JUSTICE 1 COMMITTEE AND JUSTICE 2 COMMITTEE

JOINT MEETING

AGENDA

Justice 1 Committee
33rd Meeting, 2004 (Session 2)
Justice 2 Committee
29th Meeting, 2004 (Session 2)

Tuesday 2 November 2004

The Committees will meet at 2.30 pm in Committee Room 2.

1. **Item in private:** The Committees will consider whether to take item 3 in private and whether to take in private any future consideration of their draft report on the draft Budget 2005-06.

2. **Budget process 2005-06:** The Committees will take evidence on the draft Budget 2005-06 from—

   Colin Boyd QC, the Lord Advocate, Robert Gordon, Chief Executive and Stephen Woodhouse, Director of Resources, Crown Office and Procurator Fiscal Service; and

   Cathy Jamieson, the Minister for Justice, Jim Gallagher, Head of the Justice Department and Ruth Ritchie, Justice Finance Team, Scottish Executive.

3. **Budget process 2005-06:** The Committees will consider emerging issues from the evidence received.

Alison Walker
Clerk to the Justice 1 Committee
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Gillian Baxendale / Tracey Hawe
Clerks to the Justice 2 Committee
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The following papers are enclosed for this meeting:

Item 1 – Budget process 2005-06

Note by the Adviser J1/S2/04/33/1
J2/S2/04/29/1
Proposed areas for questioning J1/S2/04/33/2
(PRIVATE PAPER – MEMBERS ONLY) J2/S2/04/29/2
SPICe Briefing, Spending Proposals 2005 - 2008: Justice J1/S2/04/33/3
Committees J2/S2/04/29/3

The following papers are enclosed for information only:

• Crown Office and Procurator Fiscal Service review 03-04

Members are reminded to bring with them copies of the Draft Budget 2005-06.

Forthcoming Joint Meetings:
Wednesday 10 November AM
Introduction

1. The purpose of this note is to:

- summarise the responses which the Scottish Executive have so far made - both in correspondence from the Minister for Justice and in the announcement by the then Minister for Finance and Public Services on the outcome of the 2004 Spending Review - to the recommendations in the Committees’ Stage 1 Report to the Finance Committee; and

- provide information regarding the changes which the Minister for Justice announced on 12 October in the arrangements for distributing the Police Grant Aided Expenditure (GAE) assessment. I understand that Members of the Committees have expressed an interest in examining this topic.

Response to Stage 1 Report

2. The recommendations in the Committees’ Stage 1 report and the responses which have so far been made to them are summarised below:-

2.1 Tackling crime should become a formal cross-cutting Scottish Executive priority and budget information should be provided on a programme rather than simply on a departmental basis.

In her letters of 2 September to both Conveners, the Minister implicitly rejected this recommendation by saying that “our Partnership Agreement which was published in July last year determined the priorities, including cross-cutting priorities, on which the Executive intends to concentrate in this Parliament”. She went on to say that “One of these priorities is “Supporting stronger, safer communities” which demonstrates the importance we attach to the fight against crime”.

2.2 The Executive should produce a composite “tackling crime” budget for 2005-06 (and, if possible, earlier years for comparison purposes) and provide it to the Committees in time for Stage 2 of the Budget Process.

With her letter of 2 September, the Minister produced a table showing figures for the 3 years 2003-04 to 2005-06 detailing expenditure throughout the Executive
which she believes contributes to tackling crime - although she acknowledged that some of the expenditure also contributes to other objectives. The table listed expenditure under a number of headings - for example, Education, Communities, Drugs and the Local Government Quality of Life Fund - in addition to the Justice and Crown Office and Procurator Fiscal Service (COPFS) budgets. For 2005-06, total expenditure of £3,065 million is shown (which compares with the budget of £2,163 million for Justice alone). The Executive maintain on the basis of the figures produced that, over the period 2003-04 to 2005-06, expenditure on tackling crime will have increased by 17.4 per cent as compared with an increase of 15.7 per cent in total Executive expenditure over the same period.

