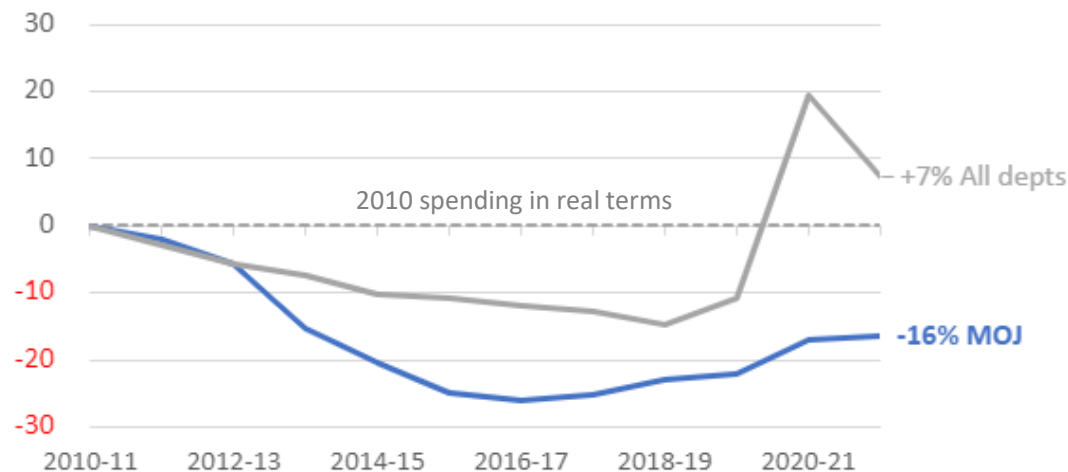


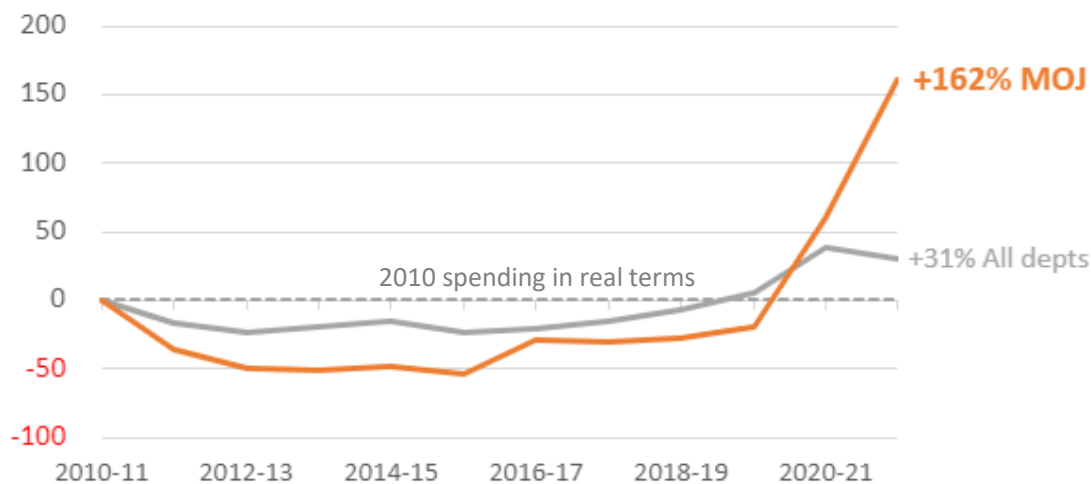
Ministry of Justice (MoJ)

Long-term trends in MoJ's spending (in real terms)

Percentage change in **day-to-day spending** compared to 2010 (Resource DEL):



Percentage change in **investment spending** compared to 2010 (Capital DEL):



Day-to-day spending trends

- The 2015 Spending Review set out to implement a 15% real term reduction in day to day spending and 50% reduction in administrative services. This was not fully achieved and funding was transferred from Investment to prop up crucial services.
- In 2018/19 the Department requested a further £1.2 billion in the Supplementary Estimates based on the impracticality of the reductions implemented in the budget. This was granted.
- In 2020/21, additional Covid funding of £0.5bn was provided.

