pay-gap-report-2022/ministry-of-justice-gender-pay-gap-report-2022

37 Inclusive Britain: government response to the Commission on Race and Ethnic Disparities – (GOV.UK)

38 www.gov.uk/government/news/name-of-new-yorkshire-prison-revealed

SDG	MoJ's priority outcomes (contributing to SDG)	MoJ activity in 2022-23
SDG 16 – Peace, justice and strong institutions Targets 16a – Prevent violence and combat terrorism and crime through international co-operation 16.1 – Violence and related death rates 16.4 – Illicit financial and arms flows, stolen assets and organised crime 16.6 – Develop effective, accountable and transparent institutions at all levels 16.7 – Ensure responsive, inclusive, participatory and representative decision-making at all levels.	Reduce reoffending Protect the public from serious offenders and improve the safety and security of our prisons Deliver swift access to justice	We have made good progress in implementing the Prisons Strategy White Paper – progress is covered above in relation to specific goals linked to reducing reoffending and protecting the public.[39] We have continued to increase representation from underrepresented groups in the judiciary including the proportion of female and ethnic minority judges. With nearly 500 more women judges and 150 more ethnic minority judges in 2022 compared to 2018, the proportion of women judges has increased from 35% to 41% and the proportion of judges from ethnic minorities has increased from 8% to 10%.[40]

39 www.gov.uk/government/publications/prisons-strategy-white-paper

40 Diversity of the judiciary: 2022 statistics – GOV.UK

Climate change and sustainability

As the second largest government estate, our vision is to lead the way in greening government, embed sustainability in everything we do and use our environmental policies, projects and programmes to deliver justice outcomes, while also supporting delivery of government's climate and environmental objectives.

Strategy, policy, governance, risk and assurance of climate change and sustainability activity across MoJ is co-ordinated by MoJ's Climate Change and Sustainability Unit (CCSU) and performance is overseen by a Senior Sustainability Board.

Sustainability is a strategic enabler in our Outcome Delivery Plan, supporting the department's strategic outcomes. Areas of a focus include tackling climate change, using resources sustainability, protecting and enhancing the environment, embedding sustainability across the organisation and maximising opportunities to deliver justice outcomes that also support delivery of government's Environmental Improvement Plan.

Scope and data quality

This report is prepared in accordance with HM Treasury's Sustainability Reporting Guidance 2022-23. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1125091/2022-23_Sustainability_Reporting_Guidance.pdf

MoJ reports on all its executive agencies and non-departmental public bodies, subject to any exemptions in accordance with the reporting guidance. MoJ is unable to report data from locations where property owners are not obliged to provide it. Some data will be estimated.

We have recently reviewed our Greening Government Commitments data to better reflect changes in our estate. As such, our baseline year and 2021-22 non-financial indicators have been restated to reflect these changes and to show the full financial year up to March 2022. Our sustainability performance data is audited by DNV-GL on behalf of DEFRA.

Greening Government Commitments (GGC) 2021 to 2025

MoJ is tracking its progress against the GGC targets for the period 2021 to 2025 on a quarterly basis. The data below shows our present position for 2022-23 against a 2017-18 baseline, using data available to December 2022.

UN Sustainable Development Goals

The work of the department primarily supports delivery of four UN SDGs: SDGs 5, 10, 13 and 16, relating to climate change, equality, peaceful and inclusive societies, and access to justice.

Embedding sustainability

MoJ's CCSU provides subject matter expertise to all MoJ functions. Sustainability Action Plans have been agreed with executive agencies and functions to identify actions to drive improvements across our estate. These action plans are regularly reviewed and updated to reflect progress, and to highlight new opportunities for improving our environmental performance. ALBs are also engaged on greening government through MoJ's ALB Centre of Excellence.

Overall GGC performance 2022-23 (against the updated 2017-18 baseline)			
Requirement by 2025	**2022-23 performance**	**RAG status**	**Commentary**
Reduce greenhouse gas emissions by 41%	-28%	Not on track	Decarbonisation of the electricity grid is helping towards this target; but expansion of the estate will make achieving this target challenging. The MoJ's Net Zero Strategy is being updated to include more recent data and a commitment to Scope 3 emissions.
Reduce direct greenhouse gas emissions by 23%	-5%	Not on track	Technology and financial constraints have limited progress. Heat decarbonisation plans completed for various prison and probation sites. Funding obtained to progress decarbonisation work at HMP Risley and Eastwood Park.
Reduce emissions from domestic business flights by 30%	-75%	On track	
Reduce overall waste by 15%	-15%	On track	Pilot recycling and refurbishment schemes are underway to improve waste management practices.
Landfill waste to be less than 5%	7%	Not on track	Recent work with one of our waste contractors has significantly reduced the quantity of waste to landfill and this will manifest itself over the coming years.
Increase recycling to at least 70%	57%	Not on track	Pilot recycling workshops within prison waste management units will help to improve this position.
Reduce paper use by 50%	-44%	Not on track	Many processes are still paper based. MoJ is increasingly switching to digital systems which will help reduce paper use, including the trial of in-cell technology.
Reduce water consumption by at least 8%	+4%	Not on track	Reducing water use in ageing infrastructure is difficult, particularly in prisons which run 24/7. Some significant water leaks occurred during the winter. Smart meter installation continues, helping to find and fix water leaks.

Greenhouse gases

The table below shows our greenhouse gas (GHG) emissions and financial costs for 2022-23.

GHG emissions from buildings and travel		2017-18 Baseline[41]	2018-19	2019-20	2020-21	2021-22 restated[41]	2022-23
Non-financial indicators (tCO_2e)[42]	Total gross scope 1 (direct) GHG emissions	187,668	185,407	182,242	170,888	184,533	177,855
	Total gross scope 2 (energy indirect) emissions	165,702	126,714	111,393	92,097	90,193	87,085
	Total gross scope 3 (official business travel) emissions	28,659	22,938	21,496	11,491	9,123	8,905
	Total emissions	**382,029**	**335,059**	**315,131**	**274,476**	**283,849**	**273,845**
Non-financial indicators (MWh)	Electricity	470,835	447,642	435,812	395,044	424,779	392,748
	Electricity: renewable on site[43]	28	Data not available	Data not available	Data not available	463	723
	Gas	914,496	876,973	837,642	816,750	881,873	761,692
	Other energy sources	37,804	43,114	47,143	42,689	47,500	62,984
	Total energy	**1,423,163**	**1,367,729**	**1,320,597**	**1,254,483**	**1,354,615**	**1,218,147**
Financial indicators (£m)	Energy	92	92	111	97	103	148
	Carbon reduction scheme	7	6	6	0	0	0
	Official business travel	24	28	29	5	10	26
	Total: energy and business travel	**123**	**126**	**146**	**102**	**113**	**174**

41 2017-18 and 2021-22 calendar year data have been updated to reflect the full financial year, in line with HM Treasury reporting requirements.

42 Definitions for Scope 1-3 emissions – www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance

43 Previous reports showed values for renewable energy that referred to grid-supplied green tariff. This does not align with GGC reporting, which makes no allowance for green tariffs in the carbon reporting. The table has therefore been updated to show on-site generated renewable energy, with the original figures now merged with the electric figures.

MoJ has reduced its greenhouse gas emissions by 28% since 2017-18 and has introduced a range of energy and carbon saving measures including installing:

- over 100 boiler control units saving 460tCO_2 and nearly 20,000 LEDs saving 484tCO_2
- 50kW solar PV array at HMP Stirling House generating 1,333MWh of energy and saving £225,723 over its lifespan
- one new PV array at a court building
- 42 electric vehicle charging points across the estate, bringing the total number of electric vehicles charging points to 650 across MoJ
- building management systems at HMP Elmley resulting in estimated 1,397MWh/year energy and £100,000/year in financial savings
- connection of Leeds Combined, and Leeds Magistrates' Courts, to a low carbon heat network, with support from capital grant funding

MoJ's Net Zero strategy is being refreshed. We have secured £20 million capital grant funding to replace coal boilers and oil boilers, with heat pumps at HMP Risley and Eastwood Park respectively over the next two years and further funding to complete heat decarbonisation plans at nine prison and probation sites.

MoJ achieved the target of 25% of cars converted to ultra low emission vehicles in line with the GGC target. This was achieved 12 months ahead of the target date of December 2022. MoJ's fleet currently comprises 42% ultra low emission vehicles and 1.7% zero emission vehicles.

Electric vehicle charge points case study – HMP Belmarsh

MoJ has installed six dual electric vehicle charge points (EVCP) and procured six plug-in hybrid electric vehicles and an electric minibus at HMP Belmarsh as part of our national EVCP programme to progress towards our net zero targets. The EVCP programme supported delivery of 25% ultra low emissions vehicles target by December 2022, and helps enable the 100% zero emission vehicle target by December 2027.

Climate change adaptation

MoJ's Climate Change Adaptation Strategy is being updated to reflect the 2022 climate change risk assessment of our estate and operations. A climate change adaptation plan will be developed throughout 2023-24. MoJ is improving the evidence base on both flood and overheating risk across our estate and a Flood Resilience Framework is being developed to support the Climate Adaptation Strategy.

Travel

Flight related emissions have remained low since the pandemic restrictions.

We are reviewing our travel policies to make more-sustainable travel options preferable to air and single-occupancy vehicle travel.

Air travel	2017-18[44]	2018-19	2019-20	2020-21	2021-22 restated[44]	2022-23
Domestic flights (km)[45]	1,905,878	1,838,087	1,499,117	64,326	255,017	521,783
Domestic flights emissions (tCO_2e)	270	290	202	8	33	68
International business flights (km)[46]	3,387,593	3,609,624	4,739,114	3,382,713	3,669,534	4,131,216
Short haul Econ	1,255,551	n/a	n/a	n/a	1,868,392	1,167,586
Short haul Business Class	58,527	n/a	n/a	n/a	6,643	24,933
Long haul Econ	1,252,533	n/a	n/a	n/a	876,294	1,294,499
Long haul Premium Econ	329,097	n/a	n/a	n/a	507,834	663,919
Long haul Business	491,885	n/a	n/a	n/a	410,371	980,279
International business flights (tCO_2e)	372	375	463	311	383	504

44 2017-18 and 2021-22 calendar year data have been updated to reflect the full financial year, in line with HM Treasury reporting requirements.

45 Flights were impacted by the precautions taken during Covid-19 lockdown but are starting to increase again to meet business needs.

46 Flight classification data not available for years 2018-2021.

Water

MoJ's reported water consumption has increased by almost 4% compared to the 2017-18 baseline. This is due to ageing infrastructure, historic underinvestment and prison expansion. The worsening trend compared to 2021-22 is due to improved data quality and granularity, and ongoing prison expansion.

We continue to install smart meters to improve measurement of our water consumption; in excess of 160 were installed during the year. Data from smart meters has enabled identification and repair of leaks more quickly.

MoJ's Water Efficiency Strategy has been drafted and is intended for publication in due course subject to approval.

Water		2017-18[47]	2018-19	2019-20	2020-21	2021-22 restated[47]	2022-23
Non-financial indicators	Total water consumption (m3 000)	9,527	8,917	8,940	9,137	9,402	9,896
Financial indicators	Total water supply costs (£'m)	26	27	29	24	23	28

Water leak repair case study – HMP Guys Marsh

In October 2022, an underground water leak was identified at HMP Guys Marsh.

The water meter reading at the site was showing signs of heavy constant water flow, which indicated a substantial water leak. A multi-team effort accurately located, and subsequently repaired the leak, avoiding annual losses equivalent to £45,000 and 15,000m^3 of water.

47 2017-18 and 2021-22 calendar year data have been updated to reflect the full financial year, in line with HM Treasury reporting requirements.

Waste and resources

Waste – Non-financial indicators (tonnes)	2017-18 Baseline[48]	2018-19	2019-20	2020-21	2021-22 restated[48]	2022-23
Landfill	6,565	1,323	1,355	4,922	3,615	3,008
Recycled/reused (Total)	27,949	41,666	42,113	33,169	25,074	24,431
WEEE (electrical & ICT)[49]	228	n/a	n/a	n/a	282	286
Food waste[49,50]	2,180	n/a	n/a	n/a	4836	3,662
Incinerated with energy from waste	15,975	6,862	9,102	6,989	16,496	15,530
Incinerated without energy recovery	8	0	11	14	1	1
Total waste	**50,497**	**49,851**	**52,581**	**45,094**	**45,186**	**42,970**
Financial indicators (£m)						2.7

MoJ's reported waste generation has decreased in 2022-23 compared to the 2017-18 baseline. This is due to ongoing waste reduction, reuse and repair initiatives. The improving trend since the 2021-22 reported performance is attributable to ongoing resource efficiency efforts and a review of waste data in 2022-23. Our Circular Economy Strategy has been drafted and we have developed several pilot recycle and repair workshops across the prison estate, thereby reducing waste and increasing recycling.

Paper usage

MoJ has reduced paper use by 44% compared to the 2017-18 baseline. This has been achieved through greater use of digital solutions including a trial of in-cell technology in place of paper-based systems.

Single-use plastics

Our single-use plastics policy, published in January 2019, continues to drive our work with facilities management providers to ensure that single-use plastics are only used when no viable alternative is available. We already specify wooden or non-plastic cutlery items in catering outlets and prison settings utilise re-usable cutlery and plates.

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

48 2017-18 and 2021-22 calendar year data has been updated to reflect the full financial year up to March 2023, in line with HM Treasury reporting requirements.

49 Food and electrical waste data not available for years 2018-2021.

50 Total waste arising in 2022-23 has reduced due to historic erroneous data correction and a reduction in prison waste.

Biodiversity and rural proofing

MoJ has developed a Nature Recovery Plan – the first government department to do so – detailing nine principles of behaviour and action to restore biodiversity on our estate and benefit our people. Our biodiversity baseline has been completed, and Ecological Management Plans have been drafted for most of our large land holdings (remaining due 2023-24).

A performance dashboard has been developed and a Biodiversity policy for our estate has been drafted. HMPPS and Prison Industries teams have doubled their output to 200,000 saplings a year across seven tree nurseries. MoJ contributed to the Queen's Green Canopy by planting 3,500 trees, orchards and hedging across the estate.

Nature recovery case study – HMP Woodhill Orchard Planting

Staff and prisoners at HMP Woodhill – a men's high security prison and young offender institution in Milton Keynes – worked with partners to plant an orchard of 50 native tree species, with orchard planting training provided to both staff and prisoners.

MoJ has committed to planting 50 new orchards across the estate to inspire connection between people and nature, and HMP Woodhill is one of 17 planted in 2022-23 as part of the Queen's Green Canopy.

Currently, 16 men are employed part time to maintain the orchard and advance the greening agenda within the open spaces, with the opportunity for the men to complete City & Guilds qualifications alongside the work. HMP Woodhill managers are committed to providing a safe educational environment for prisoners to make positive use of long sentences, with learning opportunities including developing horticultural skills in the prison gardens.

A prisoner from HMP Woodhill said: *"I really enjoy the gardens; it gives me purpose and I enjoy learning."*

Sustainable procurement

MoJ's approach to sustainable procurement is to educate, engage and embed sustainability across our commercial landscape while considering the operational environment and whole life value for money. We use a variety of communication methods to educate and influence staff and effect positive behaviour change, including tailored webinars focusing on our sustainability priorities including circular economy principles, climate change adaptation, carbon reduction and biodiversity. These sessions are supported by bespoke guidance that is available through our intranet and detailed in our policies, procedures, and the sharing of best practice case studies.

We have sought to develop a clearer understanding of the link between the GGCs and our procurements and contracts, through an assessment process that will help identify risks and opportunities to embed sustainability.

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.

We continue to look for opportunities to embed sustainability, for example, investigating opportunities to embed climate risk as part of the commercial risk framework and supply chain resilience work and detailed in our policies, procedures, and the sharing of best practice case studies.

Reducing environmental impacts from ICT and digital

MoJ's digital and technology services are also focused on delivering more environmental outcomes. We have a digital sustainability working group to address the impacts of ICT on the environment, and we have adopted the Greening Government: ICT and Digital Services Strategy and associated targets. Within our prisons, we are undertaking trials of in-cell technology to reduce the reliance on paper.

A project to update part of the estate ICT equipment has resulted in nearly 25,000 devices collected, of which over 2,000 were reused in manufacturing, over 3,000 re-marketed and around 19,000 recycled. The supplier for end user ICT hardware disposes of these items via a recycling scheme and a third party that specialises in ICT recycling.

A printer recycling scheme at HMP Highpoint takes printers from a third party and dismantles, sorts and sends the components for recycling. The success of the pilot scheme means that HMP Highpoint will be handling the dismantling of around 600 machines per month. This provides work, training and a certificate of competence to the prisoners, and stops these machines being sent abroad for processing.

Sustainable construction

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. Our next four new prisons aim to deliver at least 10% biodiversity net gain, and will be all-electric, using green technologies such as photovoltaics and heat pumps to cut operational emissions by nearly 90%.

Antonia Romeo
Principal Accounting Officer

24 November 2023

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 2022-23.

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 2022-23.

Departmental Board, Audit and Risk Assurance Committee and Nominations Committee member attendance 1 April 2022 to 31 March 2023

	Meetings attended per member of those eligible to attend		
Members	**Departmental Board**	**Audit and Risk Assurance Committee**	**Nominations Committee[51]**
Ministers			
The Rt Hon Dominic Raab MP, Deputy Prime Minister, Lord Chancellor and Secretary of State for Justice (from 15 September 2021 to 5 September 2022, reappointed 25 October 2022)[52]	4 of 4	-	-
The Rt Hon Brandon Lewis MP, Lord Chancellor and Secretary of State for Justice (from 6 September to 24 October 2022)	0 of 0	-	-
Lord Christopher Bellamy KC, Parliamentary Under Secretary of State for Justice (from 7 June 2022)	2 of 3	-	-
Mike Freer MP, Parliamentary Under Secretary of State for Justice (from 20 September 2022)	2 of 2	-	-
Gareth Johnson MP, Parliamentary Under Secretary of State for Justice (from 20 September to 26 October 2022)	0 of 0	-	-
Rob Butler MP, Parliamentary Under Secretary of State for Justice (from 20 September to 26 October 2022)	0 of 0	-	-

51 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.

52 The Rt Hon Alex Chalk MP succeeded the Rt Hon Dominic Raab MP, as Lord Chancellor and Secretary of State on 21 April 2023.

Departmental Board, Audit and Risk Assurance Committee and Nominations Committee member attendance 1 April 2022 to 31 March 2023			
	Meetings attended per member of those eligible to attend		
Members	Departmental Board	Audit and Risk Assurance Committee	Nominations Committee[51]
Simon Baynes MP, Parliamentary Under Secretary of State for Justice (from 8 July to 7 September 2022)	0 of 0	-	-
Sarah Dines MP, Parliamentary Under Secretary of State for Justice (from 8 July to 19 September 2022)	0 of 0	-	-
Tom Pursglove MP, Parliamentary Under Secretary of State for Justice (to 6 July 2022), Minister of State for Justice (from 7 July to 7 September 2022)	2 of 2	-	-
James Cartlidge MP, Parliamentary Under Secretary of State for Justice (to 7 July 2022)	2 of 2	-	-
Lord David Wolfson of Tredegar KC, Parliamentary Under Secretary of State for Justice (to 14 April 2022)	0 of 0	-	-
The Rt Hon Edward Argar MP, Minister of State for Justice (from 27 October 2022)	2 of 2	-	-
The Rt Hon Damian Hinds MP, Minister of State for Justice (from 27 October 2022)	2 of 2	-	-
Rachel Maclean MP, Minister of State for Justice (from 7 September to 25 October 2022)	0 of 0	-	-
The Rt Hon Stuart Andrew MP, Minister of State for Justice (from 8 July to 19 September 2022)	0 of 0	-	-
The Rt Hon Kit Malthouse MP, Minister of State for Justice (to 6 July 2022)	1 of 2	-	-
Victoria Atkins MP, Minister of State for Justice (to 6 July 2022)	2 of 2	-	-

Departmental Board, Audit and Risk Assurance Committee and Nominations Committee member attendance 1 April 2022 to 31 March 2023			
	Meetings attended per member of those eligible to attend		
Members	Departmental Board	Audit and Risk Assurance Committee	Nominations Committee[51]
Executive management			
Antonia Romeo, Permanent Secretary	4 of 4	7 of 7	1 of 1
Jo Farrar, Second Permanent Secretary for Ministry of Justice and Chief Executive to HMPPS (to 1 September 2022), Second Permanent Secretary (from 1 September 2022)	4 of 4	4 of 7	-
Amy Rees, Director General, Chief Executive to HMPPS (from 1 September 2022)	2 of 2	-	-
Nick Goodwin, Chief Executive, HM Courts and Tribunals Service	3 of 4	-	-
James McEwen, Chief Operating Officer	4 of 4	7 of 7	-
Jerome Glass, Director General, Policy Group (to 28 November 2022), Director General, Policy Group - Courts and Access to Justice (from 28 November 2022)	4 of 4	-	-
Richard Price, Director General, Performance, Strategy and Analysis (from 9 May 2022)	2 of 3	-	-
Non-executive or independent member			
Mark Rawlinson, Lead Non-Executive Member	3 of 4	-	1 of 1
Paul Smith, Non-Executive Member and Chair of Audit and Risk Assurance Committee	4 of 4	7 of 7	-
Mark Beaton, Non-Executive Member (from 14 July 2022)	2 of 2	4 of 5	-
Shirley Cooper OBE, Non-Executive Member (to 3 August 2022)	2 of 2	2 of 2	-
Nick Campsie, Non-Executive Member (to 3 June 2022)	1 of 1	-	-
Heather Savory, Independent member of Audit and Risk Assurance Committee	-	5 of 5	-
Nicky Wilden, Independent member of Audit and Risk Assurance Committee		5 of 5	
Alison Bexfield, Independent member of Audit and Risk Assurance Committee		7 of 7	

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/ministry-of-justice-register-of-board-members-interests

Personal data-related incidents

The following provides a summary report of personal data-related incidents reported to the Information Commissioner's Office (ICO), in 2022-23. MoJ handles millions of records containing personal data and takes all data incidents seriously.

All staff are required to undertake mandatory data protection training upon joining MoJ 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
7 June 2022	Disclosure of confidential address of an appellant to a respondent in a social security child maintenance appeal case.	Name and address	1	Case closed by the ICO with no further action (10 October 2022)
21 June 2022	A subject access request (SAR) response for an ex-offender was sent to an incorrect address.	Confidential and criminal offence data of an offender	1	Case closed by the ICO with no further action (17 October 2022)
11 July 2022	Disclosure of a confidential address of a claimant to the defendant in an online money claim case.	Name and address	1	Case closed by the ICO with no further action (29 November 2022)

Date of incident	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
1 August 2022	Confidential information of an offender was inadvertently disclosed to another offender. This disclosure also included the victim and witness details for the case.	Confidential data of an offender, victim and witnesses	16	Case closed by the ICO with no further action (10 February 2023)
14 October 2022	Disclosure of a confidential address of adoptive parents to the birth mother in an adoption case.	Name and address	3	Case closed by the ICO with no further action (19 October 2022)
18 November 2022	Disclosure of a confidential address of a victim to a defendant in a restraining order case.	Name and address	1	Case closed by the ICO with no further action (1 December 2022)
22 November 2022	Disclosure of a confidential address of a respondent mother to applicant father in a child arrangements case.	Name and address	2	Case closed by the ICO with no further action (28 November 2022)
27 January 2023	Disclosure of a spreadsheet containing offender data, by email, in error.	Confidential data of offenders	15,000	Case closed by the ICO with no further action (14 February 2023)
7 February 2023	Publication of an internal copy of a court case hearing list, in error.	Name, address, date of birth and plea data	8,622	Case closed by the ICO with no further action (15 March 2023)

MoJ 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 pages 87 to 88.

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 2022-23

	2022-23	2021-22
Category	Number of incidents	Number of incidents
Loss or theft of information assets from secured government premises	391	223
Loss or theft of information assets from outside secure premises	81	124
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	180	16
Unauthorised disclosure (information disclosed in error) *	7,097	5,227
Other **	45	192
Totals	**7,794**	**5,782**

* 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 MoJ and inappropriate access to electronic data.

** Examples of 'Other' incidents could include any cyber or related attacks on the personal data held by 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 (PHSO) 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. MoJ's performance for 2022-23 is shown below. PHSO's annual analysis of the complaints it has received for each government department can be found at: www.ombudsman.org.uk

The completed PHSO investigations refer to complaints made in relation to Cafcass and HMCTS and further details can be found in those bodies' annual report and accounts. Where complaints are upheld or partly upheld we review the case to ensure any learning is identified and improvements made.

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	%
8	6	2	25%	4	50%	-	0%

	Complied with	Not complied with	Total
The number of Ombudsman recommendations	2	-	**2**

* Includes enquiries about organisations that are accountable to the department

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 2000 by Statutory Instrument 2022 No. 247. 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 me as the Permanent Secretary and Principal Accounting Officer of the MoJ.

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 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 2022-23 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 (which was updated and published this year).

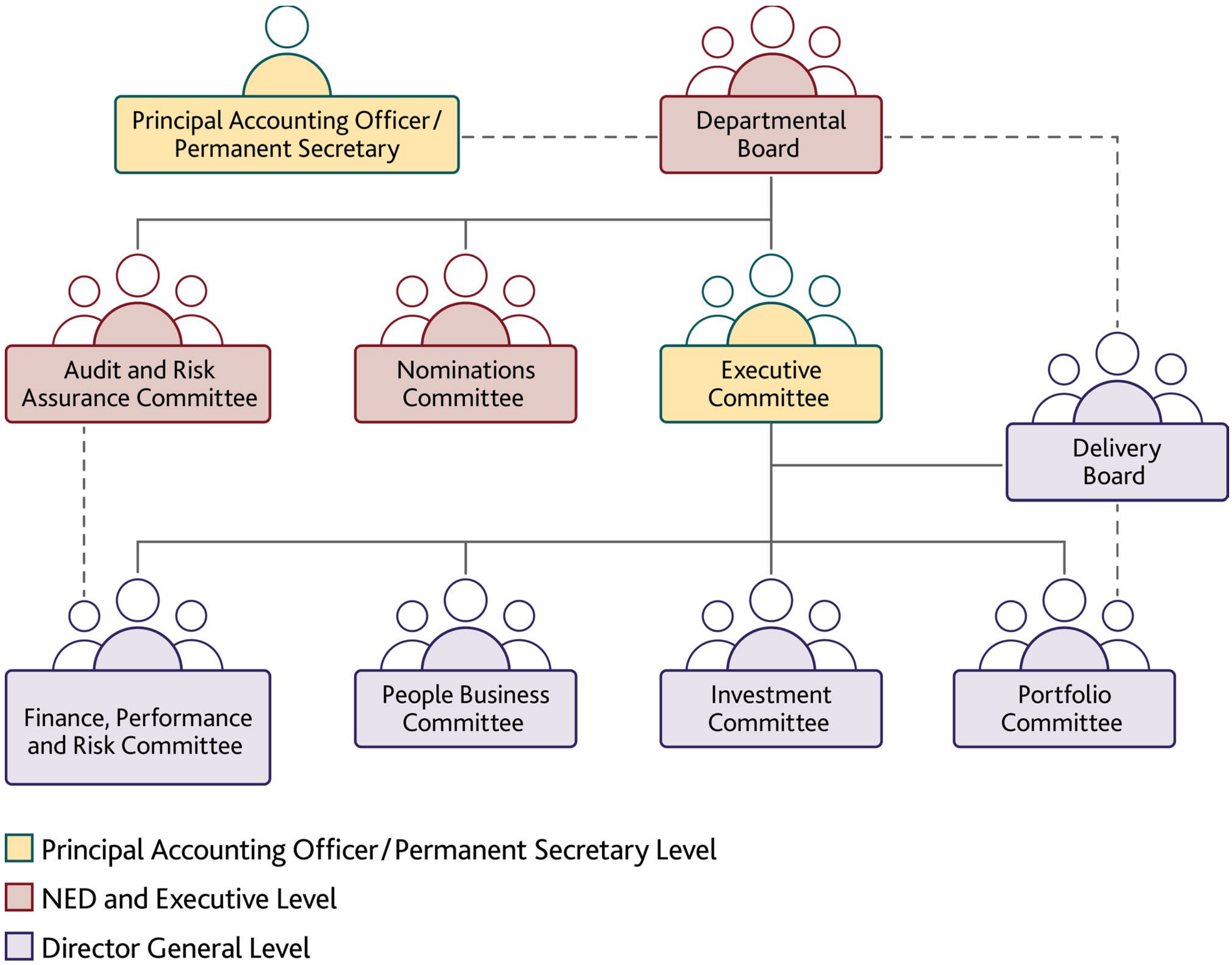
Governance

MoJ maintains 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
- aligns with the new HM Treasury risk control framework, the "golden thread"

I have structured MoJ's governance with the aim of ensuring we have complete, timely and insightful information flows to direct and manage the department's delivery and use of resources.

Board and committee information



The board secretariat ensures 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.

