

UK Justice Policy Review

Volume 1

6 May 2010 to 5 May 2011

by Richard Garside and Helen Mills

THE HADLEY TRUST

**CENTRE FOR CRIME
AND JUSTICE STUDIES**

Justice Policy Review

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About the authors

Richard Garside is Director and Helen Mills is Research Associate at the Centre for Crime and Justice Studies.

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Centre for Crime and Justice Studies
2 Langley Lane
Vauxhall
London
SW8 1GB
info@crimeandjustice.org.uk
www.crimeandjustice.org.uk

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All the data for figures in this *Review* is accessible via links in the online version of the report, available from the Centre for Crime and Justice Studies' website:
www.crimeandjustice.org.uk/uk-justice-policy-review

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Establishing contemporary criminal justice trends in the UK

Despite claims about making criminal justice data more publicly accessible and promoting data's role in enabling accountability for public services, all too often numerical information about criminal justice continues to be too disparate, incomplete or unclear to fulfil this function. Definitions change, categories disappear, data series are reorganised or the qualifications this information is subject to are not specified. In short, establishing criminal justice trends across the UK is not straightforward nor are they easily accessible.

This new series from the Centre for Crime and Justice Studies, *UK Justice Policy Review*, compiles data about key aspects of criminal justice, much of it, to our knowledge, available on a UK-wide, comparative, year-on-year basis for the first time. *UK Justice Policy Review* (UKJPR) is the only publication where one can find UK-wide information about:

- Criminal justice spending (both past expenditure and planned future spending)
- Staffing
- The numbers of people subject to particular criminal justice sanctions.

This is the first volume in the series. *UK Justice Policy Review 1* (hereafter UKJPR1) explores key criminal justice developments in the UK since the formation of the coalition government in May 2010 in the United Kingdom (UK). In a series of annual publications, funded by The Hadley Trust, UKJPR provides a concise, critical analysis of emerging policy developments and brings this together with robust data about criminal justice for a particular year and the preceding period. This first volume is for the period 6 May 2010 to 5 May 2011.

About the *UK Justice Policy Review* series

UK Justice Policy Review intends to provide up-to-date analysis and data about the criminal justice system to policymakers, practitioners, researchers, indeed anyone with an interest in criminal justice in the UK. The series has two main aims in this respect. The first is to track notable political and policy debate, major initiatives and interventions and legislative changes over the period of review. In our *Key developments* section, each annual review will track these policy developments in relation to the key criminal justice institutions of policing, the courts and access to justice, and prison and probation, as well the significance of changes in the allied welfare system. Second, each *Review* provides reliable, accessible data about the given year in the *Key data* section. In this section we provide figure illustrations of the data

collected as well as an accompanying commentary outlining the key trends these data reveal about contemporary criminal justice in the UK. However, this is only the starting point of the material gathered in the UKJPR series.

Openly accessible data

As well as providing a source of high-quality information and analysis about criminal justice policy, the UKJPR series also provides an accessible way to find robust data about key criminal justice trends. To this end, a full set of data and footnotes for the 22 figures in this report are provided in Excel and all the original sources that these figures are based on are also available. These can be accessed through the links in the online version of this report. The reader can therefore analyse the original data in addition to viewing it in the form presented in UKJPR. Should the reader be interested in tracking police officer numbers in Northern Ireland compared to those in the Probation Service, for example, or want to know the numbers subject to a fine in the UK over the last three years specifically; or wish to consider variations in prison staffing and prison populations across each of the UK jurisdictions, this is possible via the links in the online report and through the Centre for Crime and Justice Studies' website.

This volume

This first volume in the series documents the significant agendas that began to emerge for criminal justice following the formation of the coalition government. In this year new shorthand entered the policy debate and wider public lexicon: 'The cuts'. Much of the year was overshadowed by the significantly different environment for government spending and the anticipation, and announcements made, about what these spending cuts would mean in practice. To reflect this, the planned government cuts announced in 2010 and the implications they set out for criminal justice spending in the coming years in the three UK jurisdictions are the feature of the special focus section in *Key data* (pages 20-21).

