

Departmental Spending

Ministry of Justice



Day-to-day Spending (Resource DEL)

MOJ spends 2% of total Resource DEL

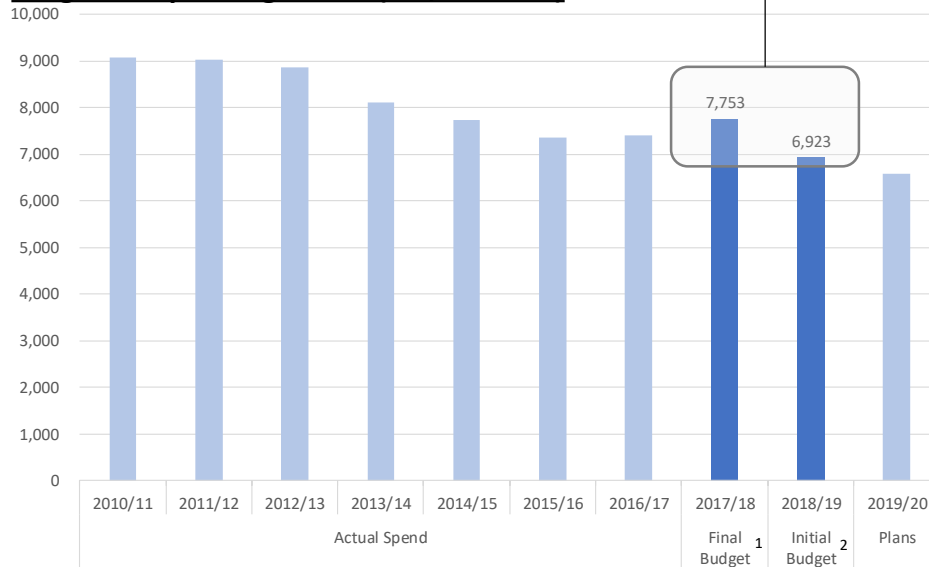
Spending Review 2015

- SR15 planned a £600 million reduction in RDEL between 2015-16 and 2019-20
- Administration budget to be cut by 50%
- Efficiency savings possible because of planned capital investment in prisons and courts (see next slide)

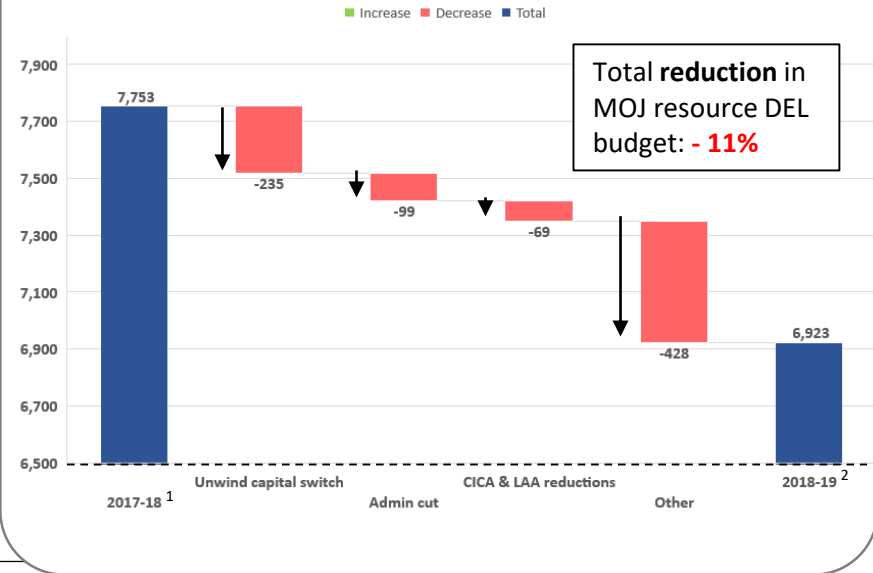
Trends

- Reduction of around 6% since 2015-16 and 25% since 2010-11
- Downward trajectory planned in SR15 partially offset by additional funding in 2017-18, including additional funding for prison safety committed in the Autumn Statement 2016.

Long-term spending trends (£m, nominal)



Breakdown of changes in budget from 2017-18 to 2018-19, £m



Changes from last year

- **Unwind capital switch:** the 2017-18 Supp Estimate allowed a £235 million switch from CDEL to RDEL; this is against usual Treasury guidance, and is not repeated in the Main Estimate.
- **Admin cut:** reductions in administration spending in line with the SR15 plans.
- **CICA & LAA:** additional funding provided to both Legal Aid Agency (£42 million) and Criminal Injuries Compensation Agency (£26 million) in the 2017-18 Supp Estimate, in response to increased demand, is not repeated.
- **Other:** majority of change is due to overall budget reductions and higher anticipated income in line with SR15 plans.

