

Supplementary Estimates memorandum (2020-21) for HM Procurator General and Treasury Solicitor

1 Overview

1.1 Objectives

The Estimate for HM Procurator General and Treasury Solicitor (HMPG&TS) provides for the expenditure and income of the Government Legal Department (GLD), the Attorney General's Office (AGO) and HM Crown Prosecution Service Inspectorate (HMCPPI).

GLD is a non-ministerial government department and its predecessor (the Treasury Solicitor's Department) was established as an Executive Agency on 1 April 1996. It has no policy responsibility. Ministerial responsibility lies with the Attorney General. GLD provides high quality legal services to most Whitehall Departments and to more than a hundred other government and public bodies. It applies its combined legal professional skills to provide consistently excellent legal services, drawing on its unique perspective of the law across the legal landscape of government. GLD is predominantly funded by fees charged to clients on a full cost recovery basis; with Supply making up only a small proportion of its total funding.

The AGO is a specialist ministerial department serving the Attorney General and the Solicitor General (the Law Officers) across the full range of their functions. The Law Officers are the Government's chief legal advisers and help the Government to deliver policy in the context of upholding the rule of law and perform a visible and effective role as leaders in the domestic and international legal community. They also have superintendence responsibilities in relation to the public prosecutions conducted by the Crown Prosecution Service and the Serious Fraud Office.

The purpose of HMCPPI is to inspect the operation of the Crown Prosecution Service and the Serious Fraud Office and to provide independently assessed evidence to allow others to hold these agencies to account thereby encouraging improvement. The Chief Inspector, who also fulfils the role of Chief Executive, has been appointed as Accounting Officer for HMCPPI.

1.2 Spending controls

HMPG&TS's net spending is broken down into a several different spending totals, for which Parliament's approval is sought.

The spending totals which Parliament votes are:

- Resource Departmental Expenditure Limit (**Resource DEL**) - this limit is to fund the public interest casework of GLD and AGO both in terms of time spent and disbursements, the administration costs of AGO and HMCPPI, and the programme cost of the AGO's work on exiting the EU. The balance of GLD's operating costs, including the cost of legal disbursements, are recovered from client departments.
- Capital Departmental Expenditure Limit (**Capital DEL**): - investment in capital equipment such as ICT and furniture and fittings, including expenditure arising from AGO's move to new premises.

- Annually Managed Expenditure (**Resource AME**): for HMPG&TS this relates to provisions; set up to cover the future cost of leasehold dilapidations and other litigation liabilities.

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets that require HMPG&TS to pay out cash in year.

1.3 Comparison of net spending totals sought

The table below shows how the net spending totals sought for HMPG&TS compares with the Main Estimate and last year's outturn:

Net Spending total Amounts sought this year (Supplementary Estimate 2020-21)		Compared to original budget this year (Main Estimate 2020-21)		Compared to final budget last year (Outturn 2019-20)	
		£ m	%	£m	%
Resource DEL	15.288	10.880	41%	12.233	25%
Capital DEL	2.900	1.400	107%	5.027	-42%
Resource AME	0.100	-	-	0.388	-74%

A breakdown of spending and income within the net total is shown in section 2.1.

1.4 Key drivers of spending changes since original budget this year

The net Resource DEL is higher than the original budget mainly due to an additional £4m to cover the cost of an increase in the GLD's accrual for untaken annual leave. There is also an increase in Resource DEL of £534k that relates to a transfer from CPS to HMPG&TS to cover the costs of IT provision within the AGO. These increases are partially offset by a transfer from the AGO to Cabinet Office of £126k to cover special adviser costs.

Capital DEL has been increased by £1.5m to cover the costs of investment in GLD ICT infrastructure and capital costs associated with the AGO's move to new premises.

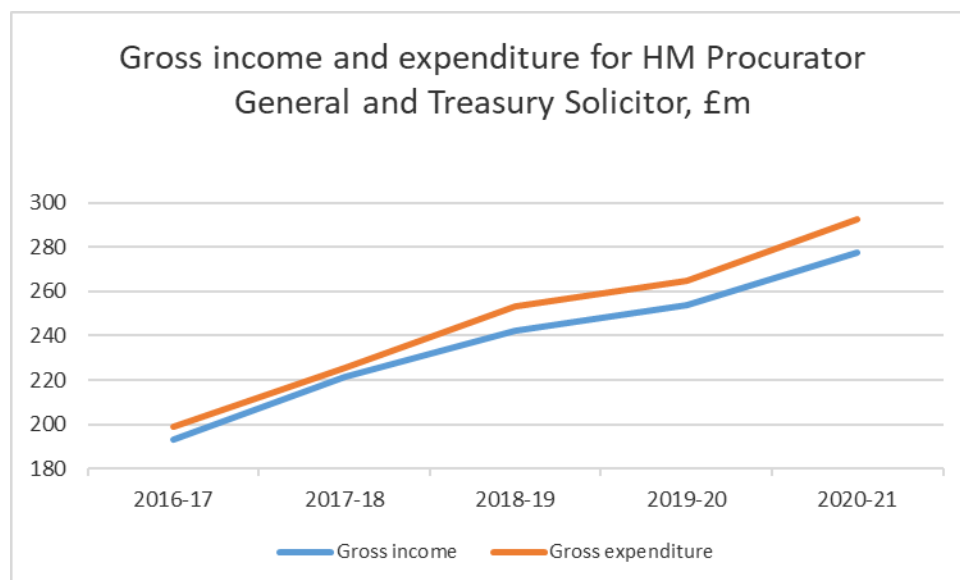
£100k of Resource AME has been sought to cover creation of and revaluation of provisions for leasehold dilapidations and other litigation liabilities.