Departmental Board	
Chair:	Secretary of State
Meetings in 2022-23:	4

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:

Activities in the year under review included:

- assessment of progress against the Outcome Delivery Plan, including performance and delivery critical milestones
- departmental priorities
- review of key performance indicators
- discussing recommendations and actions from Audit and Risk Assurance Committee
- courts reform including Common Platform and next steps

Audit and Risk Assurance Committee	
Chair:	Non-executive board member
Meetings in 2022-23:	7

Purpose: The Audit and Risk Assurance Committee (ARAC) supports the board and me in my role as the 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:	5 members:

3	2

- 3 female
- 2 male

4	1

- 4 non-executive directors
- 1 independent member

Activities in the year under review included:

- considering the Government Internal Audit Agency findings
- considering the work of external audit
- considering and challenging the department’s risk management framework and how this has been embedded in order to identify and manage commercial, climate change and sustainability, estates, cyber and information risk
- 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 body and executive agency ARAC Chairs to share information and ideas
- challenging the department’s approach and progress to mitigate against fraud, bribery and corruption and to test the whistleblowing process

Nominations Committee

Chair:	Mark Rawlinson
Meetings in 2022-23:	2

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

Meeting composition:	3 members:

The standing agenda in 2022-23 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 2022-23:	44

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:

- monitoring the department's performance against its budget, objectives and managing the delivery of its outcomes
- examining specific risks or issues that could affect the delivery of the department's objectives, including a quarterly risk review
- reviewing the approach to capital spend and fiscal planning, preparing for the Autumn Fiscal Event and planning for the HMT Efficiency and Savings Review and associated spending allocations
- reviewing the progress made against agreed diversity priorities in the department's diversity and inclusion strategy
- assessing and monitoring the position on prison capacity and plans to mitigate risks and address pressures
- reviewing the department's performance and priorities, including long-term policy priorities
- reviewing progress made against delivery of executive agency and arm's length body objectives

Delivery Board

Chair:	Second Permanent Secretary and lead non-executive board member
Meetings in 2022-23:	6

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 relating to the 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:	9 members:

3 female
6 male

3 non-executive directors
4 executive directors
2 external officials

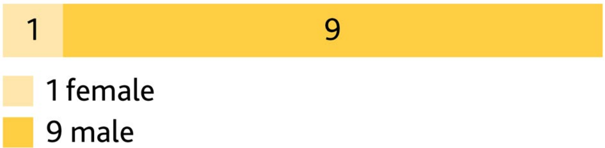
Activities in the year under review included:

- 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:	Director General, Performance, Strategy and Analysis
Meetings in 2022-23:	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:	10 members:



Activities in the year under review included:

- examining the department, its executive agencies and other arm's length bodies' in-year finances
- reviewing the impact of inflation and other external factors 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 2022-23:	9

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

Meeting composition:	19 members:

Activities in the year under review included:

- reviewing the strategic landscape of diversity, inclusion and wellbeing, and performance against strategic outcomes of diversity, talent and culture
- monitoring the progress of the 3rd Generation Shared Services Programme and the transformation readiness activities and engagement required to achieve strategic alignment
- considering the impact of the rising cost of living and reviewing the guidance to support staff
- oversight of strategic people risks and correct identification of appropriate mitigations

Investment Committee	
Chair:	Chief Operating Officer
Meetings in 2022-23:	26

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:	12 members:

2 female
10 male

Activities in the year under review included:

- scrutiny and approval of expenditure 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 2022-23:	11

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, and 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:	11 members:

Activities in the year under review included:

- assuring 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:
www.gov.uk/government/organisations/ministry-of-justice/about/our-governance

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 were no departures from the HM Treasury Corporate Governance Code for Central Government Departments.

Departmental Board effectiveness review

In line with the HM Treasury Corporate Governance Code for Central Government Departments, the lead non-executive board member undertook the annual Board Effectiveness Evaluation for the year under review. Overall, the board was found to be functioning well but there were some areas for improvement. Taking account of the feedback, the planned addition of new non-executive members aims to address the areas where skills gaps were identified, and work will continue to provide greater oversight of our public bodies.

Identifying and managing conflicts of interests

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".

MoJ uses 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 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 intranet which is accessible to all staff.

MoJ holds a register of declarations of interests for civil servants of Grade 6 or above, special advisers, advisers, contractors and civil servants in the contract and commercial management directorate. This includes details of any financial interests declared, secondary employment and appointments, personal interests and any other relevant interests. The senior civil servant (SCS) declaration of interest exercise takes place on a biannual basis. Declarations of interest for the delegated grades are recorded and managed locally.

In line with the Declaration and Management of Outside Interests policy, details of all SCS who have declared outside employment, work or appointment which is paid or otherwise remunerated can be found on Ministry of Justice Register of Senior Civil Servant secondary paid employment - GOV.UK[53]

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	Details of any interest
Beatrice Timpson, special adviser to Dominic Raab, former Secretary of State for Justice (September 2021-September 2022)	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.

53 www.gov.uk/government/publications/ministry-of-justice-register-of-senior-civil-servant-secondary-paid-employment/ministry-of-justice-register-of-senior-civil-servant-secondary-paid-employment

Business appointment rules

All officials are subject to rules on accepting outside appointments after leaving the Civil Service. The purpose of the business appointment rules is to avoid:

- the risk that an employer might gain an improper advantage by appointing a former official who holds information about its competitors, or about impending government policy
- any suspicion that an appointment might be a reward for past favours
- the risk of a former official improperly exploiting privileged access to contacts in government
- unfair questioning or criticism of the integrity of former civil servants

Full details on the business appointment rules, when they apply, and the application process can be accessed by all staff via the MoJ intranet. To raise awareness of the business appointment rules in 2022-23 the intranet content was refreshed, communication was issued to senior leaders across the business, and the wording within exit management letters was updated.

MoJ has a clear procedure in place for considering applications under the business appointment rules for SCS2 and below. The process is managed by the transparency unit and includes input from the individual, their line manager, the Chief Commercial Officer and the Chief People Officer. In exceptional cases I am consulted on business appointment rule applications. The transparency unit liaises with the Advisory Committee on Business Appointments (ACoBA) for applications from Directors General SCS3 and above.

During 2022-23:

- there were 24 exits from the Civil Service at SCS level
- there were 27 business appointment rules applications as follows:
  - 11 ministerial applications
  - 2 special adviser applications
  - 6 SCS3 applications
  - 3 SCS2 applications
  - 1 SCS1 applications
  - 1 Grade 6 applications
  - 2 Grade 7 applications
  - 1 Senior Executive Officer applications
  - No applications were found to be unsuitable for the applicant to take up. All applications below SCS2 were approved with conditions set. ACoBA determine the outcome and any conditions set for SCS3 and above
- there were no breaches of the business appointment rules

In compliance with business appointment rules, the department is transparent in the advice given to individual applications for senior staff, including special advisers. Advice on specific business appointments has been published on MoJ Business Appointment Rules - GOV.UK.[54]

54 www.gov.uk/government/publications/MoJ-business-appointment-rules

Risk management

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.[55] 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. Our risk management framework and capabilities enhance our strategic planning and prioritisation, assist in achieving the delivery of outcomes and objectives and strengthen the ability of the department to be agile to respond to the challenges faced.

As Principal Accounting Officer, supported by the Audit and Risk Assurance Committee, 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 Operating Officer is supported by our Chief Risk Officer. The Chief Risk Officer is proactively involved with and influences governance and decision-making forums through, effective communication and engagement with the Principal Accounting Officer, senior management, and the Audit and Risk Assurance Committee. The Chief Risk Officer is also 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 MoJ's Executive Committee, Audit and Risk Assurance Committee and Departmental Board in understanding the risk landscape and defining and assessing the department's risk appetite to inform decision making

Our risk management framework has continued to improve throughout 2022-23:

- the department's identification, analysis and assessment of its principal and emerging risks was refreshed in April 2022, as an integral part of our strategic planning and in accordance with allocative choices made following the Spending Review
- our principal risks, set out on pages 22 to 26, have been considered and discussed by the Finance, Risk and Performance Committee and Executive Committee quarterly, and reported to the Audit and Risk Assurance Committee
- deep dives have been conducted into several principal risk areas, notably property, sustainability, data protection and cyber risk
- risks are routinely assessed as a part of investment decisions and within the lifecycle of our projects, programmes and our commercial relationships. A risk improvement group has been established this year to enhance risk guidance and capability across the project delivery community
- the Departmental Operations Centre horizon scan the external environment routinely and principal risks are assessed against these findings
- short-term resilience risks are reported to the Executive Team and ministers in advance of significant recess periods
- there continue to be strong relationships between risk leads across all parts of the department, with a consolidating business partnering approach operated by our Risk Management Centre of Expertise

55 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1154709/HMT_Orange_Book_May_2023.pdf

- risk training and awareness is provided to our risk community and leaders throughout the year, including a Risk Awareness Week in November 2022 where our revised risk framework document was launched
- our strategy, strategic finance, planning, risk management and performance teams continue to work together closely to ensure that risks inform our Spending Review preparations

In 2022-23, our most significant risk was managing capacity within the adult male prison estate. This has been one of our principal risks since 2019 but has been exacerbated this year due to a number of factors, including disruptive action in courts, which has had knock-on impacts on court operations and increased pressure on the remand population. We set up temporary governance structures to provide departmental oversight of the management of this risk. A Custodial Options Taskforce co-ordinated information flows on capacity forecasts and supply and demand choices across the department to report to ExCo and ministers. The taskforce received updates from the Criminal Justice System Strategic Command, a multi-agency group which was stood up to manage the impact across the wider criminal justice system, ensuring cross-government collaboration and alignment. We also activated short-term contingency options where necessary, such as Operation Safeguard. For further information on prison capacity, see page 27.

Business continuity

The Departmental Operations Centre leads on business continuity, resilience, and incident response for MoJ, ensuring the department has met the major challenges of the past year, including those presented by widespread industrial action across the public sector, heatwaves during the summer, and delivery of Operation London Bridge following the death of HM The Queen.

During the year, we have:

- produced horizon scanning reports detailing systemic threats to the department, which includes assessing intelligence from the Cabinet Office's COBRA Unit
- conducted departmental self-assessment processes against international standards – running exercises with parts of the department to test business continuity plans
- continued to roll out a cross departmental business continuity tool, which has improved the consistency of business continuity planning and reporting

A director-led departmental Business Continuity and Resilience Governance Board has been established, supported by a working-level Practitioners Forum. The board oversees business continuity and resilience work across MoJ and supports the development of the community of staff working in those areas.

In conjunction with wider government resilience programmes we plan for external risks; the major focus of the past 12 months being energy and power outage related. In 2023-24, we will work to meet the requirements of the UK Government Resilience Strategy, published in December 2022.

Fire, 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. This year we have published revised versions of the Corporate Health and Safety, and Corporate Fire Safety policies. These provide clear performance outcomes aligning our Health and Safety strategy to ISO45001, and Fire Safety strategy aligned to British Standard 9997. We continue to engage with stakeholders to standardise policy and practices across the department. The policies' Statements of Intent are endorsed by the Chief Operating Officer, on my behalf.

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.

MoJ's Accounting Officer System Statement describes in more detail the component parts of our system of internal control, including delegated authorities.[56] In this section of the Governance Statement, I have outlined the most significant changes to our control framework in 2022-23, as well as material issues where we have responded to limitations in our control framework.

Functional reform

Corporate and professional functions play a vital role in MoJ and include: analytical services, commercial, communications, counter fraud, debt, digital, finance, grants, people, project delivery, property, and security.

The maturity of functions is assessed through a quarterly 'health check', supported by annual or bi-annual self-assessments using Cabinet Office continuous improvement assessment frameworks, many of which were published for the first time this year. The maturity scale ranges from 'good', indicating compliance with the mandatory elements of the functional standard, to 'better', and 'best'.

Throughout 2022-23, the functions' understanding of the requirements of their functional standards has matured and their understanding of the operation of control frameworks to achieve increased compliance is improving.

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 department, and the 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 2022-23, we made no fiscal reserve claim and all Parliamentary control totals were met.

Commercial

The Chief Commercial Officer holds the delegated commercial authority to sign, seal, vary or extend commercial agreements 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.

56 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1124799/accounting-officer-system-statement-december-2022.pdf

Unless specific exemptions have been agreed, national contracts are used where they exist. To meet the challenge of potential supply chain disruptions, this year we have put in place improved supplier resilience monitoring and business continuity arrangements.

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/programme delivers the business case benefits and outcomes.

SROs are expected to manage projects and programmes in accordance with the Government Functional Standard for Project Delivery, other functional standards that might be applicable and the requirements of the Government Project Delivery Framework. This ensures that all project and programmes follow best project delivery practices and effective risk management processes.

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.

We have an established process for testing compliance with MoJ standards, via an annual assessment (undertaken in collaboration with SROs) of how effectively the standards are operating in all of our major projects. This exercise identifies any significant area of non-compliance that can then be addressed at either a system or project level, and forms the basis for an improvement action plan for the following year.

This year we have made changes to the implementation of the HMCTS Reform Programme, and have initiated an overarching evaluation of the programme. Further details can be found on pages 36 to 37. In 2023-24, we will focus on risk management and the development of benefits management and planning.

People

HMPPS's risks around recruiting and retaining frontline staff continue to be areas of particular focus. Estate expansion will further increase the demand for trained prison and probation officers.

HMPPS is utilising more analytical insights to understand why people leave, and in 2023-24 we will improve the process of senior civil servant exit interviews to better understand retention challenges. We will also continue to drive improvements in workforce planning, for which a new IT system is being tested.

The resourcing of specialist functional roles such as finance and commercial in the current employment market also remains challenging.

Shared Services Connected Limited (SSCL) provide back-office HR, finance and procurement services to MoJ and other departments. Independent audits carried out by PwC and the Government Internal Audit Agency in 2022-23 gave an overall rating of Limited. SSCL have accepted all the recommendations of the audits and are progressing actions to address these, including the development and implementation of a shared risk management framework between SSCL and departments.

Property

The Property function is driving improvements in central recording of energy certificates, along with a renewed focus on fire, and health and safety risk reporting. We have also supported the ministerial commitment to increase the number of prison places with the delivery of the first rapid deployment cells at HMP Norwich and an additional 1,700 new places at HMP Fosse Way. Construction is underway on the UK's first all-electric prison, HMP Millsike, at Full Sutton in East Yorkshire, which will open in 2025.

Environmental sustainability

Governance and assurance of sustainability across MoJ is coordinated by the Climate Change and Sustainability Unit and performance is overseen by the Senior Sustainability Board. MoJ has a lead minister for climate change and sustainability matters, an Executive Committee champion and a Lead Non-Executive Director.

During 2022-23, we have:

- completed a deep dive review into our strategic climate change and sustainability risks
- used our climate change risk assessment to inform the refresh of our Climate Adaptation Strategy and National Adaptation Pathway
- refreshed our agency and function sustainability action plans, creating better alignment to the Outcome Delivery Plan and Greening Government Commitments (GGC)
- developed trajectories for our delivery plans that take MoJ towards the 2025 GGC targets
- refreshed the terms of reference for our Senior Sustainability Board and appointed MoJ's Chief Operating Officer as chair of the board

Next year, we will:

- launch our Climate Change and Sustainability Strategy and technical Circular Economy, Water Efficiency, Net Zero Strategies
- implement the new environmental principles statutory duty
- develop a Climate Change Adaptation Plan
- develop an analytical framework for assessing programmes and major projects for climate and sustainability impacts
- continue to work closely with our functions to deliver government's environmental priorities

Information security

The Security and Information Group was established to provide assurance against government security standards and manage compliance against data and information legislative requirements, including the Data Protection Act 2018 and Public Records Act 1958 and 1967.

The department governs security, data protection and information matters through the Information and Security Risk Board which meets bi-monthly. 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 Information and Security Risk Board is supported by working groups covering physical, personnel, cyber and data and information security which manage the risks at working level. Senior Information Risk Owners (SIROs) are supported by Information Assurance (IA) Leads. All new SIROs and IA Leads receive training to ensure they are following best practice. IA Leads also have a corporate performance management objective. All senior civil servant pay band 1 staff are designated information asset owners and receive guidance and training to support them in their role. The MoJ Audit and Risk Assurance Committee and ExCo are regularly updated on security, data protection and information risks.

Security: cyber, personnel and physical

In 2022-23, we were a leading department in the cross-government pilot of the Cabinet Office's 'GovAssure' programme, which is implementing the Cyber Assessment Framework across government. This is helping us to get a much more detailed picture of the security risks and issues in different areas and systems. We have also invested £1.5 million in reviewing and improving the security of our supply chain, through development of new processes and policies, and the review of existing contracts. However, legacy IT systems continue to hamper full compliance with cyber security and digital and technology standards.

On personnel security, we have reviewed MoJ Developed Vetting (DV) aftercare processes and are now conducting annual reviews for all DV holders. We are working with the Cabinet Office on implementing the new vetting levels as part of the Vetting Modernisation Programme.

We have continued MoJ physical security site assessments and now have a programme of reviews covering Judges Lodges, Justice Satellite Offices and Collaboration Centres and we are working with Property Group to manage risks and address the recommendations in those assessments.

We have a strong focus on security culture to ensure staff take personal responsibility for embedding good security behaviour into everything they do. We have continued to develop the MoJ Security Champions programme and have further developed and rolled out training to staff, as well as reviewing our security policies.

Data protection

In 2022-23, we continued to carry out mitigating activity across the core themes of the data protection strategy: Save, Secure, Share, Standards and Support. The Data Protection Team, a team of certified data protection professionals, rolled out a comprehensive training and awareness programme across MoJ; reviewed and strengthened the preventative controls; and fostered greater collaboration across government.

Information services

Under our information wise strategy, we have focused on implementing information governance and controls on MoJ digital information and records. The Digital Records Roadmap project will implement digital information management governance within MoJ using functionality in MS Office 365 to support the improved retention of records and information security. We have also migrated MoJ's digital repository, on to SharePoint Online, increasing our ability to manage digital records more effectively.

A backlog of subject access requests generated during the pandemic, was cleared in December 2022.

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 agreed our Data Strategy which sets out three ambitions:

- improve justice outcomes through data-driven insight and innovation
- ensure data meets user needs
- build a data culture to value data as a strategic asset

Our data strategy goes hand-in-hand with our Justice Digital Strategy to ensure our digital services are 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 business cases
- advice on analytical quality with tools and processes in place to drive improvement
- annual review of the business critical models
- rigorous approach and sign off procedures to the large number of FOIs/PQs received
- evaluation of policy delivery to assess against expected outcomes and building the broader justice evidence base on what works

All analytical advice is underpinned by quality assurance to provide confidence to the Departmental Board. A powerful public example of transparent assured data is the creation of 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.

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, 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 other ALBs to support understanding and management of their respective response to the threat from fraud, bribery and corruption, ensuring compliance with the Government Functional Standard on Counter Fraud. In 2022-23, the CoE has focused on improving fraud management information and use of data to better understand fraud risk.

The CoE works with key stakeholders across the department to embed Fraud Risk Assessments (FRA) and where appropriate, Initial Fraud Impact Assessments (IFIA), in accordance with our Counter Fraud strategy and the mandate from the Public Sector Fraud Authority (PSFA).

MoJ is committed to meeting the requirements of the counter fraud functional standard and the PSFA Mandate. A current initiative with Government Internal Audit Agency involves a review of high level FRA's and the production of a global FRA for the department. This will assist in the further identification of risks, the effectiveness of existing control measures and the limitations that will identify residual risk. Any fraud or error detections, losses, preventions or recoveries are reported quarterly to the PSFA.

Whistleblowing

Our 'Raising a concern (including whistleblowing)' policy and guidance provide advice 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 and provides reassurance that concerns will be investigated promptly and professionally.

We engaged with and promoted the cross-government campaigns, including the "Speak Up" campaign which aims to support individuals coming forward with concerns, promote the credibility of internal reporting routes, and underline the department's inclusive leadership culture.

Work is currently underway to:

- improve the training package offered to nominated officers
- update internal documentation to provide better clarity of the scope of the policy
- engage with stakeholders to improve record keeping processes

This will strengthen the ways that staff disclosures are managed and provide greater assurance that concerns raised within the department are dealt with efficiently.

Grants

The department's grants are each overseen by a senior officer responsible (SOR) who is accountable for the grant and delivery of its expected outcomes. SORs are expected to manage grants in accordance with the Government Functional Standards for Grants, Managing Public Money and other centrally issued guidance. They are supported by a Grants Centre of Expertise which provides a holistic view of MoJ's grant giving in order to improve the effectiveness of grant spend, and to strengthen governance and assurance.

Further governance and assurance is provided through a grants challenge panel which 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 MoJ with regard in particular to grant necessity/ appropriateness, benefits, risk and award level
- ensuring grants and grant proposals comply with the Government Functional Standard on Grants

Senior sponsorship of public bodies

As Principal Accounting Officer, where I don't fulfil the role personally, I have appointed senior sponsors for our public bodies. I have set out these arrangements in my Accounting Officer System Statement.[57]

Assurance over the organisational management and performance of our non-departmental public bodies, other statutory office holders and associated offices and compliance with their respective framework documents is provided primarily by our Public Bodies Centre of Expertise.

The programme of work to update all framework documents to meet revised HM Treasury requirements is expected to complete in 2023-24. This year we have also committed to reviewing a number of public bodies within the Cabinet Office-led Public Bodies Review Programme. The first public bodies to be reviewed were the Criminal Injuries Compensation Authority and HM Prisons and Probation.

The arrangements for providing proportionate oversight and engagement with public bodies include:

- an annual assessment of the optimum risk-based partnership arrangement between the department and each body
- quarterly or six-monthly holding-to-account meetings between the CoE's assurance partners, finance business partners, policy partners and public bodies, 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 public bodies
- regular attendance by the Head of the Public Bodies CoE at the departmental ARAC, to provide assurance in respect of public bodies' performance, finance and management of risk

The Public Bodies Centre of Expertise is also responsible for ensuring that diverse and high-quality public appointments are made to ALBs. The relationship between the department and ALBs is informed by the Cabinet Office guidance - 'Partnerships with arm's length bodies: Code of good practice'.

57 www.gov.uk/government/publications/ministry-of-justice-accounting-officer-system-statement

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 public bodies on their 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 public bodies 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 governance, 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 through-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 guidance
- 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, providing an overview of compliance for their organisation

Internal audit

One of the main sources of independent assurance within 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 routinely 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.

Their operational work, principally within HMPPS and HMCTS, has focused on the retention of staff and managing demand pressures. They have reflected on continuing steps being taken to manage prison capacity and court backlogs. Their work has highlighted there is more to do to embed change well and ensure that processes and controls operate as intended to reduce reliance on "workarounds". Although they have identified areas where improvement is required, the department's work continues to improve the delivery of safety in prisons and after release.

Internal audit reported that oversight and board-level governance arrangements are operating in line with the Cabinet Office Code, with continuing work to make further enhancements and improvements, including work progressing in-year to review structures and continue to make improvements.

Work has also been progressing during the year to continue to increase maturity in relation to risk management, with improvements being particularly evident in relation to security and data protection. However, they have highlighted that more work is needed to improve understanding of control and assurance frameworks within wider functions and across programme and project delivery. They have concluded that there are well-embedded processes to self-assess compliance with functional standards coupled with a focus on continuous improvement, but a need to further mature plans to achieve improvement ambitions and go beyond the "shall" elements of the standards.

Internal audit have also reported that since the COVID-19 emergency period, work to establish and embed the new and comprehensive business continuity arrangements across the department continues and that currently should another incident occur, the department would be adequately prepared to react.

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
- Infrastructure 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
- Public Accounts Committee

External audit

The notional cost of the statutory audit for the core department was £716,000 (2021-22: £625,500) which also includes the statutory external audit of the consolidated accounts, Office of the Accountant General and the Judicial Pension Scheme.[58] The total cost of statutory external audits across the departmental group was £2,492,900 of which £520,400 was cash and £1,972,500 notional cost (2021-22: £2,187,500 comprising £480,500 cash and £1,707,000 notional cost). The notional external audit cost includes the cost of the HM Courts and Tribunals Service Trust Statement which is not consolidated as part of these accounts.

58 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 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

24 November 2023

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. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

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

Remuneration and pension entitlements

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					2022-23					2021-22
	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)	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 to 5 September 2022, reappointed 25 October 2022)[2]	58,462 (FYE 67,505)	-	-	9,043	68,000	33,753 (FYE 67,505)	-	-	-	34,000
The Rt Hon Brandon Lewis MP, Lord Chancellor and Secretary of State for Justice (from 6 September to 24 October 2022)	14,668 (FYE 67,505)	-	3,000	16,876	35,000	-	-	-	-	-
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
Lord Christopher Bellamy KC, Parliamentary Under Secretary of State for Justice (from 7 June 2022)[3]	-	-	-	-	-	-	-	-	-	-
Mike Freer MP, Parliamentary Under Secretary of State for Justice (from 20 September 2022)	11,871 (FYE 22,375)	-	3,000	-	15,000	-	-	-	-	-

Remuneration	2022-23					2021-22				
	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)	Severance payments	Total (nearest £1,000)
Ministers	£	£	£	£	£	£	£	£	£	£
Gareth Johnson MP, Parliamentary Under Secretary of State for Justice (from 20 September to 27 October 2022)	2,308 (FYE 22,375)	-	0[5]	5,593	8,000	-	-	-	-	-
Rob Butler MP, Parliamentary Under Secretary of State for Justice (from 20 September to 26 October 2022)	2,248 (FYE 22,375)	-	0[5]	5,593	8,000	-	-	-	-	-
Simon Baynes MP, Parliamentary Under Secretary of State for Justice (from 8 July to 7 September 2022)[3]	-	-	-	-	-	-	-	-	-	-
Sarah Dines MP, Parliamentary Under Secretary of State for Justice (from 8 July to 19 September 2022)[2]	3,595 (FYE 17,917)	-	-	-	4,000	-	-	-	-	-
Tom Pursglove MP, Parliamentary Under Secretary of State for Justice (to 6 July 2022), Minister of State for Justice (from 7 July to 7 September 2022)[3]	-	-	-	-	-	-	-	-	-	-

Remuneration					2022-23					2021-22
	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)	Severance payments	Total (nearest £1,000)
Ministers	£	£	£	£	£	£	£	£	£	£
James Cartlidge MP, Parliamentary Under Secretary of State for Justice (to 7 July 2022)[3]	-	-	-	-	-	-	-	-	-	-
Lord David Wolfson of Tredegar KC, Parliamentary Under Secretary of State for Justice (to 14 April 2022)[3]	-	-	-	-	-	-	-	-	-	-
Christopher Philp MP, Parliamentary Under Secretary of State for Justice (to 15 September 2021)	-	-	-	-	-	11,187 (FYE 22,375)	-	3,000	-	14,000
The Rt Hon Edward Argar MP, Minister of State for Justice (from 27 October 2022)	13,626 (FYE 31,680)	-	3,000	-	17,000	-	-	-	-	-
The Rt Hon Damian Hinds MP, Minister of State for Justice (from 27 October 2022)	13,626 (FYE 31,680)	-	6,000	-	20,000	-	-	-	-	-
Rachel Maclean MP, Minister of State for Justice (from 7 September to 25 October 2022)	4,241 (FYE 31,680)	-	1,000	0[5]	5,000	-	-	-	-	-

Remuneration	2022-23					2021-22				
	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)	Severance payments	Total (nearest £1,000)
Ministers	£	£	£	£	£	£	£	£	£	£
The Rt Hon Stuart Andrew MP, Minister of State for Justice (from 8 July to 19 September 2022)	4,312 (FYE 31,680)	-	3,000	-	7,000	-	-	-	-	-
The Rt Hon Kit Malthouse MP, Minister of State for Justice (to 6 July 2022)[3]	-	-	-	-	-	-	-	-	-	-
Victoria Atkins MP, Minister of State for Justice (to 6 July 2022)	8,431 (FYE 31,680)	-	2,000	7,920	18,000	16,228 (FYE 31,680)	-	4,000	-	20,000

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 and Sarah Dines MP opted out of the pension scheme.

3 Simon Baynes MP, Kit Malthouse MP and Tom Pursglove MP are paid by Home Office. Lord David Wolfson, James Cartlidge MP, and Lord Christopher Bellamy KC are unpaid Parliamentary Under Secretaries of State.

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

5 A zero value is shown where a figure has been rounded down to zero. A nil value is represented by a dash.

Remuneration (salary and payments in kind) (audited)

Remuneration	2022-23					2021-22				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid[2]	Pension related benefits (nearest £1,000)[1]	Total (nearest £1,000)	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid	Pension related benefits (nearest £1,000)	Total (nearest £1,000)
Senior managers	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Antonia Romeo, Permanent Secretary	185-190	-	-	50	235-240	185-190	-	15-20	60	260-265
Jo Farrar, Second Permanent Secretary for Ministry of Justice and Chief Executive to HMPPS (to 1 September 2022), Second Permanent Secretary (from 1 September 2022)[3,4,5]	165-170	-	-	26	190-195	160-165	-	-	25	185-190
Amy Rees, Director General, Chief Executive to HMPPS (from 1 September 2022)[4,5]	90-95 (150-155 FYE)	13.1	15-20	22	140-145	-	-	-	-	-
Nick Goodwin, Chief Executive, HM Courts and Tribunals Service[3,5] (from 14 March 2022)	130 -135	-	-	109	240-245	5-10 (120-125 FYE)	-	-	6[6]	10-15
Kevin Sadler, Interim Chief Executive Officer, HM Courts and Tribunals Service (to 25 March 2022)[3,5]	-	-	-	-	-	120-125	-	5-10	35[7]	160-165

Remuneration	2022-23					2021-22				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid[2]	Pension related benefits (nearest £1,000)[1]	Total (nearest £1,000)	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid	Pension related benefits (nearest £1,000)	Total (nearest £1,000)
Senior managers	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
James McEwen, Chief Operating Officer	140-145	-	0-5	97	240-245	125-130	-	-	36	160-165
Jerome Glass, Director General, Policy Group (to 28 November 2022), Director General, Policy Group - Courts and Access to Justice (from 29 November 2022)	130-135	-	5-10	44	180-185	120-125	-	0-5	69	190-195
Richard Price, Director General, Performance, Strategy and Analysis (from 9 May 2022)	115-120 (130-135 FYE)	-	-	55	170-175	-	-	-	-	-

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 Bonus figures include 2021-22 performance related pay which was paid out in 2022-23.

3 Dr Jo Farrar was remunerated by HMPPS until 31 August 22, Nick Goodwin and Kevin Sadler are 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 2022-23 and 2021-22. The employer contributions to her partnership pension account are included in the 'Pension related benefits' column of this table and CETV table below. Amy Rees joined the partnership pension scheme in year.

5 Nick Goodwin's remuneration is also published in the 2022-23 HMCTS annual report and accounts; Amy Rees and Dr Jo Farrar's remuneration is also published in the 2022-23 HMPPS annual report and accounts.

6 Nick Goodwin's pension related benefits and total remuneration for 2021-22 were recalculated by the Civil Service Pension Scheme.

7 Kevin Sadler's pension related benefits and total remuneration for 2021-22 were recalculated by the Civil Service Pension Scheme.

Remuneration (salary and payments in kind) (audited)

Remuneration	2022-23			2021-22		
	Fees (excluding performance related remuneration)	All taxable benefits (nearest £100)	Bonuses paid	Fees (excluding performance related remuneration)	All taxable benefits (nearest £100)	Bonuses paid
Non-executive board members	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Mark Rawlinson, Lead Non-Executive Member	20-25	-	-	20-25	-	-
Paul Smith, Non-Executive Member and Chair of Audit and Risk Assurance Committee	20-25	-	-	20-25	-	-
Mark Beaton, Non-Executive Member (from 14 July 2022)	10-15	-	-	-	-	-
Shirley Cooper OBE, Non-Executive Member (to 3 August 2022)	5-10	-	-	10-15	-	-
Nick Campsie, Non-Executive Member (to 3 June 2022)	0-5	-	-	10-15	-	-

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: £84,144 (from 1 April 2022), 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

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. 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, as advised by the Nominations Committee which includes the lead non-exec board member and the Chief People Officer. 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 2022-23 relate to performance in 2021-22 and the comparative bonuses reported for 2021-22 relate to performance in 2020-21.