¹ Final budget at Supplementary Estimates 2017-18 (Feb 2018)

² Initial budget as at Main Estimates 2018-19 (April 2018)



Investment Spending (Capital DEL)

MOJ spends 1% of total Capital DEL

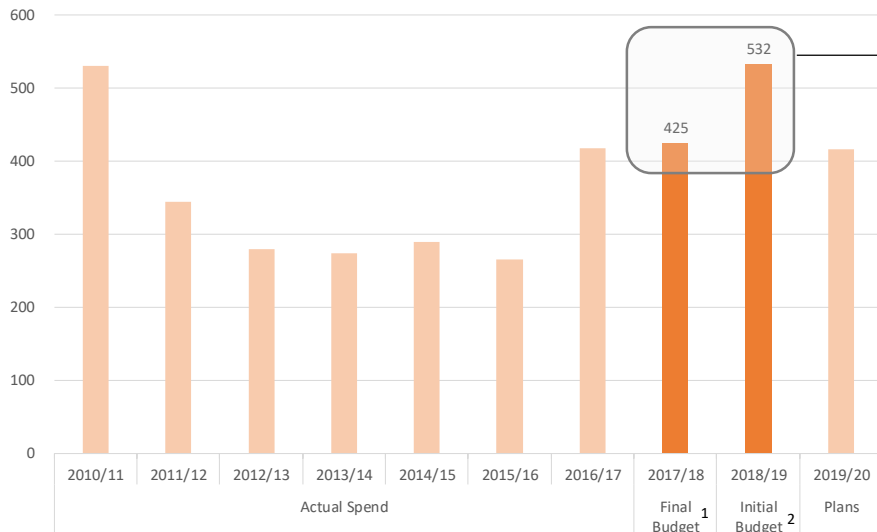
Spending Review 2015

- £1,300 million investment to transform prison estate to better support rehabilitation, including 9 new prisons.
- £700 million investment in the courts and tribunals system, including fully digitising the courts.

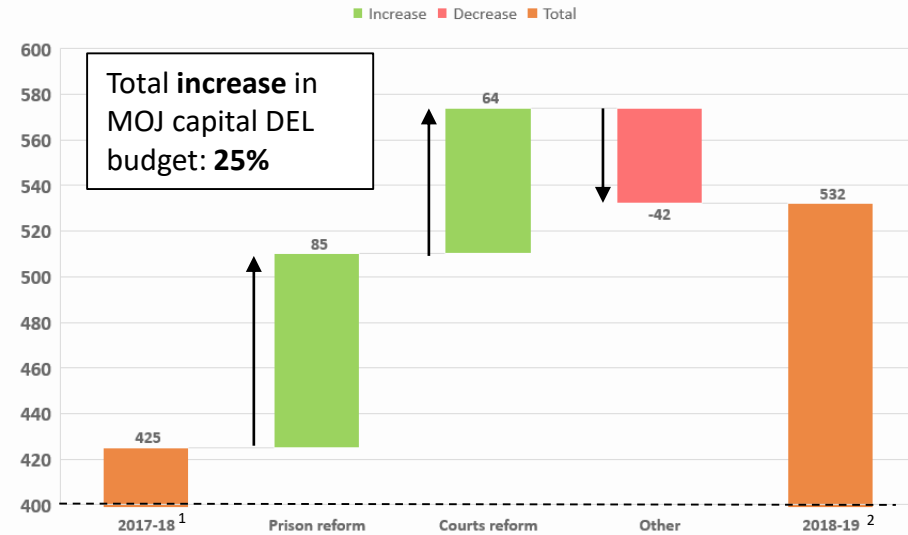
Trends

- Increases in budget since SR15, but indications of slippage...
- Since 2015-16 planned increases in the Main Estimates have been reduced in the Supp Estimate, including a £235 million switch to Resource DEL last year.
- MOJ is currently 'reviewing the profiling' of its capital spend over the SR15 period with the Treasury, but has yet to provide updated plans.

Long-term spending trends (£m, nominal)



Breakdown of changes in budget from 2017-18 to 2018-19, £m



Changes from last year

- Prison & Courts reform:** increases in budget as suggested by the SR15 profile. However, total increases do not offset previous in-year reductions, indicating the investment plans have slipped.
- Other:** reductions are focused in central MOJ (-£48 million), driven by lower estate costs and winding down of IT transformation activity. Additional minor changes in capital budgets for other MOJ bodies cumulatively increase planned spending by around +£6 million.