Future editions in the series

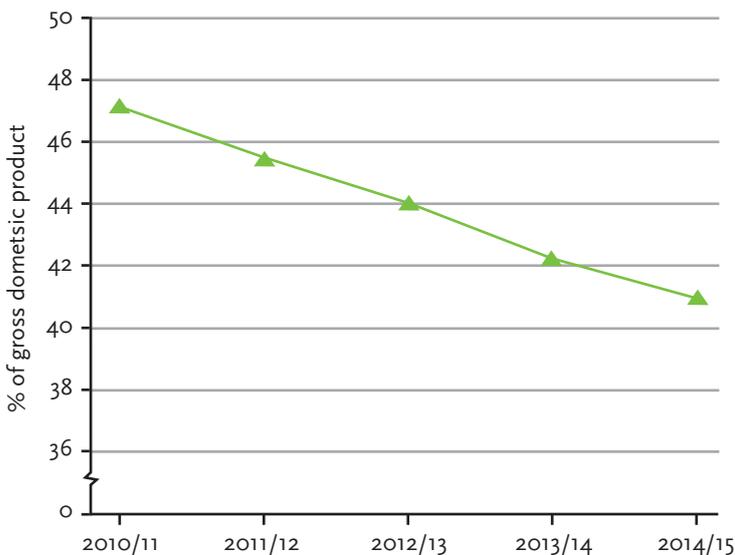
Future volumes of the UKJPR will cover subsequent years. They will update many of the figures with the most recent data available as well as feature figures pertinent to the year in question. The second UKJPR, reflecting on the period 6 May 2011 to 5 May 2012, is due to be published in March 2013. Further volumes will be produced on this annual cycle in subsequent years.

As the series progresses over time, we hope it enables independent tracking of key criminal justice developments in the UK in a comprehensive and accessible way.

Context and overview

Among the variety of factors and influences that shape any government’s policy agenda, two in particular stand out in relation to the Conservative-Liberal Democrat coalition government which came to power following the inconclusive General Election in May 2010. One factor was political: the manifesto commitments each party made during the election campaign, the compromises they made in drawing up the coalition agreement and their ability to implement their proposals. The other factor was economic: the coalition partners’ assessment of the nation’s finances and what they felt this meant for future spending and the resulting framework set out in the October 2010 Spending Review (HM Treasury, 2010). The interaction between these two factors – the political and the economic – created a dynamic and shifting policy framework in the first year of the coalition government and beyond.

Figure 1: UK government’s planned public spending over the spending review period^{1,2}



1. Planned public spending is total managed expenditure, which includes resource, capital and annual managed expenditure.
 2. Gross domestic product is derived from Office for Budget Responsibility forecasts and is consistent with the 2011 budget report.

The overlapping responsibilities of the UK government and the three devolved assemblies in Scotland, Wales and Northern Ireland also introduces a level of complexity and potential confusion. Criminal justice in England and Wales is the responsibility of the UK parliament and government. By contrast, criminal justice matters were devolved to the Scottish parliament and executive under the *Scotland Act 1998*. Policing and justice powers have also been a devolved matter in Northern Ireland since April 2010. Social security – examined on pages 14-15 of this *Review* – is a devolved matter in the case of Northern Ireland, though not for Scotland and Wales.

This *Review* series has a UK-wide scope. As such, key developments in the devolved nations for policing, the courts,

prison and probation, and for the welfare system are considered in the respective sections that follow. However, given the establishment of the UK coalition government as the starting point for UKJPR, the focus of *Key developments* in this first volume is the UK government agenda as it emerged over the year period. The formation of the UK government by a coalition between two parties, as well as the government’s response to the economic challenges facing the UK, both have important implications for the criminal justice developments which took place in the period reviewed here. These two matters are considered in more detail below.

The politics

In their election manifestos both the Conservatives and Liberal Democrats made a number of pledges in relation to criminal justice and the welfare system, only some of which ended up in the coalition agreement (Conservative Party, 2010; HM Government, 2010; Liberal Democrats, 2010). Some of these were mutually contradictory. The Conservatives pledged to ‘increase capacity’ in the prison system ‘as necessary’. The Liberal Democrats, on the other hand, committed themselves to cancelling Labour’s prison-building plans. In the coalition agreement they called it quits. Prison capacity was not mentioned at all. Some commitments were contrasting proposals to achieve the same end. To improve police accountability, the Liberal Democrats offered directly elected police authorities; the Conservatives, directly elected police commissioners. In the coalition agreement, they settled on the Conservatives’ commissioners, though with ‘strict checks and balances by locally elected representatives’ (Conservative Party, 2010).