Investment spending trends

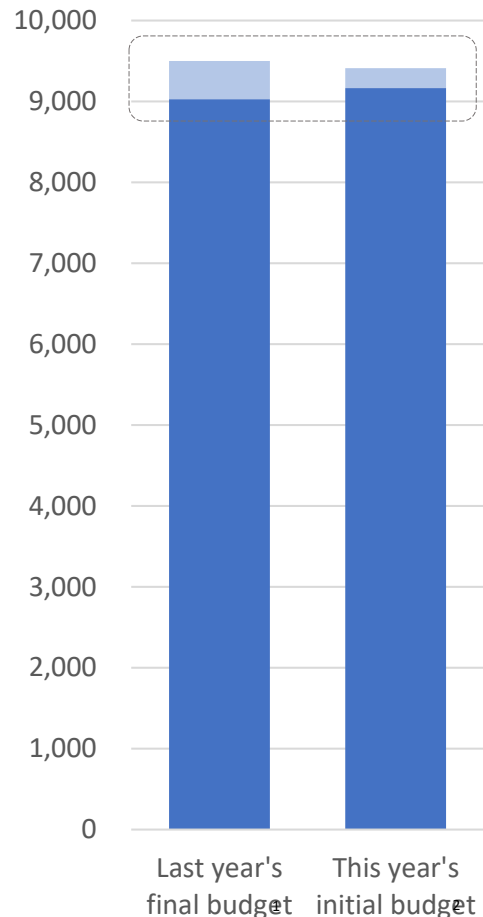
- The 2015 Spending Review (SR15) declared a £1.3bn additional investment funding over 5 years, in order to “transform the prison estate to better support rehabilitation” and £0.7bn for a “swifter, more proportionate Justice system”.
- Whilst there has been some Investment increase, (as seen in 2016/17) the projects in SR15 have slipped and some Investment funding has been transferred to cover Day to day spending pressures.
- In the 2020 Spending Review, £4bn additional funding over 4 years has been allocated to provide 18,000 additional prison places across England and Wales.

How is the Ministry of Justice's day-to-day spending changing in 2021-22?

MoJ's day-to-day budget is decreasing by £90.1 (-1%)

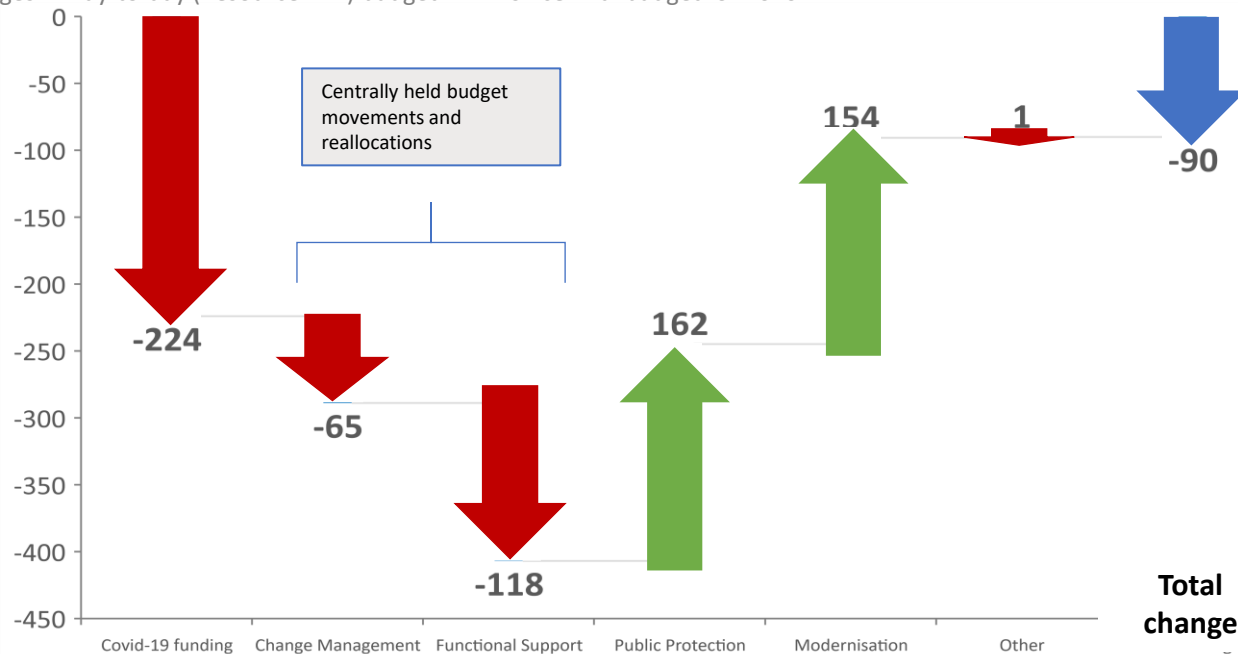
Resource DEL budget in £m

■ Core spending ■ Covid-19



MoJ's spending reduction is driven by a reduction in Covid-19 funding (possibly temporarily)