¹ Final budget at Supplementary Estimates 2017-18 (Feb 2018)

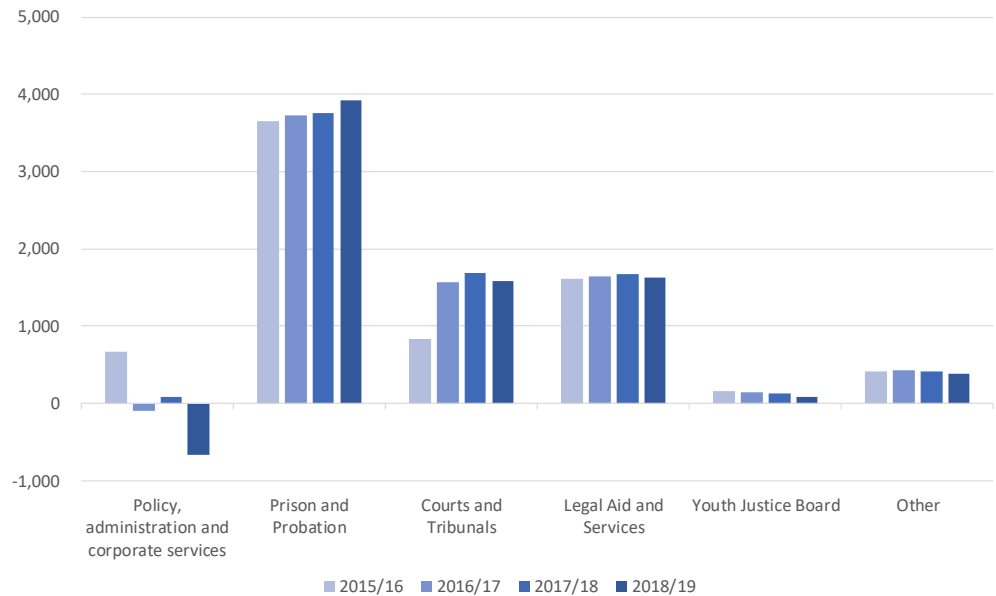
² Initial budget as at Main Estimates 2018-19 (April 2018)



Breakdown of DEL spending: MOJ

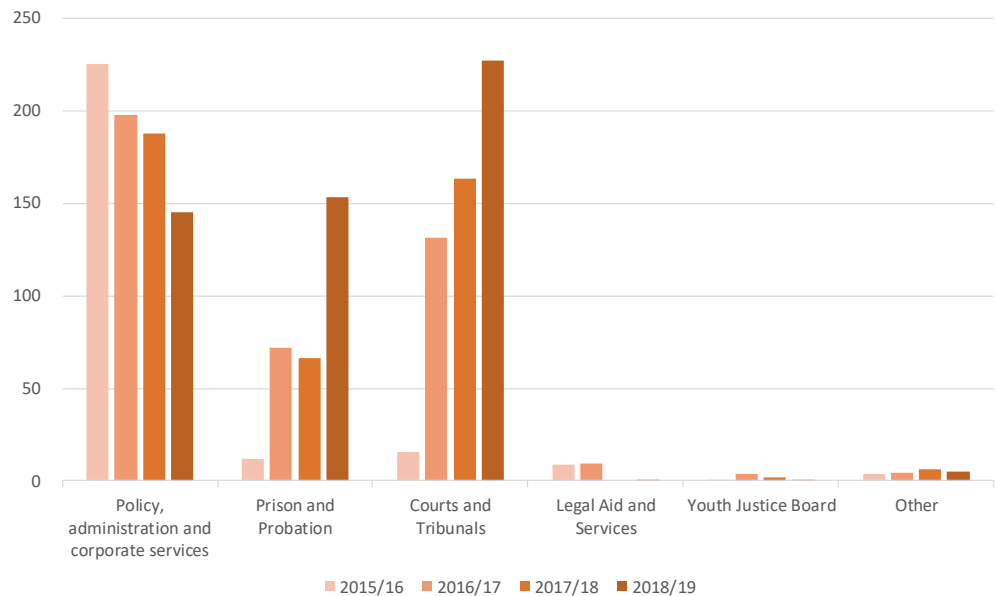
Resource DEL

- Fees are held in the central MOJ “policy, admin and corporate services” category, and have been increasing over time (although the Treasury funded a shortfall in probate fees last year, due to a delay following the general election).
- Prison budget has continued to rise, suggesting planned savings from investment are not forthcoming (and also includes additional £500 million from Autumn Statement 2016 for prison officer recruitment).
- -7% reduction in Courts budget may be reduced when funding for further reform is finalised in the Supp Estimate 2018-19.