Each party also made their own distinct manifesto commitments. The reform of employment schemes and the benefits system was an important theme in the Conservatives’ manifesto. It was barely mentioned by the Liberal Democrats. The Conservatives were also committed to a review of legal aid. Both these measures made it into the coalition agreement. A number of other Conservative commitments – tougher sentences for knife carrying for instance – were dropped. The Liberal Democrats’ proposal for Neighbourhood Justice Panels – where local people can nominate unpaid work for those on a community sentence or given an Anti-Social Behavioural Order – made it into the coalition agreement, as did their call for better recording of hate crimes. The Liberal Democrats’ promise to put an additional 3,000 police officers on the beat – and they were the only major party to offer increased police numbers – fell by the wayside.

The most significant Liberal Democrat proposal to make it into the coalition agreement was, on the face of it, uncontroversial and technocratic:

We will have a full review of the terms and conditions for police officer employment.
 (Liberal Democrats, 2010)

This commitment was enacted through the so-called ‘Winsor Review’ (Winsor, 2011), and was to become a growing headache for the Conservative Home Secretary in the first year of the coalition and beyond.

The main reforms agreed by the coalition partners of relevance to UKJPR are:

- Significant reform of policing governance and accountability, working and employment practices
- A review and likely shake-up of legal aid provision
- The introduction of new delivery arrangements and financial mechanisms for interventions with convicted lawbreakers
- Substantial changes to employment programmes and the benefits system.

...the Conservatives and Liberal Democrats made a number of pledges [...] Some commitments were contrasting proposals to achieve the same ends.

The economics

Economic factors loomed large during the General Election campaign, influencing the result and overshadowing the coalition plans. As the Prime Minister and Deputy Prime Minister stressed in their joint Foreword to the coalition agreement:

...the most urgent task facing this coalition is to tackle our record debts, because without sound finances, none of our ambitions will be deliverable.

(HM Government, 2010)

A distinction should be made at this point between two separate, if related, sets of economic questions and choices. First, there is the macro-economic position as assessed by coalition ministers and the implications for public spending as mapped out in the spending review in the autumn of 2010 (HM Treasury, 2010). Second, there is the more specific question of the allocation of financial resources to particular areas of public spending.

On the macro-economic situation, the spending review signalled a sharp contraction in expenditure. Public spending’s downwards trajectory is set out in **figure 1**. Overall departmental resource expenditure, excluding depreciation, was set to fall by 8.3 per cent in real terms between 2010/11 and 2014/15 (HM Treasury, 2010). Departmental capital expenditure, though much smaller overall, was set to fall by 29 per cent in real terms. The changes in planned expenditure were, however, very lumpy. The very large NHS resource budget was set to grow by 1.3 per cent in real terms. The much smaller resource budget for the Department

for Communities and Local Government, on the other hand, was earmarked for a 51 per cent real-terms reduction. Spending decisions are never ‘purely’ economic. Politics plays a large role.

In relation to the various criminal justice agencies, the picture was a mixed one, not least of all because of the legacy left to the coalition by the Blair-Brown administrations. Under Labour, criminal justice expenditure grew significantly. Police expenditure in England and Wales, for instance, grew by nearly 50 per cent in real terms between 1998/99 and 2008/09 (Mills et al., 2010a). Whilst the scale of investment varied in relation to the courts, prisons and the Probation Service, all experienced significant real-terms growth at a time of relative prosperity (Grimshaw et al., 2010; Mills et al., 2010b). On the eve of the 2010 General Election the criminal justice system had been dramatically enhanced in scale and reach from that of the pre-Labour era.