Pension entitlements: Ministerial pensions (audited)

Pension benefits

	Accrued pension at age 65 as at 31 March 2023	Real increase in pension at age 65	CETV at 31 March 2023	CETV at 31 March 2022	Real increase/ (decrease) in CETV
Ministers	**£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 2021 to 5 September 2022, reappointed 25 October 2022)[3]	-	-	-	-	-
The Rt Hon Brandon Lewis MP, Lord Chancellor and Secretary of State for Justice (from 6 September to 24 October 2022)	5-10	0-2.5	105	101	2
The Rt Hon Robert Buckland KC MP, Lord Chancellor and Secretary of State for Justice (to 14 September 2021)	-	-	-	119	-
Lord Christopher Bellamy KC, Parliamentary Under Secretary of State for Justice (from 7 June)[1]	-	-	-	-	-
Mike Freer MP, Parliamentary Under Secretary of State for Justice (from 20 September 2022)	0-5	0-2.5	38	33	2
Gareth Johnson MP, Parliamentary Under Secretary of State for Justice (from 20 September to 27 October 2022)	0-5	0-2.5	5	5	0[2]
Rob Butler MP, Parliamentary Under Secretary of State for Justice (from 20 September to 26 October 2022)	0-5	0-2.5	0[2]	-	0[2]
Simon Baynes MP, Parliamentary Under Secretary of State for Justice (from 8 July to 7 September 2022)[1]	-	-	-	-	-
Sarah Dines MP, Parliamentary Under Secretary of State for Justice (from 8 July to 19 September 2022)[3]	-	-	-	-	-
Tom Pursglove MP, Parliamentary Under Secretary of State for Justice (to 6 July 2022), Minister of State for Justice (from 7 July to 7 September 2022)[1]	-	-	-	-	-

Pension benefits

Ministers	Accrued pension at age 65 as at 31 March 2023 £000	Real increase in pension at age 65 £000	CETV at 31 March 2023 £000	CETV at 31 March 2022 £000	Real increase/ (decrease) in CETV £000
James Cartlidge MP, Parliamentary Under Secretary of State for Justice (to 7 July 2022)[1]	-	-	-	-	-
Lord David Wolfson of Tredegar KC, Parliamentary Under Secretary of State for Justice (to 14 April 2022)[1]	-	-	-	-	-
Christopher Philp MP, Parliamentary Under Secretary of State for Justice (to 15 September 2021)	-	-	-	10	-
The Rt Hon Edward Argar MP, Minister of State for Justice (from 27 October 2022)	0-5	0-2.5	24	20	1
The Rt Hon Damian Hinds MP, Minister of State for Justice (from 27 October 2022)	5-10	0-2.5	72	62	4
Rachel Maclean MP, Minister of State for Justice (from 7 September to 25 October 2022)	0-5	0-2.5	17	15	1
The Rt Hon Stuart Andrew MP, Minister of State for Justice (from 8 July to 20 September 2022)	0-5	0-2.5	30	28	1
The Rt Hon Kit Malthouse MP, Minister of State for Justice (to 6 July 2022)[1]	-	-	-	-	-
Victoria Atkins MP, Minister of State for Justice (to 6 July 2022)	0-5	0-2.5	25	23	1

Notes to the table:

1 These ministers were not paid by MoJ during the reporting year. Lord David Wolfson, James Cartlidge, and Lord Christopher Bellamy KC served as unpaid ministers therefore no pension benefits were received by them from MoJ. Tom Pursglove, Kit Malthouse, and Simon Baynes were paid by another government department. 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.

2 A zero value is shown where a figure has been rounded down to zero. A nil value is represented by a dash.

3 Dominic Raab MP and Sarah Dines MP opted out of the pension scheme.

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

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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Real increase in value of the cash equivalent transfer value

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

Civil Service pensions (audited)

	Accrued pension and related lump sum at pension age as at 31 March 2023	Real increase in pension and related lump sum at pension age	CETV at 31 March 2023	CETV at 31 March 2022	Real increase/ (decrease) in CETV	Employer partnership pension account at 31 March 2023
Senior Managers	**£000**	**£000**	**£000**	**£000**	**£000**	**Nearest £100**
Antonia Romeo, Permanent Secretary	60 - 65 plus a lump sum of 85 - 90	2.5 - 5 plus a lump sum of 0	930	817	17	-
Jo Farrar, Second Permanent Secretary for Ministry of Justice and Chief Executive to HMPPS (to 1 September 2022), Second Permanent Secretary (from 1 September 2022)[1,3]	-	-	-	-	-	25,600
Amy Rees, Director General, Chief Executive to HMPPS (from 1 September 2022)[3,4]	55 - 60 plus a lump sum of 5 - 10	0 - 2.5 plus a lump sum of 0	734	664	(1)	3,300
Nick Goodwin, Chief Executive, HM Courts and Tribunals Service[2,3]	40 - 45 plus a lump sum of 70 - 75	5 - 7.5 plus a lump sum of 7.5 - 10	646	515	71	-
Kevin Sadler, Interim Chief Executive Officer, HM Courts and Tribunals Service (to 25 March 2022)	-	-	-	1,398	-	-
James McEwen, Chief Operating Officer	50 -55	5 - 7.5	618	507	50	-

Senior Managers	Accrued pension and related lump sum at pension age as at 31 March 2023 £000	Real increase in pension and related lump sum at pension age £000	CETV at 31 March 2023 £000	CETV at 31 March 2022 £000	Real increase/ (decrease) in CETV £000	Employer partnership pension account at 31 March 2023 Nearest £100
Jerome Glass, Director General, Policy Group (to 28 November 2022), Director General, Policy Group - Courts and Access to Justice (from 29 November 2022)	40 - 45	2.5 - 5	486	422	14	-
Richard Price, Director General, Performance, Strategy and Analysis (from 9 May 2022)	20 - 25	2.5 - 5	316	263	34	-

Notes to the table:

1 Dr Jo Farrar is a member of the partnership pension scheme. No PCSPS pension benefits were accrued in 2022-23 (2021-22: £0). There were no employer contributions to the Local Government Pension Scheme (LGPS).

2 Nick Goodwin's CETV at 31 March 22 is updated from the figure disclosed in the Annual Report and Accounts 2021-22 due to a recalculation by the PCSPS administrator.

3 Nick Goodwin's remuneration is also published in the 2022-23 HMCTS annual report and accounts. Amy Rees and Jo Farrar's remuneration are also published in the 2022-23 HMPPS annual report and accounts.

4 Amy Rees transferred to the partnership pension scheme in February 2023. Benefits from both the PCSPS and partnership scheme have been disclosed in the table above. Taking account of inflation, the CETV funded by the employer has decreased in real terms.

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 switched into alpha at some time between 1 June 2015 and 1 February 2022.

Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below).

All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) 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 an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or state pension age for members of alpha.

(The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at: 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 2022-23 was £185,000-£190,000 (2021-22: £200,000-£205,000).

This was 6.0 times (2021-22: 7.4) the median remuneration of the workforce, which was £31,265 (2021-22: £27,381).

In 2022-23, 10 (2021-22: 8) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £15,000-£20,000 to £415,000-£420,000 (2021-22: £15,000-£20,000 to £365,000-£370,000). 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 2022-23. 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

	2022-23		2021-22	
	Salary	**Bonus payments**	**Salary**	**Bonus payments**
Staff average	3%	-17%	4%	-86%
Highest paid director*	0%	-100%	0%	-

* The highest paid director in 2022-23 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
2022-23	7.4:1	6.0:1	4.9:1
2021-22	8.8:1	7.4:1	5.9:1

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

	Lower quartile		Median		Upper quartile	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Salary	25,342	20,975	31,250	24,689	38,289	31,649
Total remuneration	25,342	23,144	31,265	27,381	38,530	34,143

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 2022-23 increased average staff remuneration.

The banded remuneration of our highest paid director decreased due to the payment of a bonus in 2021-22. No bonus was paid in 2022-23.

Compensation for loss of office

This section has been subject to audit.

The Rt Hon Dominic Raab MP was entitled to compensation of £16,876 within the period but voluntarily returned £7,833 to the department, receiving a net amount of £9,043.

The Rt Hon Brandon Lewis MP received compensation of £16,876.

Gareth Johnson MP received compensation of £5,593.

Rob Butler MP received compensation of £5,593.

Victoria Atkins MP received compensation of £7,920.

Rachel Maclean MP was entitled to compensation of £7,920 but voluntarily returned £7,920 to the department, receiving a net amount of £0.

No senior managers received compensatory payments in 2022-23 and in 2021-22.

Staff numbers and composition

This section has been subject to audit.

Staff costs

Departmental group

				2022-23	2021-22
	Permanently employed staff*	Other	Ministers**	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	3,072,023	242,199	394	3,314,616	3,008,041
Social security costs***	339,814	1,619	45	341,478	286,789
Other pension costs	888,580	31	-	888,611	840,616
Sub total	**4,300,417**	**243,849**	**439**	**4,544,705**	**4,135,446**
Early departure costs	25,268	-	-	25,268	15,159
Early departure provisions	-	-	-	-	-
Add inward secondments	15,746	(1,786)	-	13,960	30,741
Less recoveries in respect of outward secondments	(20,750)	-	-	(20,750)	(32,769)
Total net costs	4,320,681	242,063	439	4,563,183	4,148,577
Of which:					
Core department and agencies	4,086,296	216,714	439	4,303,449	3,895,744
Non-departmental public bodies	234,385	25,349	-	259,734	252,833
	4,320,681	**242,063**	**439**	**4,563,183**	**4,148,577**

* 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 2023, £22.6 million of staff costs (2021-22: £13.1 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 2022-23 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 2022-23, the Lord Chancellor's full year equivalent salary was £67,505 (2021-22: £67,505) and the associated combined social security costs were £14,123 (2021-22: £13,000). Five severance payments totalling £45,470 were made to ministers in 2022-23 (2021-22: one payment of £16,876).

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 2022-23, employers' contributions of £585.5 million were payable to the PCSPS (2021-22: £531.5 million) at one of four rates which ranged from 26.6% to 30.3% (2021-22: 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 are set to meet the cost of the benefits accruing during 2022-23 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employer pension contributions equivalent to 0.5% (2021-22: 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 2023, HMPPS paid employers' contributions of £174.7 million to GMPF, relating to current probation staff, at 29.6% (2021-22: £145.6 million at 29.6%).

Past employees of the Community Rehabilitation Companies (CRCs) are also member of the Local Government Pension Scheme via GMPF. In 2022-23, MoJ paid employers' contributions of £0.7 million in respect of these staff (2021-22: £0.4 million).

Employees of Cafcass are members of the Local Government Pension Scheme through the West Yorkshire Pension Fund (WYPF). For 2022-23 employer contributions of £16.8 million were payable at a rate of 19.4% (2021-22: £16.2 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 £1.9 million (2021-22: £1.7 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% (2021-22: 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 2023, employer contributions of £0.03 million were paid (2021-22: £0.04 million).

In addition, other pension costs include GMPF pension costs of £87.6 million (2021-22: £122.1 million, WYPF pension costs of £18.9 million (2021-22: £21.1 million) and other pension scheme costs of £2.5 million (2021-22: £2.3 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.

41 persons (2021-22: 35 persons) retired early on ill health grounds; the total additional accrued pension liabilities in the year were £184,000 (2021-22: £160,000).

Judicial costs

Departmental group

				2022-23	2021-22
	Senior judicial salaries	Other judicial salaries	Fee-paid judiciary	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	145,757	111,460	146,183	403,400	391,769
Social security costs	20,546	15,571	15,788	51,905	47,972
Other pension costs	74,202	57,298	55,419	186,919	173,765
Total net costs	**240,505**	**184,329**	**217,390**	**642,224**	**613,506**

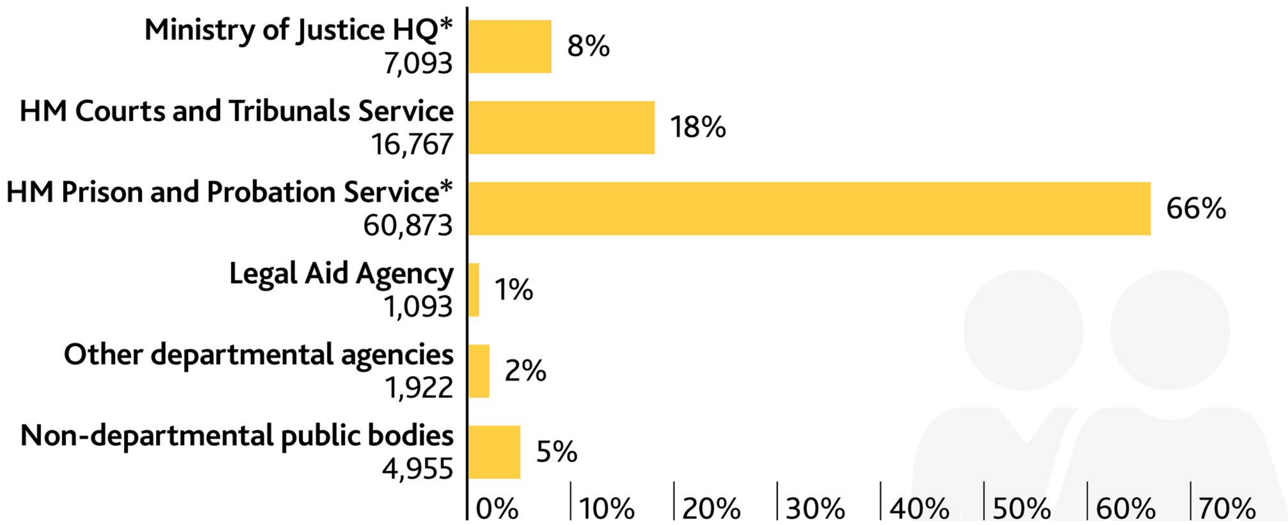
The Judicial Pension Scheme is an unfunded multi-employer defined benefit scheme which prepares its own accounts, but for which the department (through HM Courts and Tribunals Service) is unable to identify its share of the liabilities. Details of the most recent completed valuation (as at March 2020) are available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1171939/jps-annual-report-accounts-2022-23.pdf

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 2022 (for all judicial office holders appointed from 1 April 2022), the Judicial Pensions Regulations 2015 (for judicial office holders appointed between 1 April 2015 and 31 March 2022 and existing judicial office holders who are not in scope of the McCloud remedy); 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 Judicial Pensions Regulations 2022 replaced the legacy schemes for judicial office holders appointed from 1 April 2022 and department makes employer contributions to the Judicial Pension Scheme in respect of this scheme as service is incurred.

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



* Includes staff engaged in capital projects (MoJ HQ 271.4 staff; HMPPS 199 staff).

Departmental group

					2022-23	2021-22**
	Permanently employed staff*	Other	Ministers	Special advisers	Total	Total
Ministry of Justice HQ and associated offices						
Chief Operating Officer group	2,761.6	67.0	0.2	0.1	2,828.9	2,369.6
Performance, strategy and analysis group	877.6	10.7	-	-	888.3	725.2
Policy group	1,510.4	4.1	2.5	2.1	1,519.1	1,397.5
Service delivery transformation group	1,326.6	254.5	-	-	1,581.1	1,402.0
Agencies						
HM Courts and Tribunals Service	14,544.0	2,223.0	0.6	0.5	16,768.1	17,317.6
Office of the Public Guardian	1,421.5	204.0	0.1	0.1	1,625.7	1,523.6
HM Prison and Probation Service	59,635.0	1,039.0	1.4	1.1	60,676.5	57,879.8
Legal Aid Agency	1,090.0	3.0	0.1	0.1	1,093.2	1,116.5
Criminal Injuries Compensation Authority	296.0	-	0.1	0.1	296.2	295.2
Non-departmental public bodies						
Non-departmental public bodies	4,392.7	562.0	-	-	4,954.7	4,548.9
Capital projects						
Staff engaged on capital projects	177.5	292.9	-	-	470.4	219.3
Total	**88,032.9**	**4,660.2**	**5.0**	**4.1**	**92,702.2**	**88,795.2**
Of which:						
Core department and agencies	83,640.2	4,098.2	5.0	4.1	87,747.5	84,246.3
Non-departmental public bodies	4,392.7	562.0	-	-	4,954.7	4,548.9
	88,032.9	**4,660.2**	**5.0**	**4.1**	**92,702.2**	**88,795.2**

* Includes staff on permanent and fixed term contracts. Data for agencies is taken from agency published accounts.
** FTEs for 2021-22 have been reclassified to reflect a restructure in HQ and associated offices during 2022-23.

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

	2022-23				2021-22
	Senior judicial salaried	Other judicial salaried	Fee-paid judiciary	Total	Total
Core department and agencies	942.0	915.0	1,128.0	2,985.0	2,959.0
Total	**942.0**	**915.0**	**1,128.0**	**2,985.0**	**2,959.0**

The judiciary is independent. Their payroll costs disclosed within HM Courts and 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

	2022-23			2021-22		
	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	-	166	166	-	107	107
£10,000 - £25,000	1	74	75	-	74	74
£25,001 - £50,000	-	171	171	1	89	90
£50,001 - £100,000	-	229	229	-	108	108
£100,001 - £150,000	-	18	18	-	23	23
£150,001 - £200,000	-	7	7	-	8	8
£200,001 - £250,000	-	2	2	-	2	2
£250,001 - £300,000	-	-	-	-	1	1
Total number of exit packages by type	**1**	**667**	**668**	**1**	**412**	**413**

	2022-23			2021-22		
	Compulsory redundancies	Other compensated departures	Total exit packages	Compulsory redundancies	Other compensated departures	Total exit packages
	Number	Number	Total number	Number	Number	Total number
Of which:						
Core department and agencies	1	667	668	1	412	413
Non-departmental public bodies	-	-	-	-	-	-
Total cost of exit packages by type (£000)	**12**	**27,785**	**27,797**	**54**	**17,208**	**17,262**
Of which:						
Core department and agencies	12	27,785	27,797	35	17,208	17,243
Non-departmental public bodies	-	-	-	19	-	19

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 614 efficiency departure exit packages at a value of £24 million (2021-22: 332 at a value of £10.9 million) within payment bands not exceeding £250,000 (2021-22: £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

			2022-23			2021-22
	Core and agencies	NDPBs	Total	Core and agencies	NDPBs	Total
	£000	£000	£000	£000	£000	£000
Consultancy	7,292	225	7,517	10,231	168	10,399
Temporary staff	217,244	6,368	223,612	185,186	10,790	195,976
Total	**224,536**	**6,593**	**231,129**	**195,417**	**10,958**	**206,375**

There were reductions in spend on consultancy due to a reduced need for IT specialists on various projects that moved from the development phase to go-live.

Overall, the number of agency staff increased. This is primarily due to increased activity of digital projects.

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

Our staff

Recruitment

Our recruitment is managed in accordance with the Civil Service Recruitment Principles which require appointments to be made on merit and on the basis of fair and open competition: http://civilservicecommission.independent.gov.uk/civil-service-recruitment

Inclusion is at the heart of our recruitment practice and is embedded in the methods we use to attract, assess, select and retain diverse talent with the right skills, capabilities and motivation at all levels of the organisation so we can reflect the communities we serve.

Recognised as highly commended in the Civil Service Commission's inaugural Mark of Excellence Awards, MoJ has taken innovative measures to encourage greater candidate diversity in terms of background, experience and location, and particularly for those candidates whose life chances may present a barrier to employment, such as prison leavers and armed forces veterans.

Business areas are provided with the requisite training and advice to support them in their local recruitment activity and to manage recruitment in line with the Recruitment Principles and without bias. This includes the provision of dedicated inclusive recruitment and diverse interview panels guidance; learning sessions on the lawful use of positive action measures in the Equality Act 2010 to help people overcome potential barriers and improve representation in our workforce; and training for vacancy managers on fair and effective decision-making in recruitment campaign delivery.

We use the Civil Service success profiles framework in our assessment and anonymised applications up to the point of an interview or online assessment for all grades below SCS2.

We are committed to delivering our business by creating modern and inclusive workplaces that enable smart, flexible and hybrid working to attract and retain diverse staff with different backgrounds.

Our recruitment approach is continuously reviewed for improvements and opportunities for innovation. This spans all aspects of the recruitment journey, including the introduction of leading technology and creative and impactful communications to attract candidates, improve their experience and keep them engaged; and the evaluation and reconsideration of individual stages in the process to reduce time to hire.

Employment of people with disabilities

As a Disability Confident Leader, MoJ is committed to attracting, recruiting and retaining people with disabilities. Under the leadership of a senior disability champion, the department is working to ensure that processes, policies and organisational culture promote disability inclusion.

During 2022-23 the department supported staff transferring from DWP's Access to Work to MoJ's Workplace Adjustment Service. Individual support is manged by an in-house team providing advice and guidance to staff and managers across the department including executive agencies. In addition, a MoJ Assistive Technology Team provide advice, access to equipment, installation and training to staff in MoJ and executive agencies.

Disabled staff continue to have access to targeted career development through the Civil Service 'Future Leaders Scheme' Disability Empowers Leadership Talent (DELTA) mentorship.

MoJ 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. MoJ 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. All staff have access to resources and events to raise awareness about disability inclusion.

Diversity, inclusion and wellbeing

MoJ is committed to delivering the government's strategy for diversity and inclusion as set out in the Civil Service Diversity and Inclusion Strategy. By embedding diversity and inclusion into our work systems, we are delivering our Public Sector Equality Duties and demonstrating the MoJ values of purpose, humanity, openness and togetherness.

MoJ is also delivering cross-government social mobility initiatives including the Catapult mentoring and sponsorship scheme (~10,000 participants) and the Schools Programme (243 events delivered in 2022-23).

We monitor the impact of our employee policies and procedures via the effective use of equalities data. Staff diversity information is published in the Departmental Core Diversity Statistics section of this report, and MoJ staff diversity data can be found in the Civil Service statistics data tables, at: www.gov.uk/government/collections/civil-service-statistics.

We publish gender pay gap information annually, including our action plan to close the gap. We also publish our equalities objectives as part of our Outcome Delivery Plan. Both can be found on GOV.UK

We continue to make progress against our diversity targets. At the end of March 2023, women make up 52% of the department's SCS, and female representation across all grades is 58%. Recording rates (declarations) have risen in the department overall over the last year. Between March 2022 and March 2023, declaration rates have risen for ethnicity (from 83% to 84%), disability (from 78% to 79%), religion (from 74% to 75%) and sexual orientation (from 75% to 76%). At the end of March 2023, of those staff who have declared their ethnicity, 16% of staff are from ethnic minorities (15% at March 2022) and 10% of SCS. Of those staff who have declared their disability status, 17% of staff are disabled (15% at March 2022), and 12% of SCS are disabled.

Headline departmental People Survey scores (which includes some questions on wellbeing) can be found at: www.gov.uk/government/collections/civil-service-people-surveys

Modern slavery

MoJ contributed to the 2021-22 cross-government Modern Slavery Statement. This sets out the department's work to guard against modern slavery in supply chains and with regard to service users and staff. The statement refers to ongoing training and awareness, and highlights the continuous improvement activities undertaken across MoJ to manage the risks and impacts of modern slavery.

MoJ's contribution to this statement includes its agencies and our ALBs to whom we provide core services, including legal, commercial, and human resources.

Sickness absence data

Across the department (including its executive agencies), the number of average working days lost (AWDL) in the last 12 months was 11.2 at the end of March 2023, compared to 12.2 at the end of March 2022 and reflects the range of operational and non-operational functions across the organisation. Mental health and behavioural disorders, COVID-19 and muscular-skeletal issues remain the main absence drivers.

After a peak in July 2022 of AWDL in HMPPS that was largely driven by the COVID-19 pandemic, we have since seen a continuous decrease; ending the 2022/23 financial year in March with a rate of 12.6 AWDL.

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 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 can access 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.[59] All work processes are subject to the required risk assessment process.

To strengthen the protection of MoJ employees, the MoJ Corporate Fire, Health and Safety Team's role is to be revitalised and all governance and assurance routes will be revisited, reviewed and renewed as required.

A greater focus on mental health wellbeing will drive future initiatives, networking and policy to create a safer working environment, in the post pandemic period.

Staff engagement

The 2022 Civil Service People Survey was completed by 45,203 (49%) employees. The response rate for the Prison and Youth Custody Service is low due to technical barriers, resourcing pressures, and negative sentiment from recognised trade unions. However, the response rate continues to increase with 10,683 (28%) employees completing the survey this year, but results may still not be representative of the overall population. Work continues to improve access to and perception of the survey across the organisation to drive response rates further to help provide more meaningful insight.

Survey questions relating to Leadership and Managing Change, My Work, and Learning and Development are most significant in contributing to the employee engagement score across every business group. How the organisation manages and communicates change and involves the employee voice in decision making are drivers of employee engagement at MoJ, but satisfaction rates in these areas have declined. To address this, work is underway to demonstrate how action is being taken on survey results this year with the publication of local action plans and progress being monitored on a quarterly basis by the MoJ's People Business Committee, the ExCo delegated committee on people matters.

MoJ maintained or increased its scores in all themes of the People Survey except for Pay and Benefits, which saw a major decrease across all departments. Most business groups saw a decrease in the percentage of respondents experiencing discrimination. Overall, the percentage of respondents reporting discrimination increased on 2021. For bullying and harassment levels, scores decreased by 1pp compared to 2021. Employee engagement index remained at 60%.

59 www.legislation.gov.uk/ukpga/1974/37/contents

Staff turnover

The department has put in place a number of responses to address staff turnover:

- The Retention Oversight Board (ROB) was established in April 2022 to provide a pan-MoJ approach to addressing attrition issues.
- A Retention Oversight Process (ROP) has been implemented for HMPPS to monitor sites with high levels of controllable attrition (resignations). This process initially focussed on the top eight prisons with the highest band 3-5 attrition rates. This process includes an initial data audit focused on the drivers of attrition and an occupational psychology deep dive process to determine local issues and work closely with senior leadership to address these. Six out of these eight sites have seen improvement in retention rates and we have continued to see a decrease in resignation rates since the peak in July 2022.
- A review of specialist pay has been completed and implemented across the department. This further ensures that we pay staff in our professions in a competitive and transparent way and helps us attract and retain people with professional skills.
- Justice Digital have adopted the Digital, Data and Technology Profession (DDaT) Pay Framework and have been able to award £22 million in additional allowances.
- OPG have offered alternative shift patterns, including twilight shifts to attract and retain a wider workforce; putting a strong focus on wellbeing and development with a People Promise, Wellbeing Hub and Learning and Development.
- The Criminal Injuries Compensation Authority have focused on the whole employee package including wider employee benefits and nurturing in-house talent with learning pathways and development opportunities portal.

	2022-23		2021-22	
	Turnover	**Departmental turnover**	**Turnover**	**Departmental turnover**
MoJ HQ	8.3%	15.4%	7.2%	14.9%
HMPPS	11.5%	12.7%	11.9%	12.8%
HMCTS	12.7%	15.9%	12.7%	15.9%
OPG	6.4%	9.8%	4.7%	14.6%
LAA	6.3%	8.3%	4.7%	8.8%
CICA	3.1%	8.8%	2.9%	9.6%

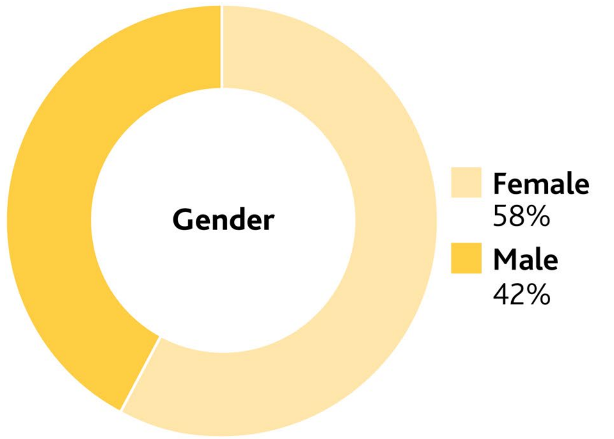
Note: Transfers of staff within the Civil Service are included in 'Departmental turnover' and excluded from 'Turnover'.

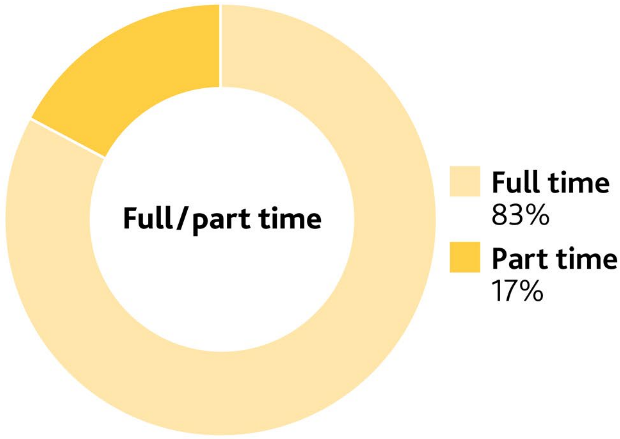
Workforce composition[60]

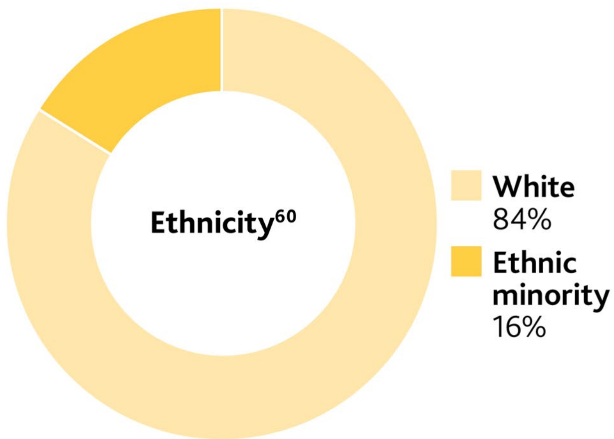
The number of staff split between male and female as at 31 March 2023

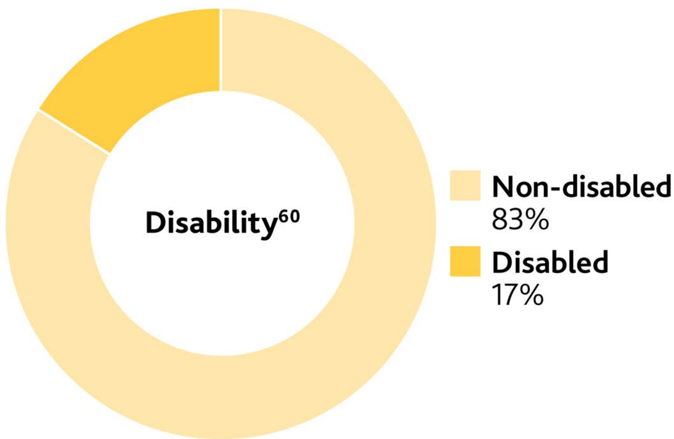
	2022-23		2021-22	
	Male	Female	Male	Female
Board members	28	30	34	31
Senior Civil Service (SCS) equivalent[61]	164	179	165	168
Departmental employees (excluding SCS equivalent)	38,679	53,239	37,315	49,776

Departmental core diversity statistics - payroll staff in post on 31 March 2023









60 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.