Capital DEL

- Cumulative investment in since 2015-16 is around £300 million for prisons, indicating scale of slippage against SR15 plans.
- Cumulative spending on courts is around £540 million, suggesting the SR15 plans have been better adhered to – although [recent analysis by the NAO](#) suggests that HM Courts and Tribunal Service are overrunning original timeframe, and savings may be lower than forecast.
- Some spending for both services is also likely to be accounted for in the central MOJ budget.



Departmental Context: Performance

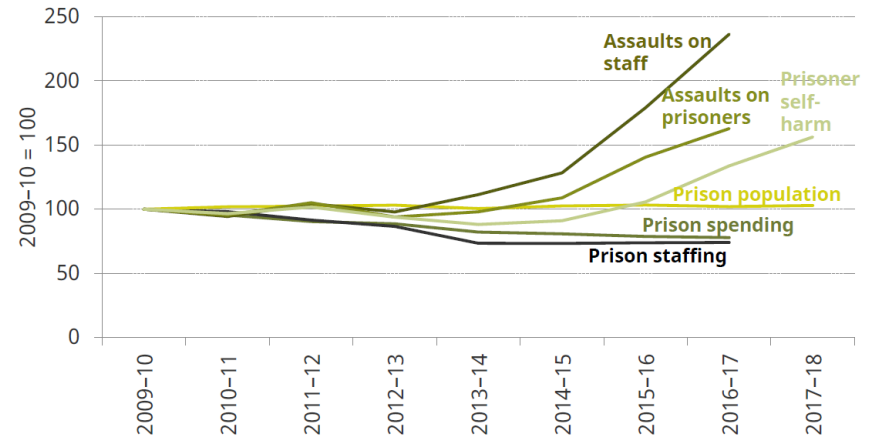
Prisons

- Spending on prisons has decreased in real terms by over 20% since 2009-10, whilst the prison population has remained relatively static; as a result there are now a quarter fewer prison officers for a similar number of prisoners.
- Violence in prisons is rising sharply – assaults on staff have increased by around 120% since 2009.

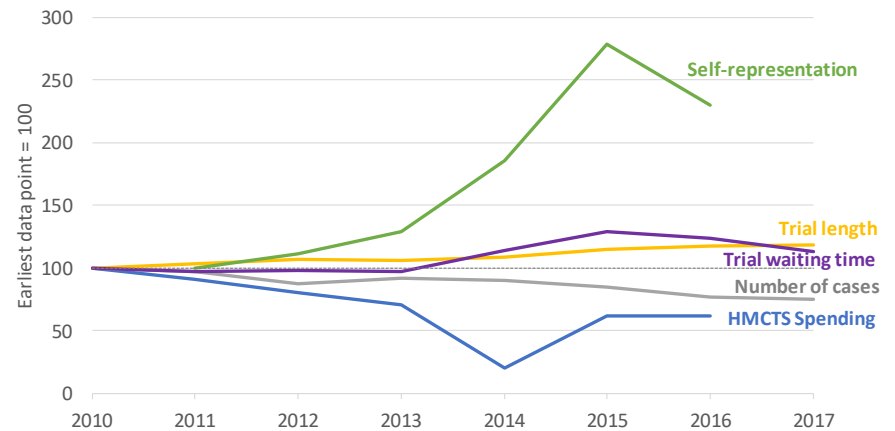
Courts

- HMCTS spending has been reduced (and HMCTS employment has similarly fallen as a result).
- The number of criminal cases received by the courts has also been falling, although the average length of a trial has been increasing, and trial waiting times suggest there are still some signs of queuing in the system.
- Increasing trial lengths are likely to be related to increasing complexity in the cases heard, including sexual offences, organised crime and terrorism. However, increasing reliance on self-representation may also cause proceedings to be less efficient.