The Home Office and Ministry of Justice resource budgets were both set to fall by 23 per cent in real terms by 2014/15. The Departments of Justice in Scotland and Northern Ireland similarly planned significant real-term reductions in expenditure of 19 and 15 per cent respectively over this period. How these cuts were distributed across the criminal justice sector varied significantly. This is a matter explored in more detail on pages 20 and 21.

The political economic

The decisions taken by the coalition government and the devolved administrations in the areas covered by this *Review* ultimately combine the political and the economic. This point was made well by a Treasury insider, speaking to *The Financial Times* in the run-up to the spending review:

Anyone who thinks the spending review is just about saving money is missing the point. This is a once-in-a-generation opportunity to transform the way that government works.

(Parker and Giles, 2010)

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Policing

Of all the criminal justice developments during the first year of the coalition government, policing proved the most dynamic, controversial and challenging.

In Northern Ireland, responsibility for policing, along with justice powers, was devolved to the Executive and Assembly in April 2010. There followed a period of change and evolution aimed at 'normalising' policing arrangements post the civil conflict. The prosaically entitled *Justice Bill*, which included provision for fixed penalty notices and the creation of Policing and Community Safety Partnerships made its way through the Northern Ireland Assembly between October 2010 and March 2011. In January 2011 the Northern Ireland Justice Minister launched a consultation on the long-term objectives of the Police Service of Northern Ireland (Department of Justice for Northern Ireland, 2011).

In Scotland, the Justice Minister Kenny MacAskill launched a consultation in February 2011 on the future structure of policing in Scotland. The eight-force structure in Scotland, MacAskill argued in his Foreword, was 'increasingly unsustainable given the financial outlook we face' (Scottish Government, 2011). During the second year of the coalition government this was to lead to plans for a single Scottish police force. The next volume of UKJPR will pick up these developments in Scotland and Northern Ireland.

The police had become a service geared towards growth, not austerity.'

In England and Wales the financial context likewise provided the backdrop to policing developments. Police spending had grown by nearly 50 per cent in real terms between 1999 and 2009 (Mills et al., 2010). The police in England and Wales had become, in the words of Her Majesty's Inspectorate of Constabulary (HMIC), a service 'geared towards growth, not austerity'. In a new era of austerity, the police needed to engage in a 'relentless drive' to cut costs and improve efficiency (HMIC, 2010). The funding settlement set out for the police in the spending review and by the devolved administrations is detailed on pages 20-21. The challenges raised by the unfolding austerity agenda, the ambition for police reform and the controversies that ensued form the backdrop to the policing developments in the first year of the coalition described here.

The context for the coalition policing programme in England and Wales

Among the many drivers that influenced the coalition's policing agenda, three in particular are worthy of mention: the ideas developed by the Conservative Party while in opposition; the lessons from Labour's attempts to reform police pay and working conditions; and the implications of the coalition's austerity agenda.

On the first of these, the Conservative's 2007 policy review – *Policing for the People* – identified a number of priorities that were to form the basis of the coalition policing agenda three years later (Conservative Party, 2007). Elected Police Commissioners, rather than unelected police authorities, would enhance local accountability, while greater collaboration between forces would improve coordination and efficiency. Tackling red tape and bureaucracy as an enemy to frontline policing, the perennial favourite, was also on the list. 'The public want the police to be crime-fighters not form-writers,' claimed *Policing for the People*, coining a sound bite widely deployed by coalition ministers in speeches a few years later (Conservative Party, 2007).

Policing for the People also proposed workforce reform, including reform of pay and conditions. How difficult this would prove to be was illustrated by the debilitating war of attrition going on at roughly the same time between the then Labour Home Secretary Jacqui Smith and the Police Federation over police pay. This dispute was resolved in a messy compromise in late 2008. The Winsor review, about which more below, was the coalition's attempt to handle more effectively the challenge of police pay.

Conservative policy while in opposition and the desire to avoid Labour's mistakes on police pay combined with a third factor: the government's austerity agenda. The need to cut spending, so the argument went, made radical reform of the police, long postponed under Labour, essential. The argument was helpfully summed up for Theresa May shortly after she became Home Secretary. *Sustaining Value for Money in the Police Service*, a joint report by the Audit Commission, HMIC and the Welsh Audit Office, argued the case for 'hard decisions' to be made:

As funding reduces, forces and authorities need a transformational long-term planned approach that links force priorities and whole systems change.
(Audit Commission et al., 2010)

There was 'significant scope', the report suggested, to make savings on police expenditure 'of up to £1 billion'.

