

Main Estimates memorandum (2021-22) 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 (HMCPSI).

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 HMCPSI 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 HMCPSI.

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 HMCPSI, and the programme cost of the AGO's work on EU Exit. 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, furniture and fittings and leasehold improvements.

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets which 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 last year:

Spending total Amounts sought this year (Main Estimate 2021-22)		Compared to final budget last year (Supplementary Estimate 2020-21)		Compared to original budget last year (Main Estimate 2020-21)	
		£ m	%	£m	%
Resource DEL	11.638	15.288	-24%	10.880	7%
Capital DEL	2.000	2.900	-31%	1.400	43%
Resource AME	-	0.100	-	-	-

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

1.4 Key drivers of spending changes since last year

The net Resource DEL has decreased from last year primarily because the 2020-21 amount included funding to cover an increase in the cost of untaken annual leave. This is partly offset by an increase in funding for the AGO in 2020-21 to support their move to new premises.

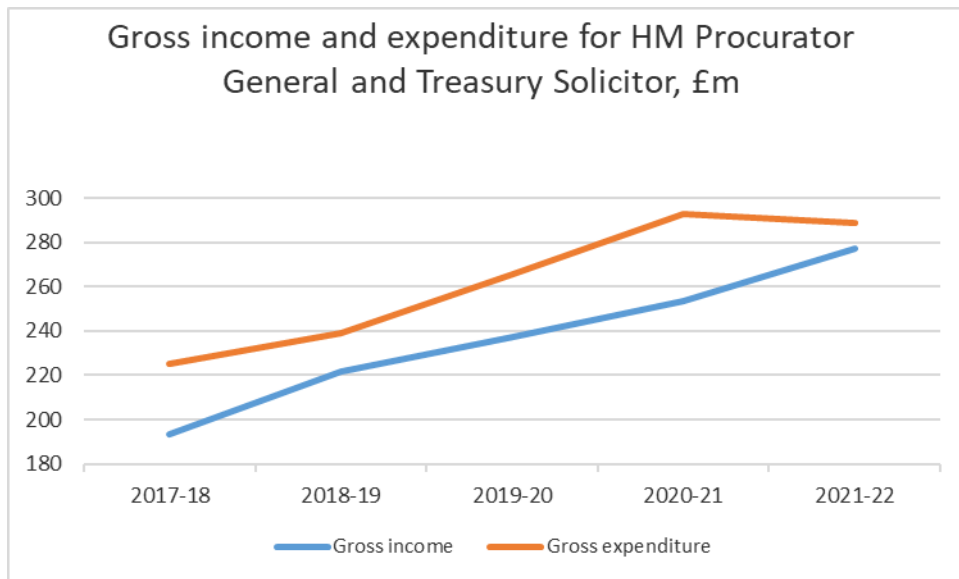
The net capital DEL proposed is 31% less than last year's budget. Additional capital DEL was requested in 2020-21 to support the fit out of AGO's new premises and to support ICT infrastructure costs. The Capital DEL budget baseline for the Department has been increased from £1.4m to £2m to support ongoing investment in ICT infrastructure.

1.5 New policies and programmes; ambit changes

The only change to the ambit is to add provision for staff costs associated with COVID-19 related staff loans, including staff loaned to support the NHS Test and Trace Programme.

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 Estimates for 2021-22. The increase in profile over that period 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 are set to decrease by 24% in 2021-22 compared to last year's final budget.

Spending total Amounts sought this year (Main Estimate 2021-22)		Compared to final budget last year. (Supplementary Estimate 2020-21)		Compared to original budget last year (Main Estimate 2020-21)	
		£ m	%	£m	%
Administration costs	11.4	15.0	-24%	10.6	+8%
<i>Of which</i>					
GLD	2.1	6.1	-66%	2.1	0%
AGO	6.2	5.8	+7%	5.4	+15%
HMCPSI	3.1	3.1	0%	3.1	0%

GLD's gross administration costs of £280m are predominantly funded by fees charged to clients.

1.8 Funding: Spending Review and Budgets

Most of GLD's funding is from income from client departments.

1.9 Other funding announcements

The AGO has received an allocation of £0.216m programme RDEL funding to support EU Exit. This funding is ring-fenced.

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 in 2021-22 compare with 2020-21.

subhead	Resource DEL		Change from last year		Is the change significant? see explanation, note number
	<i>This year (2021-22 Main Estimates budget sought)</i>	<i>Last year (2020-21 Supplementary Estimates budget approved)</i>			
	£ million			%	
A GLD Administration Expenditure	279.5	283.5	-4.0	-1%	
A GLD Administration Income	-277.4	-277.4	-	-	
A GLD Administration Net	2.1	6.1	-4.0	-66%	1
B AGO Administration Expenditure	6.2	5.8	+0.4	+7%	
B AGO Administration Income	-	-	-	-	
B AGO Administration Net	6.2	5.8	+0.4	+7%	2
B AGO Programme Gross	0.2	0.3	-0.1	-33%	
C HMCPSI Administration Expenditure	3.1	3.1	-	-	
C HMCPSI Administration Income	-	-	-	-	
C HMCPSI Administration Net	3.1	3.1	-	-	

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. Net RDEL funding for GLD was higher in 2020-21 to cover costs associated with an increase in the GLD's accrual for untaken annual leave.

Note 2. The increase in funding for the AGO reflects £0.9m support for the AGO's move to new premises which is partially offset by funding from the CPS transferred in the 2020-21 Supplementary Estimate to cover ICT costs. A similar transfer from CPS is expected for 2021-22.

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 (Main Estimate 2021-22)		Compared to final budget last year. (Supplementary Estimate 2020-21)		Compared to original budget last year (Main Estimate 2020-21)	
		£ m	%	£m	%
Depreciation	3.310	3.310	-	3.310	-
AGO EU Exit work	0.216	0.300	-28%	0.300	-28%

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

GLD's performance measures, agreed with HM Treasury for 2021-22, 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.

A handwritten signature in black ink, appearing to read 'Susanna J', with a long horizontal flourish extending to the right.

Susanna McGibbon

Permanent Secretary and Treasury Solicitor

23 April 2021