Changes in Day-to-day (Resource DEL) budget in £m since final budget for 2020-21



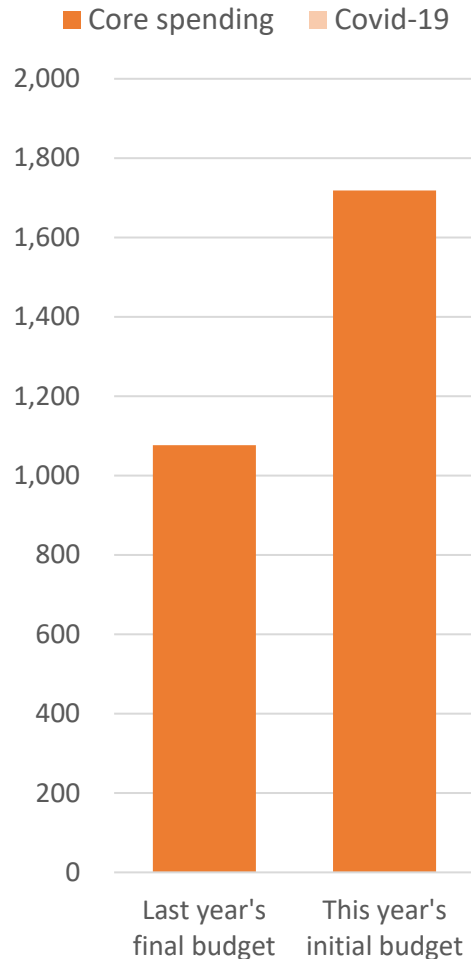
Changes in 2021-22

- **Covid-19 funding:** Last year the MoJ received c£470 million in its Supplementary Estimate for Covid; this year's Main Estimate contains £246 million, a reduction of £224 million since last year.
- **Change Management:** £65 million reduction in funding held centrally for Change Management Processes. This may be temporary.
- **Other Functional Support:** £118 million reduction in funding that was expected in the Supplementary Estimate that has already been allocated to delivery areas.
- **Public Protection:** £162 million increase, primarily to deliver the Probation Reform Programme. This programme has been running since 2017 and its end date (previously April 2021) has been extended.
- **Modernisation:** £154 million increase, for the court system including funding to modernise and transform courts and tribunal services.

How is the Ministry of Justice's investment spending changing in 2021-22?

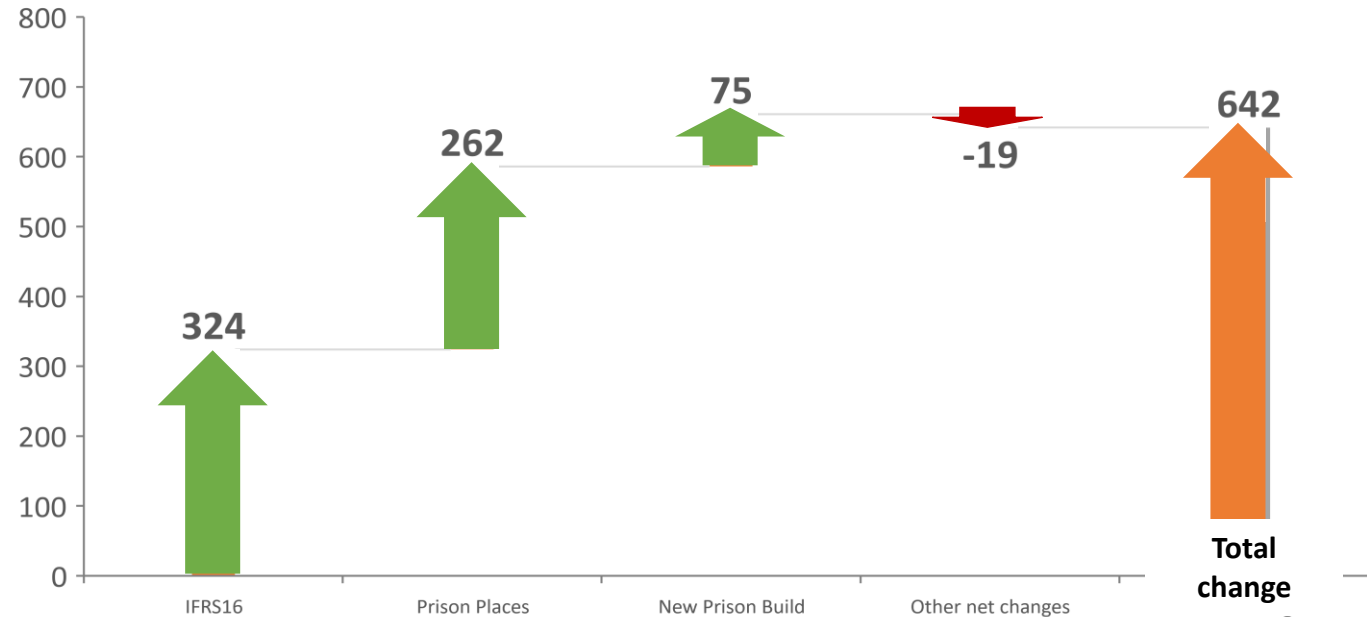
MoJ's investment budget is increasing by £642m (+60%)

