



Ministry
of Justice

Antonia Romeo
Permanent Secretary
102 Petty France
London SW1H 9AJ
T: 020 3334 3709
E: permanent.secretary@justice.gov.uk

www.gov.uk/MoJ

Sir Bob Neill MP
Chair, Justice Select Committee
House of Commons
London
SW1A 0AA

By Email Only

13 July 2021

Dear Sir Bob,

Ministry of Justice Main Estimate 2021-22

Thank you for your letter of 24 June, asking for more detail about the Ministry of Justice's expenditure plans following the publication of the Main Estimate.

1) Investment spend reallocation

You asked about the impact historic decisions on our delivery of programmes to reallocate funds earmarked for capital to cover operational costs of our major change programmes.

As you are aware from correspondence with my predecessor, Sir Richard Heaton, it was the case during the SR 2015 period that MoJ had to take decisions to switch capital budget to resource. These decisions had consequences and the NAO report, *Improving the Prison Estate* (published 7 February 2020), sets out how funding uncertainty impacted our ability to deliver new prison places across this period.

I can reassure you that following the major reset of our resource budgets during 2019/20, these impacts are no longer being felt. The multi-year capital settlement for our prison capacity programme, agreed through the last spending review, provides important certainty around the funding for our largest infrastructure programme.

2) The Wellingborough new build prison

Your letter noted that HMP Five Wells is due to be completed at a total project forecast of £6.3bn and asked about the level of certainty about the completion date and costs of the Wellingborough prison. You also asked about the future running costs of the prison and whether we were expecting an uplift in future budgets to fund this.

I can confirm that construction at HMP Five Wells will be completed in late 2021. The prison will open in early 2022, receiving its first prisoners before building up to full capacity. We are confident that the project outturn cost of the construction, design, fees and VAT will be within the agreed capital funding envelope. In fact, the total project's whole life costs are currently forecast to be c£5.4bn (in nominal terms) over the prison's assumed 60-year life. This is a reduction from the £6.3bn baseline as reported within the Government Major Projects Portfolio data in September 2019, to which you referred.

In terms of running costs, the ten-year contract to manage the prison is worth approximately £300m. We anticipate that relevant costs will be factored into the Department's Spending Review outcome this Autumn. You will appreciate that until the SR process is complete, we do not have certainty of resource budgets for future years.

3) Additional Covid-19 funding

You asked how far the increased funding we had been allocated would go towards tackling Covid-related backlogs in the courts and probation systems, and to funding victim support services and safety measures across the Department's estate.

At a practical level, funding for additional Covid-related estates costs such as cleaning, installation of hand cleaning facilities and other costs to enable social distancing is currently provided for the first quarter of this year only. This was a reasonable position to take given the uncertainties around how Covid would be impacting public services when settlements were agreed last year.

The road map to lifting restrictions across England, Scotland and Wales is now better understood and we will work with HMT, potentially securing additional funding for Covid related measures at the Supplementary Estimate where we are unable to absorb them within existing budgets.

The additional funding was welcome, but we are clear that recovering from Covid will not be achieved in a single year. Securing further funding for recovery will be a priority for us in the next Spending Review. We are working with colleagues across the Criminal Justice System to ensure that we develop a joined up plan to increase capacity in the system as a whole.

You also asked about the main constraints that would limit our ability to reduce the outstanding caseload. One of the major constraints to date has been the need to meet social distancing requirements. This challenge has affected our ability to tackle the outstanding caseload in the courts during the past 18 months, particularly in the Crown Court - primarily because of the need for jury trials to take place in person, with a large number of people required to be in the same room at the same time.

The steps we took in the Crown Court, - making changes to our buildings, opening Nightingale courts to enable jury trials to take place safely, and rolling out technology to allow remote hearings - helped restore case completion to pre-pandemic levels by the end of 2020. We have used funding this year to maintain our safety measures (e.g. additional cleaning, ventilation, marshals) to keep courts Covid-secure and able to continue holding in person hearings. As a result of these actions, as well as the efforts of courts staff and the judiciary, outstanding case numbers are stabilising. As restrictions ease, we will be able to open more rooms and have more people in our

buildings. Physical capacity will therefore become less of a constraint and we will be able to hear more cases which will help tackle the outstanding caseload and bring down waiting times.

