The Right Honourable
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House of Commons
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JUSTICE SELECT COMMITTEE

Thank you for your letter of 1 November, regarding the additional points which were outstanding from the previous session on 25 October. In this letter, I have addressed those issues individually in the order in which they were raised.

Is £83 million a year sufficient to maintain the current prison estate?

We have closed some old and unsuitable premises, which has in turn reduced the burden of outstanding maintenance within the estate. We still have a requirement to manage and maintain the remaining estate, which is in a varied condition, to ensure that it provides safe, legal and decent accommodation in the most cost-efficient manner.

In addition to facilities management expenditure, we have a rolling programme of centrally funded investment across the estate. The resource and capital budget for major (centrally funded) investment and minor investment works (i.e. those with a total cost falling below £150k that are allocated to regional contract management teams) in existing prison buildings in England and Wales for 2017/18 is around £100m.

Our investment programme includes projects that are either already under way or scheduled to commence later in financial year 2017-18, together with those planned to start in 2018-19. The programme may be subject to change, and individual projects are subject to rigorous prioritisation depending on the priorities of the estate and confirmed funding.

The current condition of our assets and the likely future maintenance requirements combined with the financial constraints are such that we have to manage our forward planning effectively. We currently prioritise our maintenance funding according to the following criteria: fire safety; health and safety; statutory, regulatory and legal obligations; and, operationally critical projects.

Does the MOJ have a schedule of work to bring the existing prison estate up to expected standards? How much will this cost?

We intend to reform and modernise our prison estate, including through the construction of two new prisons and redevelopment of four existing prisons. The latter programme will start with the proposed
redevelopments of HMP and YOI Glen Parva and the former HMP Wellingborough. To support this vision, the programme will deliver buildings that will create the physical conditions for Governors to achieve better educational, training and rehabilitation outcomes, which evidence suggests will reduce levels of violence, reoffending or both.

HMP and YOI Berwyn in Wrexham opened on 27 February and will when fully operational provide 2,106 modern and efficient prison places. Work has already begun on the construction of a new 206 place houseblock at HMP Stocken, in Rutland. On 22 March, the government announced its intention, subject to planning approvals, value for money and affordability, to build four modern prisons. These will be situated in the following locations: adjacent to HMP Full Sutton in Yorkshire, Port Talbot in Neath, at the redeveloped HMP and YOI Rochester in Kent and HMP and YOI Hindley, in Greater Manchester. Outline planning permission was received in July 2017 to build a new prison on land adjacent to HMP Full Sutton.

We are looking to use technology to support staff working in prisons do their jobs and to make our prisons more efficient and safer. We are investing in video conferencing technology to enable a significant increase in court hearings to be conducted ‘virtually’. This will minimise the need for physical transfers of prisoners from prison to court and support parallel reforms in HM Courts and Tribunals Service.

**Which specific elements of governor empowerment do you intend to deliver and by when? Will you pilot further aspects of implementation of this policy?**

Since 1 April 2017 we have empowered prison Governors to make a number of reforms. These include the power to make changes to their core day; the organisation of their staffing structure; greater flexibility over their delegated budget; the industries provided in their prison and which offender behaviour programmes they run. Governors also now have greater input into the decision-making process about the provision of health services in their prison.

In addition, Governors have now been given responsibility for their family budgets and we have introduced changes to the prison education funding rules to give individual Governors the flexibility to put in place a learning offer that meets the needs of prisoners in their establishment. We are also giving Governors more information on the contracts they use in their prisons, including where they can make local decisions on the goods and services they buy.

Over the coming year, Governors will be given increased responsibility for the education provision in their prisons. This will mean that once the existing contracts end, Governors will be able to commission education services that they think will improve the rehabilitation of, and outcomes for, the specific cohort of offenders in their care. We will also look at the current commercial contracts used by each prison, assessing each contract as it comes to an end, to see how we can give Governors greater responsibility for the services provided in their prison. We are also continuing our deregulation programme to reduce central prescription by replacing Prison Service Instructions, Prison Service Orders and outcomes from custodial Service Specifications with policy frameworks. To date we have already seen over 100 obsolete operational policies cancelled.

As we identify further areas where additional Governor empowerment is appropriate we would consider piloting a different approach on a case by case basis.

**How much money will prison Governors be given for delivering rehabilitation activities? What is the per capita budget for each of these activities, including specifically for family services, education and training?**

- How have these budgets changed in each of the last five years?
- Will the budgets reflect the different needs of individual prisons? Will budgets respond to changes in prison population?
Given that there are over 100 prisons in the estate that vary in size and function (for example women or high security) and have different running costs, it is not practicable to provide per capita budgets of each activity. Budgets are set for each establishment in line with various factors for example security classification and overall operational capacity.

Of the total public service prison budget (c.£1.64bn), it is envisaged that the empowerment programme will afford Governors a greater say and, in some categories of spend, direct control of, about £1.4bn of this money to effectively run their prisons and support the reform and rehabilitation of the offenders in their care.

The specific funding for family services, training and education breaks down as follows:

- **Family Services** – Since October this year, all Governors have been given direct oversight of their family services budget, which has a current total value of £5.5m. Further funding has been put in place to enable it to reach a £25m ceiling over the next 4 years.
- **Training** – The annual budget for training is currently £2.8m, which can be supplemented at local level for specific training requirements, such as materials and supplies.
- **Education** – The annual spend on prison education is currently about £130m, which is currently spent through centrally let contracts. In the future, prison governors will have increased responsibility for education provision in their prisons once existing contracts end, commissioning the services they think are most appropriate in their individual prison. In addition, and to support this crucial aspect of offender reform and rehabilitation, Governors will also be empowered to spend on items such as careers advice and libraries, which will increase the total budget for Education to around £150m.

Until this year, the budget for both family services and training were not accounted for as standalone items. As such it is not possible to determine with any accuracy how much has been spent on either – or what the budget for family services or training specifically would have been – in previous years.

In terms of Education, the budget this financial year is the same as it was for last year. The only adjustments that have been made are in respect of prison closures and the provision of 10% of this budget (from April this year) to Governors at 12 sites. Prior to 2016 the Skills Funding Agency was responsible for administering the funds so the data on previous years is unavailable.

Which CRCs had a change made to their funding plans following the statement made on 19 July 2017 by the Parliamentary Under-Secretary of State for Prisons and Probation?

As you are aware, we are due to provide a written submission to the Justice Select Committee inquiry into Transforming Rehabilitation by 17 November. That submission will include detailed consideration of the changes made to Community Rehabilitation Company contracts.

The Department previously committed to outlining its capital future spending plans to the Committee, before the election. When will these be provided?

Since the Spending Review we have also agreed to carry out our Courts Reform programme over a six-year period, instead of four years. As these Reform Programmes form a significant part of capital expenditure, HM Treasury has agreed in principle to reprofile our capital settlement. We are working closely with HM Treasury and will continue to do so over the forthcoming months to ensure the affordability of our plans. Once those negotiations with HM Treasury are completed, we will be able to publish our plans against the new profile at the Main Estimate.

Last year the Department returned £204m to the Treasury, following the reprofiling of the capital budget. NOMS (now HMPPS) also explained capital underspending as being as a result of the
deferral of site acquisitions and construction plans. What assurances can you give that these delays and changes to the capital plans will not stretch to the future?

The deferrals outlined above have adjusted our expenditure on plans the Prison Estate Transformation Programme in the current year. We are working closely with HM Treasury to agree our capital plans, including those for the Prison Estates Transformation programme, for the rest of the Spending Review period at the Main Estimate.

Yours ever,

RT HON DAVID LIDINGTON CBE MP