Capital DEL budget in £m



MoJ's investment spending increases due to Prison Expansion Projects

Changes in Investment (Capital DEL) budget in £m since final budget for 2020-21

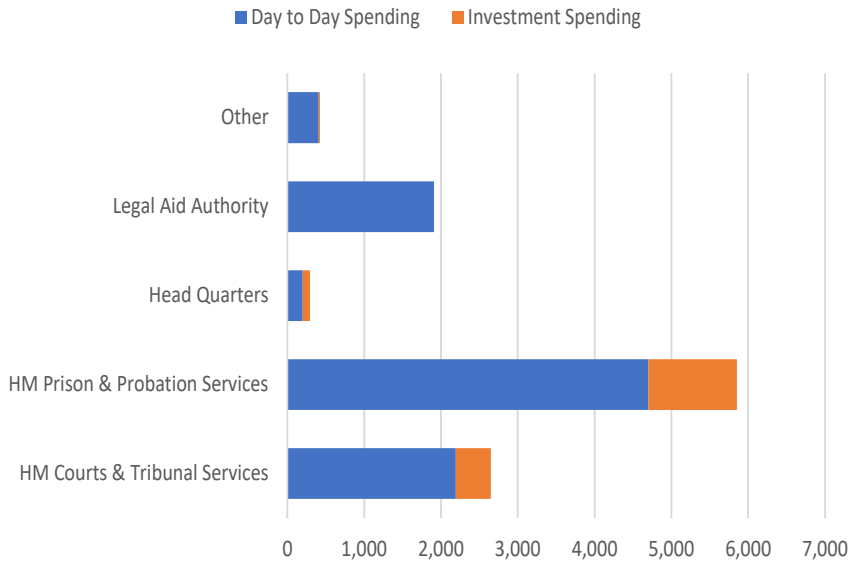


Changes in 2021-22

- **IFRS 16:** £324 million reflects the impact of implementing a new international accounting standard for leased premises (IFRS16), and scoring transactions differently, rather than actual additional capital investment;
- **Prison Places:** £262 million extra for a further 13,000 prison places in existing prisons (bringing total spending on new prison places in 2021-22 to £403.8 million.)
- **New Prison Build:** £75 million extra is for new prisons, boosting spending on new prisons to £251 million, in 2021-22 and covering in year costs of the build of HMP Five Wells and HMP Glen Parva

Most of the MoJ's budget is for HM Prison & Probation Services

Breakdown of Home Office initial budget for 2021-22 (£ million)*



MoJ's Spend by Objective

£ Million	Day to Day Spending	Investment Spending	Total	%
Access to justice	1,925	15	1,940	17%
Court System & Legal Service Sector	1,578	460	2,038	18%
Decent and safe prisons	3,086	1,037	4,123	37%
Public Protection	1,366	96	1,462	13%
Reduced reoffending	433	22	455	4%
Functional Support	1,022	89	1,111	10%
Total	9,410	1,718	11,128	

MoJ's Spend by Department

£ Million	Day to Day Spending	Investment	Total	%
HM Courts & Tribunal Services	2,191	459	2,651	24%
HM Prison & Probation Services	4,703	1,152	5,854	53%
Head Quarters	201	91	292	3%
Legal Aid Authority	1,909		1,909	17%
Other	406	17	423	4%
Total	9,410	1,718	11,128	

Additional prison places

Day-to-day spending (Resource DEL)

- HM Prison & Probation Service makes up 53% of the departments total spend. This is driven upwards by one of the key strategic priorities to 'provide decent, secure accommodation for offenders and reduce levels of violence and self harm'.
- HM Courts and Tribunal services makes 24% of the departments total spend, which is driven upwards by the core objective to 'modernise the procedures and infrastructure of the courts and tribunals'.

Investment spending (Capital DEL)

- Investment Spend makes up 20% of the total department spend. In prior years this has reduced in the Supplementary Estimates as budget has had to be transferred to support pressures within day to day spending.