61 Headcount for the department and its executive agencies (excluding NDPBs), at 31 March 2023. The number of staff reported on page 115 represent the average number of full time equivalent (FTE) staff over the year.

These statistics provide a snapshot of the department's workforce. Further detail on MoJ workforce diversity can be found within the Civil Service Statistics 2023 publication.

This is available at: www.gov.uk/government/statistics/civil-service-statistics-2023.

Senior Civil Service equivalent staff by band

	SCS or equivalent within band as at 31 March 2023		SCS or equivalent within band as at 31 March 2022	
Salary band	**Number**	**Percentage**	**Number**	**Percentage**
£60,000-£69,999	0	0%	0	0%
£70,000-£79,999	114	33%	131	39%
£80,000-£89,999	74	22%	61	18%
£90,000-£99,999	59	17%	66	20%
£100,000-£109,999	59	17%	47	14%
£110,000-£119,999	17	5%	14	4%
£120,000-£129,999	7	2%	7	2%
£130,000-£139,999	6	2%	1	0%
£140,000-£149,999	3	1%	3	1%
£150,000-£159,999	2	1%	1	0%
£160,000-£169,999	1	0%	1	0%
£170,000-£179,999	0	0%	0	0%
£180,000-£189,999	1	0%	1	0%
£190,000-£199,999	0	0%	0	0%
£200,000-£209,999	0	0%	0	0%
Total	**343**	**100%**	**333**	**100%**

Off-payroll engagements

During the financial year 2022-23, MoJ 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 MoJ.

Further details of off-payroll engagements are shown in the off-payroll tables in Annex D. 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

This section has been subject to audit.

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 contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn 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 2022-23

									2022-23	2021-22
				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	9,947,989	152,211	10,100,200	10,101,953	144,527	10,246,480	153,964	146,280	9,376,472
Capital	SOPS 1.2	1,359,837	-	1,359,837	1,457,565	-	1,457,565	97,728	97,728	1,420,858
Annually Managed Expenditure										
Resource	SOPS 1.1	101,910	-	101,910	633,431	-	633,431	531,521	531,521	349,941
Capital	SOPS 1.2	5,608	-	5,608	23,304	-	23,304	17,696	17,696	10,546
Total Budget		**11,415,344**	**152,211**	**11,567,555**	**12,216,253**	**144,527**	**12,360,780**	**800,909**	**793,225**	**11,157,817**
Non-Budget										
Resource	SOPS 1.1	-	-	-	-	-	-	-	-	-
Total		**11,415,344**	**152,211**	**11,567,555**	**12,216,253**	**144,527**	**12,360,780**	**800,909**	**793,225**	**11,157,817**
Total Resource		10,049,899	152,211	10,202,110	10,735,384	144,527	10,879,911	685,485	677,801	9,726,413
Total Capital		1,365,445	-	1,365,445	1,480,869	-	1,480,869	115,424	115,424	1,431,404
Total		**11,415,344**	**152,211**	**11,567,555**	**12,216,253**	**144,527**	**12,360,780**	**800,909**	**793,225**	**11,157,817**

Net Cash Requirement 2022-23

				2022-23	2021-22
		Outturn	Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total
Item	**Note**	**£000**	**£000**	**£000**	**£000**
Net cash requirement	Annex A, SOPS 3	**10,616,135**	**11,010,574**	**394,439**	**10,124,758**

Administration Costs 2022-23

				2022-23	2021-22
		Outturn	Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total
Type of spend	**SOPS Note**	**£000**	**£000**	**£000**	**£000**
Administration costs	1.1	**481,220**	**548,149**	**66,929**	**444,379**

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 2022-23, the RDEL budget for day-to-day spending was £10,246 million (2021-22: £9,410 million) and the final outturn was £10,100 million (2021-22: £9,376 million).

AME spend is by its nature inherently volatile. The department has a relatively small AME budget and therefore large variances are not unusual. In 2022-23, the department budgeted for £657 million (2021-22: £702 million) of AME and the final outturn was £108 million (2021-22: £360 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 2022-23

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)	2021-22 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	449,811	(45,422)	404,389	1,596,432	(1,190,794)	405,638	810,027	810,114	59,178	869,292	59,265	704,139
B HM Prison and Probation Service	25,012	(13)	24,999	4,868,818	(251,554)	4,617,264	4,642,263	4,722,160	-	4,722,160	79,897	4,241,015
C HM Courts and Tribunals Service	21,912	-	21,912	2,153,917	(58,638)	2,095,279	2,117,191	2,111,708	5,483	2,117,191	-	2,039,906
D Legal Aid Agency	13,894	-	13,894	1,934,485	(36,130)	1,898,355	1,912,249	2,002,495	(81,583)	1,920,912	8,663	1,787,143
E Criminal Injuries Compensation Authority	1,167	(1,852)	(685)	187,529	(19,453)	168,076	167,391	155,785	11,751	167,536	145	170,237
F Office of the Public Guardian	74	-	74	76,833	(85,245)	(8,412)	(8,338)	(12,900)	4,562	(8,338)	-	(2,552)

	Resource Outturn							Estimate				Outturn
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs Estimate saving/ (excess)	2021-22 Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
G Children and Family Court Advisory and Support Service (net)	5,412	-	5,412	137,658	-	137,658	143,070	144,898	-	144,898	1,828	139,784
H Criminal Cases Review Commission (net)	778	-	778	6,583	-	6,583	7,361	7,348	109	7,457	96	6,972
I Judicial Appointments Commission (net)	717	-	717	8,060	-	8,060	8,777	9,073	-	9,073	296	7,730
J Legal Services Board (net)	-	-	-	4,255	-	4,255	4,255	4,287	-	4,287	32	4,099
K Office for Legal Complaints (net)	-	-	-	15,056	-	15,056	15,056	15,317	-	15,317	261	13,757
L Parole Board (net)	3,157	-	3,157	19,982	-	19,982	23,139	24,304	-	24,304	1,165	21,507
M Youth Justice Board (net)	3,610	-	3,610	97,274	-	97,274	100,884	101,786	500	102,286	1,402	93,804
Gov Facility Services Limited (net)	-	-	-	(162)	-	(162)	(162)	1	-	1	163	(360)
N Independent Monitoring Authority (net)	2,963	-	2,963	1,863	-	1,863	4,826	5,577	-	5,577	751	4,011

	Resource Outturn							Estimate				Outturn
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs Estimate saving/ (excess)	2021-22 Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Total voted expenditure in DEL	**528,507**	**(47,287)**	**481,220**	**11,108,583**	**(1,641,814)**	**9,466,769**	**9,947,989**	**10,101,953**	**-**	**10,101,953**	**153,964**	**9,231,192**
Non-voted Expenditure												
O Higher judiciary judicial salaries	109	-	109	171,492	-	171,492	171,601	164,131	-	164,131	(7,470)	163,084
P Levy income – Legal Services Board and Office for Legal Complaints (CFER)	-	-	-	-	(19,390)	(19,390)	(19,390)	(19,604)	-	(19,604)	(214)	(17,804)
Total non-voted expenditure in DEL	**109**	**-**	**109**	**171,492**	**(19,390)**	**152,102**	**152,211**	**144,527**	**-**	**144,527**	**(7,684)**	**145,280**
Total Resource DEL Spending	**528,616**	**(47,287)**	**481,329**	**11,280,075**	**(1,661,204)**	**9,618,871**	**10,100,200**	**10,246,480**	**-**	**10,246,480**	**146,280**	**9,376,472**

	Resource Outturn							Estimate				Outturn
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs Estimate saving/ (excess)	2021-22 Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Spending in Annually Managed Expenditure (AME) limits Voted expenditure												
Q Policy, Corporate Services and Associated Offices	-	-	-	33,780	-	33,780	33,780	252,610	(56,071)	196,539	162,759	119,815
R HM Prison and Probation Service	-	-	-	13,654	-	13,654	13,654	201,000	-	201,000	187,346	104,637
S HM Courts and Tribunals Service	-	-	-	(97,907)	-	(97,907)	(97,907)	76,900	-	76,900	174,807	69,436
T Legal Aid Agency	-	-	-	122,684	-	122,684	122,684	67,000	55,684	122,684	-	39,570
U Criminal Injuries Compensation Authority	-	-	-	4,506		4,506	4,506	5,000	-	5,000	494	(10,613)
V Office of the Public Guardian	-	-	-	(838)	-	(838)	(838)	200	-	200	1,038	(29)
W Children and Family Court Advisory and Support Service (net)	-	-	-	25,375	-	25,375	25,375	30,300	-	30,300	4,925	26,925

	Resource Outturn							Estimate				Outturn
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs Estimate saving/ (excess)	2021-22 Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
X Criminal Cases Review Commission (net)	-	-	-	304	-	304	304	266	38	304	-	(73)
Y Judicial Appointments Commission (net)	-	-	-	(4)	-	(4)	(4)	1	-	1	5	10
Z Legal Services Board (net)	-	-	-	-	-	-	-	1	-	1	1	(74)
AA Office for Legal Complaints (net)	-	-	-	72	-	72	72	1	71	72	-	-
AB Parole Board (net)	-	-	-	167	-	167	167	50	117	167	-	31
AC Youth Justice Board (net)	-	-	-	(45)	-	(45)	(45)	100	-	100	145	(54)
AD Gov Facility Services Limited (net)	-	-	-	162	-	162	162	1	161	162	-	360
AE Independent Monitoring Authority (net)	-	-	-	-	-	-	-	1	-	1	1	-
Total Resource AME Spending	**-**	**-**	**-**	**101,910**	**-**	**101,910**	**101,910**	**633,431**	**-**	**633,431**	**531,521**	**349,941**
Total Resource	**528,616**	**(47,287)**	**481,329**	**11,381,985**	**(1,661,204)**	**9,720,781**	**10,202,110**	**10,879,911**	**-**	**10,879,911**	**677,801**	**9,726,413**

SOPS 1.2 Analysis of capital outturn by Estimate line

		Outturn			Estimate				Outturn
		Gross	Income	Net total	Total	Virements	Total including virements	Outturn vs Estimate saving/ (excess)	2021-22 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	367,902	(17,125)	350,777	392,054	(4,197)	387,857	37,080	426,544
B	HM Prison and Probation Service	792,136	(7,647)	784,489	843,966	-	843,966	59,477	496,903
C	HM Courts and Tribunals Service	215,497	(5,306)	210,191	207,014	3,177	210,191	-	483,338
D	Legal Aid Agency	3,443	-	3,443	2,569	874	3,443	-	3,416
E	Criminal Injuries Compensation Authority	57	-	57	100	-	100	43	104
F	Office of the Public Guardian	926	-	926	1,000	-	1,000	74	8,295
G	Children and Family Court Advisory and Support Service (net)	8,664	-	8,664	9,432	-	9,432	768	658
H	Criminal Cases Review Commission (net)	35	-	35	213	-	213	178	455
I	Judicial Appointments Commission (net)	-	-	-	1	-	1	1	117
J	Legal Services Board (net)	12	-	12	74	-	74	62	10
K	Office for Legal Complaints (net)	299	-	299	250	49	299	-	145
L	Parole Board (net)	246	-	246	290	-	290	44	235
M	Youth Justice Board (net)	637	-	637	600	37	637	-	598
	Gov Facility Services Limited (net)	-	-	-	1	-	1	1	-

		Outturn			Estimate				Outturn
		Gross	Income	Net total	Total	Virements	Total including virements	Outturn vs Estimate saving/ (excess)	2021-22 Prior year Outturn Total
		£000	£000	£000	£000	£000	£000	£000	£000
N	Independent Monitoring Authority (net)	61	-	61	1	60	61	-	40
Total voted expenditure in DEL		**1,389,915**	**(30,078)**	**1,359,837**	**1,457,565**	**-**	**1,457,565**	**97,728**	**1,420,858**
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		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Capital DEL Spending		**1,389,915**	**(30,078)**	**1,359,837**	**1,457,565**	**-**	**1,457,565**	**97,728**	**1,420,858**
Spending in Annually Managed Expenditure Limits (AME) Voted expenditure									
Q	Policy, Corporate Services and Associated Offices	4,896	-	4,896	20,700	(980)	19,720	14,824	3,555
R	HM Prison and Probation Service	-	-	-	1	-	1	1	1,340
S	HM Courts and Tribunals Service	(270)	-	(270)	2,500	-	2,500	2,770	3,919
T	Legal Aid Agency	251	-	251	1	250	251	-	90
U	Criminal Injuries Compensation Authority	395		395	-	395	395	-	-
V	Office of the Public Guardian	336	-	336	1	335	336	-	1,222
W	Children and Family Court Advisory and Support Service (net)	-	-	-	100	-	100	100	393

		Outturn			Estimate				Outturn
		Gross	Income	Net total	Total	Virements	Total including virements	Outturn vs Estimate saving/ (excess)	2021-22 Prior year Outturn Total
		£000	£000	£000	£000	£000	£000	£000	£000
X	Criminal Cases Review Commission (net)	-	-	-	1	-	1	1	27
Y	Judicial Appointments Commission (net)	-	-	-	-	-	-	-	-
Z	Legal Services Board (net)	-	-	-	-	-	-	-	-
AA	Office for Legal Complaints (net)	-	-	-	-	-	-	-	-
AB	Parole Board (net)	-	-	-	-	-	-	-	-
AC	Youth Justice Board (net)	-	-	-	-	-	-	-	-
AD	Gov Facility Services Limited (net)	-	-	-	-	-	-	-	-
AE	Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	-	-	-	-	-
Total Capital AME Spending		**5,608**	**-**	**5,608**	**23,304**	**-**	**23,304**	**17,696**	**10,546**
Total Capital		**1,395,523**	**(30,078)**	**1,365,445**	**1,480,869**	**-**	**1,480,869**	**115,424**	**1,431,404**

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

	Note	2022-23 Outturn Total £000	2021-22 Outturn Total £000
Total resource outturn in SOPS			
Voted DEL	SOPS 1.1	9,947,989	9,231,192
Non-voted DEL	SOPS 1.1	152,211	145,280
Total DEL		10,100,200	9,376,472
Total AME	SOPS 1.1	101,910	349,941
		10,202,110	**9,726,413**
Add:			
Capital grants (net of EU contributions)		13,506	(1)
Other			
Research costs classified as capital under ESA 10		6,946	2,873
Other costs and income transferred to capital		-	29
		20,452	**2,901**
Less:			
Income payable to the Consolidated Fund (excluding non-voted levy income)		(1,552)	(2,820)
Private Finance Initiative adjustments		2,150	32,471
		598	**29,651**
Net operating expenditure in CSoCNE		**10,223,160**	**9,758,965**

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 SOCNE, but is non-budget spend and therefore does not appear in the SOPS.

Regularity of expenditure

This section has been subject to audit.

Losses and special payments

Losses statement

	31 March 2023		31 March 2022	
Values	**Core department and agencies**	**Departmental group**	**Core department and agencies**	**Departmental group**
	£000	**£000**	**£000**	**£000**
Cash losses	750	750	242	242
Claims abandoned	198	198	176	176
Administrative write-offs	10,350	10,374	7,624	7,625
Fruitless payments	3	3	10,265	10,265
Store losses	2,222	2,222	2,184	2,184
Constructive losses	3,702	3,704	5,660	5,660
Total value of losses	**17,225**	**17,251**	**26,151**	**26,152**

	31 March 2023		31 March 2022	
Numbers	**Core department and agencies**	**Departmental group**	**Core department and agencies**	**Departmental group**
Cash losses	5,183	5,183	1,031	1,031
Claims abandoned	13	13	55	55
Administrative write-offs	4,348	4,350	4,313	4,318
Fruitless payments	6	6	4	4
Store losses	15,736	15,736	16,648	16,648
Constructive losses	3	4	4	4
Total number of losses	**25,289**	**25,292**	**22,055**	**22,060**

In 2022-23 there were seven losses (2021-22: six) over £300,000 as follows.

In HMPPS, work carried out in relation to developing a new Public Protection Unit database (PPUD) has been permanently halted. This resulted in a constructive loss of £2.7 million.

In LAA, a recovery of defence costs order debt of £1 million has been written off during the year. Our assessment is that further action will not lead to recovery of the debt and therefore the loss has been crystallised in 2022-23.

In LAA, £606,000 has been written off in relation to a provider firm that has ceased trading and gone into liquidation. The debt relates to previous Payments on Account for which final bills have not been received.

There were two losses in CICA totalling £1 million relating to the write down of intangible assets under construction to nil, following decisions in a prior year to change the approach to the projects involved.

In HMCTS there was an agreed change of scope in the reformed Adoption project which has resulted in some of the development work on the functionality of the asset no longer being planned for use, leading to £873,000 of spend being a constructive loss.

In MoJ, £432,000 of legacy receivables that arose from staff transfers to other government departments was written off.

Special payments

	31 March 2023		31 March 2022	
Values	**Core department and agencies**	**Departmental group**	**Core department and agencies**	**Departmental group**
	£000	**£000**	**£000**	**£000**
Compensation payments	28,733	29,078	26,320	26,459
Ex gratia	2,397	2,463	2,921	2,953
Extra-contractual payments	6	6	25,058	25,058
Total value of special payments	**31,136**	**31,547**	**54,299**	**54,470**

	31 March 2023		31 March 2022	
Numbers	**Core department and agencies**	**Departmental group**	**Core department and agencies**	**Departmental group**
Compensation payments	7,117	7,251	6,768	6,893
Ex gratia	10,489	10,506	8,694	8,702
Extra-contractual payments	116	116	357	357
Total number of special payments	**17,722**	**17,873**	**15,819**	**15,952**

In 2022-23 there were thirteen (2021-22: eight) special payments over £300,000.

In HMPPS, four compensation payments were made to operational members of staff : £1,000,000; £451,531; £442,305; £400,000; five to prisoners: £1,150,000; £1,066,967; £471,130; £431,255; £351,000; and two third-party legal claims: £645,000; £435,000.

In MoJ, two payments were made to media organisations to reimburse them for success fees paid to 'no win, no fee' lawyers. The recoverability of success fees in defamation cases ended following a European Court ruling and the introduction of the Legal Aid, Sentencing and Punishment of Offenders Act 2012. MoJ did not change the rules on the payment of success fees in defamation cases until 2019. MoJ have reimbursed success fees paid in the intervening period: £750,000; £502,000.

Charitable donations

HMCTS made charitable donations totalling £25,000 in 2022-23 (2021-22: £25,000). These donations were made to organisations to support activities related to HMCTS's operations.

Publicity and advertising

The department spent £3,120,675 on publicity and advertising in 2022-23 (£824,260 in 2021-22).

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#2023

Fees and charges

This section has been subject to audit.

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

					2022-23	2021-22
	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	31,625	31,625	-	100%	100%	55%
Official Solicitor and Public Trustee						
Litigation	1,473	8,001	(6,528)	18%	18%	18%
Trust and Estates	322	356	(34)	90%	90%	140%
HM Courts and Tribunals Service						
Family	204,984	311,803	(106,819)	66%	100%	54%
Civil	516,531	556,757	(40,226)	93%	100%	87%
Asylum and Immigration	4,500	102,869	(98,369)	4%	0%	5%
Other	1,451	16,757	(15,306)	9%	0%	7%
Office of the Public Guardian	85,245	87,148	(1,903)	98%	100%	89%
Legal Services Board	4,260	4,260	-	100%	100%	100%
Office for Legal Complaints	15,316	15,316	-	100%	100%	100%
Family fee refunds - New Burden Settlement	(1,577)	-	(1,577)	-	-	-
HMCTS - Employment tribunal refunds	(68)	-	(68)	-	-	-
HMCTS CTLO Fee refunds and interest paid	(2,066)	-	(2,066)	-	-	-
HMCTS - Other fee refunds	(1,242)	-	(1,242)	-	-	-
HMCTS - Movement in fee refunds provision	2,615	-	2,615	-	-	-
Total	**863,369**	**1,134,892**	**(271,523)**			

Fee charging segments

Operating Segment	Details
Office of the Accountant General (OAG)	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. OSPT 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 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 and 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 on 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

This section has been subject to audit.

As required by Managing Public Money, in addition to contingent liabilities disclosed in accordance with IAS 37 in Note 26 to the accounts, HMPPS discloses, for Parliamentary reporting and accountability purposes, certain statutory and non-statutory contingent liabilities where the likelihood of transfer of economic benefit is remote.

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 HMPPS. 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

24 November 2023

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 2023 under the Government Resources and Accounts Act 2000. The department comprises the core department and its executive 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 2022. The financial statements comprise the department's and the departmental group's:

- Statement of Financial Position as at 31 March 2023;
- 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 2023 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 Outturn against of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2023 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022).* 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 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.

The framework of authorities described in the table below has been considered in the context of my opinion on regularity.

Framework of authorities	
Authorising legislation	Government Resources and Accounts Act 2000
Parliamentary authorities	Supply and Appropriations Act 2022
HM Treasury and related authorities	Managing Public Money

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 or 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.

Overview of my audit approach

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

I have determined that there are no other key audit matters to communicate in my certificate and report.

I consider the following areas to be of particular audit focus to be those areas that had the greatest effect on my overall audit strategy, the allocation of resources in my audit and directing the efforts of the audit team in the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed around the mandatory audit risk on the potential for management override of controls; fraud in revenue recognition, and the potential impairment of intangibles where my work has not identified any matters to report.

The key audit matters were discussed with the Audit and Risk Assurance Committee.

1. Value of defined benefit pension liabilities

Description of risk

The department and group has highly material defined benefit pension liabilities including HMPPS's share of the net asset of the Greater Manchester Pension Fund (GMPF) valued at £199 million; Cafcass's share of the net liability of the West Yorkshire Pension Fund (WYPF) valued at £12 million; and the net asset of Legal Services Commission Staff Pension Scheme valued at £66 million.

Significant estimates are made in determining the key assumptions used in valuing the group's gross defined benefit pension scheme obligations. When making these assumptions management take independent actuarial advice relating to their appropriateness.

A small change in assumptions and estimates can have a material financial impact on the group's gross defined benefit pension obligations.

The most significant assumptions are discount rate, inflation rate and mortality/life expectancy. As part of my risk assessment, I determined that the gross defined benefit pension scheme obligations have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than my materiality for the financial statements, which is the reason why I considered it a key matter for my audit. The financial statements (note 25) disclose the sensitivity estimated and the key judgments made by the department.

How the scope of my audit responded to the risk

For these pension schemes, my procedures included:

- **Benchmarking assumptions:** Challenging, with the support of actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data in the context of market practice and the macroeconomic uncertainties.
- **Methodology assessment:** my actuarial specialists reviewed the schemes' triennial valuation, considering the implications over the accounting estimate and demographic assumptions. Specifically, I considered whether it was appropriate to recognise the surplus calculated by the actuaries of the Greater Manchester Pension Fund, which resulted in an adjustment to the financial statements. The judgments supporting this conclusion are noted on pages 247 to 248.
- **Assessing transparency:** Considering the adequacy of the group's disclosures in respect of the sensitivity of the deficit to these assumptions.

Key observations

Following the adjustment noted above, I am satisfied that the amounts recognised within the financial statements are appropriate.

2. Valuation of property

Description of risk

The group owns significant property valued at £12.4 billion; which includes prison and probation estate (£8.7 billion) and courts estate (£3.7 billion). The majority of the group's estate is considered specialised and is valued on a Depreciated Replacement Cost basis.

The valuation of this property requires significant judgement and estimation by management and its external valuers the Valuation Office Agency. Inaccuracies in inputs or unreasonable bases used in these judgements (namely in respect of determining the modern equivalent asset; the level of obsolescence and applying the correct gross internal area) could result in a material misstatement of the Statement of Financial Position.

How the scope of my audit responded to the risk

In response to the risk over the valuation of property, I:

- Obtained an understanding of the group's processes and controls around the valuation of properties;
- Evaluated the competence of the group's external valuers, the Valuation Office Agency (VOA), which included consideration of its qualifications and expertise;
- Met with VOA to discuss its valuation approach and the judgements it made in assessing the property valuation. Such judgements included, for DRC valuations: the MEA (Modern Equivalent Asset), building costs, floor areas and obsolescence, and for Existing Use Valuations: the method of valuation used and other assumptions that impact the value;
- Assessed and challenged these judgements made by VOA considering the macro-economic conditions and climate change. This included considering the potential impact on the values caused by the presence of (Reinforced autoclaved aerated concrete) RAAC in the estate. As disclosed in note 30, management consider that the impact of RAAC on the valuations is unlikely to be material to the financial statements. I have considered the results of the surveys and other work completed to date and whilst there remains uncertainty over the final impact, I agree with management's conclusions;
- Selected a sample of properties based on a number of factors including size and risk. For this sample of properties, I tested source documentation provided by the group to VOA. This included validating relevant floor area data to relevant sources of evidence including a sample of site visits;
- Engaged valuation experts who reviewed and challenged the valuation approach and assumptions for the same sample of properties. My experts have, reviewed the key inputs adopted by the VOA in its valuation calculations, and confirmed that the valuation methodology used is consistent with the RICS Valuation Standards and the FReM. This included specific consideration of updated beacon costs used by the VOA to determine the value of the prison estate; and
- Assessed the adequacy of the disclosures of estimates and valuation assumptions in note 1.7 that were made in accordance with IFRS 13 – Fair Value Measurement.

Key observations

I am satisfied that the amounts recognised within the financial statements are appropriate.

3. Legal Aid Agency: Valuation of net receivables

Description of risk

The Legal Aid Agency (LAA) recognises receivables for contributions towards legal aid costs and overpayments to legal aid providers, with gross fund receivables of £422 million. LAA does not expect to recover all of these and has recognised an impairment of £248 million to reflect this. There are two categories of these receivables:

- Receivables held at amortised cost are debts owed to LAA by providers and funded clients and recovery of costs and damages. Impairment for these amounted to £207 million against gross debt of £281 million at 31 March 2023. A number of assumptions are made within the models used to calculate the value of impairment and there is significant estimation uncertainty in the recoverability of these debts;
- Receivables held at fair value through profit and loss are debts owed to LAA by funded clients on civil schemes that are secured by a charge against a property. The calculation of the fair value of these receivables is based on unobservable inputs, which results in significant estimation uncertainty.

How the scope of my audit responded to the risk

In response to this risk, I:

- Assessed the design and implementation of controls that management has in place over each of the models used to calculate recoverability of debt. These controls include management's challenge of the assumptions behind the different models; assurance processes over the data inputs and flows within the model; governance processes over the model and any changes to the model during the year; and retrospective review, where applicable;
- Reviewed the key assumptions applied to each of the models, and assessed whether these are reasonable and complete;
- Assessed the appropriateness of the methodology used;
- Understood management's assessment of macroeconomic factors on the expected credit losses for the assets held at amortised cost and on the fair value of other assets. I assessed whether this is reasonable particularly in light of outcomes against prior year estimates;
- Tested the completeness and accuracy of the historic caseload data inputs entered drawing upon IT audit specialists to review the extraction of data;
- Tested the logical integrity of the model, through reperformance of the calculation and the key sensitivity analysis;
- Reviewed the adequacy of the disclosures including the sensitivity analysis in note 20 of the financial statements.

Key observations

I am satisfied that the amounts recognised within the financial statements are appropriate.

4. Group provisions

Description of risk

The group has a provisions balance of £1.56 billion. This balance is made up of a number of different liabilities with different inherent risks. The most significant liability is for the value of unbilled work completed by legal aid providers (£830 million). This liability is calculated based on different models for each Legal Aid stream. The underlying models and methodology used for these provisions is complex and are based on assumptions about the operation of the legal aid market and courts. As part of my risk assessment, I determined that these provisions for work in progress have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than my materiality for the financial statements. The financial statements (note 20) disclose the sensitivity estimated by the group.

The remaining balance of provisions that I considered to be a key audit matter are injury benefit schemes; legal claims and criminal injuries compensation.

How the scope of my audit responded to the risk

In respect of the Legal Aid work in progress provisions, I have:

- Reviewed the key assumptions which are applied within each of the underlying models and assessed whether these are reasonable and complete;
- Understood the changes in assumptions from the prior year and assess whether these are reasonable and complete, in light of outcomes against prior year estimates. I paid particular attention to how management modelled the impact of COVID-19 on the progress of cases through the courts;
- Tested the completeness and accuracy of the data inputs and drawing upon the work of IT audit specialists;
- Reviewed the results of post date analysis for the prior year model;
- Using modelling experts, tested the logical integrity of the models including independently recalculating the output;
- Reviewed the adequacy of the disclosures including the sensitivity analysis in note 20 of the financial statements.

Across the other provisions balances I performed procedures as appropriate focussing on data inputs, assumptions, calculations and disclosures.

Key observations

I am satisfied that the amounts recognised within the financial statements are appropriate.

5. Valuation of lease liabilities

Description of risk

In 2021-22, the group adopted the new leasing standard, IFRS 16 for the first time. The group now holds £1.48 billion of lease liabilities across a broad portfolio of assets, mostly in the court estate alongside related right of use assets of £1.41 billion.

The lease liabilities are subject to valuation risk because they are dependent on a number of assumptions, for example whether management may exercise a break clause or how management has estimated the term of leases where the contract has expired. These assumptions change depending on the group's strategy for its property and require re-assessment each year. Given that changes in these assumptions can have a material impact of the accounts, I have identified the value of lease liabilities as a significant risk.

