LORDS CONSTITUTION COMMITTEE FURTHER QUESTIONS

In the evidence session on 1 May 2019, I committed to writing to you with further information on the Ministry’s funding and progress on consolidation of sentencing legislation.

Departmental Funding

The Ministry has rightly played its part in the Government’s fiscal consolidation. The department has received challenging funding settlements across the last three Spending Review periods. We have responded to this challenge through investment in the courts and prisons systems, which will drive longer-term efficiency, and by scrutinising where further efficiencies can be made in our administrative back-office functions. We continue to ensure we are getting the best value out of taxpayers’ money and investing in the department’s priority areas.

We have worked closely with HM Treasury to ensure that the department has sufficient funding, including the provision of resources for the efficient and effective support of the courts. In addition to the funding settlement agreed in 2015/16, the department agreed £500m additional funding at Autumn Statement 2016 for prison safety and the wider justice system. At AS16, we also agreed an additional £255m for investment in the HMCTS Reform programme, to be received in the Supplementary Estimates, subject to approval by the Major Projects Review Group. We have also continued to invest, where possible, in the estate, for which we received £52m additional funding in Autumn Budget 2018, of which £15m covered court maintenance and security.

In the 2018/19 Supplementary Estimate, the department received £1.2bn additional resource funding. This was necessary because some critical assumptions made in our SR15 settlement did not materialise, especially with regard to sources of income (for which we received £368m) and an anticipated reduction in Legal Aid expenditure (for which we received £136m). The funding also included £104m for HMCTS Reform, as agreed at AS16. Following the receipt of this funding, the provisional outturn position (which is subject to accounting and audit adjustments that could be made before the Annual Report and Accounts are laid before Parliament) for the 2018/19 financial year shows that our expenditure is within parliamentary controls.
The Ministry has received funding for preparation activities directly associated with the United Kingdom’s withdrawal from the EU, totalling £17m in 2018/19 and £30m in 2019/20. For 2019/20, we have also agreed additional funding from HM Treasury of £1.325bn, which covers areas similarly funded in the 2018/19 Supplementary Estimate. The increase in the Ministry’s delegated resource budget in 2019/20 sets the department’s funding on a more sustainable level, and includes:

- £275m for demand led expenditure of the Legal Aid Fund, Legal Support and the Criminal Injuries Compensation Authority;
- £324m to cover shortfall of fee income, including Probate, and provision of refunds for fees incorrectly charged;
- £229m for operational pressures in prisons, including pay costs, estates maintenance and the maintenance of prison decency;
- £176m for reform and investment in HM Courts and Tribunals Service (HMCTS); and
- £321m for other policy and forecast adjustments.

The Ministry’s funding beyond 2019/20 is subject to the Spending Review, as set out by the Chancellor in the Spring Statement. In anticipation of this, the department has been working to develop a clear understanding of the outcomes we want to achieve through the next SR period. These include:

- **Access to Justice:** People are able to access justice in a way that best meets their needs;
- **A flourishing legal services sector:** The legal services sector continues to contribute to the UK’s economy;
- **A transparent and efficient court system:** The court system is efficient and cases are resolved in a timely way;
- **Decent and safe prisons:** Prisons are decent, safe and productive places to live and work;
- **Public protection:** The public are protected from harm caused by offenders; and
- **Reduced reoffending:** Life-chances for offenders are improved and rates of reoffending are reduced.

These outcomes will support the Ministry in prioritising the activities required to achieve this, and form the basis of a balanced performance framework, as set out in the Ministry’s Single Departmental Plan, which will be published in the coming weeks. The Ministry’s spending will be targeted at achieving these outcomes.

**Sentencing Legislation**

On the Law Commission’s Sentencing Code, which we discussed at the session, I want to thank the Committee for its ongoing interest and support, noting the urgent need for clarity in what is a complex area of law. The draft legislation published by the Law Commission last November is the result of several years of hard work and diligence, and I hope we can make progress on bringing in the consolidation when parliamentary time allows. I know you have accepted Lord Keen’s offer of a further briefing on the Government’s plans, where I hope he can provide more detail on what the consolidation, and necessary pre-consolidation amendments, will entail.

RT HON DAVID GAUKE MP