Key Investment Programmes this year include:

- £262 million additional funding for expansion of existing prisons to provide 13,000 additional place and £ 75 million is included for New Prison builds, specifically the 'Glen Parva' and 'Wellingborough';
- HMCTS Reform, Probation Reform, & Prison Technology Transformation.

*Day-to-day spending includes depreciation; totals above will overstate cash spending as a result

Ministry of Justice's spending beyond 2021-22

The most recent spending plans were published in **Spending Review 2020**, with some further announcements in **Budget 2021**. Due to uncertainty caused by Covid-19 plans were only given for 2021-22 and some specific multi-year capital programmes.

Major future commitments have included*:

- £4 billion capital funding over the next four years to make “significant progress” in delivering 18,000 additional prison places across England and Wales – the “largest prison building programme in more than a century”.
- £337 million for the criminal justice system, including £275 million to manage the downstream impact of an additional 20,000 police officers

*May involve day-to-day and investment spending over several years

Day-to-day spending:

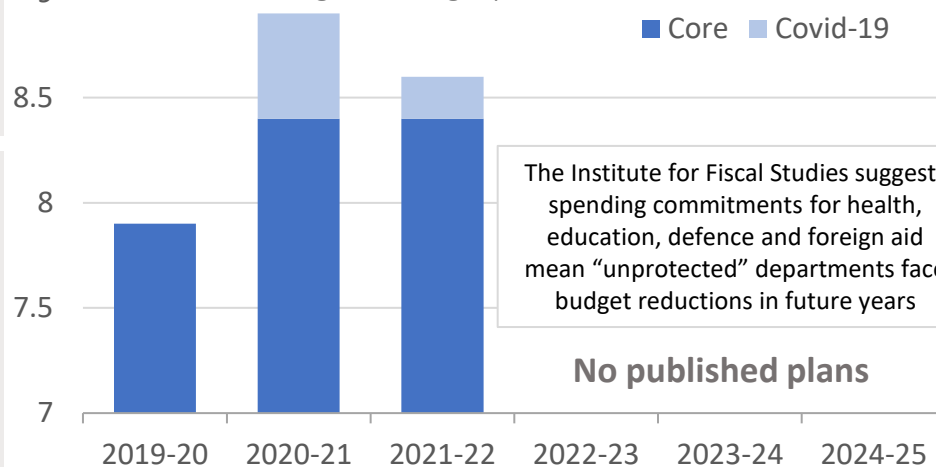
- Despite a reduction in COVID support, the MoJ's day to day spending has not seen the same level of reductions it saw after the 2015 Spending Review. Future spending restriction may be imposed in future years however given the current Investment levels on Infrastructure advancements.

Investment spending:

- The long term Capital projects presented graphically to the right represent the future investment for the increase of prison places by 18,000 in total.

MoJ's future day-to-day spending is largely unknown

£ billion, Resource DEL budget excluding depreciation

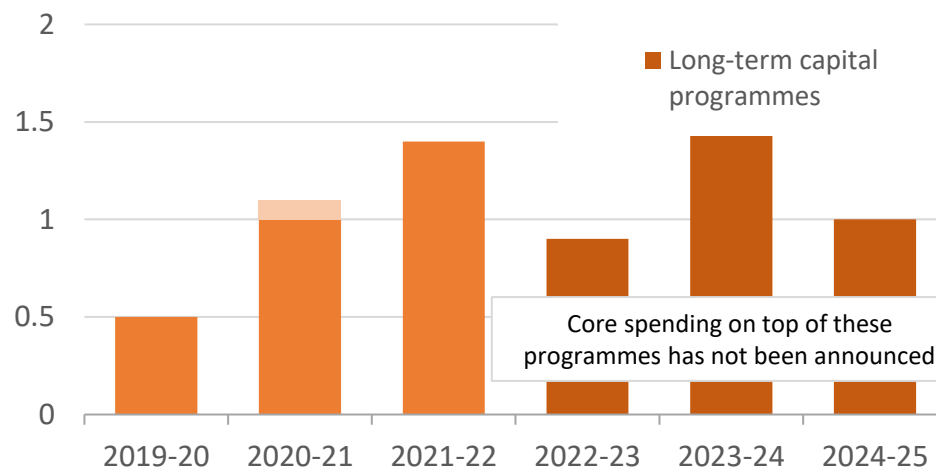


The Institute for Fiscal Studies suggests spending commitments for health, education, defence and foreign aid mean “unprotected” departments face budget reductions in future years

No published plans

MoJ's future investment spending is on 18,000 new Prison Places

£ billion, Capital DEL budget



Core spending on top of these programmes has not been announced