Prisons: assaults on staff, assaults on prisoners and prisoner self-harm up



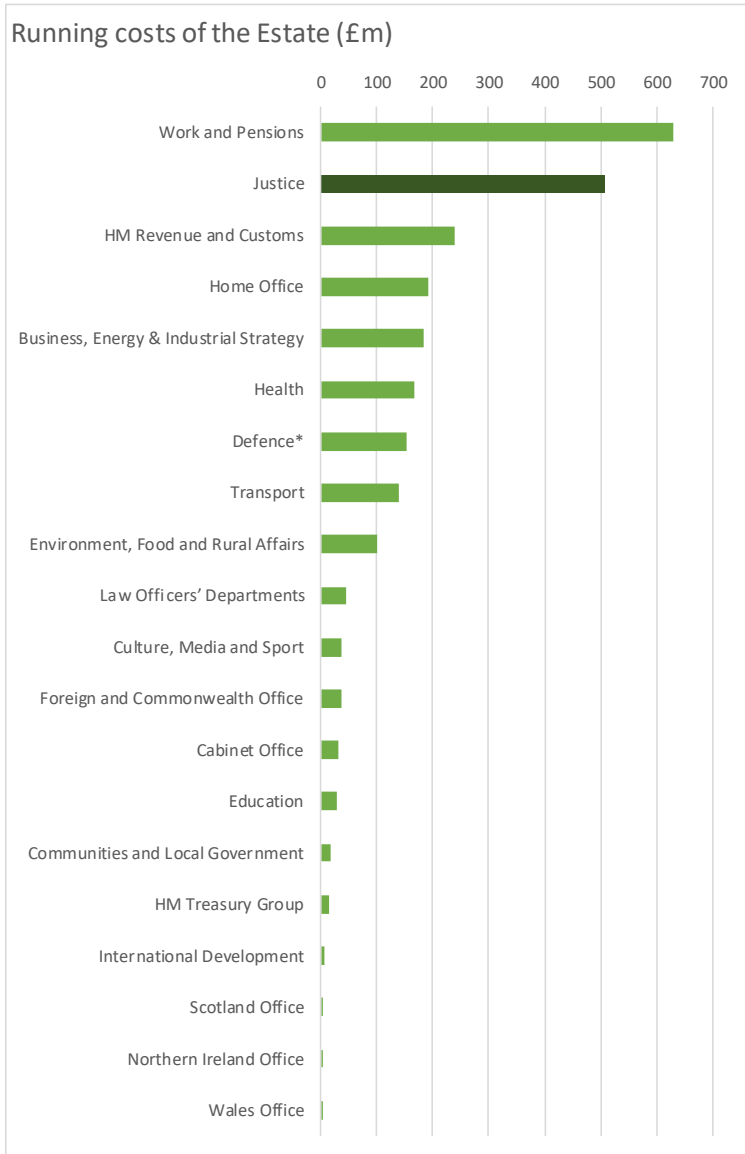
Source: IFS presentation of [IFG Performance Tracker data](#)



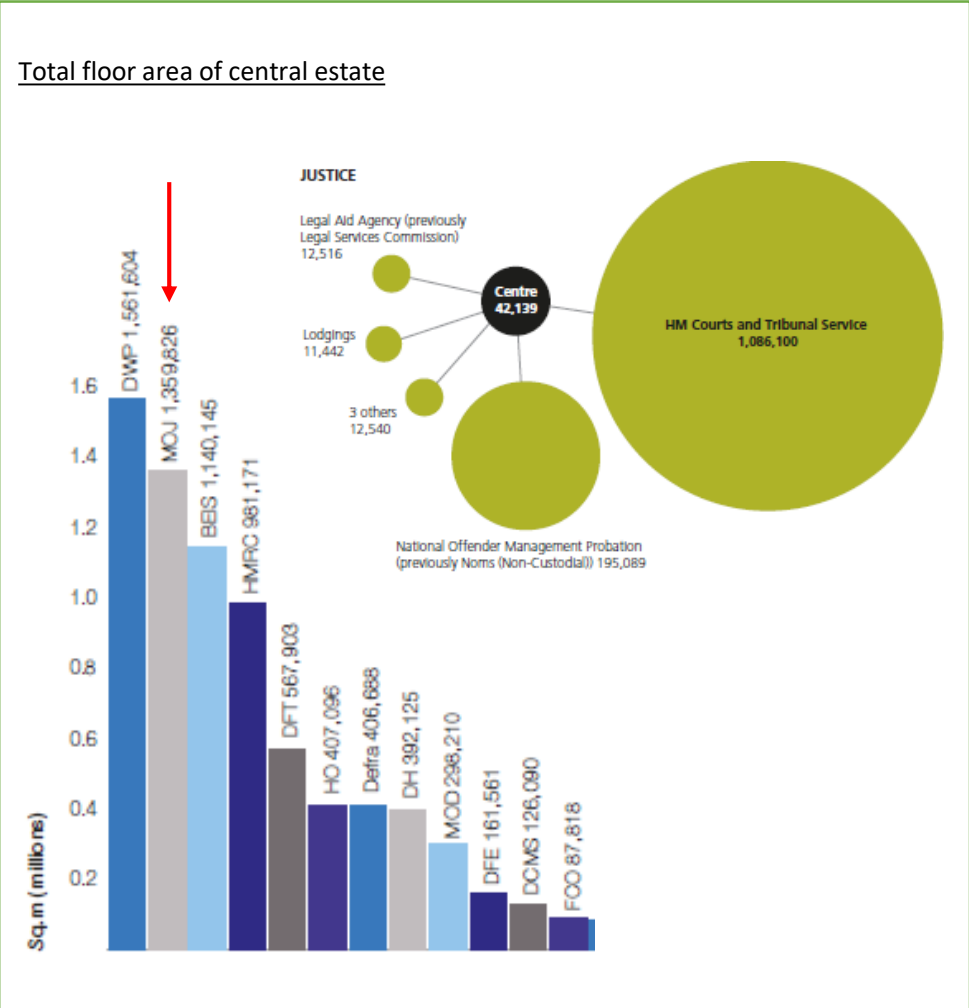
Source: [IFG Performance Tracker data](#), [MOJ Criminal Court Statistics](#)