The group are currently using an offline solution to manage its lease portfolio before a digital system is implemented in 2023-24, which increases the risk of error.

How the scope of my audit responded to the risk

In response to this risk, I have:

- Assessed the design and implementation of relevant controls over the leasing model;
- Reviewed a sample of new and modified leases in year, including the completeness of new leases;
- Tested the lease model and confirmed that it calculates the lease liability appropriately;
- Reviewed the key assumptions applied in the model and assessed whether these were reasonable and complete;
- Evaluated how management has addressed estimation uncertainty in relation to the values and its consideration of alternative assumptions and inputs in its estimate; and
- Assessed the adequacy of disclosures (note 1.11), including the sufficiency of disclosures in relation to estimation uncertainty.

Key observations

I am satisfied that the amounts recognised within the financial statements are appropriate.

Application of materiality

Materiality

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement or irregularity.

A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

Based on my professional judgement, I determined overall materiality for the department and its group's financial statements as a whole as follows:

	Departmental group	Department
Materiality	£110 million	£100 million
Basis for determining materiality	1% of expenditure (Group)	1% of expenditure (Core department and agencies)
Rationale for the benchmark applied	The expenditure of the group on activities to support the criminal justice system is of significant user interest.	As with the group, expenditure is key to the ability for the Ministry of Justice to deliver their key functions.

Performance Materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Group performance materiality was set at 75% of group materiality for the 2022-23 audit (2021-22: 75%). In determining performance materiality, I have also considered the uncorrected misstatements identified in the previous period.

Other Materiality Considerations

As well as quantitative materiality there are certain matters that, by their very nature, would if not corrected influence the decisions of users, for example, any errors reported in the Accountability Report. Assessment of such matters would need to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

I applied the same concept of materiality to my audit of regularity. In planning and performing audit work in support of my opinion on regularity and evaluating the impact of any irregular transactions, I took into account both quantitative and qualitative aspects that I consider would reasonably influence the decisions of users of the financial statements.

Error Reporting Threshold

I agreed with the Audit and Risk Assurance Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £300,000, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also report to the Audit and Risk Assurance Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

Total unadjusted audit differences reported to the Audit and Risk Assurance Committee would have decreased net expenditure by £39.7 million, decreased net assets by £33.3 million and decreased reserves by £73 million.

Audit scope

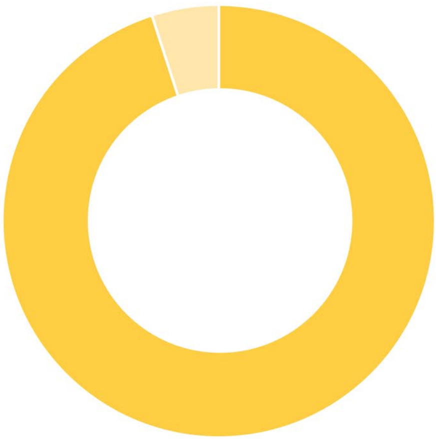
The scope of my group audit was determined by obtaining an understanding of the department and its group and their environment, including group-wide controls, and assessing the risks of material misstatement at the group level.

The departmental group incurred operating expenditure of £11.9 billion. The group's largest components are HM Prisons and Probation Service; HM Courts and Tribunal Service (HMCTS); the Legal Aid Agency and the core department.

I have audited the full financial information of the core department, as well as the group consolidation. The audits of the above significant components, which are overseen by the same engagement director, were complete at the time of my completion of the group audit.

In addition, specific work was performed on the Criminal Injuries Compensation Authority tariff scheme provision; the recoveries collected by the HMCTS Trust Statement and accounted for as income within the group account; and the pension liabilities of Children and Family Courts Advisory Service. As group auditor, I have gained assurance from the auditors of the significant and material components and engaged regularly on the group significant risks.

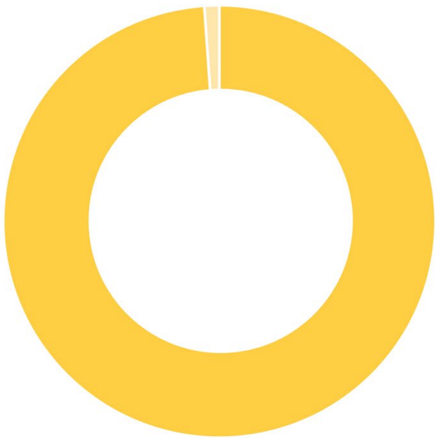
I covered 97% of the group's gross expenditure and 99% of the group's gross assets through audit work on significant components, with the remainder covered by analytical procedures performed on non-significant components. For most of these non-significant components, the audit of the financial information was either completed or sufficiently well progressed to give me the evidence I needed for my opinion on the group financial statements as a whole.



Gross expenditure of significant components of the Ministry of Justice group (as at 31 March 2023)

Significant components by size or risk (HMPPS, HMCTS, Legal Aid Agency, Core department, Cafcass and CICA) 97%

Non-significant components 3%



Gross assets of the significant components of the Ministry of Justice group (as at 31 March 2023)

Significant components by size or risk (HMPPS, HMCTS, Legal Aid Agency, Core department, Cafcass and CICA) 99%

Non-significant components 1%

Other Information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate and report thereon. 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 department and its group and their environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- I have not received all of the information and explanations I require for my audit;
- adequate accounting records have not been kept by the department and its group or returns adequate for my audit have not been received from branches not visited by my staff;
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns;
- 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;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the department and its group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- 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, I 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 2022
- 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 its 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 2022, 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 Assurance 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

27 November 2023

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 2023

		2022-23		2021-22	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Revenue from contracts with customers	3	(1,627,932)	(1,646,704)	(1,545,561)	(1,562,306)
Other operating income	4	(64,091)	(64,332)	(73,244)	(73,243)
Total operating income		**(1,692,023)**	**(1,711,036)**	**(1,618,805)**	**(1,635,549)**
Staff costs	5	4,303,449	4,563,183	3,895,744	4,148,577
Judicial costs	5	642,224	642,224	613,506	613,506
Purchase of goods and services	6	2,612,076	2,498,230	2,398,237	2,275,220
Depreciation, amortisation and impairment	7	795,474	801,826	819,589	825,891
Legal Aid funded provisions	8	1,924,930	1,924,930	1,742,315	1,742,315
Other provision expenses	8	85,751	86,495	273,921	273,664
Net (gain)/loss on disposal of assets	9	(12,750)	(12,719)	743	898
Revaluation of non-current and financial assets	10	(14,826)	(14,829)	63,234	63,234
Other operating expenditure	11	1,493,014	1,362,591	1,450,596	1,355,939
Total operating expenditure		**11,829,342**	**11,851,931**	**11,257,885**	**11,299,244**
Net operating expenditure before financing		**10,137,319**	**10,140,895**	**9,639,080**	**9,663,695**

		2022-23		2021-22	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Finance income		(3)	(3)	-	-
Finance expense	12	77,122	83,461	85,018	91,585
Borrowing cost on provisions		(1,238)	(1,238)	3,685	3,685
Net operating expenditure before tax		**10,213,200**	**10,223,115**	**9,727,783**	**9,758,965**
Taxation		-	45	-	-
Net expenditure for the year		**10,213,200**	**10,223,160**	**9,727,783**	**9,758,965**
Other comprehensive net expenditure					
Items that will not be reclassified to operating expenditure:					
Net (gain)/loss on revaluation of:					
Property, plant and equipment		(806,167)	(806,195)	(708,990)	(708,978)
Right of use assets		(19,728)	(19,728)	87,391	87,391
Intangible assets		(9,292)	(9,427)	2,134	2,054
Assets for sale		509	509	23	23
Remeasurement of pension schemes:					
Cafcass pension scheme		-	(249,322)	-	(108,268)
LSC pension scheme		48,529	48,529	(22,359)	(22,359)
By-analogy pension schemes		(41)	(1,443)	47	420
Probation pension schemes		(1,969,664)	(1,969,664)	(950,558)	(950,558)
Total comprehensive net expenditure for the year		**7,457,346**	**7,216,419**	**8,135,471**	**8,058,690**

The notes on pages 169 to 254 form part of these accounts.

Consolidated Statement of Financial Position

as at 31 March 2023

		2022-23		2021-22	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	13	14,608,419	14,611,560	13,240,377	13,242,745
Right of use assets	14	1,391,228	1,405,091	1,423,393	1,432,506
Intangible assets	15	715,025	721,987	654,373	663,093
Investments		382	382	381	381
LSC pension net asset	25	66,421	66,421	112,462	112,462
Probation pension surplus	25	198,982	198,982	-	-
Trade and other receivables	17	122,254	122,258	188,532	188,537
Total non-current assets		**17,102,711**	**17,126,681**	**15,619,518**	**15,639,724**
Current assets					
Assets held for sale	16	9,115	9,115	6,465	6,465
Inventories		65,174	66,663	55,089	56,420
Trade and other receivables	17	499,173	501,605	475,591	479,255
Cash and cash equivalents	18	302,793	359,382	181,685	222,894
Total current assets		**876,255**	**936,765**	**718,830**	**765,034**
Total assets		**17,978,966**	**18,063,446**	**16,338,348**	**16,404,758**
Current liabilities					
Trade and other payables	19	(1,780,290)	(1,778,719)	(1,623,571)	(1,645,624)
Financial liabilities	19	(167,460)	(169,803)	(177,525)	(179,566)
Provisions	20	(1,076,090)	(1,079,836)	(916,691)	(920,237)
Total current liabilities		**(3,023,840)**	**(3,028,358)**	**(2,717,787)**	**(2,745,427)**
Total assets less current liabilities		**14,955,126**	**15,035,088**	**13,620,561**	**13,659,331**

		2022-23		2021-22	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Non-current liabilities					
Trade and other payables	19	(37,356)	(38,314)	(37,034)	(38,144)
Other financial liabilities	19	(1,595,529)	(1,607,470)	(1,727,659)	(1,735,024)
Provisions	20	(504,570)	(505,877)	(695,004)	(695,803)
Cafcass pension net liability	25	-	(12,083)	-	(236,267)
By-analogy pension liabilities		(1,208)	(6,476)	(1,391)	(8,274)
Probation pension net liability	25	-	-	(1,630,843)	(1,630,843)
Total non-current liabilities		**(2,138,663)**	**(2,170,220)**	**(4,091,931)**	**(4,344,355)**
Assets less liabilities		**12,816,463**	**12,864,868**	**9,528,630**	**9,314,976**
Taxpayers' equity					
General fund		7,857,199	7,904,979	5,241,581	5,026,974
Revaluation reserve		4,959,264	4,959,889	4,287,049	4,288,002
Total taxpayers' equity		**12,816,463**	**12,864,868**	**9,528,630**	**9,314,976**

The notes on pages 169 to 254 form part of these accounts.

Antonia Romeo
Principal Accounting Officer

24 November 2023

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

		2022-23		2021-22	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Net expenditure	CSoCNE	(10,213,200)	(10,223,160)	(9,727,783)	(9,758,965)
Adjustments for non-cash transactions		2,840,748	2,858,221	1,547,172	1,552,009
Finance expense	12	34,860	34,941	37,392	37,390
Movements in pensions		90,187	108,854	110,068	130,843
(Increase)/decrease in trade and other receivables	17	42,696	43,929	(114,750)	(114,657)
Less: movements in receivables not passing through the CSoCNE and receivable impairments		(74,643)	(74,647)	(13,090)	(13,085)
(Increase) in inventories		(10,085)	(10,243)	(297)	(415)
Increase/(decrease) in trade and other payables	19	157,041	133,265	(162,600)	(174,444)
Less: movements in payables relating to items not passing through the CSoCNE		(131,109)	(113,710)	34,127	33,365
Increase/(decrease) in other financial liabilities	19	(142,195)	(137,317)	1,335,737	1,347,704
Less: movements in other financial liabilities relating to items not passing through the CSoCNE		142,195	137,317	-	-
Utilisation of provisions	20	(2,047,896)	(2,048,096)	(1,984,899)	(1,985,172)
Intra-departmental adjustment through SoCiTE (between MoJ core and agencies)		(1,996)	(2,617)	(7,689)	(7,912)
Other			-	2	-
Net cash outflow from operating activities		**(9,313,397)**	**(9,293,263)**	**(8,946,610)**	**(8,953,339)**

		2022-23		2021-22	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Cash flows from investing activities					
Purchase of property, plant and equipment	13	(1,137,498)	(1,139,170)	(1,180,664)	(1,181,348)
Purchase of intangible assets	15	(106,323)	(107,290)	(139,049)	(139,968)
New PFI liabilities in year		-	-	41,538	41,538
Adjust for increase in capital payables		11,436	11,411	12,008	12,033
Proceeds on disposal of property, plant and equipment		6,371	6,371	1,094	1,140
Proceeds on disposal of intangible assets		-	2	625	626
Proceeds on disposal of assets held for sale		2,613	2,613	3,402	3,402
Net cash outflow from investing activities		**(1,223,401)**	**(1,226,063)**	**(1,261,046)**	**(1,262,577)**
Cash flows from financing activities					
From the Consolidated Fund (Supply)		10,720,000	10,720,000	10,089,757	10,089,757
From the Consolidated Fund (non-Supply)		171,583	171,583	163,084	163,084
Capital element of finance leases and on-balance sheet PFI contracts		(175,785)	(177,796)	(21,307)	(23,868)
Repayment of local authority loans		(1,529)	(1,529)	(1,600)	(1,600)
Interest paid		(34,860)	(34,941)	(37,392)	(37,390)
Net cash inflow from financing activities		**10,679,409**	**10,677,317**	**10,192,542**	**10,189,983**

		2022-23		2021-22	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**142,611**	**157,991**	**(15,114)**	**(25,933)**
Payments of amounts due to the Consolidated Fund		(21,503)	(21,503)	(17,791)	(17,791)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**121,108**	**136,488**	**(32,905)**	**(43,724)**
Cash and cash equivalents at the beginning of the period	**18**	**181,685**	**222,894**	**214,590**	**266,618**
Cash and cash equivalents at the end of the period	**18**	**302,793**	**359,382**	**181,685**	**222,894**

The notes on pages 169 to 254 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2023

		Core department and agencies			Departmental group		
		General fund	Revaluation reserve	Total reserves	General fund	Revaluation reserve	Total reserves
	Note	£000	£000	£000	£000	£000	£000
Balance at 1 April 2022		**5,241,581**	**4,287,049**	**9,528,630**	**5,026,974**	**4,288,002**	**9,314,976**
Net Parliamentary Funding – drawn down		10,720,000	-	10,720,000	10,720,000	-	10,720,000
Net Parliamentary Funding – deemed		179,503	-	179,503	179,503	-	179,503
Unspent Supply drawn down repayable to the Consolidated Fund		(283,368)	-	(283,368)	(283,368)	-	(283,368)
Consolidated Fund Standing Services							
- Judicial salaries		165,062	-	165,062	165,062	-	165,062
- Lord Chancellor's salary		91	-	91	91	-	91
- Utilisation of Judicial Service Award		6,430	-	6,430	6,430	-	6,430
CFERs payable to the Consolidated Fund		(20,942)	-	(20,942)	(20,942)	-	(20,942)
Net expenditure for the year	CSoCNE	(10,213,200)	-	(10,213,200)	(10,223,160)	-	(10,223,160)
Net gain/(loss) on revaluation of							
- Property, plant and equipment		-	806,167	806,167	-	806,195	806,195
- Right of use assets		-	19,728	19,728	-	19,728	19,728
- Intangible assets		-	9,292	9,292	-	9,427	9,427
- Assets held for sale		-	(509)	(509)	-	(509)	(509)

		Core department and agencies			Departmental group		
		General fund	Revaluation reserve	Total reserves	General fund	Revaluation reserve	Total reserves
	Note	£000	£000	£000	£000	£000	£000
Remeasurement of pension schemes							
- Cafcass pension scheme	25	-	-	-	249,322	-	249,322
- LSC pension scheme	25	(48,529)	-	(48,529)	(48,529)	-	(48,529)
- By-analogy pension schemes		41	-	41	1,443	-	1,443
- Probation pension schemes	25	1,969,664	-	1,969,664	1,969,664	-	1,969,664
Non-cash adjustment							
- Auditor's remuneration	6	1,973	-	1,973	1,973	-	1,973
- Corporate overhead recharges	11	(3,722)	-	(3,722)	-	-	-
Movements in reserves							
- Transfers from revaluation reserve		162,414	(162,414)	-	162,758	(162,758)	-
- Absorption accounting transfers between reserves		-	-	-	147	(147)	-
Other movements							
Adjustment in respect of prior periods		-	-	-	(58)	-	(58)
Prior year OLC and LSB CFER		(17,804)	-	(17,804)	227	-	227
Other		(1,995)	(49)	(2,044)	(2,558)	(49)	(2,607)
Balance at 31 March 2023		**7,857,199**	**4,959,264**	**12,816,463**	**7,904,979**	**4,959,889**	**12,864,868**

Consolidated Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2022

		Core department and agencies			Departmental group		
		General fund	Revaluation reserve	Total reserves	General fund	Revaluation reserve	Total reserves
	Note	£000	£000	£000	£000	£000	£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
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)

		Core department and agencies			Departmental group		
		General fund	Revaluation reserve	Total reserves	General fund	Revaluation reserve	Total reserves
	Note	£000	£000	£000	£000	£000	£000
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
Non-cash adjustment							
- Auditor's remuneration	6	1,707	-	1,707	1,707	-	1,707
- Corporate overhead recharges	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**

The notes on pages 169 to 254 form part of these accounts.

Notes to the accounts for the year ended 31 March 2023

1a) Statement of accounting policies

1.1 Basis of preparation

These accounts have been prepared in accordance with the ***Government Financial Reporting Manual (FReM) 2022-23*** 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.

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

The preparation of the accounts in conformity with IFRS requires the use of certain critical accounting estimates (see Note 1b).

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

The financial reporting framework applicable to Government bodies, derived from the HM Treasury Government Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of 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 liabilities 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 2022-23 (none in 2021-22).

1.6 Changes in accounting policy and disclosures

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2022 and not early adopted

IFRS 17 Insurance Contracts requires a discounted cash flow approach to accounting for insurance contracts. IFRS 17 is to be applied by entities for accounting periods beginning on or after 1 January 2023. The earliest implementation date in central government is 1 April 2025. 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 is initially recognised at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Such expenditure is capitalised where:

- the asset is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow, or service potential be provided, to us
- it is expected that the asset will be used for more than one financial year, and
- the cost of the asset can be measured reliably

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. All thresholds include irrecoverable VAT.

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.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

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 expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the group and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised.

Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the CSoCNE during the financial year in which it is incurred.

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. These are primarily undertaken by the Valuation Office Agency (VOA) using the Royal Institution of Chartered Surveyors (RICS) appraisal and valuation manual, known as the 'Red Book'.

In between professional valuations, carrying values are adjusted by the application of indices or through desktop valuations for which different indices are applied depending on the assets. This ensures that carrying values are not materially different from those that would be determined at the end of the reporting period. For buildings the index applied is the Building Cost Information Service Construction data tender price index (TPI) that reflects price changes in the construction sector and is a good indicator of price pressure in building contracts in the UK.

Criminal courts, prisons and some parts of the probation estate are mostly classified as specialised buildings which cannot be sold on the open market. For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis in accordance with the FReM and RICS guidance, taking into account the functional obsolescence of the property and other assumptions. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided.

Non-specialised properties are valued based on existing use or market value where there is an open market valuation for such properties.

Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back-office functions) are measured at their current value in existing use.

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

Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are valued at current value in existing use where there are restrictions which would prevent access to the market at the reporting date. If we can access the market, then the surplus asset is valued at fair value in accordance with IFRS 13 Fair Value Measurement.

Assets are revalued and depreciation commences when the assets are brought into use. IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

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

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

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 life or 3 to 15 years
Plant and equipment	Shorter of remaining life or 3 to 15 years
Furniture, fixtures and fittings	Shorter of remaining life 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 MoJ 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*** MoJ reviews the useful economic lives of its intangible assets each financial year.

MoJ 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.

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

As at 31 March 2023, we did not identify any software as a service (SAAS), or any other cloud-based, right of use assets.

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

Subsequent to initial recognition, intangible assets are measured at fair value. As no active market exists for MoJ's intangible assets, fair value is assessed as replacement cost less any accumulated amortisation and impairment losses (i.e. depreciated replacement cost).

Intangible assets in service are re-measured at the end of each reporting period using the producer price index issued 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, MoJ 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. The recoverable amount of an asset is the higher of its 'fair value less costs to sell' and 'value in use' (as defined above).

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.

At each reporting date we review impairment losses recognised in previous years. 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 was adopted by most government bodies reporting under the FReM from 1 April 2022. However, HM Treasury permitted MoJ to early adopt the standard from 1 April 2021. IFRS 16 introduced a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases (apart from 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 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
- incorporate the right to obtain substantially all the economic benefits from the asset throughout the period of use, and
- the department has the right 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.

MoJ defines the lease term as the non-cancellable period for which a lessee has the right to use an underlying asset, together with both:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option

When making the above assessments, MoJ excludes two types of leases:

- 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, and
- contracts whose term is less than 12 months

At inception or on reassessment of a contract that contains a lease component, MoJ assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. MoJ reassesses this if there are significant events or changes in circumstances that were not anticipated. In the event that a lease contract has expired, but MoJ remains in occupation pending negotiations for a renewed term, the lease term has been measured as the estimated time until the new contract will be agreed.

Initial recognition – the departmental group as lessee

At the commencement of a lease, the department recognises a right of use asset and a lease liability. Under HM Treasury's IFRS 16 Application Guidance, irrecoverable VAT on lease payments is not included in the initial measurement of right of use assets and lease liabilities. Where rental invoices state that the charge is exempt from VAT, the full amount is included in the lease liability.

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 (0.95% for leases that commenced, transitioned or were remeasured in the calendar year 2022, 3.51% for those commencing or remeasured in 2023).

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***.

Where a lease includes variable lease payments tied to an inflation index, this is included in the measurement by inflating using HMT CPI inflation rates as published in the Public Expenditure System (PES) Papers for the relevant year. This is the approach set out in the FReM IFRS 16 Application Guidance.

Right of use asset

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, upon transition, as notional income.

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.

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 also 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 is 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 either by:

- recalculating the lease term under any new contract terms, taking account of the reasonable certainty or otherwise of exercising an option; or
- applying a new discount rate where applicable.

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.

Estimates and judgements

In assessing the lease MoJ needs to make 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
- MoJ 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
- MoJ 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
- MoJ 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. Non- property leases include assets such as vehicles and IT equipment

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. MoJ defines such arrangements as SCAs if they meet the conditions set out in the FReM and ***IFRIC 12 Service Concession Arrangements***.

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

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

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

For budgeting purposes, SCAs are evaluated according to the balance of risks and reward of ownership as defined by 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 MoJ 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 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1171939/jps-annual-report-accounts-2022-23.pdf.

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 as at 31 March 2022). The results of the valuations as at 31 March 2022 were shown in actuarial reports published on 31 March 2023 and were reflected in the 2022-23 accounts.

Past employees of the Probation Trusts, and LGPS probation staff who transferred to CRCs and HMPPS NPS are covered by the provisions of LGPS via one pension fund 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 the period in which they arise. Under the requirements of ***IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction***, the value of any net pension surplus which was determined under IAS 19 is limited in the financial statements to reflect that the full economic benefit of the surplus in the GMPF is not realisable by HMPPS; this restriction is known as the asset ceiling.

In the case of the LSCPS, MoJ is able to recognise a pension asset as it has an unconditional right to a refund from the LSC during the life of the plan. MoJ can elect to withdraw money out of the fund, to the extent that the funding level doesn't drop below 105%. Therefore, in the event of a surplus no asset ceiling is applied.

Service costs

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 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.

MoJ recognises revenue from a number of different sources, primarily from: fees collected by HM Courts and 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, for 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) applications, supervision of court appointed deputies, and copies of POA certificates.

Fines and penalties

MoJ also collects fines, criminal court charges and fixed penalties imposed by the judiciary or police, and 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.

As there are no specific performance obligations associated with receiving revenue from fines and penalties, the revenue is considered to be a non-exchange transaction and therefore outside the scope of IFRS 15. They are measured at the fair value of amounts received, or receivable, net of judicial cancellations and remissions. Revenue is recognised at the full value of the imposition when a fine or penalty is validly imposed and an obligation to pay arises. Where a penalty is cancelled due to attendance at a training course, as a result of an appeal or for other legal reasons or as a result of settlement by other valid means including imprisonment, revenue is derecognised and the derecognition of revenue is recorded as a reduction against revenue.

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 to fund victims' services. Revenue is recognised on the same basis as fines.

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 and from the Home Office in relation to 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). The performance obligation is met, and the revenue recognised, at the time that the services are rendered or goods delivered.

Retail sales

Retail income is generated within HMPPS from retail sales in prison shops. Revenue is recognised at the point the goods are received by the prisoner.

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 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.

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 auditor's 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, and are eliminated on consolidation.

1.18 Provisions

Provisions are recognised in accordance with ***IAS 37 Provisions, contingent liabilities and contingent assets***.

Provisions are recognised when:

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

Provisions are measured at the present value of the expenditures expected to be required to settle 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: 3.27%, 3.20% and 3.51% 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 1.70% (2021-22: -1.03%).

The increase in the provision due to passage of time is recognised as interest expense.

1.19 Contingent assets and 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.

A contingent asset is a potential asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of MoJ. A contingent asset is disclosed where an inflow of economic benefits is probable.

1.20 Value Added Tax

Most of the MoJ's activities are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable, except as allowed by HM Treasury's Contracting Out Direction. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase costs of non-current assets, except leases (which are discussed in Note 1.11). Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1.21 Third party assets

MoJ 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.

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 MoJ'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 MoJ 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 MoJ has transferred substantially all the risks and rewards of ownership to another entity. 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, MoJ 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*** as they are not solely payments of principal and interest, and therefore do not meet the tests set out in IFRS 9. The practical application of IFRS 13 in respect of LAA's assets applies the consideration of the three hierarchies set under the standard for determining fair value. This is explained in further detail in the Legal Aid Agency's Annual Report and Accounts 2022-23, including detail on key assumptions which support the most significant fair value estimates.

MoJ, through HMPPS, holds share investments of £0.4 million (2021-22: £0.4 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.

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

Classification and measurement – financial liabilities

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

1.23 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 regularly 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 by the Valuation Office Agency, who are independent of MoJ, in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. The value of land and buildings fluctuates with changes in construction costs and the current market conditions.

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. Subsequently, these assets are revalued using indices as an estimate of the current value of these assets and amortised over the useful life of the asset as estimated by the asset owners.

The carrying amounts of these assets are shown in Notes 13, 15 and 16.

Right of use assets

The cost model has been determined as 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.

In the event that a lease contract has expired, but MoJ remains in occupation pending negotiations for a renewed term, the lease term has been measured as the estimated time until the new contract will be agreed.

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. Sensitivity analysis in relation to the key assumptions used in the calculation of the gross pension liability is provided in Note 25.

The pension liabilities for 2022-23 reflect the appropriate assumptions. As a result of the large increase in the discount rate used at 31 March 2022, this has significantly reduced the pension liability for all Local Government Pension Scheme (LGPS) employers. All assumptions are reviewed on an ongoing basis, and at least annually.

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 regularly evaluated and reviewed. Where assumptions are significant, a sensitivity analysis has been included to demonstrate how a change in each assumption would affect the assessment. Further information is set out in Note 20.

LAA financial assets

LAA recognises an impairment for expected credit losses on financial assets measured at amortised cost under ***IFRS 9 Financial instruments***. This includes receivables from legal aid providers and clients who are not subject to the statutory charge. Subsequent to initial recognition, at fair value, these assets are carried at amortised cost using the effective interest rate method, less any impairment. Any interest receivable or loss arising on impairment is recognised in the Statement of Comprehensive Net Expenditure.

LAA derecognises a financial asset only when the contractual rights to the cash flows for the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

For assets held at amortised cost, IFRS 9 requires 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, 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 complexity and judgement. Further detail on the valuation model used to generate this estimate and the actual impairments against 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

LAA financial assets

The estimates and associated assumptions included within the financial statements are based on data held by LAA, historical experience and various other factors. These are believed to provide a reasonable basis on which the carrying values of assets and liabilities that are not readily apparent from other sources can be estimated.

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 MoJ to determine, based on an evaluation of the terms and conditions of the arrangements, whether it controls the infrastructure. Where MoJ is judged to control the infrastructure, the contract assets are reflected in the SoFP.

2. 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). The segmental analysis presents the financial information based on the structure reported to ExCo.

The segments are:

- Centrally held – centrally managed budgets and the departmental unallocated provision
- Policy and Corporate Services – departmental headquarters functions and the department's NDPBs
- HMCTS
- HMPPS
- Other delivery agencies – LAA, OPG and CICA

ExCo does not receive a CSoFP analysed by operating segment and therefore such an analysis is not presented here.