Coalition policies

On taking office, the coalition implemented three interrelated initiatives that were to have a lasting impact on policing developments in the coalition's first year and beyond. In July 2010, the coalition set out its plans in a White Paper, *Policing in the 21st Century* (Home Office, 2010). This was followed in August by the appointment of Peter Neyroud, a former Chief Constable and the outgoing chief executive of the National Policing Improvement Agency, to undertake a review of police leadership and training. Finally, the lawyer and former rail regulator Tom Winsor was appointed in October to review police pay and conditions. These three initiatives combined presaged the most radical shake-up of policing in England and Wales in a generation.

Two central themes informed *Policing in the 21st Century*: an attack on bureaucracy and paperwork and an embrace of democratic accountability. 'Police officers should be crime fighters, not form writers,' the White Paper argued, furthermore, 'We...intend to replace bureaucratic accountability with democratic accountability.' Out would go Whitehall targets, centralised performance management and ring-fenced government funding. In would come local accountability via the Police and Crime Commissioners and the release of crime data, including online crime maps (launched

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February 2011). The last vestiges of magistrates' oversight were consigned to history by the abolition of Police Authorities. The 'deal' being offered was the removal of 'micro-management by central government in local policing, in return for much greater responsiveness to and engagement with the public'. To complement the emphasis on local police accountability and focus, the White Paper also proposed the establishment of a National Crime Agency (NCA), accountable to the Home Secretary, with responsibility for organised crime, border security and other 'services best delivered at a national level'. Detailed proposals on the NCA did not emerge until June 2011 and will be covered in the next volume of UKJPR.

Reviews of policing

Two other initiatives in the White Paper were pursued in the short term. The first were proposals to 'professionalise the police at all levels', including improvements in leadership, standards and the sharing of best practice. This was taken forward through the Neyroud review of police leadership and training. The second were proposals for 'a review of remuneration and conditions of service for police officers and staff', taken forward through the Winsor review of terms and conditions.

The Neyroud review, published in March 2011, argued that 'the police service needs to move from being a service that acts professionally to becoming a professional service' (Neyroud, 2011). To achieve this it recommended the establishment of a 'Police Professional Body' responsible for national standards, leadership and training. The Association of Chief Police Officers (ACPO), the existing professional forum for senior police officers, would merge its functions with the new body, though the body itself would have 'members from across the service'. The Neyroud proposals were broadly welcomed, with the government announcing the establishment of the new professional body in December 2011.

Far more controversial was the Winsor review. Reporting in two parts, the first part, covering proposed short-term reforms, was also published in March 2011 (Winsor, 2011). Current police pay, Winsor argued, was 'relatively high' compared to other professions and was based on 'a system of remuneration and conditions which was designed for a police service and a society neither of which any longer exists'. If the police service was to adjust to much tighter budgets 'without reducing its effectiveness', it needed to 'take immediate and substantial steps to reduce its biggest category of cost, namely pay'.

Winsor's recommendations in part one of the report revolved around a series of sensitive issues: payment according to skills and application, not longevity of service; pay rises linked to performance rather than automatic increments; a single system of pay and conditions for both police officers and civilian police staff; and changes to longstanding police work practices around overtime and shift patterns. Winsor estimated that his proposals could deliver savings of £217 million by April 2014. This would 'enable the police service to live within its reduced means for the short term, whilst introducing some important reforms for the longer term'. The Police Federation response was stinging. The proposals would have 'a devastating effect on policing,' it argued. 'Furious' police officers were 'used to being attacked' by 'criminals'. They 'did not expect the biggest blow to come from government' (Police Federation, 2011). Just how 'furious' police officers were became clear when the Home Secretary went to address their annual conference in May 2011.

In its first year, the coalition laid the foundations for the most radical reforms of policing in a generation. New and uncertain forms of local accountability for police forces were being proposed. ACPO faced a major restructure. The Police Federation and the members it represented faced a frontal assault on their terms and conditions. After years of relative plenty the police faced a major funding squeeze. The stage was set for a bumpy and challenging second year of the coalition.