2.3 The whole of the cross-cutting “tackling crime” budget should be a high priority for the 2004 Spending Review. Within the overall total, particular priority should be given to:

(i) Community Justice Services - increase provision for Offender Services;
(ii) Police and Fire GAEs - fund accelerated recruitment programme to help with retirement “bulge” from 2009-10;
(iii) Scottish Courts Service capital programme - ensure that all courts are fit for purpose.

For the reason outlined in paragraph 2.1 above, the Executive have not produced a formal “cross cutting “tackling crime budget as part of the 2004 Spending Review process so it is difficult to assess from the Departmental figures the extent to which overall expenditure on tackling crime will increase over the period to 2008-09. At the very least, the Committees may wish to ask the Executive to roll forward the table referred to in paragraph 2.2 of the letters of 2 September to that year.

Community Justice Services - provision for Offender Services has been increased from £79.842 million in 2004-05 to £96.392 million in 2008-09 (an increase of nearly 21 per cent which compares with an increase of nearly 26 per cent in the total Justice Budget over the same period).

Police and Fire GAE - within the overall increase of nearly 17 per cent in the Police GAE over the period to 2008-09 (see paragraph 8 below), specific provision has been made for “additional recruitment to offset a peak in officer retirements around 2009-10". The ACPOS and ASPS joint submission to the Committees at Stage 1 said that the Police Service had made a bid for the accelerated recruitment of 100 officers in 2006-07 and a further 200 officers in 2007-08. It is not clear whether this bid has been accepted in full by the Executive, but this is no doubt a point which the Committees will wish to pursue with the Minister when she gives oral evidence on 2 November.

The Committees’ Stage 1 Report said that the “implications for the Fire Service of the loss of experienced officers should also be considered”. The Fire Service had nothing comparable to the 1978 Edmund-Davies Report which led to the large increase in police service recruitment from 1979 and consequently the
“bulge” in retirements from 2009-10. But the Spending Review has resulted in increases of £6 million in 2006-07 and £15 in 2007-08 in the provision for Fire Service pay, pension and modernisation costs.

Scottish Courts Service Capital Programme - it would appear that this programme has been set at £10.334 million for each of the 3 years covered by the 2004 Spending Review, which compares with a budget of £14.901 million for 2004-05. The priorities for the programme are to modernise the Parliament House building and complete the High Court building in Aberdeen.

2.4 A contingency margin should be built into the COPFS budget for the next 3 years to ensure that the Service’s reforms can be delivered without reliance on efficiency savings.

It is not clear whether the Executive have explicitly accepted this recommendation, but the COPFS budget has been increased from £89.15 million in 2004-05 to £93.50 million in 2005-06 : £100.00 million in 2006-07 : and £101.50 million in 2007-08.

Within these totals £4.2 million : £3.5 million : £2.5 million is being provided “for the modernisation of the prosecution service to improve productivity and work with our criminal justice partners to deliver reform, including additional capital expenditure on information communication technology and a major refurbishment of the department’s Glasgow office”

The Spending Review conclusions also indicated that “As part of the Efficient Government initiative [the COPFS] will achieve annual savings through the introduction of new technology, a rationalisation of the department’s Edinburgh estate, the reform of the sheriff and jury sentencing powers, improved procedures for citing witnesses and a wider range of alternatives to prosecution. Full details will be published in the Executive’s Efficient Government plan which will be published in the autumn”

2.5 Any efficiency savings achieved as a result of the criminal justice system reform programme should be retained within the system and used to further improve it.

In her letter of 2 September, the Minister simply referred to the Executive’s Efficient Government Review which appears to have the general objective of achieving £500 million of annual efficiency savings across the whole of the Scottish public sector by 2007-08.

2.6 New targets for progressively reducing and ultimately ending slopping out in prisons should be set and, if required, the budgetary implications of meeting the targets should be a priority for the 2004 Spending Review.