2. Operating expenditure by operating segment (continued)

						2022-23
	Centrally held	Policy and corporate services	HMCTS	HMPPS	Other delivery agencies	Gross total (pre-eliminations)
	£000	£000	£000	£000	£000	£000
Income						
Income from external customers	(858)	(131,906)	(57,557)	(218,920)	(57,580)	(466,821)
Internal MoJ income	-	(149,581)	-	-	-	(149,581)
Interest	-	(236)	-	-	-	(236)
EU grants	-	-	-	(32,821)	-	(32,821)
CFERs	-	(20,942)	-	-	-	(20,942)
Fee income	(353,238)	(30,001)	(725,128)	-	(85,100)	(1,193,467)
Total income	**(354,096)**	**(332,666)**	**(782,685)**	**(251,741)**	**(142,680)**	**(1,863,868)**
Expenditure						
Staff costs	4,824	729,521	656,936	3,054,332	117,605	4,563,218
Judiciary costs	21	10,458	631,745	-	-	642,224
Accommodation, maintenance and utilities	2	41,496	308,312	605,206	5,280	960,296
Offender related costs	-	-	-	619,766	-	619,766
Service concession charges	-	-	33,495	670,020	-	703,515
IT services and telecommunications (non-service concession arrangements)	5	228,101	226,790	32,934	582	488,412
Contracted probation services (CRCs)	-	-	-	69,876	-	69,876
Payments of grant-in-aid to MoJ NDPBs (eliminated on consolidation)	-	288,031	-	-	-	288,031

	Centrally held	Policy and corporate services	HMCTS	HMPPS	Other delivery agencies	Gross total (pre-eliminations)
						2022-23
	£000	£000	£000	£000	£000	£000
Cost of legal services and disbursements (civil)	-	-	-	-	6,420	6,420
Cost of legal services and disbursements (crime)	-	-	-	-	4,462	4,462
Provisions provided for in year	(5,324)	3,253	(79,396)	(29,168)	197,130	86,495
Legal Aid funded provisions	-	-	-	-	1,924,930	1,924,930
Rentals under operating leases	-	7,018	11,832	2,075	475	21,400
Finance charges on leases and service concession arrangements	-	7,018	14,734	12,268	194	34,214
Current grants	-	286,689	25	4,434	-	291,148
Corporation tax	-	45	-	-	-	45
Corporate recharges	-	(586,137)	84,568	452,265	49,304	-
Depreciation	-	49,026	238,747	395,186	4,657	687,616
Amortisation	-	14,997	75,639	9,717	6,947	107,300
SoCNE impairments	-	-	262	(4,455)	1,014	(3,179)
Individually immaterial items of expenditure	11,908	400,834	120,600	274,852	70,676	878,870
Total expenditure	**11,436**	**1,480,350**	**2,324,289**	**6,169,308**	**2,389,676**	**12,375,059**

2021-22

	Centrally held	Policy and corporate services	HMCTS	HMPPS	Other delivery agencies	Gross total (pre-eliminations)
	£000	£000	£000	£000	£000	£000
Income						
Income from external customers	(3,947)	(95,297)	(53,831)	(240,636)	(35,227)	(428,938)
Internal MoJ income	-	(157,629)	-	-	(19)	(157,648)
EU grants	-	-	-	(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)**
Expenditure						
Staff costs	(4,181)	650,181	658,534	2,733,734	110,436	4,148,704
Judiciary costs	106	9,961	603,439	-	-	613,506
Accommodation, maintenance and utilities	-	41,353	324,081	568,180	5,436	939,050
Offender related costs	-	-	-	578,515	-	578,515
Service concession charges	-	78,200	32,807	618,341	-	729,348
IT services and 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 MoJ NDPBs (eliminated on consolidation)	-	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

2021-22

	Centrally held	Policy and corporate services	HMCTS	HMPPS	Other delivery agencies	Gross total (pre-eliminations)
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Provisions provided for in year	40,989	(354)	43,029	29,527	160,473	273,664
Legal Aid funded provisions	-	-	-	-	1,742,315	1,742,315
Rentals under operating leases	1	5,686	22,034	1,787	1,124	30,362
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 recharges	-	(513,902)	93,376	378,128	42,398	-
Depreciation	-	73,699	215,174	336,581	2,731	628,185
Amortisation	-	11,868	47,654	9,912	9,907	79,341
SoCNE impairments	-	5,609	3,889	95,687	95	105,280
Individually 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**

3. Revenue from contracts with customers

	2022-23		2021-22	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Fines receipts	383,239	383,239	407,924	407,924
Fee income	843,642	843,642	744,061	744,067
Victim surcharge	41,351	41,351	37,864	37,864
Legal Aid - civil representation recoveries	14,141	14,141	16,412	16,412
Legal Aid - criminal cases recoveries	21,989	21,989	17,506	17,506
Remand income	29,962	29,962	32,054	32,137
Income from NHS and other healthcare providers	59,779	59,779	53,927	53,927
Recoveries from other government departments	90,506	89,896	127,411	127,013
CICA income from the Scottish Government	19,143	19,143	-	-
External sales of prison industries	15,423	15,423	13,747	13,747
Retail prison shop income	72,187	72,187	67,265	67,265
In-cell TV income	1,560	1,560	547	547
Training	9,511	9,511	1,294	1,294
Compensation	4,629	4,629	5,053	5,053
Internal customers	1,736	1,736	1,509	1,509
Miscellaneous income	17,582	17,574	16,167	15,417
Revenue within MoJ's ambit	**1,626,380**	**1,625,762**	**1,542,741**	**1,541,682**
CFER receipts	1,552	20,942	2,820	20,624
Total	**1,627,932**	**1,646,704**	**1,545,561**	**1,562,306**

4. Other operating income

	2022-23		2021-22	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Rental income	31,270	31,270	31,705	31,705
European Social Fund and other European funding	32,821	32,821	41,539	41,539
Miscellaneous income	-	241	-	(1)
Total	**64,091**	**64,332**	**73,244**	**73,243**

5. Staff and judiciary costs

Staff costs

				2022-23	2021-22[62]
	Permanently employed staff	Other	Ministers	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	3,072,023	242,199	394	3,314,616	3,008,041
Social security costs	339,814	1,619	45	341,478	286,789
Other pension costs	888,580	31	-	888,611	840,616
Sub total	**4,300,417**	**243,849**	**439**	**4,544,705**	**4,135,446**
Early departure costs	25,268	-	-	25,268	15,159
Add inward secondments	15,746	(1,786)	-	13,960	30,741
Less recoveries in respect of outward secondments	(20,750)	-	-	(20,750)	(32,769)
Total Net Costs	**4,320,681**	**242,063**	**439**	**4,563,183**	**4,148,577**
Of which:					
Core department and agencies	4,086,296	216,714	439	4,303,449	3,895,744
NDPBs	234,385	25,349	-	259,734	252,833
Total	**4,320,681**	**242,063**	**439**	**4,563,183**	**4,148,577**

Judiciary costs

				2022-23	2021-22
	Senior judicial salaries	Other judicial salaries	Fee-paid judiciary	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	145,757	111,460	146,183	403,400	391,769
Social security costs	20,546	15,571	15,788	51,905	47,972
Other pension costs	74,202	57,298	55,419	186,919	173,765
Total	**240,505**	**184,329**	**217,390**	**642,224**	**613,506**

All judiciary costs are within the core department and agencies.

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.

62 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

	2022-23		2021-22	
	Core department and agencies	Departmental group	Core department and agencies (reclassified)	Departmental group (reclassified)
	£000	£000	£000	£000
Lease/service concession charges:				
PFI service charges*	566,928	566,928	600,817	600,817
Other service concession charges	136,587	136,587	128,531	128,531
Rentals under operating leases	21,378	21,400	30,589	30,632
Other services:				
Accommodation, maintenance and utilities	955,170	810,548	934,029	780,975
Communications, office supplies and services	57,791	59,264	54,849	56,589
Travel, subsistence and hospitality	57,568	61,098	36,255	38,489
Training and other staff related costs	99,024	103,516	74,507	78,062
IT services and telecommunications (non-service concession arrangements)	480,061	488,244	337,018	345,053
Professional services	83,182	87,816	78,952	83,154
Other contracted out services	152,414	160,274	120,983	130,421
Shared service outsourcing	-	-	-	293
Auditor's remuneration and expenses	-	521	-	481
Other legal aid service costs	-	61	-	16
Non-cash services:				
Auditor's remuneration and expenses**	1,973	1,973	1,707	1,707
Total	**2,612,076**	**2,498,230**	**2,398,237**	**2,275,220**

* 2021-22 PFI service charges have been reclassified to include £94.2 million reclassified managed prison charges, previously reported within offender related costs in Note 11 Other operating expenditure.

** Non-cash external auditor's remuneration and expenses represents the statutory audit fees of the core department and agencies. Refer to page 92 in the Governance Statement, for details of total statutory audit fees for the group.

7. Depreciation, amortisation and impairment charges

	2022-23		2021-22	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Depreciation	684,114	687,616	624,554	628,185
Amortisation	104,463	107,300	76,673	79,341
Impairment of:				
Property, plant and equipment	(4,984)	(4,984)	99,819	99,826
Intangible assets	1,518	1,518	5,503	5,504
Right of use assets	287	287	(50)	(50)
Increase in receivables impairment	10,076	10,089	13,090	13,085
Total	**795,474**	**801,826**	**819,589**	**825,891**

8. Provision expense

	2022-23		2021-22	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Provisions provided in year net of release	85,751	86,495	273,921	273,664
Civil legal help and representation – solicitors' charges, counsel fees and disbursements	1,011,854	1,011,854	907,473	907,473
Criminal cases – solicitors' charges, counsel fees and disbursements	913,076	913,076	834,842	834,842
Total	**2,010,681**	**2,011,425**	**2,016,236**	**2,015,979**

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

	2022-23		2021-22	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Net (gain)/loss on disposal of:				
Property, plant and equipment	(11,356)	(11,349)	1,872	1,963
Intangible assets	-	24	(25)	39
Right of use assets	(93)	(93)	-	-
Assets held for sale	(1,301)	(1,301)	(1,104)	(1,104)
Total	**(12,750)**	**(12,719)**	**743**	**898**

On 30 September 2022, MoJ transferred the headlease of its main headquarters building, 102 Petty France, to the Government Property Agency (GPA), along with subleasing arrangements that MoJ had previously with other organisations, leasing back a smaller portion of the building from GPA. Under IFRS 16 Leases this requires the right of use asset and corresponding liability to be remeasured separately, with the difference being accounted for in the statement of comprehensive net expenditure. The carrying amount of the liability exceeded that of the right of use asset and this has resulted in £12.1 million credit to profit on disposal.

Alongside the transfer of the 102 Petty France headlease to GPA, fitout works were also transferred, resulting in a £10.7 million debit to capital grants in Note 11.

10. Revaluation of non-current and financial assets charged to CSoCNE

	2022-23		2021-22	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
(Increase)/decrease in the valuation of:				
Property, plant and equipment	(14,406)	(14,406)	62,874	62,874
Intangible assets	(412)	(415)	194	194
Assets held for sale	(7)	(7)	(94)	(94)
Investments	(1)	(1)	260	260
Total	**(14,826)**	**(14,829)**	**63,234**	**63,234**

11. Other operating expenditure

	2022-23		2021-22	
	Core department and agencies	Departmental group	Core department and agencies (reclassified)	Departmental group (reclassified)
	£000	£000	£000	£000
Grants:				
Current	202,605	291,148	165,836	248,132
Capital	15,961	15,961	-	-
Criminal justice costs:				
Offender related costs	619,766	619,766	578,515	578,515
Youth offender costs	45,739	45,739	52,903	52,905
Contracted probation services	69,876	69,876	179,462	179,462
Judicial and juror costs	57,239	57,239	51,883	51,883
Cost of legal services and disbursements (civil)	6,420	6,420	7,162	7,162
Cost of legal services and disbursements (crime)	4,462	4,462	3,780	3,780
Cost from Central Funds	13,967	13,967	12,291	12,291
Compensation payments	31,116	31,116	28,404	28,404
Other administrative expenditure	13,424	13,601	15,794	15,938
Other programme costs	103,743	188,496	105,485	197,801
Grant-in-aid to NDPBs	307,609	-	272,480	-
Non-cash operating expense:				
Corporate notional overhead charge	(3,722)	-	(3,037)	-
Other pension costs	541	541	707	707
Other non-cash	4,268	4,259	(21,069)	(21,041)
Total	**1,493,014**	**1,362,591**	**1,450,596**	**1,355,939**

12. Finance expense

	2022-23		2021-22	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Finance charges on leases and service concession arrangements	34,133	34,214	36,636	36,634
Local authority loan interest	727	727	756	756
Non-cash finance expense:				
Net interest on pension schemes	42,262	48,520	47,626	54,195
Total	**77,122**	**83,461**	**85,018**	**91,585**

13. Property, plant and equipment

Departmental group 2022-23

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2022	**1,782,971**	**9,835,001**	**53,533**	**615,062**	**500,931**	**39,523**	**1,212,460**	**14,039,481**
Additions	1,200	40,443	-	47,268	14,725	(112)	1,035,646	1,139,170
Disposals	(5,250)	(11,582)	-	(9,382)	(15,005)	(452)	13	(41,658)
Reclassifications	(5,198)	381,173	(301)	38,864	18,138	2,094	(468,025)	(33,255)
Restatements	-	(18)	-	-	(13)	-	-	(31)
Revaluations	26,625	335,746	(7,600)	19,030	58,992	4,066	-	436,859
Transfers	-	-	-	54	-	-	(870)	(816)
Impairments	(287)	12,797	-	166	(171)	-	(7,521)	4,984
At 31 March 2023	**1,800,061**	**10,593,560**	**45,632**	**711,062**	**577,597**	**45,119**	**1,771,703**	**15,544,734**
Depreciation								
At 1 April 2022	**-**	**(1,955)**	**(12)**	**(448,000)**	**(317,221)**	**(29,548)**	**-**	**(796,736)**
Charged in year	(528)	(444,010)	(825)	(57,980)	(37,821)	(1,752)	-	(542,916)
Disposals	-	919	-	9,068	13,361	438	-	23,786
Reclassifications	-	(737)	5	(335)	(25)	25	-	(1,067)
Restatements	-	9	-	2	7	(1)	-	17
Revaluations	528	442,368	830	(13,748)	(43,167)	(3,069)	-	383,742
At 31 March 2023	**-**	**(3,406)**	**(2)**	**(510,993)**	**(384,866)**	**(33,907)**	**-**	**(933,174)**
Carrying amount at 31 March 2023	**1,800,061**	**10,590,154**	**45,630**	**200,069**	**192,731**	**11,212**	**1,771,703**	**14,611,560**
Carrying amount at 1 April 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	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Asset financing								
Owned	1,635,508	8,660,578	45,630	200,069	146,460	11,212	1,771,703	12,471,160
Finance leased	-	-	-	-	46,271	-	-	46,271
On-balance sheet PFI and other SCAs	164,553	1,929,576	-	-	-	-	-	2,094,129
Carrying amount at 31 March 2023	**1,800,061**	**10,590,154**	**45,630**	**200,069**	**192,731**	**11,212**	**1,771,703**	**14,611,560**
Of the total								
Core department and agencies	1,800,061	10,589,414	45,630	198,984	192,724	11,073	1,770,533	14,608,419
NDPBs	-	740	-	1,085	7	139	1,170	3,141
Carrying amount at 31 March 2023	**1,800,061**	**10,590,154**	**45,630**	**200,069**	**192,731**	**11,212**	**1,771,703**	**14,611,560**

Seven prisons are run by private sector operators under manage and maintain contracts. Assets covered by these contracts were reported as 'owned' in prior years but have been reclassified to 'on-balance sheet PFI and other service concession arrangements (SCAs)' in accordance with IFRIC 12 Service Concession Arrangements for 2022-23; the 31 March 2022 balances have been restated. Further details relating to these SCAs are disclosed in Note 21.

Per Note 1b, Critical accounting estimates and judgements, the split of property value at 31 March 2023 by valuation basis is shown in the table below.

Property values at 31 March 2023	**£000**
Property values at depreciated replacement cost	11,287,143
Property values at existing use value	854,631
Properties at market value	29,353
Total	**12,171,126**

The above does not include leasehold improvements as these are not professionally valued by the Valuation Office Agency. Also reported here are land assets associated with buildings that are not ready for use. The building elements are reported within assets under construction. Assets under construction will not be valued until ready to be made live and are therefore excluded from the analysis by valuation type.

Departmental group 2021-22

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	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**
Asset financing (restated)								

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Assets under construction	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Owned	1,620,253	8,067,490	53,521	167,062	134,851	9,975	1,212,460	11,265,612
On-balance sheet PFI and other SCAs	162,718	1,765,556	-	-	48,859	-	-	1,977,133
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**
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.

14. Right of use leased assets

Departmental group 2022-23

	Land	Buildings	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2022	**1,207,527**	**347,280**	**1,554,807**
Additions	34,016	90,108	124,124
Disposals	(925)	(6,421)	(7,346)
Reclassifications	(2,960)	(16,709)	(19,669)
Remeasurements	-	37	37
Revaluations	8,622	(53)	8,569
Impairments	-	(287)	(287)
At 31 March 2023	**1,246,280**	**413,955**	**1,660,235**
Depreciation			
At 1 April 2022	**(79,374)**	**(42,927)**	**(122,301)**
Charged in year	(88,348)	(56,352)	(144,700)
Disposals	781	195	976
Reclassifications	-	(263)	(263)
Remeasurements	-	(15)	(15)
Revaluations	6,673	4,486	11,159
At 31 March 2023	**(160,268)**	**(94,876)**	**(255,144)**
Carrying amount at 31 March 2023	**1,086,012**	**319,079**	**1,405,091**
Carrying amount at 1 April 2022	**1,128,153**	**304,353**	**1,432,506**
Of the total			
Core department and agencies	1,086,012	305,216	1,391,228
NDPBs	-	13,863	13,863
Carrying amount at 31 March 2023	**1,086,012**	**319,079**	**1,405,091**

The group's lease contracts comprise leases of operational land and buildings. A maturity analysis of lease liabilities is given within Note 19, Trade payables and other financial liabilities.

On 30 September 2022, MoJ transferred the headlease of its main headquarters building, 102 Petty France, to GPA, along with subleasing arrangements that MoJ had previously with other organisations, leasing back a smaller portion of the building from GPA. This has led to a £6.4 million disposal under right of use assets, reflecting the reduction in the scope of the lease.

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
Reclassifications	483	(559)	(76)
Revaluations	(86,459)	(2,010)	(88,469)
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)
Reclassifications	-	(52)	(52)
Revaluations	(345)	1,423	1,078
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**

MoJ adopted IFRS 16 Leases from 1 April 2021. As required by the FReM, we 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, were recognised on-balance sheet as right of use assets and lease liabilities. As a result, we recognised an additional £1,475.2 million of right of use assets and £1,506.5 million of lease liabilities.

Amounts recognised in the Consolidated Statement of Comprehensive Net Expenditure

	2022-23		2021-22	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Sub-leasing income	-	-	(24,880)	(24,880)
Depreciation	92,320	94,458	120,690	123,019
Interest expense	11,636	11,742	19,554	19,627
Low value and short term leases	6,138	6,201	8,347	8,347
Non-recoverable VAT	11,965	11,965	13,535	13,535
Total	**122,059**	**124,366**	**137,246**	**139,648**

Amounts recognised in the Consolidated Statement of Cash Flows

	2022-23		2021-22	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Right of use assets	1,758	1,780	18,670	18,670
Interest expense	11,636	11,742	19,554	19,627
Repayment of principal on leases	85,851	87,444	127,924	130,135
Total	**99,245**	**100,966**	**166,148**	**168,432**

15. Intangible assets

Departmental group 2022-23

	Software licences	Information technology	Internally generated software	Assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2022	**60,707**	**443,001**	**752,684**	**177,454**	**1,433,846**
Additions	758	2,558	4,119	99,855	107,290
Disposals	(422)	31	(4,369)	(6)	(4,766)
Reclassifications	(2,237)	1,983	169,735	(120,027)	49,454
Revaluations	1,496	11,845	19,952	-	33,293
Transfers	-	-	-	817	817
Impairments	-	100	-	(1,618)	(1,518)
At 31 March 2023	**60,302**	**459,518**	**942,121**	**156,475**	**1,618,416**
Amortisation					
At 1 April 2022	**(41,229)**	**(378,993)**	**(350,531)**	**-**	**(770,753)**
Charged in year	(5,045)	(15,366)	(86,889)	-	(107,300)
Disposals	391	(32)	4,381	-	4,740
Reclassifications	540	(239)	34	-	335
Revaluations	(1,212)	(10,556)	(11,683)	-	(23,451)
At 31 March 2023	**(46,555)**	**(405,186)**	**(444,688)**	**-**	**(896,429)**
Carrying amount at 31 March 2023	**13,747**	**54,332**	**497,433**	**156,475**	**721,987**
Carrying amount at 1 April 2022	**19,478**	**64,008**	**402,153**	**177,454**	**663,093**
Asset financing					
Owned	13,747	54,332	497,433	156,475	721,987
Carrying amount at 31 March 2023	**13,747**	**54,332**	**497,433**	**156,475**	**721,987**
Of the total					
Core department and agencies	13,311	52,928	492,436	156,350	715,025
NDPBs	436	1,404	4,997	125	6,962
Carrying amount at 31 March 2023	**13,747**	**54,332**	**497,433**	**156,475**	**721,987**

Departmental group 2021-22

	Software licences	Information technology	Internally generated software	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**

At 31 March 2023 and 31 March 2022 there were no individually material intangible assets.

16. Assets held for sale

	31 March 2023		31 March 2022	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Balance at 1 April	**6,465**	**6,465**	**9,713**	**9,713**
Reclassifications	4,464	4,464	(1,021)	(1,021)
Disposals	(1,312)	(1,312)	(2,298)	(2,298)
Revaluations	(502)	(502)	71	71
Balance at 31 March	**9,115**	**9,115**	**6,465**	**6,465**

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 £9.1 million (2021-22: £6.2 million).

As part of an ongoing court rationalisation review, HMCTS sold a number of surplus properties (land and buildings) that were previously used to provide court services. These sites had a combined net book value at 31 March 2022 of £0.3 million.

17. Trade and other receivables

	31 March 2023		31 March 2022	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Amounts falling due within one year				
Trade receivables	66,265	66,442	71,179	71,326
Other receivables	168,442	170,189	179,496	181,153
Contributions due from funded clients	959	959	631	631
Statutory charge and interest	11,380	11,380	12,494	12,494
Amounts due from service providers	28,812	28,812	30,664	30,664
VAT receivables	72,448	72,448	76,728	76,728
Deposits and advances	38	100	40	81
Prepayments and accrued income	149,550	151,275	103,799	106,178
Intra-departmental receivables	1,279	-	560	-
Current total	**499,173**	**501,605**	**475,591**	**479,255**
Amounts falling due after more than one year				
Sub-leasing receivables	-	-	64,760	64,760
Other receivables	32,789	32,789	36,395	36,395
Prepayments and accrued income	719	723	49	54
Contributions due from funded clients	4,420	4,420	4,860	4,860
Statutory charge and interest	84,326	84,326	82,468	82,468
Non-current total	**122,254**	**122,258**	**188,532**	**188,537**
Total	**621,427**	**623,863**	**664,123**	**667,792**

The above includes a receivables impairment provision of £247.8 million (2021-22: £246.6 million) for LAA. For further detail on the LAA impairment provision refer to Note 24.

Other receivables includes £103.8 million (2021-22: £109.1 million) from the HMCTS Trust Statement.

Sub-leasing receivables at 31 March 2022 included £64.8 million in respect of the sub-lease of 102 Petty France, the head-lease of which has since been transferred to GPA.

18. Cash and cash equivalents

	31 March 2023		31 March 2022	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Balance at 1 April	**181,685**	**222,894**	**214,590**	**266,618**
Net change in cash and cash equivalents	121,108	136,488	(32,905)	(43,724)
Balance at 31 March	**302,793**	**359,382**	**181,685**	**222,894**
Of which:				
Government Banking Service	271,663	302,693	154,587	182,109
Commercial banks and cash in hand	31,130	56,689	27,098	40,785
Total	**302,793**	**359,382**	**181,685**	**222,894**

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.

Departmental group

	Opening liabilities at 1 April 2022	Cash flows (out)/in	Interest charged	Capital repayment	Interest paid	Net additions and IFRS 16 adjustments	Closing liabilities at 31 March 2023
	£000	£000	£000	£000	£000	£000	£000
Capital element of finance leases and on-balance sheet PFI contracts	-	(177,796)	-	177,796	-	-	-
Repayment of local authority loans	-	(1,529)	-	1,529	-	-	-
Interest paid	-	(34,941)	(34,941)	-	34,941	-	-
Long-term borrowings	20,751	-	746	(1,529)	(746)	-	19,222
Lease liabilities	1,596,864	-	20,014	(139,329)	(20,014)	40,479	1,498,014
PFI and SCA liabilities	317,639	-	14,181	(38,467)	(14,181)	-	279,172
Total	**1,935,254**	**(214,266)**	**-**	**-**	**-**	**40,479**	**1,796,408**

Departmental group

	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	£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 and SCA liabilities	305,040	-	17,007	12,599	(17,007)	-	317,639
Total	**424,404**	**(62,858)**	**-**	**-**	**-**	**1,536,318**	**1,935,254**

19. Trade payables and other financial liabilities

19.1 Payables

	31 March 2023		31 March 2022	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Amounts falling due within one year				
Trade payables	119,634	127,295	100,546	109,766
Taxation and social security	82,106	88,098	76,205	80,583
Capital payables	195,521	195,548	184,085	184,137
Other payables	102,435	103,352	95,649	96,561
Accruals	775,618	792,937	803,545	820,899
Deferred income	95,549	95,773	88,799	89,048
Amounts due to solicitors, counsel and advice agencies	70,875	70,875	59,638	59,638
Contribution refunds to funded clients	2,048	2,048	1,284	1,284
Creditor for pension transfer deficit: amounts payable to LGPS	-	-	4,219	4,219
Amounts issued from the Consolidated Fund for supply but not spent at year end	283,368	283,368	179,503	179,503
CFERs due to be paid to the Consolidated Fund:				
- received	19,425	19,425	2,182	19,986
- receivable	-	-	-	-
Intra-departmental payables	33,711	-	27,916	-
Current total	**1,780,290**	**1,778,719**	**1,623,571**	**1,645,624**
Amounts falling due after more than one year				
Local authority loan balances	19,222	19,222	20,751	20,751
Deferred income	-	911	-	1,110
Other payables	18,134	18,181	16,283	16,283
Non-current total	**37,356**	**38,314**	**37,034**	**38,144**
Total	**1,817,646**	**1,817,033**	**1,660,605**	**1,683,768**

19.2 Other financial liabilities

	31 March 2023		31 March 2022	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Amounts falling due within one year				
Lease incentive creditors	87	87	87	87
Lease liabilities	131,537	133,880	138,972	141,013
Imputed finance lease element of on-balance sheet PFI contracts	35,836	35,836	38,466	38,466
Current total	**167,460**	**169,803**	**177,525**	**179,566**
Amounts falling due after more than one year				
Lease liabilities	1,352,193	1,364,134	1,448,486	1,455,851
Imputed finance lease element of on-balance sheet PFI contracts	243,336	243,336	279,173	279,173
Non-current total	**1,595,529**	**1,607,470**	**1,727,659**	**1,735,024**
Total	**1,762,989**	**1,777,273**	**1,905,184**	**1,914,590**

20. Provisions for liabilities and charges

	2022-23		2021-22	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Balance at 1 April	**1,611,695**	**1,616,040**	**1,554,681**	**1,559,109**
Provided in the year	2,213,725	2,215,444	2,117,726	2,119,285
Provisions not required written back	(195,626)	(196,437)	(79,498)	(80,867)
Provisions utilised in the year	(2,047,896)	(2,048,096)	(1,984,899)	(1,985,172)
Borrowing costs (unwinding of discount)	(1,238)	(1,238)	3,685	3,685
Balance at 31 March	**1,580,660**	**1,585,713**	**1,611,695**	**1,616,040**
Analysis of expected timing of discounted cash flows				
Not later than one year	1,076,090	1,079,836	916,691	920,237
Later than one year but not later than five years	275,952	277,186	329,706	330,474
Later than five years	228,618	228,691	365,298	365,329
Balance at 31 March	**1,580,660**	**1,585,713**	**1,611,695**	**1,616,040**

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
												2022-23
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 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**
Provided in the year	-	1,732	-	45,692	81,018	747	864	150,654	6,400	1,924,930	3,047	2,215,444
Not required and written back	(31,681)	(51,881)	(18,799)	-	(17,293)	-	-	(279)	(3,411)	-	(73,093)	(196,437)
Utilised in the year	(14,183)	(6,097)	(4,191)	(42,424)	(22,139)	(3,366)	(700)	(146,301)	(1,930)	(1,805,566)	(1,199)	(2,048,096)
Reclassifications between provisions categories	-	-	-	-	77	-	-	-	-	-	(77)	-
Borrowing costs (unwinding of discount)	600	-	1,179	-	(3,388)	-	-	371	-	-	-	(1,238)
Balance at 31 March 2023	**117,496**	**108,528**	**58,597**	**28,731**	**142,711**	**14,916**	**688**	**169,210**	**88,061**	**830,311**	**26,464**	**1,585,713**
Analysis of expected timing of discounted cash flows												
Not later than one year	28,700	5,962	4,319	28,731	24,688	5,441	688	132,878	15,728	830,311	2,390	1,079,836
Later than one year but not later than five years	52,000	21,938	15,313	-	112,746	9,475	-	36,332	22,775	-	6,607	277,186
Later than five years	36,796	80,628	38,965	-	5,277	-	-	-	49,558	-	17,467	228,691
Balance at 31 March 2023	**117,496**	**108,528**	**58,597**	**28,731**	**142,711**	**14,916**	**688**	**169,210**	**88,061**	**830,311**	**26,464**	**1,585,713**

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. JSA benefits ceased to accrue on 31 March 2022, as a result of the introduction of the Reformed 2022 Judicial Pension Scheme. JSAs accrued before that date remain the liability of MoJ and where members continue in active service remain linked to salaries or fee-rates at retirement.

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 £117.5 million can be analysed as follows:

	£m
Salaried judicial office holders	**60.9**
Fee-paid judicial office holders	25.1
Transitional protection	20.0
Length of service protection	11.5
Total	**117.5**

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 2023. 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:

1. 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 2.0% or £1.7 million.

2. (Long-term) salary increase: A long-term salary increase of CPI +2.0% 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 £2.2 million.

3. Post-employment rates: This sensitivity shows the impact of calculating the provision using the post-employment benefits discount rate of 4.15% rather than the general provisions rates. This would increase the liability by 1.5% or £1.3 million.
4. 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 have a negligible impact on the liability.
5. 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**
1. Discount rate: +0.5% per annum	+2.0	- £1.7
2. (Long-term) salary increase: +0.5% per annum	+ 2.5	+ £2.2
3. Post-employment rates	-1.5	-£1.3
4. Retirement age: all members retire 1 year later	Nil	Nil
5. Inflation: +0.5% per annum	Nil	Nil

MoJ was required to compensate eligible retired fee-paid judges for the additional pension benefits due, including interest where applicable, until the Judicial Pension Scheme (JPS) was amended by legislation to allow full benefits to be paid from the scheme. The scheme was amended on 1 April 2023 and the remaining payments will be made by JPS. MoJ has retained a provision of £1.9 million for compensation of an interest like nature which is not payable by JPS. 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 nominal rate of 4.5% (2021-22: 1.55%).

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. 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.

CICA pre-tariff schemes

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's estimate of the likely settlement requires judgement and the final payment may differ from this estimate.

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, all pre-tariff liabilities are classed as falling due within one year, and have not been discounted by HM Treasury's discount rate.