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The courts and access to justice

This section covers three related developments in the UK during the coalition's first year in government: structural reforms to the court system, sentencing reforms, and reforms to criminal legal aid. Significant changes were also proposed to civil legal aid; however, these developments are outside our remit here.

Court reforms

On 23 June 2010, Justice Secretary Ken Clarke announced in parliament plans to close 103 magistrates' courts and 54 county courts. Ensuring access to justice did not require 'a courthouse in every town or city'. He was keen 'to harness technology more effectively' to reduce the demands on people attending court in person. Alternative forms of dispute resolution outside the standard court process were also needed. The need to make savings on department budgets also featured strongly of course (HC Deb, 23 June 2010, c15WS).

...a courts closure programme was proposed in neither the Conservative nor the Liberal Democrat election manifestos.

These proposals were radical and surprising. Radical because they signalled a reduction of nearly one-third in the number of courts across England and Wales. Surprising because a courts closure programme was proposed in neither the Conservative nor the Liberal Democrat election manifestos. The coalition programme for government, agreed only a few weeks earlier, likewise, made no reference to it. They were also controversial. The Magistrates' Association expressed 'serious reservations about the whole consultation process and the specific proposals' (Magistrates' Association, 2010), while the Senior Presiding Judge raised concerns about 'significant errors' and 'lack of real detail' (Senior Presiding Judge, 2010). Announcing the results of the consultation, the Justice Minister Jonathan Djanogly acknowledged 'the strength of feeling' over the proposed closures (HC Deb, 14 December 2010, c816) but made few concessions. The plans were scaled back slightly, to 93 magistrates' courts and 49 county courts. By the end of coalition's first year, 54 courts had been closed or merged in England and Wales.

In Northern Ireland a different consultation was unfolding. In October 2010, and following an earlier consultation, the Northern Ireland Courts and Tribunal Service (NICTS) announced plans for a single territorial jurisdiction for all county and magistrates' courts in Northern Ireland. It offered, however, 'no timescale' for implementation (NICTS, 2010a). Questions about the structure of the Scottish Court System were to emerge during the coalition's second year.

Sentencing reform

The *Criminal Justice and Licensing (Scotland) Act*, described as the largest piece of legislation introduced by the current administration in Scotland, received Royal Assent in August 2010. It legislated for a range of issues, including alcohol sales and the introduction of a Sentencing Council, as well as seeing the replacement of a number of community sentences with the Community Payback Order. Courts were also guided by 'a presumption against' imposing prison sentences of three months or less.

Since the *Criminal Justice Act 2003*, it has been possible to retry an acquitted defendant for a range of offences in England, Wales and Northern Ireland following the emergence of new and compelling evidence. This qualification of the so-called 'double jeopardy' rule did not apply in Scotland. Following a report by the Scottish Law Commission in December 2009, the Scottish government published a consultation paper broadly proposing to bring its laws on double jeopardy in line with the rest of the UK (Scottish Government, 2010). The resulting *Double Jeopardy (Scotland) Act* became law in November the following year.

In December 2010 the Ministry of Justice published the *Breaking the Cycle* Green Paper (Ministry of Justice, 2010b). Promising a 'single sentencing framework for all offenders', the Green Paper proposed a number of incremental, broadly progressive, reforms across the sentencing tariff. The rules governing the management of ex-prisoners in the community were to be adjusted to make it less likely they would be returned to prison 'for no good reason'. The option to hold defendants in prison pre-trial would not be available if they were unlikely to receive a prison sentence on conviction. Adults convicted of 'a crime using a knife' or young people found guilty of 'serious offences' with a knife would receive a mandatory prison sentence. This scaled back a Conservative manifesto commitment for anyone convicted of a knife crime to receive a prison sentence. A renewed focus on diversion and restorative justice – particularly for young suspects – was also promised. At the lower end of the tariff, the reinvigoration of court order fines was proposed.