Departmental Context: Costs and staffing



The MOJ has the second highest estate running costs in government, partly as a result of having the second largest estate, which is in turn largely due to HMCTS.



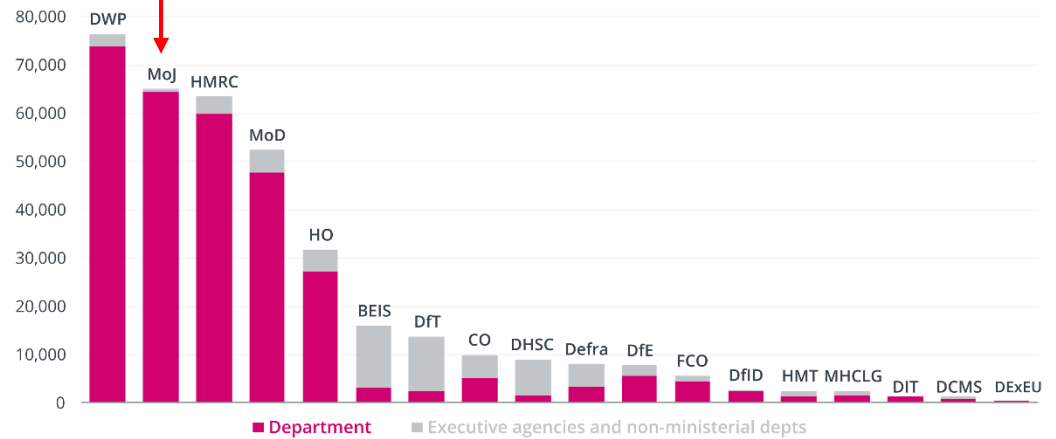
Source: [Cabinet Office](#)



Departmental Context: Costs and staffing

- MoJ currently has the second highest staff numbers.
- As of 2014 MoJ had the third highest departmental spend on staff (although employment changes following SR15 mean this may have changed).
- MoJ also has a very high degree of staff and costs related to departmental programmes, rather than admin costs, highlighting the front-line service delivery element of its work.

Civil service staff numbers (FTE) by department (including other organisations), December 2017 IfG