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

CICA tariff schemes

The provision for tariff schemes is reflective of CICA's liabilities under the 1996, 2001, 2008 and 2012 Schemes. CICA recognises liabilities that are based upon an evaluation of total applications that are currently known and received by CICA but have not yet been processed through to award; these are referred to as claims reported but not completed (CRBNC). The overall liability for the tariff scheme is £205.7 million with £169.2 million included in this provisions note and £36.5 million included as a tariff scheme accrual within Note 19 (31 March 2022: £164.8 million and £30.1 million). Where an event has occurred on or before the reporting date, but an application has not yet been made, CICA recognises this as an unquantifiable 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.

The provision model for tariff schemes estimates a provision for three different categories of case:

- Not Decided: These are cases which are still under assessment by CICA and therefore a potential monetary value has not yet been determined. In order to estimate a provision for these cases, the model builds historical profiles of average award values, aggregated by tariff band and case age, which are then applied to the population of outstanding cases. A further adjustment is made to account for the fact that a subset of the live case population will be 'nil-assessed' i.e. will not attract a monetary award. The proportion of such cases is determined based upon an assessment of the historical proportion of nil-assessed cases within each tariff band.
- Decided: These are live cases that have been sufficiently assessed to determine their potential monetary value, but where a decision letter has not been issued to the applicant. Until a decision letter is issued, the monetary value may be subject to revision arising from changes in the circumstances of the applicant, checks by CICA resulting in the identification of error or a change in value determined by the timing at which an offer is made to the applicant. Additionally, until the decision letter is issued there is uncertainty over the timing of discharge of the liability. Where a decision letter has been sent to the applicant, the award is classified as 'on offer' and accrued for, rather than included in the tariff provision.

- On Offer Not Accrued: Once an offer is made, the award value is accrued and therefore no provision is required. However, in a small proportion of such cases the applicant does not accept the compensation offered and an adjustment is made to account for this. The proportion is removed from the total 'on offer' accrual and added back into the value of the provision. The percentage is determined based upon an assessment of the historical level of the proportion of cases where this occurs.

Since applications are determined under the scheme in force at the date of application, the tariff provision model calculates the provision for pre-2012 schemes (1996, 2001 and 2008) and the current 2012 scheme separately.

The number of remaining live cases for the pre-2012 schemes is low and decreasing. As at 31 March 2023, the provision model has therefore been adjusted to estimate value based on operational judgments around the likely compensation for each individual case, with an adjustment for likely changes to currently assessed values on appeal, which is calculated based on appeal rates for cases resolved in the past three years.

The following key assumptions underpin the provision for post-2012 tariff schemes:

1. Average value: average value profiles for both tariff bands and case age are derived from historical case data.
2. % nil value: the proportion of cases which will be assessed at nil value is derived from historical case data.
3. Decided to offer: the calculation assumes that decided cases will be paid out at 100% of their decided value.
4. Tariff profiles: profiles are created by using data for years in which at least 95% of cases have been decided.
5. Timing: the expected timing in which the liability is discharged is calculated on the basis of operational capacity.
6. Discounting: the liabilities are discounted, based on the expected timing of discharge, at HM Treasury's nominal discount rate. The real rate is not used, as tariff schemes compensation payments are not subject to inflationary pressures. The discount is unwound over the life of the provision, with the unwinding disclosed as a finance charge in the Statement of comprehensive net expenditure.

HM Treasury discount rates used are as follows:

	31 March 2023	31 March 2022
Years	**%**	**%**
1 to 5	3.27	0.47
6 to 10	3.20	0.70
11+	3.51	0.95

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

Tariff schemes sensitivity analysis

A sensitivity analysis for the tariff provision has been undertaken to identify the impact of any changes to key assumptions. Each assumption within the provision model has been identified, a reasonable change identified and the impact on the overall financial liability calculated. These changes include flexing historical data trends to show the potential 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 may be obscured because of the potential interrelation of the assumptions.

The following tables show the impact of adjusting the key assumptions. The ranges of the sensitivity tests shown are based on the variability of past data. They do not represent the maxima or minima of past observed values nor the full range of possible outcomes, but they do capture future values that could plausibly occur. Each change is shown separately but in practice combinations are possible as different assumptions can be correlated.

		Pre-2012 Change	2012 Change	Total Change
	Assumption	**£000**	**£000**	**£000**
Average value	Low profile	(1)	(10,416)	(10,417)
Average value	High profile	1	10,416	10,417
% nil value	+5%	-	(15,375)	(15,375)
% nil value	-5%	-	15,375	15,375
Decided to offer	-5%	-	(189)	(189)
Decided to offer	+5%	-	189	189
Tariff profiles	Max	-	2,114	2,114
Tariff profiles	75% decided	-	725	725
Tariff profiles	50% decided	-	(232)	(232)
Timing	All year one	43	1,311	1,354
Timing	All year three	(293)	(8,987)	(9,280)
Timing	Even over three years	(126)	(3,865)	(3,991)

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. Provisions for work in progress on funded cases, by scheme category, are as follows:

At 31 March 2023	£000
Civil Representation	298,891
Legal Help	47,460
Crime Lower	46,296
Crime Higher	437,664
Total	**830,311**

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 per ***IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets'***, WIP liabilities are recognised as provisions, rather than as payables, due to the measurement uncertainty.

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 that would have been used 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 that 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.

Overarching assumptions

Underlying the estimates of liabilities for unbilled work across all of the Legal Aid funding schemes, and Central Funds, is the modelling assumption that costs accrue at a constant rate throughout the lifetime of cases. This is a simplifying modelling assumption. In reality, it is accepted that costs are generally concentrated towards the beginning and the end of legal matters. 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.

Further information on the assumptions for the civil representation and crime higher provisions, which are material to the MoJ financial statements, is provided below. Equivalent information for the legal help and crime lower provisions is available in LAA's Annual Report and Accounts.

Civil representation valuation methodology

Civil Representation relates to legal aid for representation by barristers and solicitors in civil cases that go to court. The Civil Representation WIP provision is calculated using past patterns of activity taken from completed transactions and assuming that these are a reasonable indicator of likely activity on live cases. Within the Civil Representation funding scheme, cases can attract payments at multiple stages throughout their duration. In estimating the WIP provision, 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, independently for each expenditure stream within the scheme. These 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 before the estimate, and 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: key assumptions

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:

- 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.
- Final billing duration: it can take some time for providers to compile and submit their bills to LAA 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.
- Average bill value: The model implicitly assumes that recent historical bill values are an indicator of future bill values for equivalent workstreams.
- Provider COVID-19 billing behaviour: the COVID-19 pandemic prompted significant changes in the pattern of provider billing, with more frequent claims throughout the lifetime of cases. In addition to this, the cost of cases for work in the family courts has increased at an accelerated rate. These two relatively sudden changes would not ordinarily have been picked up through the model’s consideration of historical billing patterns, so an adjustment has been applied to the model to amend the billing profiles to reflect these more recent developments. This adjustment is applied through assessing the extent to which billing frequency and price have varied before and after the COVID-19 pandemic and adjusting the profiles that are generated based on pre-pandemic data to account for this movement. The effect of this is to assume that liabilities for work in progress tend to be held for less time due to the increased billing frequency, but for higher values due to increased case costs.

Civil representation: sensitivity analysis

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:

	Increase in net financial liability		(Decrease) in net financial liability	
Assumptions tested	**Assumption**	**£m**	**Assumption**	**£m**
Duration profile[1]	Max duration + 1 year	25.6	Max duration - 1 year	(25.6)
Final billing duration[2]	+15 days	0.2	-15 days	(0.2)
Average final bill value	+15%	46.4	-15%	(46.4)
Profile variance[3]	-15%	21.9	+15%	(34.9)

1 Duration profile: In order to estimate the provision, profiles outlining the timing and magnitude of costs on civil representation cases are calculated. There is a degree of uncertainty in the calculation of these profiles, particularly due to the inherent time lag. LAA therefore make the assumption that the level of variance could be equal to the variance if this year's profile was extended by 1 year. LAA have assumed this degree of variance can be seen in either direction.

2 Final billing duration: it can take some time for Legal Aid providers to compile and submit their bills to LAA once work has completed on a case. The estimate of the provision 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. LAA therefore make the assumption that this delay could vary by up to 15 days in either direction.

3 Profile variance: In estimating the provision, LAA have made an adjustment to calculated billing profiles to account for recent changes in value and billing duration. These adjustments are based on emerging trends and therefore are subject to some uncertainty, which this variance represents.

Using these reasonable alternative assumptions, the fair value of the financial liabilities at 31 March 2023 could be higher by up to +22.3% (£94.1 million) or lower by up to -25.4% (-£107.1 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 valuation methodology

The Crime Higher Graduated Fee Scheme WIP estimates are calculated by considering cohorts of case starts and modelling their progress through the legal aid system, considering when the case completes, when the work is done on the case and the different types of bills that may be incurred in order to reflect the way the scheme operates as closely as possible. A separate calculation is then done to estimate the amount that has already been paid on these cases through interim payments.

Key assumptions in the Crime Higher WIP model are as follows:

- Duration profile: the model implicitly assumes that recent case duration profiles are an indicator of future case duration profiles for equivalent workstreams.
- Completion rates: the model implicitly assumes that historical representation order completion rates are indicative of future completion rates
- Interim completions: the model implicitly assumes that the proportion of cases that have received an interim bill that later go on to have further bills remains consistent over time.
- Average bill value: the model implicitly assumes that recent historical bill values are an indicator of future bill values for equivalent workstreams.

Since the start of the COVID-19 pandemic, model profiles have been constructed entirely from data relating to cases that finished prior to March 2020, with any adjustments deemed necessary due to ongoing pandemic-driven effects overlaid. Beyond March 2020 the impacts of the pandemic on levels of demand and court activity created various effects in the data that it was deemed were not representative of likely behaviour going forwards, and so did not form a reliable profile baseline. In 2022-23, activity in the Crown Court has sufficiently stabilised that LAA now have a sufficient baseline of post-pandemic data to construct profiles driven entirely by these more recent data, and so profiles have been updated on this basis.

The Crime Higher graduated fee schemes allow for Legal Aid providers to claim disbursements for incidental and third-party costs. Where the value of these disbursements exceeds £100, providers can claim on an interim basis as and when the expense arises. On this basis, in prior years LAA's provision for unbilled work did not account for disbursement costs. Recent analysis suggests that a majority of disbursements are not claimed on an interim basis, and the decision has therefore been taken that providing for those costs that do not take advantage of interim billing is appropriate. However, sufficient information to be able to profile the billing behaviour of these costs does not exist. The liability for these costs has therefore been estimated using billing behaviour profiles derived from the core graduated fee scheme costs.

Crime higher: sensitivity analysis

Below are the reasonable alternative scenarios modelled. These relate to the flexing of certain assumptions, such as the number of cases expected to close or the amount of time a case takes to go through the system.

	Increase in net financial liability		(Decrease) in net financial liability	
Assumptions tested	**Assumption**	**£m**	**Assumption**	**£m**
Price profiles[1]	+10.0%	41	-10.0%	(41)
Completion rates[2]	+2.5%	39	-2.5%	(35)
Case durations[3]	+10.0%	30	-10.0%	(32)

1 Price profiles: there is a degree of uncertainty in assuming that future prices will follow historical patterns, as prices vary to a small degree over time. The sensitivity analysis considers that prices could vary by as much as 10% in either direction.

2 Completion rates: a number of representation orders never attract a bill, and so do not close. The model uses historical data to determine the likely proportion that these cases represent of the live case population. There is inherent uncertainty in assuming that the proportion will be similar to that seen historically, which this sensitivity represents. The proportion is flexed by 2.5% in either direction, representing the variance that is seen in the proportion over time.

3 Case durations: the estimate of the provision assumes that average case durations will be consistent with those seen in recent prior periods, however durations do vary to a small degree over time. LAA therefore make the assumption that durations could vary by up to 10% in either direction.

Using these reasonable alternative assumptions, the fair value of the financial liabilities at 31 March 2023 could be higher by up to +25.1% (£110 million) or lower by up to -24.6% (-£107.8 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 POA scheme refunds 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 supervision scheme refunds is based on the number of assessments and supervisions which took place between 1 April 2008 and 31 March 2015.

The provision is reviewed annually and reflects the likely settlement values at the year end.

Employment Tribunals and Employment Appeal Tribunal Fee Repayment Scheme: this scheme arises from a Supreme Court judgment on 26 July 2017 quashing the Employment Tribunals and the Employment Appeal Tribunal Fees Order 2013/1893. HMCTS identified £32.2 million in fees paid and to date have refunded £18.6 million including interest. As HMCTS are not able to reliably estimate the probability that the remaining fees will be claimed and refunded no provision is recognised, but a contingent liability of £13.8 million is disclosed.

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 MoJ in January 2020.

The CTLO liability remains as a provision for £3.7 million due to uncertainty of timing to discharge the liability to each recipient. In 2022-23 HMCTS refunded £2 million (2021-22: HMCTS 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 2023 were estimated at £4.5 million, and HMCTS continues to accept the liability for all claims until the end of the qualifying period. The balance of the liability is shown as a contingent liability of £9.8 million for personal injury claims and £9.3 million for other claims (COP, Insolvency, RCJ and other fees).

Other provisions include a provision for an onerous lease of undeveloped land of £14.5 million (2021-22: £73.7 million). The decrease of £59.2 million relates to a change in the discount rate used to calculate the onerous lease provision.

21. Commitments under PFI and Service Concession Arrangements

21.1 Arrangements not recognised on the Consolidated Statement of Financial Position

As at 31 March 2023 there are no off-balance sheet PFI commitments.

21.2 Arrangements recognised on the Consolidated Statement of Financial Position

Project name	Entity	Contract start date	Duration (years)	Description
PFI contracts				
Hereford and Worcester Magistrates' Courts	HM Courts and 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 and 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 and 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 and 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 and 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.

Project name	Entity	Contract start date	Duration (years)	Description
Exeter	HM Courts and 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 and 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 and Somerset Magistrates' Court	HM Courts and Tribunals Service	August 2004	27	Provision of serviced accommodation at Bristol Magistrates Court, North Somerset Magistrates' Court and Avon and 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 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.

Project name	Entity	Contract start date	Duration (years)	Description
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.
Other service concession arrangements				
HMP Doncaster	HMPPS	October 2011	15	Manage and maintain a 1,145-place category B prison at Doncaster in South Yorkshire.
HMP Oakwood	HMPPS	April 2012	15	Manage and maintain a 2,100-place category C prison at Featherstone in the West Midlands.
HMP Northumberland	HMPPS	December 2013	15	Manage and maintain a 1,348-place category C prison at Morpeth in Northumberland.
HMP Five Wells	HMPPS	November 2020	10	Manage and maintain a 1,680-place category C prison at Wellingborough in Northampton.
HMP and YOI Parc	HMPPS	December 2022	10	Manage and maintain a 1,652-place category B prison and 60 place Young Offenders Institution at Bridgend in South Wales.
HMP Altcourse	HMPPS	December 2022	10	Manage and maintain a 1,164-place category B prison at HMP Altcourse, Liverpool (in mobilisation phase at 31 March 2023).
HMP Lowdham Grange	HMPPS	February 2023	10	Manage and maintain a 920-place category B prison at Lowdham in Nottingham.

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 £703.5 million (2021-22: £635.1 million).

Seven prisons are run by private sector operators under Manage and Maintain contracts. Assets covered by these contracts were reported as 'Owned' in prior years but have been reclassified to 'On-balance sheet (SoFP) PFI and other service concession arrangement contracts' in accordance with IFRIC 12 Service Concession Arrangements.

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 2023		31 March 2022	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Rentals due not later than one year	48,224	48,224	52,626	52,626
Rentals due later than one year but not later than five years	161,071	161,071	172,582	172,582
Rentals due later than five years	140,689	140,689	177,404	177,404
	349,984	**349,984**	**402,612**	**402,612**
Less: interest element	(70,812)	(70,812)	(84,973)	(84,973)
Present value of obligations	**279,172**	**279,172**	**317,639**	**317,639**

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 2023		31 March 2022	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Rentals due not later than one year	35,836	35,836	38,466	38,466
Rentals due later than one year but not later than five years	126,568	126,568	132,441	132,441
Rentals due later than five years	116,768	116,768	146,732	146,732
Present value of obligations	**279,172**	**279,172**	**317,639**	**317,639**

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 2023		31 March 2022	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Service charge due within one year	683,997	683,997	633,928	633,928
Service charge due later than one year but not later than five years	2,258,276	2,258,276	1,506,195	1,506,195
Service charge due later than five years	1,556,944	1,556,944	1,137,836	1,137,836
Total	**4,499,217**	**4,499,217**	**3,277,959**	**3,277,959**

22. 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 2023		31 March 2022	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Property, plant and equipment	559,108	559,108	206,774	206,774
Intangible assets	11,240	11,240	17,116	17,116
Total	**570,348**	**570,348**	**223,890**	**223,890**

23. Other financial commitments

MoJ has entered into non-cancellable contracts (which are not leases or PFI contracts), for the provision of services including the management of prisons and other contracted out services.

The payments to which MoJ is committed are as follows:

	31 March 2023		31 March 2022	
	Core department and agencies	Departmental group	Core department and agencies (Restated)	Departmental group (Restated)
	£000	£000	£000	£000
Not later than one year	128,783	131,191	283,262	286,312
Later than one year but not later than five years	111,739	115,411	147,733	148,111
Total	**240,522**	**246,602**	**430,995**	**434,423**

The 31 March 2022 figures have been restated to exclude the commitments under Manage and Maintain contracts which are now disclosed within Note 21.

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 MoJ 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. MoJ's exposure to financial risk is mainly in respect of credit risk in relation to LAA's receivables.

LAA receivables

The LAA is exposed to minimal market, liquidity or interest rate risk: exposure to financial risk is mainly in respect of credit risk in relation to receivables.

Under the Legal Aid Act 1974, the Legal Aid Act 1988, the Access to Justice Act 1999 and the LASPO Act 2012, where funded clients have recovered or preserved property rather than obtaining damages, recoverable costs may be secured by a charge against the property. Under the Community Legal Service (Financial) Regulations 2000 as amended by the Community Legal Service (Financial) (Amendment) Regulations 2005 and the Civil Legal Aid (Statutory Charge) Regulations 2013, some of these debts are interest bearing debts that have interest due on the outstanding balance at 8% per annum.

The income for statutory charge, statutory charge interest, contributions due from funded clients and recovery of defence costs are initially recognised under ***IFRS 15 'Revenue from Contracts with Customers'***.

LAA receivables risk identification and management

The LAA has an inherent risk within trade and other receivables, as these are not predisposed to straightforward cash collections. The LAA recognises this risk and mitigates it in the case of statutory charge debts, where enforcement 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 and cumulative fair value losses that total £247.8 million (31 March 2022: £246.6 million).

LAA receivables valuation

The valuation of trade and other receivables includes an element of estimation.

Statutory charge and interest receivables are measured at fair value through the profit and loss in accordance with IFRS 13 Fair Value Measurement, as they are not solely payments of principal and interests, and therefore do not meet the tests set out in IFRS 9, Financial Instruments. These receivables are measured using techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Other LAA receivables are measure at amortised cost, and LAA recognises an impairment for credit losses, using the effective interest rate method, less any impairment. Any loss arising on impairment is recognised in the Statement of Comprehensive Net Expenditure.

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 that 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 2023.

Past payment profiles used in the estimation of the receivables impairment have been adjusted to ignore variations in repayment profiles seen during the COVID-19 pandemic, since LAA do not believe that repayment behaviour from this period is representative of likely behaviour going forwards.

LAA's receivables have been discounted over the period from the reporting date to the expected date of collection, to reflect the effect of the time value of money. This has a material impact on their present value. Each class of receivable is discounted over periods commensurate with historical cash flow patterns, at a rates mandated by HM Treasury. At 31 March 2023 these were: 1.9% nominal and (1.1%) and (0.2%) in excess of RPI real until February 2030 and post February 2030 respectively (31 March 2022: 1.9% nominal and (1.1%) and (0.2%) in excess of RPI real until February 2030 and post February 2030 respectively).

LAA receivables sensitivity analysis

LAA's receivables impairment models use 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 rates above.

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%

		Increase/(decrease) in net financial assets	
		31 March 2023	31 March 2022
	Assumption	£m	£m
Income received	Evenly through the year	2.4	1.7
Expected cash inflows based on historic repayment profiles	+10%	9.7	14.6
Expected cash inflows based on historic repayment profiles	-10%	(10.3)	(14.7)
Discount rate	+1%	(9.1)	(8.4)
Discount rate	-1%	10.5	9.4
Highest change		**22.6**	**25.7**
Lowest change		**(19.3)**	**(23.1)**

These assumptions are 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 ('FVTPL')
- 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 FVTPL
- 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.

				31 March 2023
	Assets at FVTPL	Assets at FVOCI	Assets at amortised cost	Total
Financial assets:	**£'000**	**£'000**	**£'000**	**£'000**
Cash at bank and in hand	-	-	359,382	359,382
Trade and other receivables	93,994	-	395,158	489,152
Other financial assets	382	-	-	382
Total	**94,376**	**-**	**754,540**	**848,916**

	Liabilities at FVTPL	Liabilities at amortised cost	Total
Financial liabilities:	**£000**	**£000**	**£000**
Trade and other payables	-	1,238,242	1,238,242
Other financial liabilities	-	1,777,273	1,777,273
Total	**-**	**3,015,515**	**3,015,515**

				31 March 2022
	Assets at FVTPL	Assets at FVOCI	Assets at amortised cost	Total
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	**94,108**	**-**	**612,200**	**706,308**

	Liabilities at FVTPL	Liabilities at amortised cost	Total
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	**-**	**3,131,836**	**3,131,836**

MoJ 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.

Fair value hierarchy

MoJ 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 2022-23:

	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 2022	**(917,308)**	**681,041**	**(236,267)**	**(350,793)**	**463,255**	**112,462**	**(6,774,717)**	**5,143,874**	**(1,630,843)**
Current service cost	(35,746)	-	(35,746)	-	-	-	(252,798)	-	(252,798)
Past service cost	(13)	-	(13)	-	-	-	(4,695)	-	(4,695)
Settlements	-	-	-	(541)	-	(541)	-	-	-
Net interest	(24,551)	18,397	(6,154)	(9,339)	12,368	3,029	(184,516)	139,246	(45,270)
Total recognised in the CSoCNE	**(60,310)**	**18,397**	**(41,913)**	**(9,880)**	**12,368**	**2,488**	**(442,009)**	**139,246**	**(302,763)**
Scheme participants' contributions	(5,956)	5,956	-	-	-	-	(34,391)	34,391	-
Employer contributions	-	16,775	16,775	-	-	-	-	162,924	162,924
Benefits paid after net transfers	22,451	(22,451)	-	10,428	(10,428)	-	163,141	(163,141)	-
Total cash flows	**16,495**	**280**	**16,775**	**10,428**	**(10,428)**	**-**	**128,750**	**34,174**	**162,924**
Actuarial gains/(losses) Changes in demographic assumptions	(4,441)	-	(4,441)	7,045	-	7,045	149,141	-	149,141
Changes in financial assumptions	342,679	-	342,679	117,066	-	117,066	2,603,910	-	2,603,910
Experience gains/(losses)	(78,627)	-	(78,627)	(24,709)	-	(24,709)	(406,774)	(70,674)	(477,448)
Return on assets excluding amounts included in net interest	-	(10,289)	(10,289)	-	(147,931)	(147,931)	-	(48,610)	(48,610)

	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
Gain/(loss) due to effects of asset ceiling under IFRIC 14	-	-	-	-	-	-	-	(257,329)	(257,329)
Remeasurements through Other Comprehensive Net Expenditure	**259,611**	**(10,289)**	**249,322**	**99,402**	**(147,931)**	**(48,529)**	**2,346,277**	**(376,613)**	**1,969,664**
Balance at 31 March 2023	**(701,512)**	**689,429**	**(12,083)**	**(250,843)**	**317,264**	**66,421**	**(4,741,699)**	**4,940,681**	**198,982**
Of which									
Core department and agencies	-	-	-	(250,843)	317,264	66,421	(4,741,699)	4,940,681	198,982
NDPBs	(701,512)	689,429	(12,083)	-	-	-	-	-	-
Balance at 31 March 2023	**(701,512)**	**689,429**	**(12,083)**	**(250,843)**	**317,264**	**66,421**	**(4,741,699)**	**4,940,681**	**198,982**

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)**
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 participants' 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)**

	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
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)	-	-	-	-	-	-
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)**

The assumptions used by the actuaries were:

	Cafcass Pension	LSC Pension	Probation Pension	Cafcass Pension	LSC Pension	Probation Pension
	2022-23	2022-23	2022-23	2021-22	2021-22	2021-22
	%	%	%	%	%	%
Inflation assumption	2.70	2.80	n/a	3.00	3.25	n/a
Rate of increase in salaries	3.95	n/a	3.75	4.25	n/a	3.95
Pension increase rate	2.70	2.80	2.95	3.00	3.25	3.20
Discount rate	4.70	4.75	4.75	2.70	2.70	2.70
Pension accounts revaluation rate	2.70	n/a	n/a	3.00	n/a	n/a

The major categories of scheme assets for 2022-23 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	455,713	101,346	557,059	80.8	52,999	-	52,999	16.7	1,986,070	-	1,986,070	38.2
Gilts	47,571	-	47,571	6.9	193,089	-	193,089	60.9	-	-	-	-
Corporate bonds	31,714	-	31,714	4.6	64,028	-	64,028	20.2	486,096	-	486,096	9.4
Property	7,584	15,167	22,751	3.3	-	-	-	-	-	202,234	202,234	3.9
Cash and cash equivalents	-	15,857	15,857	2.3	3,640	-	3,640	1.1	131,861	-	131,861	2.5
Investment funds and unit trusts	-	-	-	-	-	-	-	-	865,649	1,137,285	2,002,934	38.5
Other	-	14,478	14,478	2.1	-	3,508	3,508	1.1	-	388,815	388,815	7.5
Total	**542,582**	**146,848**	**689,430**	**100.0**	**313,756**	**3,508**	**317,264**	**100.0**	**3,469,676**	**1,728,334**	**5,198,010**	**100.0**

The major categories of scheme assets for 2021-22 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	461,746	81,725	543,471	79.8	104,724	-	104,724	22.6	2,151,612	-	2,151,612	41.8
Gilts	50,397	-	50,397	7.4	328,514	-	328,514	70.9	-	-	-	-
Corporate bonds	32,690	-	32,690	4.8	-	-	-	-	446,376	-	446,376	8.7
Property	10,897	16,345	27,242	4.0	-	-	-	-	-	199,278	199,278	3.9
Cash and cash equivalents	-	19,750	19,750	2.9	25,170	-	25,170	5.4	160,864	-	160,864	3.1
Investment funds and unit trusts	-	-	-	-	-	-	-	-	940,294	882,041	1,822,335	35.4
Other	-	7,491	7,491	1.1	-	4,847	4,847	1.1	-	363,409	363,409	7.1
Total	**555,729**	**125,312**	**681,041**	**100.0**	**458,408**	**4,847**	**463,255**	**100.0**	**3,699,146**	**1,444,728**	**5,143,874**	**100.0**

Sensitivity analysis – change in assumptions relative to 31 March 2023 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 2023	Actuarial value of liabilities on 31 March 2022
	£000	£000
0.1% decrease in discount rate	713,438	934,737
0.1% increase in the salary increase rate	702,214	919,143
1 year decrease in post retirement mortality age rating*	719,751	885,202
0.1% increase to pension increase rate	712,035	932,902

* 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 2023 actuarial assumptions for LSC pension liabilities (based on total liabilities):

	Actuarial value of liabilities on 31 March 2023	Actuarial value of liabilities on 31 March 2022
	£000	£000
Base case	250,843	n/a
0.5% decrease in discount rate	269,499	384,329
1 year increase in life expectancy	260,877	364,825
0.5% p.a. increase in inflation	267,252	380,056

Sensitivity analysis – change in assumptions relative to 31 March 2023 actuarial assumptions for Probation Pension liabilities (based on total liabilities):

	Actuarial value of liabilities on 31 March 2023	Actuarial value of liabilities on 31 March 2022
	£000	£000
Base case	4,741,699	6,774,717
0.1% decrease in Real Discount Rate	4,827,199	6,910,590
1 year increase in member life expectancy	4,931,367	7,045,706
0.1% increase in the Salary Increase Rate	4,752,380	6,789,259
0.1% increase in the Pension Increase Rate (CPI)	4,817,743	6,894,947

The principal demographic assumption is the mortality assumption (i.e. member life expectancy). For sensitivity purposes, actuaries 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 2022-23, a one-year increase in member life expectancy would increase the liability by 4% or £189.7 million.

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 2022-23 was 19.4% (plus an additional lump sum payment of £0.19 million).

The last actuarial valuation was at 31 March 2022 and the contributions to be paid until 31 March 2026 resulting from that valuation are set out in the fund's 'Rates and adjustment certificate' (employer contributions over this period will be: 2023-24: 19.1%; 2024-25: 18.6% and 2025-26 18.1%).

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.

Duration of liabilities

The duration of liabilities is the average period between the calculation date and the date at which benefit payments fall due. The calculated duration, based on the output of the most recent valuation exercise at 31 March 2022, is 16.6 years.

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 who 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, 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 2023 was 14.7 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 expect to contribute to the LSCPS for the year to 31 March 2023. 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 net pension position is recorded within the HMPPS accounts. 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 2023, HMPPS paid employers' contributions of £174.7 million to GMPF, relating to current probation staff, at 29.6% (2021-22: £145.6 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 2022 triennial valuation, the employer contribution rates for 2023-24 to 2025-26 will be 26.5%.

The pension position as at 31 March 2023, 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

The net pension position for 2022-23 is shown in the disclosure above. This reflects the appropriate assumptions; all assumptions remain subject to annual 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, any 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. An increase in the discount rate results in a decrease in the value of the pension liability for accounting purposes and vice versa. The 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. 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, typically, 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 a decrease this year in the projection for future pension increases and salary growth. However, the actual increase in pension rate from April 2023 of 10.1% has resulted in an experience loss.

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 2022-23 the continuous mortality investigation (CMI) 2021 model has been used, which uses more up to date longevity data, including the temporary 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 key 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, 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 LLP calculated an estimated past service cost applicable to HMPPS and Cafcass. The impact of the McCloud judgment was accounted for in the 2019-20 HMPPS and Cafcass accounts under IAS 19.