Much of this agenda was greeted with a degree of equanimity. Two proposals in particular, however, became the source of much controversy. The first was the proposed reforms to the Imprisonment for Public Protection (IPP) sentence. This prison sentence of an open-ended length, implemented by Labour in 2005, had been used far more widely than had been intended. Prisons Minister Crispin Blunt stated in parliament on 15 June 2010 that:

We have 6,000 IPP prisoners, well over 2,500 of whom have exceeded their tariff point. Many cannot get on courses because our prisons are wholly overcrowded and unable to address offending behaviour. That is not a defensible position.

(HC Deb, 15 June 2010, c730)

Breaking the Cycle proposed that IPPs should be restricted to those 'who would otherwise have merited a determinate sentence of at least ten years'. Opposition to this proposed change grew through the rest of the coalition's first year, resulting in a swerve, if not an outright U-turn, at the beginning of its second year.

The second proposed reform related to the somewhat technical issue of discounts on sentences for defendants who pleaded guilty 'at the earliest opportunity'. The coalition, like the Labour government before it, was keen to encourage defendants to plead guilty at an early point to save costs. The Impact Assessment published alongside the Green Paper estimated that the package of proposals could save 3,400 prison places and £130 million by 2014/15 (Ministry of Justice, 2010c). Little attention was paid to this proposal during the rest of the coalition's first year. However, as will be seen in the next Review at the start of its second year, it exploded into the public consciousness following an innocuous parliamentary exchange and a BBC Radio interview with the Justice Secretary about the sentencing reforms (BBC News, 2011).

Much of this agenda was greeted with a degree of equanimity. Two proposals in particular, however, became the source of much controversy.

Legal aid

Three key questions have underpinned much of the policy discussion on criminal legal aid in recent years, all of which relate to a concern to contain costs. First, should the receipt of criminal legal aid for defendants be subject to a means test? Second, who should make the decision on the award of legal aid to defendants? Third, what mechanism should be adopted to contain payments to lawyers undertaking legal aid work?

In England and Wales the award of criminal legal aid had been subject to a means test for some years. The decision on the award of legal aid had also been taken out of the hands of the judiciary and placed under the auspices of a new body: the Legal Services Commission. Under the system the coalition inherited from Labour, most criminal legal aid fees were governed through a series of fixed and graduated fees. An alternative model, in which fees would be set through competitive tender, was proposed by Lord Carter in his review of legal aid published in July 2006 (Carter, 2006).

When the House of Commons Committee on Public Accounts (HCCPA) reviewed the position in early 2010, it noted that the Legal Services Commission had abandoned plans to introduce competitive tendering 'following representations from the legal profession' (HCCPA, 2010). Competitive tendering came back onto the agenda later that year when a coalition consultation paper on legal aid, published in November, proposed the introduction of competitive tendering from 2012 (Ministry of Justice, 2010a).

A report from the House of Commons Justice Committee (HCJC) the following March noted the 'degree of consensus amongst all political parties that the cost of legal aid needs to be reduced' while raising concerns about the Ministry of Justice's cost estimates and a number of other assumptions (HCJC, 2011). During the course of the coalition's second year these and other concerns caused the Ministry of Justice to revise any immediate plans for criminal legal aid reform.

In Northern Ireland, the Courts and Tribunal Service announced in October 2010 that it would be introducing means-testing for criminal legal aid similar to that operating in England and Wales (NICTS, 2010b). This subsequently became law in the *Justice Act* in May 2011. Alongside these developments a year-long review of civil and criminal legal aid in Northern Ireland by Jim Daniell commenced in September 2010. With means-testing of criminal legal aid a done deal, the review focused on questions of who should decide on the granting of legal aid and how payments to lawyers should best be regulated. The review's final report was published in September 2011 and will be covered in the next volume.

The question of legal aid payments to lawyers, however, reached something of a crisis in mid-April 2011 when a significant number of solicitors firms refused to take on new cases in the Crown Court following a new payments system for this work. The row rumbled on into the summer of 2011. In Scotland a consultation paper on reforms to criminal legal aid was published in March 2011, with a consultation deadline of June 2011. How these two events unfolded and the developments that followed will be reviewed in the next volume.

