Ministry of Justice Supplementary Estimate 2018-19

Thank you for providing the Committee with a memorandum on the Ministry of Justice’s Supplementary Estimate. We found this very useful. Having reviewed the Supplementary Estimate and the associated memorandum you provided, the Committee has some additional questions, which are set out below.

Sustainability of the Ministry’s financial position

1. The Committee notes the size of the Ministry’s Supplementary Estimate, in particular the increase in the Resource DEL budget, which has increased by 17% compared to the Main Estimate. We note that some of the additional claim has resulted because assumptions in the previous spending agreement did not hold true. What steps is the Ministry taking to ensure it receives a sustainable settlement as part of the next spending review?

2. Mike Driver, your Chief Financial Officer, told us in June 2018 that the Ministry had a gap of £1.2 billion in its finances across 2018-19 and 2019-20. Following the Supplementary Estimate, what is the current size of the gap?

3. The provisional police funding settlement for 2019-20 is £14 billion, an increase of £970 million on last year. The Spring Statement also committed another £100 million to tackle knife crime. How has the Ministry factored this change in police resource into its forecasts for demand on the courts system, community/custodial sentence lengths and prison places? What assessment has the Ministry made of the costs of alternatives to custody, such as community sentences?

4. In relation to legal aid, what levers is the department using to manage demand-led and rising legal aid costs, and how effective are these?

5. The Committee welcomes the additional spending on prisons of £30 million announced in July 2018 and £10 million announced in August 2018, but would like more information as to which budgets this money was re-prioritised from or whether these announcements represent new money?
Capital investment and reform

6. Overall, there is a net capital DEL reduction of £16 million in the Supplementary Estimate, including a transfer of £150 million from capital to resource DEL, and a large shortfall against the Spending Review investment plans for this year. What steps is the Ministry taking to ensure it will not have to use capital funding to resource day-to-day expenditure going forwards?

7. The Ministry has significant capital programmes under way in both courts and prisons. Does the Ministry have sufficient funding to complete these programmes, which should result in future cost savings?

8. Specifically in relation to prisons, how much has been spent on the Prison Estates Transformation Programme since the beginning of the 2015 Spending Review? The Committee would also welcome an update on progress made on the proposed new prisons at Glen Parva and Wellingborough and the estimated costs associated with these.

Fee refund schemes

9. The Ministry has announced several fee refund schemes in recent years, in particular following the Supreme Court judgement on Employment Tribunal Fees. The Committee notes that included in the Supplementary Estimate is £9 million in relation to refunds of fees paid to the Office of the Public Guardian and £60 million for refunds of Employment Tribunal fees and lower than anticipated fee and fine income. For each refund scheme, we would be grateful if you could provide us with information setting out how much has been refunded to date and to how many people. We would also like to know what the Ministry’s best estimate is as to how many people are still to receive a refund, as well as the total outstanding liability, and what steps you are taking to ensure that all individuals who are entitled to a refund will receive one.

10. We note the announcement by Lucy Frazer, Parliamentary Under Secretary of State, in July 2018 of further refund schemes for court fees that were charged above full cost recovery levels. We would welcome an update on progress made in relation to this announcement.

Community Rehabilitation Companies

11. The Committee was grateful for the update from Rory Stewart, Minister of State, in his letter dated 15 February 2019, on the steps being taken by the Ministry for probation services in the South West and Wales following Working Links (Employment) Limited entering administration. What have been the financial implications of this development and will additional budget obtained through the Supplementary Estimate process have to be directed to these services?
12. The Committee also notes that the Supplementary Estimate does not include detailed information on expenditure for probation services. We would be grateful if you could provide a breakdown of costs for the financial year to date for each Community Rehabilitation Company.

13. What have been the financial and operational implications of the problems at Interserve and what steps has the Ministry take to ensure continuity in the services that Interserve provide?

Facilities Management

14. Following collapse of Carillion and the setting up of Gov Facility Services Limited (GFSL), the Committee would welcome information as to what has been the additional cost to the Ministry of the creation of GFSL compared to the contracts signed with Carillion. What steps is the Ministry taking to improve the standard of service provided in those prisons for which Carillion provided facilities management services?

Judicial Pension Litigation

15. The Ministry has received funding to cover the cost of ongoing litigation relating to judicial pensions. The Committee notes the ruling by the Court of Justice of the European Union in November 2018 in relation to the O’Brien case. What steps has the Ministry taken to prepare for the effect of this ruling?

You will be aware that the Secretary of State is due to appear before us on 3 April. It would be very helpful if you could provide the Committee with answers to the questions set out above in advance of this.

Bob Neill MP
Chair
Justice Committee