The government response to the consultation for unfunded pension schemes was published in February 2021 (updated for LGPS 6 April 2023). 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.

For the 2022 valuation, McCloud liabilities were included as set out in Department for Levelling Up, Housing and Communities 2022 valuation letter. The actuary has advised that no further adjustment to the cost in the pension obligation is required for 2022-23. Further information on the McCloud Judgment can be found at www.civilservicepensionscheme.org.uk/your-pension/remedy/.

Accounting for a net pension surplus and asset ceiling restriction

The net pension position at 31 March 2023 was a net surplus of £456.3 million as set out in the actuary report provided by Hymans, under IAS 19.

IAS19 requires that the discount rate is determined by reference to market yields at the end of the reporting period, on high quality AA corporate bonds of a currency and duration consistent with the currency and duration of the benefit obligations. The discount rate at 31 March 2023 is much higher compared to the previous year, reflecting a higher yield on high-quality corporate bonds and significantly reducing the pension obligation. This is the primary reason for the overall net surplus at 31 March 2023.

Under the requirements of ***'IFRIC 14: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'***, HMPPS is required to consider whether it is appropriate to limit the amount of net pension surplus in the financial statements which was determined under IAS 19 if the full economic benefit cannot be obtained. IAS 19 provides a definition of an asset ceiling for these purposes as the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan, with the lower of the surplus and the asset ceiling being recognised. IFRIC 14 provides further guidance on calculating figures for an asset ceiling with reference to minimum funding requirements.

A refund would only be available to HMPPS on exiting the scheme. However, participation in the current pension scheme is dictated by statute meaning an exit would rely on the occurrence of an uncertain future event not wholly within HMPPS' control, i.e. an act of Parliament. Therefore, HMPPS does not have an unconditional right to a refund of the surplus.

The appropriate method is therefore to consider the economic benefit available as a contribution reduction. HMPPS has concluded that primary contributions to the scheme (18.1%) and those related to ill health retirements (4.3%) establish a minimum funding requirement for future contributions under IFRIC 14. The economic benefit available as a reduction in future contributions is calculated as the sum of:

(a) any amount that reduces future minimum funding requirement contributions for future service because the entity made a prepayment; and

(b) the estimated future service cost less the estimated minimum funding requirement contributions that would be required for future service in those periods if there were no prepayment as described in (a).

In determining this, HMPPS made a number of judgments, most significantly:

- HMPPS consider it appropriate to treat the current service charge and the primary contributions as continuing in perpetuity as there is no intention to cease operations of the probation service, nor to change the pension scheme available to employees of the service
- the additional contributions to meet ill health retirement (IHR) costs are discretionary with the rate set as part of the triennial valuation. While HMPPS would anticipate continuing to fund early retirement on the grounds of ill health via this mechanism, the financial commitment only exists for the three year period covered by the valuation. In calculating minimum funding requirements under IFRIC 14 HMPPS therefore judge the appropriate period over which to include the IHR contributions to be three years

HMPPS is required to make contributions of 4.1% in relation to past service. IFRIC 14 requires that to the extent that the contributions payable will not be available after they are paid into the plan, the entity shall recognise a liability when the obligation arises. HMPPS has judged that the appropriate period over which to consider the secondary contributions is 20 years as the actuarial assessment indicates that this is how long it will take for the scheme to be fully funded and for these secondary contributions to therefore end.

Annuity rates for these three time periods were provided by the scheme's actuary using the same assumptions as the IAS 19 calculation as described on page 241.

Having applied the IFRIC 14 in line with the above facts and judgments, based on the present value of expected reductions in future contributions to the plan, the IAS 19 surplus of £456.3 million was reduced to £199 million. Additional details of mortality assumptions and in year movements in the GMPF defined benefit obligation are given in Note 18 (Pensions) to the financial statements in the HMPPS Annual Report and Accounts 2022-23.

26. Contingent assets and liabilities

Contingent liabilities disclosed under IAS 37

MoJ has contingent liabilities as defined within IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Quantified contingent liabilities

	31 March 2023	31 March 2022
	£m	£m
Headquarters employment tribunals including judicial claims The department is currently defending several employment tribunal claims at various stages	6.1	0.2 and unquantified
Headquarters European Court of Human Rights claims The department is currently engaged in several cases at the European Court of Human Rights	0.5	0.5
Headquarters other legal claims The department is engaged with a number of legal claims including judicial reviews challenging refusal to pay compensation for miscarriages of justice, and refusal to provide legal aid funding	0.4	Unquantified
Headquarters Data Protection Act There are claims against the department for alleged failure to comply with the Data Protection Act	0.1	Unquantified
HMPPS injury claims HMPPS failed claims for injury to staff prisoners and public, and for third party contract disputes	45.2	113.9
HMCTS fee refunds – employment tribunal fees HMCTS operates a refund scheme following the quashing of the Employment Tribunals and Employment Appeal Tribunal Fees Order 2013/1893 in July 207	13.8	13.9
HMCTS fee refunds – low value personal injury claim fees HMCTS operates a refund scheme to refund personal injury claim fees that were incorrectly charged as a flat rate rather than on a sliding scale	9.8	10.5
HMCTS fee refunds – other fees HMCTS operates a refund scheme for fees charged for certain proceedings in the Court of Protection, the magistrates' courts, insolvency proceedings and fees charged for High Court Judges sittings as arbitrators	9.3	9.3
HMCTS legal cases HMCTS is involved in various legal cases dealing with ex gratia, compensation and other claims	0.8	1.4
Parole Board The Parole Board is involved in a claim which may result in compensation	0.1	-
Total	**86.1**	**149.7**

The contingent liability disclosed for headquarters' employment tribunals has increased significantly due to new evidence emerging during the course of on-going claims that has changed our assessment of whether a contingent liability exists and can be quantified, and new cases being brough in 2022-23.

The contingent liability disclosed for HMPPS for personal injury claims has decreased significantly due to the closure of one specific legal challenge in 2022-23.

Unquantified contingent liabilities

Judicial claims for fee-paid judges sitting in retirement: Following a legal challenge, the MoJ 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), do not apply equally to fee-paid judges. We intend to 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.

Judicial claims for discrimination between fee-paid and salaried judges: 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.

Incidents 'incurred but not yet received' (IBNYR): CICA holds an unquantifiable contingent liability in respect of a possible future obligation to individuals who have been victims of violent crime as of 31 March 2023. 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 CICA 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, according to the multiple criteria contained in the Scheme, and thereafter predicting with any reasonable certainty the potential value of any award which may be made, and the timescale in which this may occur.

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 of acceptance by the claimant. There are cases where the deadline for acceptance has passed but CICA has not yet withdrawn the offer. CICA may exercise its discretion under the Scheme in favour of the claimant, and not withdraw the offer even though the deadline has passed. The total value of cases 'on-offer' and passed the deadline is £0.4 million; any possible liability would therefore be below that value.

Quantified contingent assets

	31 March 2023	31 March 2022
	£m	£m
LAA costs orders LAA has two contingent assets in relation to costs orders from legal proceedings	29.0	29.1
Total	**29.0**	**29.1**

27. Related party transactions

Associated departments and other central government bodies

MoJ is the parent of LAA, HMCTS, HMPPS, CICA and OPG agencies and the sponsor of NDPBs as listed in Note 29. All of these bodies are 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 and Customs, Home Office, PCSPS and HM Treasury.

Management personnel

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 2022-23, Legal Aid Agency made payments totalling £2.2 million (2021-22: £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 (2021-22: £0.6 million) with a total debtor balance due to us as at 31 March 2023 of £0.0 million (2021-22: £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.

During 2022-23 no other board members or related parties have undertaken any transactions with MoJ. Compensation paid to management, including taxable benefits, is disclosed in the Remuneration and Staff Report.

28. Third party assets

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

Funds in court

MoJ 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 2023	31 March 2022
	£000	£000
Cash at bank and on deposit	2,282,065	2,611,167
Securities	75,043	82,512
Total	**2,357,108**	**2,693,679**

Other third party assets

	Official Solicitor and Public Trustee (OSPT)	Criminal injuries awards (CICA)	Pending legal aid amounts (LAA)	Bail monies (HMCTS)	Prisoner monies (HMPPS)	Total
	£000	£000	£000	£000	£000	£000
Cash	5,761	81,673	20,054	73,377	14,395	195,260
Investments	54,800	-	-	-	-	54,800
Non-cash assets	9,248	-	-	-	-	9,248
At 31 March 2023	**69,809**	**81,673**	**20,054**	**73,377**	**14,395**	**259,308**
At 31 March 2022	**69,237**	**84,350**	**17,016**	**57,465**	**15,004**	**243,072**

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: requests for these are assessed on a case by case basis.
- LAA holds funds in respect of damages awarded to legally aided civil law clients and contributions payable by legally aided defendants in Crown Court trials. The outcome of the case and final costs assessment determine whether these funds are retained by LAA or return to the clients.
- HMCTS holds cash consisting of bail monies and monies held on behalf of court users while cases progress.
- HMPPS holds cash on behalf of offenders.

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 2022, 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
- Tribunal Procedure Committee

Supply financed agencies

- Criminal Injuries Compensation Authority
- HM Courts and 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[63]

The Annual Reports 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.

Reinforced Autoclaved Aerated Concrete (RAAC) is a lightweight form of precast concrete, less durable than traditional concrete. Its use was most prevalent in buildings built or extended between 1950-1990, though there are some limited examples of its continued use into 1990s. Ongoing surveys of our estate have, to date, not indicated a widespread use of RAAC, with the majority of the properties built outside the period when RAAC was routinely used. In the buildings where the presence of RAAC has now been confirmed, remediation works have commenced where guidance suggests that is the correct course of action. In all other cases RAAC is being monitored. There is a range of possible outcomes in terms of levels of remediation required in the event that RAAC is identified. Based on the outcomes of surveys completed to date and the estimated effect that the presence of RAAC has on building valuations, we do not expect a material impact on the valuations of buildings within the financial statements.

63 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.

Annexes

Annex A: Other notes to the Statement of Parliamentary Supply

This section is subject to audit.

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

				2022-23
		Outturn	Estimate	Net total outturn compared with Estimate: saving/ (excess)
	Note	£000	£000	£000
Net Resource Outturn	SOPS 1.1	10,202,110	10,879,911	677,801
Capital Outturn	SOPS 1.2	1,365,445	1,480,869	115,424
Accruals to cash adjustments:				
Adjustments to remove non-cash items:				
Depreciation and amortisation		(788,577)	(1,133,208)	(344,631)
New provisions and adjustments to previous provisions		(2,016,861)	(499,423)	1,517,438
Other non-cash items		60,932	-	(60,932)
Adjustments for Non-Departmental Public Bodies (NDPBs):				
Remove voted resource and capital		(343,191)	(354,275)	(11,084)
Add cash Grant in Aid		288,031	309,917	21,886
Adjustments to reflect movements in working balances:				
Increase / (decrease) in receivables		(42,696)	-	42,696
Increase / (decrease) in inventories		10,085	-	(10,085)
(Increase) / decrease in payables		(157,041)	325,000	482,041
(Increase) / decrease in financial liabilities		142,195	-	(142,195)
Use of provisions		2,047,896	146,310	(1,901,586)
Removal of non-voted items:				
Consolidated Fund Standing Services		(171,583)	(164,131)	7,452
OLC and LSB non-voted levy income		19,390	-	(19,390)
Other adjustments		-	19,604	19,604
Net cash requirement		**10,616,135**	**11,010,574**	**394,439**

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 2022-23		Outturn 2021-22	
	Income	Receipts	Income	Receipts
	£000	£000	£000	£000
Income outside the ambit of the estimate	1,552	1,552	2,820	2,820
Levy income of OLC and LSB within the ambit of the estimate	19,390	19,390	17,804	17,804
Total income payable to the Consolidated Fund	**20,942**	**20,942**	**20,624**	**20,624**

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-tribunals-service-trust-statement-2022-to-2023

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 2023, OSCAR reflects the position agreed at Budget 2022. 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)

	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Plans
Resource DEL							
Policy, Corporate Services and Associated Offices	123,413	141,570	(36,628)	566,838	704,139	810,027	799,378
HM Prison and Probation Service	3,709,003	4,021,404	4,170,755	4,599,619	4,241,015	4,642,263	5,157,674
HM Courts and Tribunals Service	1,576,656	1,662,392	1,834,627	1,865,942	2,039,906	2,117,191	2,103,147
Legal Aid Agency	1,680,067	1,715,014	1,746,141	1,550,239	1,787,143	1,912,249	2,184,206
Criminal Injuries Compensation Authority	148,812	121,365	206,512	165,837	170,237	167,391	153,025
Office of The Public Guardian	(12,299)	(13,952)	(14,069)	1,512	(2,552)	(8,338)	(10,996)
Children and Family Court Advisory and Support Service (net)	119,414	119,758	129,950	130,013	139,784	143,070	148,442

	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Plans
Criminal Cases Review Commission (net)	5,240	5,262	5,765	6,392	6,972	7,361	7,862
Judicial Appointments Commission (net)	4,852	7,029	6,988	7,274	7,730	8,777	8,930
Legal Services Board (LSB) (net)	3,470	3,725	3,774	3,906	4,099	4,255	4,694
Office for Legal Complaints (OLC) (net)	12,240	13,228	12,351	13,151	13,757	15,056	16,878
Parole Board (net)	17,544	16,855	18,427	20,360	21,507	23,139	27,062
Youth Justice Board (net)	104,755	84,634	83,407	86,312	93,804	100,884	114,179
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	1,964	4,011	4,826	5,773
Oasis Restore Trust	-	-	-	-	-	-	5,250
Government Facility Services Limited	-	-	(24)	(692)	(360)	(162)	-
Higher Judiciary Judicial Salaries	148,407	153,988	159,886	163,898	163,084	171,601	174,725
OLC/LSB Levy CFER	(14,480)	(15,695)	(25,728)	(17,067)	(17,804)	(19,390)	(21,462)
Total Resource DEL	**7,627,094**	**8,036,577**	**8,302,134**	**9,165,498**	**9,376,472**	**10,100,200**	**10,878,767**
Of which:							
Staff costs	3,333,741	3,811,703	4,011,613	4,398,670	4,785,069	5,231,542	5,248,366
Purchase of goods and services	4,763,208	4,747,172	5,053,486	4,855,394	5,051,442	5,197,272	6,056,642
Income from sales of goods and services	(723,609)	(685,386)	(441,310)	(69,287)	(72,237)	(79,242)	(1,245,619)

	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Plans
Other income	-	-	-	(563,625)	(637,542)	(670,354)	(461,897)
Current grants to local government (net)	180,230	138,137	142,359	182,388	198,162	234,042	252,772
Current grants to persons and non-profit bodies (net)	-	31,909	29,799	43,135	49,970	57,106	62,811
Rentals	745,283	733,856	116,404	754,638	665,780	724,915	24,571
Depreciation[2]	492,519	534,706	470,052	598,957	717,143	803,968	901,743
Other resource	(1,164,278)	(1,275,520)	(1,080,269)	(1,034,772)	(1,381,315)	(1,399,049)	39,378
Resource AME[1]							
Policy, Corporate Services and Associated Offices	(55,692)	93,576	(1,773,220)	(34,865)	119,815	33,780	200,065
HM Prison and Probation Service	84,351	125,009	1,862,813	63,648	104,637	13,654	201,000
HM Courts and Tribunals Service	(44,498)	20,519	38,232	23,678	69,436	(97,907)	80,300
Legal Aid Agency	18,401	33,795	(7,479)	89,133	39,570	122,684	(9,000)
Criminal Injuries Compensation Authority	33,175	35,492	(12,648)	(4,544)	(10,613)	4,506	9,000
Office of the Public Guardian	(64)	(78)	220	4,418	(29)	(838)	200
Children and Family Court Advisory and Support Service (net)	10,054	10,456	14,014	16,271	26,925	25,375	-
Criminal Cases Review Commission (net)	186	156	182	117	(73)	304	1

	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Plans
Parole Board (net)	(1,144)	(42)	104	(141)	31	167	1
Youth Justice Board (net)	398	(398)	62	100	(54)	(45)	1
Judicial Appointments Commission (net)	-	-	-	-	10	(4)	-
Legal Services Board (LSB) (net)	-	-	-	74	(74)	-	-
Office of Legal Complaints (OLC) (net)	30	(50)	12	24	-	72	-
Government Facility Services Limited	-	-	93	730	360	162	-
Total Resource AME	**45,197**	**318,435**	**122,385**	**158,643**	**349,941**	**101,910**	**481,568**
Of which:							
Staff costs	-	-	-	-	-	-	-
Net public service pensions[3]	-	-	168	-	-	-	150
Depreciation[2]	(65,616)	48,492	87,712	62,744	95,663	(12,231)	290,400
Take up of provisions	1,924,749	2,011,770	1,928,438	1,740,200	2,045,971	2,010,847	246,267
Release of provision	(1,983,927)	(1,872,492)	(1,941,284)	(1,724,849)	(1,985,172)	(2,048,096)	(55,249)
Change in pension scheme liabilities	-	217,081	-	219,073	370,991	342,292	-
Other resource	169,991	(86,416)	47,351	(138,525)	(177,512)	(190,902)	-
Total Resource Budget	**7,672,291**	**8,355,012**	**8,424,519**	**9,324,141**	**9,726,413**	**10,202,110**	**11,360,335**

	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Plans
Of which:							
Depreciation[2]	426,903	583,198	557,764	661,702	812,806	791,737	1,192,143
Capital DEL							
Policy, Corporate Services and Associated Offices	212,555	203,554	164,963	272,558	426,544	350,777	281,170
HM Prison and Probation Service	83,460	68,346	190,793	502,217	496,903	784,489	1,847,718
HM Courts and Tribunals Service	111,322	169,869	133,073	287,920	483,338	210,191	175,459
Legal Aid Agency	265	451	2	491	3,416	3,443	173
Criminal Injuries Compensation Authority	1,340	557	898	1	104	57	100
Office of The Public Guardian	2,332	2,322	100	(47)	8,295	926	100
Children and Family Court Advisory and Support Service (net)	697	-	-	449	658	8,664	1,500
Criminal Cases Review Commission (net)	122	125	220	659	455	35	215
Judicial Appointments Commission (net)	147	-	750	513	117	-	1
Legal Services Board (LSB) (net)	-	-	368	21	10	12	74
Office for Legal Complaints (OLC) (net)	371	129	60	245	145	299	250
Parole Board (net)	915	9	98	421	235	246	140

	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Plans
Youth Justice Board (net)	941	440	600	729	598	637	600
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	-	40	61	1
Government Facility Services Limited	-	-	-	401	-	-	-
Total Capital DEL	**414,467**	**445,802**	**491,925**	**1,066,578**	**1,420,858**	**1,359,837**	**2,307,501**
Of which:							
Purchase of goods and services	-	-	4,782	-	-	-	3,960
Capital support for local government (net)	4,180	16,572	-	1,754	(1)	10,537	-
Purchase of assets	446,189	517,287	548,387	1,123,681	1,480,427	1,372,075	2,304,040
Income from sales of assets	(56,345)	(94,181)	(59,077)	(5,425)	(7,231)	(30,075)	(2,999)
Other capital	20,443	6,124	(2,167)	(53,432)	(52,337)	7,300	-
Capital grants income	-	-	-	-	-	-	2,500
Capital AME							
Policy, Corporate Services and Associated Offices	-	-	-	-	3,555	4,896	21,802
HM Prison and Probation Service	-	-	-	-	1,340	-	-
HM Courts and Tribunals Service	-	-	-	-	3,919	(270)	1,500

	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Plans
Legal Aid Agency	-	-	-	-	90	251	-
Criminal Injuries Compensation Authority	-	-	-	-	-	395	-
Office of the Public Guardian	-	-	-	-	1,222	336	-
Children and Family Court Advisory and Support Service (net)	-	-	-	-	393	-	1
Criminal Cases Review Commission	-	-	-	-	27	-	-
Total Capital AME	**-**	**-**	**-**	**-**	**10,546**	**5,608**	**23,303**
Total Capital	**414,467**	**445,802**	**491,925**	**1,066,578**	**1,431,404**	**1,365,445**	**2,330,804**
Total departmental spending[4]	**7,659,855**	**8,217,616**	**8,358,680**	**9,729,017**	**10,345,011**	**10,775,818**	**12,498,996**
Of which:							
Total DEL[4]	7,549,042	7,947,673	8,324,007	9,633,118	10,080,187	10,656,069	12,284,525
Total AME[4]	110,813	269,943	34,673	95,899	264,824	119,749	214,471

Section headings are based on 2022-23 Supplementary Estimate headings.

1 The figures for 2017-18 have been restated for the correction of prior period errors in 2018-19.

2 Includes amortisation and impairments.

3 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.

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 2022-23 Supplementary Estimate headings.

	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Plans
Policy, Corporate Services and Associated Offices	289,215	294,423	299,414	350,763	369,735	404,389	453,379
HM Prison and Probation Service	98,388	62,043	52,931	19,516	24,091	24,999	24,199
HM Courts and Tribunals Service	20,266	17,171	19,487	19,636	20,288	21,912	22,522
Legal Aid Agency	24,465	20,208	20,574	19,456	16,468	13,894	15,188
Criminal Injuries Compensation Authority	4,857	2,293	2,401	2,063	770	(685)	(554)
Office of the Public Guardian	56	58	63	63	67	74	34
Children and Family Court Advisory and Support Service (net)	6,046	5,219	(59)	5,295	5,192	5,412	5,596
Criminal Cases Review Commission (net)	596	654	918	751	715	778	691
Judicial Appointments Commission (net)	354	276	375	399	434	717	437
Legal Services Board (net)	-	-	-	-	1	-	-
Parole Board (net)	1,190	911	1,085	998	982	3,157	3,671
Youth Justice Board (net)	4,244	2,958	2,854	3,255	3,094	3,610	3,204
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	1,362	2,542	2,963	3,426
Higher Judiciary Judicial Salaries	75	76	-	76	89	109	-
Total Administration	**449,752**	**406,290**	**400,043**	**423,633**	**444,468**	**481,329**	**531,793**

	2017-18 Restated Outturn[1]	2018-19 Outturn	2019-20 Restated Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Plans
Of which:							
Staff costs	295,467	259,244	267,705	284,053	312,538	349,749	329,204
Purchase of goods and services	129,388	137,936	118,346	133,292	137,186	149,547	153,200
Income from sales of goods and services and other income	(14,714)	(36,732)	(13,807)	(47,642)	(46,187)	(47,287)	-
Current grants to local government (net)	-	-	-	-	-	-	(28,636)
Current grants to persons and non-profit bodies (net)	-	-	88	-	-	-	191
Rentals	18,704	23,502	(1,673)	24,741	5,755	6,980	2,403
Depreciation[2]	19,512	20,625	31,470	27,189	33,629	32,506	48,820
Other resource	1,395	1,715	(2,086)	2,000	1,547	(10,166)	26,611

1 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.[64] 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 and Family Court Advisory and Support Service	(1,953)	170,398	168,445	2,066.0	133,863	195.0	7,221
Youth Justice Board	(148)	102,577	102,429	99.0	5,742	5.0	487
Parole Board	-	24,245	24,245	186.0	7,712	8.0	12,261
Judicial Appointments Commission	-	9,457	9,457	92.0	4,834	30.0	2,072
Criminal Cases Review Commission	(6)	7,671	7,665	94.5	5,318	-	440
Independent Monitoring Authority	-	5,335	5,335	50.0	3,045	6.0	493
Legal Services Board	(4,267)	4,260	(7)	35.2	2,632	-	517
Gov Facility Services Limited	(149,581)	149,581	-	1,499.0	59,853	312.0	1,430
Office of Legal Complaints	(15,552)	15,552	-	271.0	11,421	6.0	428

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 non-salaried 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.

64 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 2023, 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 2023	463	14	69	1	15	-	-	-	-	-	-	-	-	-	6	568
Of which:																
Number that have existed for less than one year at time of reporting	355	9	39	1	13	-	-	-	-	-	-	-	-		6	423
Number that have existed for between one and two years at time of reporting	92	3	21	-	2	-	-	-	-	-	-	-	-		-	118
Number that have existed for between two and three years at time of reporting	16	1	5	-	-	-	-	-	-	-	-	-	-		-	22
Number that have existed for between three and four years at time of reporting	-	1	1	-	-	-	-	-	-	-	-	-	-		-	2
Number that have existed for four or more years at time of reporting	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	3

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2023, 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 2023	705	31	160	2	44	-	-	-		-	-	-	-	-	7	949
Of which:																-
Not subject to off-payroll legislation	693	24	154	2	42	-	-	-		-	-	-	-		7	922
Subject to off-payroll legislation and determined as in-scope of IR35	11	1	1	-	2	-	-	-	-	-	-	-	-			15
Subject to off-payroll legislation and determined as out-of-scope of IR35	1	6	5	-	-	-	-	-	-	-	-	-	-		-	12
Number of engagements reassessed for compliance or assurance purposes during the year	477	18	113	1	22	-	-			-	-	-	-		5	636
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 2022 and 31 March 2023

	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	13	10	12	9	6	2	4	2	6	10	11	5	24	6	4	124

Details of the exceptional circumstances that led to the above off-payroll engagements, and the duration of the engagement is as follows:

HMCTS: Since 23 March 2020 an interim Chief Information Officer has been engaged while the permanent role is being defined.

Annex E: Report by the Secretary of State on the use of powers under section 70 of the Charities Act 2006 for the year 2022-23

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 2022/23, the department awarded grants totalling £10,141,457 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 2022/23.

Name of organisation (Recipient)	Grant Name (Title)	Amount £
Access to Justice Foundation	Litigants in person support strategy	362,500
Access to Justice Foundation	Cost of living legal support grant	1,000,000
Access to Justice Foundation	Help accessing legal support (HALS)	3,200,000
Circles UK	Circles UK: Provision and development of circles of accountability	131,930
JUSTICE	Administrative Justice Council	58,163
National Association of Child Contact Centres	National association of child contact centres (NACCC)	192,000
Reunite International Child Abduction Centre	Reunite	118,000
StreetGames UK	Youth justice sports fund	4,885,000
The Butler Trust	The Butler Trust	125,000
The Citizenship Foundation	Magistrates' court mock trials competition	25,000
Citizens Advice Wirral	Citizens advice bureau Wirral co-located advice hub project	43,864
Total		**10,141,457**

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 2022-23.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
599	586.8

Table 2 Percentage of time spent on facility time

The number of employees who were relevant union officials employed during 2022-23, 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%	-
1-50%	599
51-99%	-
100%	-

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 2022-23.

Total cost of facility time (£000)	£2,611,659
Total pay bill (£000)	£4,279,589,000
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 2022-23 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%

Annex G: Reconciliation between contingent liabilities reported in the Supply Estimate and those reported in the Annual Report and Accounts

Table 1 Quantifiable contingent liabilities

Description	Entity	Supply Estimate* £000	Annual Report and Accounts £000	Variance £000
Employment tribunal claims	HQ	520	6,085	(5,565)
Legal claims including judicial reviews challenging refusal to pay compensation for miscarriages of justice and legal aid funding	HQ	662	430	232
Cases at the European Court of Human Rights	HQ	800	500	300
Data protection claims	HQ	-	105	(105)
Personal injury claims by staff, prisoners and third parties	HMPPS	120,000	45,200	74,800
Refund scheme for incorrect fees charged for low value personal injury claims	HMCTS	10,460	9,775	685
Refund scheme for the Court of Protection, magistrates' courts, insolvency and other fees which were charged in error or incorrectly set	HMCTS	9,296	9,296	-
Employment tribunal refunds, following the UK Supreme Court judgment quashing the Employment Tribunals and Employment Appeal Tribunal Fees Order 2013/1893	HMCTS	13,854	13,817	37
Legal cases dealing with ex gratia, compensation and other claims	HMCTS	1,274	800	474
Employment tribunal claims	HMCTS	218	-	218
Compensation costs	Parole Board	-	63	(63)

* Supplementary Estimate, February 2023

Under the FReM, explanations are required for material variances:

- the contingent liability disclosed for HQ for employment tribunal claims has increased significantly due to new evidence emerging during the course of on-going claims that has changed our assessment of whether a contingent liability exists and can be quantified and new cases being brought during 2022-23
- the contingent liability disclosed for HMPPS for personal injury claims by staff, prisoners and the public and for third party contract disputes has decreased significantly due to the closure of one specific legal challenge in 2022-23

Table 2 Unquantifiable contingent liabilities

Description	Entity	Supply Estimate*	Annual Report and Accounts
Alleged failure to comply with the Data Protection Act	Cross-MoJ	Yes	No
Incidents Incurred But Not Yet Received (IBNYR): in respect of individuals who have been victims of violent crime but have not yet applied to CICA	CICA	Yes	Yes
Offers of compensation not accepted within time limits	CICA	No	Yes
Judicial claims for fee-paid judges sitting in retirement	HMCTS	No	Yes
Judicial claims for discrimination between fee-paid and salaried judges	HMCTS	No	Yes
Outstanding legal cases	JAC	No	Yes
Outstanding legal cases	OLC	No	Yes

Differences in treatment arise as follows:

- MoJ is now disclosing a quantified contingent liability for claims for alleged failure to comply with the Data Protection Act
- CICA's unquantified contingent liability for compensation offers not accepted in time was considered immaterial when the 2022-23 Supply Estimates were being prepared: the accounts disclose an upper liability of £400,000
- HMCTS has recognised a new unquantified contingent liability, which will be included in the 2023-24 Supply Estimates
- the unquantified liabilities for JAC and OLC were considered too minor to include in the 2023-24 Supply Estimates, but are disclosed in the MoJ, JAC and OLC Annual Reports and Accounts for completeness

Table 3 Remote (non-IAS 37) contingent liabilities

Description	Entity	Supply Estimate*	Annual Report and Accounts	£000
Quantified				
Heathrow Airport Holdings Limited and other third-parties indemnity	HMPPS	No	Yes	250,000
Unquantified				
Liability as underwriter of last resort to meet certain losses incurred by privately managed prisons	HMPPS	No	Yes	
Local government pension scheme guarantee	HMPPS	No	Yes	
Compensation cases at appeal stage under the jurisdiction of the First Tier Tribunal	CICA	No	Yes	

Only contingent liabilities that meet the definition within IAS 37 - Provisions, contingent liabilities and contingent assets are included in the Supply Estimates.

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/publications/government-financial-reporting-manual-2022-23
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	SCA	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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