1.5 New policies and programmes; ambit changes

The only change to the ambit from the HMPG&TS Main Estimate is the additional of a section on Resource AME, which refers to this funding being required to cover the cost of leasehold dilapidations and other litigation liabilities.

1.6 Spending and income trends

The charts below show overall Resource DEL spending and income trends for the last five years, and plans presented in the Supplementary Estimate for 2020-21. The increase in profile has resulted from the on-boarding of previously devolved legal teams into GLD under the Sharing Legal Services programme, and more recent growth in demand for GLD's legal services from client departments.



1.7 Administration costs and efficiency plans

Administration costs have increased in the Supplementary Estimate compared to the Main Estimate.

Spending total Amounts sought this year (Supplementary Estimate 2020-21)		Compared to original budget this year (Main Estimate 2020-21)		Compared to final budget last year (Outturn 2019-20)	
		£ m	%	£m	%
Administration costs	14.988	10.580	42%	11.826	27%
<i>Of which</i>					
GLD	6.090	2.090	191%	4.323	41%
AGO	5.758	5.350	8%	5.144	12%
HMCPSI	3.140	3.140	-	2.359	33%

GLD's gross administration costs of £284m are predominantly funded by fees charged to clients. The increase in GLD's net administration costs funded by Supply relates to the additional cost arising from an increase in the Department's accrual for untaken annual leave.

1.8 Funding: Spending Review and Budgets

In the 2020 Spending Review, covering the budget for 2021-22, AGO secured some additional funding of £0.9m to support their move to new premises. The Capital DEL budget for the Department was also increased from £1.4m to £2m to support ongoing investment in ICT infrastructure.

2. Spending and income detail

2.1 Explanations of changes in spending and income

Resource DEL

The table below shows how spending plans for Resource DEL compare with the Main Estimate.

subhead	Resource	DEL		Change from Main Estimate		Is the change significant? see explanation, note number
	2020-21 Supplementary Estimates budget sought	2020-21 Main Estimates budget approved	£ million	%		
A GLD Administration Expenditure	283.520	279.520	4.000	1%		
A GLD Administration Income	-277.430	-277.430	-	-		
A GLD Administration Net	6.090	2.090	4.000	191%	1	
B AGO Administration Expenditure	5.758	5.350	0.408	8%		
B AGO Administration Net	5.758	5.350	0.408	8%	2	
B AGO Programme Gross	0.300	0.300	-	-		
C HMCPSI Administration Expenditure	3.140	3.140	-	-		
C HMCPSI Administration Net	3.140	3.140	-	-		

Note 1. Most of GLD's costs are recovered from clients, but there is a small element of funding from the Vote for public interest work. Expenditure has increased in the Supplementary Estimate from the Main Estimate to reflect the additional cost arising from an increase in the Department's accrual for untaken annual leave.

Note 2. The AGO received an in year budget transfer of £534k from CPS in the Supplementary Estimate to cover the cost of ICT services and transferred £126k to Cabinet Office to cover special adviser costs.

Capital DEL

Capital DEL has been increased by £1.5m to cover capital investment in GLD's ICT infrastructure and costs associated with the AGO's move to new premises.

Resource AME

Resource AME of £0.1m has been sought to cover provisions for leasehold dilapidations and other litigation liabilities.

2.3 Ring fenced budgets

Within the totals, the following elements are ring fenced i.e. savings in these budgets may not be used to fund pressures on other budgets:

Resource DEL

Ring fenced budgets Amounts sought this year (Supplementary Estimate 2020-21) £m		Compared to final budget this year. (Main Estimate 2020-21)		Compared to budget last year (Outturn 2019-20)	
		£ m	%	£m	%
Depreciation	3.310	3.310	-	2.958	12%
AGO EU Exit support (Programme)	0.300	0.300	-	0.407	-26%

3. Priorities and performance

3.1 How spending relates to objectives

Expenditure in each subhead supports the objectives of the relevant entity (GLD, AGO, HMCPSI). These may be found in the published statements and Business Plans on each entity's website.

3.2 Measures of performance against each priority

GLD's performance measures, agreed with HM Treasury for 2020-21, reflect its continued commitment to maintain its high professional standards as well as delivering excellent client satisfaction.

The measures are:

- to improve its client satisfaction rating(s)
- to maintain Lexcel (the Law Society's Practice Standard) accreditation
- to recover from clients the full operating costs of chargeable services

4. Other information

4.1 Additional specific information required by the select committee

No additional information has been requested by the Justice Committee.

5. Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by HM Treasury and the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by myself as Departmental Accounting Officer.



Peter Fish CB

Permanent Secretary and Treasury Solicitor

9 February 2021