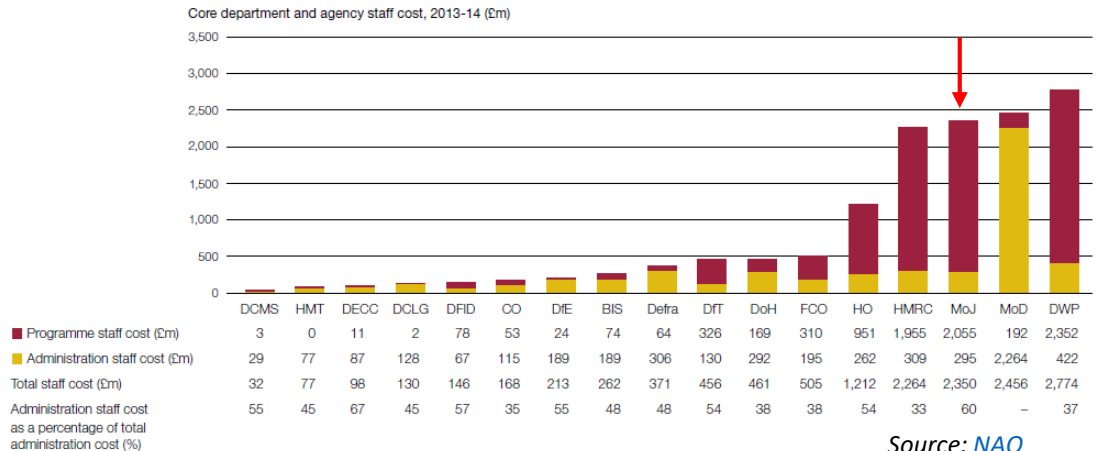


Source: Institute for Government analysis of ONS Public Sector Employment Data (Table 9), Q4 2017.

Source: [IfG](#)

Departmental spending on staff, 2013-14

Five departments spent over £1 billion on staff costs, and staff costs represent more than half of seven departments' administration spending

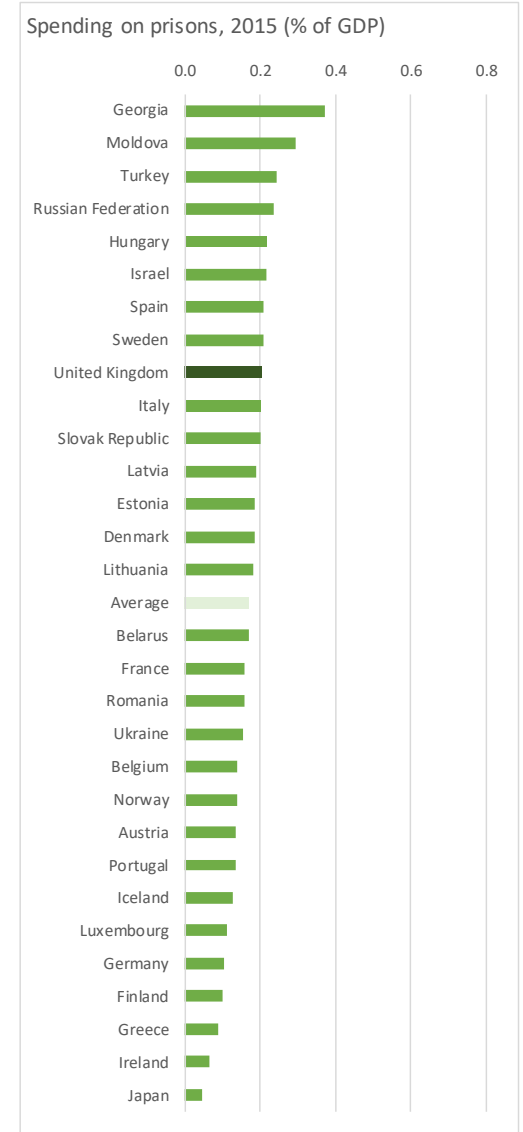
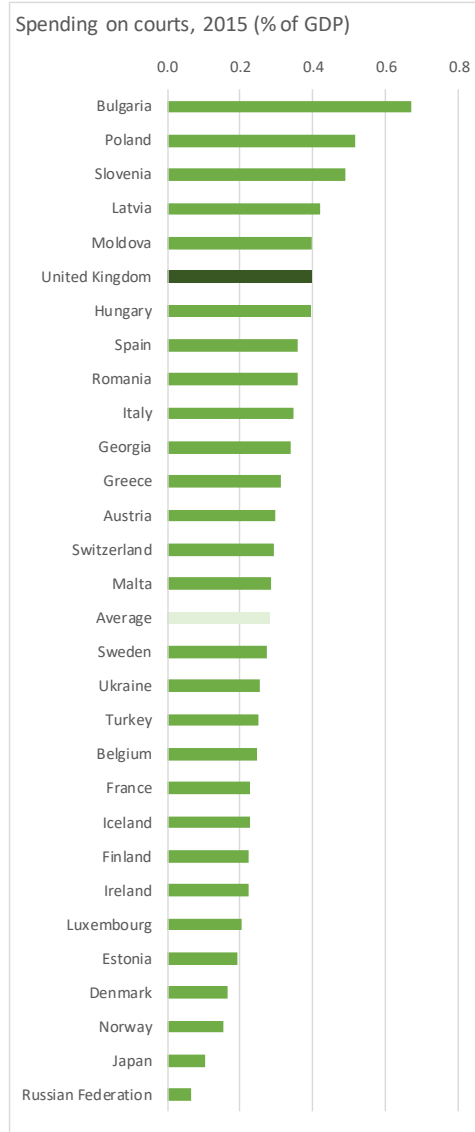


Source: [NAO](#)



Departmental Context: International Comparisons

IMF data shows that the UK spends above the average of comparator countries on both courts and prisons, as a proportion of GDP.