In her letter of 2 September, the Minister stated that “we have already announced that it is currently anticipated that slopping out will end around one year after the 2 new prisons open. The actual timing will be determined by the
need to secure planning permission for the new prisons and will depend on future trends in prisoner numbers. You will be aware that we are continuing to make positive progress, with slopping out now ended at Barlinnie”.

The Scottish Prison Service budget includes provision of an additional £75 million in 2006-07 and £106 million in 2007-08 “for 2 new prisons, further modernisation of the prisons estate and delivering an additional 500 places to tackle overcrowding and “slopping out””.

2.7 A suitable target should be developed for the Executive priority of tackling persistent offending so that in future an assessment can be made as to whether or not persistent offending is actually being curbed.

The Executive have set a target of a “10 per cent reduction in the number of persistent young offenders by March 2008”

Police GAE

3. The Minister for Justice announced on 12 October that she had accepted the conclusions of a joint Scottish Executive/COSLA/ACPOS Working Group which had proposed a new methodology for distributing the Police GAE assessment amongst the 32 local authorities and hence the 8 Police Boards and Forces. The proposed new methodology will apply to the bulk of the GAE (what the Working Party called “core” GAE), but not, for example, to the cost of police pensions, GAE provision for which will continue to be distributed on the basis of forecasts by each Force of officer retirements.

4. Population of each Force area has traditionally been the main determinant for the distribution of Police GAE, but the new methodology takes into account additional factors such as crime rates, deprivation, rurality and city policing. Following an interim report from the Working Group in 2002, the Executive added additional amounts totalling £4.5 million to the 2005-06 GAEs for 4 Forces - Grampian, Fife, Central Scotland and Northern. The Working Party has estimated that a further £15.6 million would need to be added to the “core” GAE for 2005-06 (which totals £818.2 million) in order to move to the new distribution arrangements immediately while avoiding any reduction in cash terms for any Force.

5. In other contexts, changes to the distribution of a GAE have been introduced on a self-financed basis with local authorities who are “gainers” from the new distribution having their gains phased-in so that “losers” have time to adjust to lower levels of GAE and consequently Government grant. However, in this case, the Working Group has recommended - and the Minister has accepted - that no police force should have their GAE reduced in cash terms and that additional amounts should be added to the GAE total each year so that the beneficiaries can move over time to the higher level of “core” GAE determined by the new methodology. In practice, this means that 2 Forces (Strathclyde and Dumfries & Galloway) will effectively mark time and the other 6 Forces will have additional amounts of “core” GAE phased-in.
6 As part of the above process, the Executive have added £1 million to the 2005-06 GAE; £4 million to the 2006-07 GAE; and £11 million to the 2007-08 GAE (in each case, those amounts are on top of the £4.5 million already added to the 2005-06 GAE for 4 Forces as a result of the Working Party’s interim report). The Minister has indicated that the Executive intends to find the balance needed to complete the move to the new distribution by 2009-10. Thereafter, “core” GAE will be distributed to Forces using the new methodology.

7 Overall, the new methodology will recycle around £20 million “core” Police GAE as compared with the previous distribution arrangements. This is not a huge amount in relation to total “core” GAE - around 2 per cent in fact. But the changes will be significant at the margin. For example, Grampian Police, which is the main beneficiary of the changes, will in due course see its share of the cake increase from 9.18 per cent to 9.83 per cent.

8 Much more significant for police Forces (assuming that police Boards continue to set budgets at the level of the GAE) is likely to be the Executive’s decision to increase the overall level of Police GAE by nearly 17 per cent over the period covered by the 2004 Spending Review - that is, from £939.950 million in 2004-05 to £1,098.930 million in 2007-08. This compares with an increase of just under 10 per cent in the overall level of support for local authority current expenditure over this period.

Ken McKay
Adviser to the Committees
25 October 2004