Social distancing has also impacted on our ability to deliver Unpaid Work (UPW) in the probation system as it is usually delivered in a group setting. We have worked hard to adapt UPW to these conditions but are still assessing the full impact of Covid-19, working with Ministers and the Senior Judiciary to develop an appropriate and affordable strategy for managing the backlog of unmet UPW hours (those that are not delivered within 12 months of sentencing, as per legislation). The adoption of the new business model for probation will be crucial in allowing the probation service to address backlogs in the system.

We provided additional funding to support victims of crime during the pandemic, with £25m provided in May 2020 to help victims of domestic abuse and sexual violence in the community access support services with further emergency funding provided in November 2020 for domestic abuse and rape services totalling £32m over the two periods. This support will continue in 2021-22 with the Department providing just under £151m for victim and witness support services. This funding includes an extra £51m to increase support for rape and domestic abuse victims, building on the emergency funding from the last financial year to help domestic abuse and sexual violence services meet Covid-driven demand.

4) Prisoner numbers

You asked for more details, to provide a per capita comparison of cells on prisoner numbers since 2016.

Alongside the increase in funding for prisons, the cost per prisoner across the public and private prison estate increased by £7,299 from 2016-17 to 2019-20. The reasons for this fall into three broad categories:

- A current temporary increase caused by a drop of 1,860 in the average prison population;
- Reinvestments required in frontline staff and prison maintenance to improve prison safety; and
- Non-controllable increases imposed by legislation or external authorities, e.g. increase in employer superannuation and above inflation element of the pay award recommended by the Public Sector Pay Review Body (PSPRB).

Year	Average population	Overall resource expenditure (£m)	Cost per prisoner (£)
2016-17	84,750	2,998	35,371
2017-18	84,710	3,180	37,543
2018-19	82,751	3,404	41,136
2019-20	82,890	3,537	42,670

The investment in a modern prison estate, such as the new prison-builds at Five Wells and Glen Parva, will drive savings and reduce the cost per prisoner as prisons will be able to operate safely with lower staffing levels, and we will use open competition to reduce costs. These benefits cannot be realised until the work to modernise the prison estate is completed.

5) 18,000 prison places programme

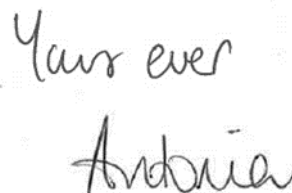
You asked about the progress in increasing project initiation capacity and capability to deliver the 18,000 prison places portfolio and the experience of staff to deliver a programme of this size.

We recognise the importance of having sufficient expert resources to deliver the additional prison places successfully and have expanded and extended our capacity and capability over the last year to enable us to meet this challenge. The 18,000 prison places portfolio is managed by a senior leadership team with many years of experience in the delivery of Government Major Programmes and Projects (GMPP). The team is led by the Executive Director of Prison Supply as the Senior Sponsor for the portfolio, with named Deputy Directors as Senior Responsible Owners, responsible for the delivery of specific portfolio projects and programmes. This means we have expert full-time resources leading the portfolio at SRO level.

The leadership team is supported by experts from functional directorates within the Department such as Commercial, Property, Project Delivery, Finance and Analytics, and these experts are embedded within delivery teams. We also work with a delivery partner to provide additional capacity and capability across areas of the portfolio. More generally, our project delivery expertise within the Department mainly sits within the MoJ Project Delivery Profession, which is the MoJ functional centre of excellence for project delivery. The team ensures the right level of project delivery level skills by recruiting private sector experts, as well as civil servants with relevant proven capability. The prisons places portfolio has benefited from this approach which allows us to respond relatively quickly and flexibly to our developing needs.

Our commercial contract resourcing picture has also improved over the last six months, enabling the ability to flex more readily across the portfolio through different phases of delivery, especially around procurement and contract management. We have also recently recruited a Construction Director who brings experience from the private sector and most recently from the projects he has led at the Department for Education.

Finally, thank you for your comments on the general format of the Memorandum. We will continue to work with the Scrutiny Unit and follow their guidance to ensure that we align with their requirements.

A handwritten signature in dark ink, consisting of the words "Yours ever" on the first line and "Antonia" on the second line.

Antonia Romeo