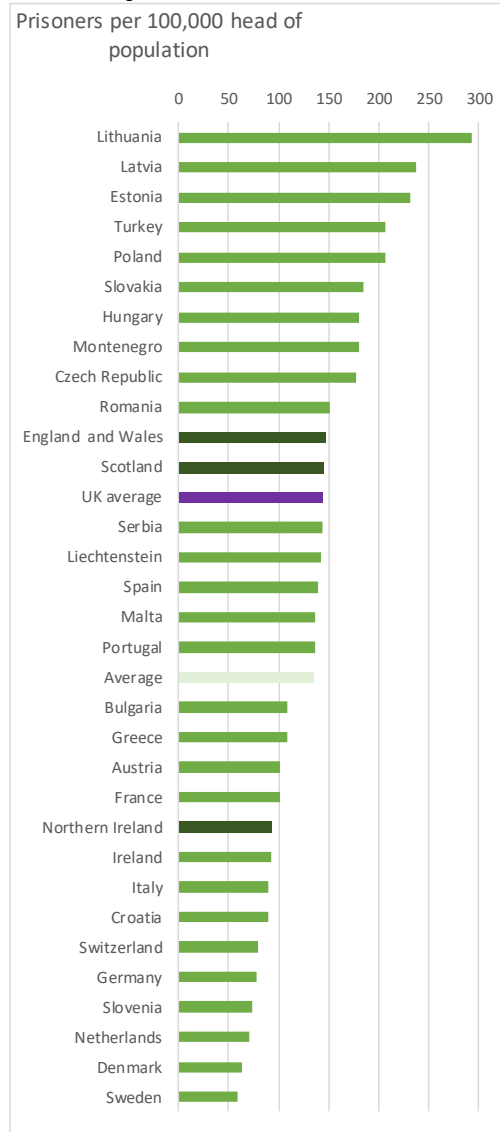
*Average is for all IMF developed countries for which data is available. Only selected countries shown

Source: IMF Government Expenditure Statistics

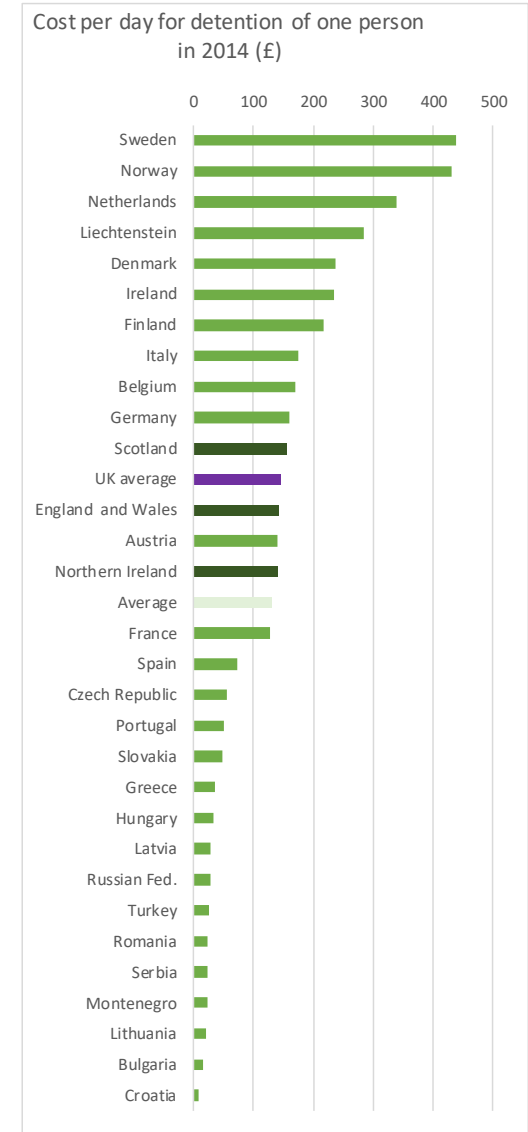


Departmental Context: International Comparisons

... UK spend on prisons as a proportion of GDP is partially explained by higher than average number of prisoners and cost per day of detention (although the causality is not clear).



*UK average is for UK nations weighted by adult population



*UK average is for UK nations weighted by prison population

Source: [HoC Library Briefing](#) based on Council of Europe Annual Penal Statistics