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Prisons and probation

Going into the 2010 General Election the Conservative manifesto criticised the Labour government for releasing ‘80,000 criminals’ early from prison because it had ‘failed to build enough places’. It committed an incoming Conservative government to ‘redevelop the prison estate and increase capacity as necessary’ (Conservative Party, 2010). We will never know whether a majority Conservative administration would have implemented an expansion plan for prisons. The ‘as necessary’ qualification certainly gave them room for manoeuvre. The realities of office, compromises of coalition and the arithmetic of austerity ensured that prison expansion did not make it into the coalition agreement or into the plans of the Ministry of Justice.

Indeed, in his first keynote speech as Justice Secretary, in June 2010, Ken Clarke signalled a break from the past, distancing himself both from the outgoing Labour government and the legacy of Michael Howard, the last Conservative Home Secretary. Mr Clarke expressed amazement that the prison population in England and Wales had doubled since he had been Home Secretary in the early 1990s. It now stood at ‘quite an astonishing number’ which he ‘would have dismissed as an impossible and ridiculous prediction’ (Clarke, 2010). A month later his ministerial colleague Crispin Blunt made the point even more

These striking interventions drew something of a line under the surface-level law and order politics of recent years. However, they did not mark a dramatically new position.

strongly, describing ‘85,000 offenders in prison and the prediction of 96,000 places required by 2014’ as a ‘failure of policy’ and ‘a national embarrassment’ (Blunt, 2010). ‘Recent reform,’ the *Breaking the Cycle* Green Paper stated later that year, ‘has been dominated by increases in the prison population rather than tackling reoffending’. The government was committed to ‘stemming the unsustainable rise in the prison population’ (Ministry of Justice, 2010). These striking interventions drew something of a line under the surface-level law and order politics of recent years. However, they did not mark a dramatically new position.

The essential features had been mapped out by the Conservatives while in opposition. The Conservatives’ 2008 *Prisons with a Purpose* policy paper had promised a ‘rehabilitation revolution’ to ‘reduce the prison population...break the cycle of re-offending and reduce crime’. In coalition with the Liberal Democrats, who had opposed further prison growth in their election manifesto and criticised aspects of ‘tough on crime’ rhetoric, the Conservatives found a natural political partner to develop the rehabilitation revolution themes. *Prisons with a Purpose* also recommended a new approach to financing prison and probation work:

The principle of incentivising performance through payment by results, with success based on the absence of re-offending, should be introduced for prisons, the providers of community sentences and the providers of rehabilitation programmes – whether in the public, private or voluntary sector. With devolved responsibilities and new incentives, we can create a revolution in how offenders are managed, and drive down re-offending.
(Conservative Party, 2008)

The revolution in funding that payment by results represents is the most innovative feature of prison and probation policy under the coalition. This section explores how this, and other aspects of the rehabilitation revolution agenda, developed during year one of the coalition. It is an agenda that strictly only applied to England and Wales. Developments in Scotland and Northern Ireland will be explored in more detail in the next volume.

The rehabilitation revolution

The essential proposition of the coalition’s rehabilitation revolution agenda is simple to articulate. Under Labour, the argument goes, prisons and probation policy was dominated by a top-down command and control agenda. A relentless focus on meeting targets and micro-managing processes crowded out innovation and removed professional discretion. Worst of all, the prison and probation systems stopped focusing on their core purpose: reducing re-offending and improving public safety.

Under the rehabilitation revolution, prisons would become places of hard work and industry; rigorous community sentences would effectively punish and rehabilitate offenders. Victims would receive greater financial reparation and the public would be more involved in decisions about the type of unpaid work undertaken on community sentences. Improved and integrated offender management would improve outcomes for those with drug, alcohol and mental health problems. Barriers to employment and settled accommodation would also be reduced.

To be effective these reforms need to be placed in a broader context. ‘The police and the courts,’ according to *Breaking the Cycle*, ‘along with other local services such as health and education, have a crucial role in working with prison and probation services to make the rehabilitation revolution a reality.’ Integrated offender management, rigorous community sentences and holistic service provision are, of course, not new. Much of what passes for the rehabilitation revolution is best understood as a development and intensification of certain policy preoccupations of the last Labour government.

Innovation was much more apparent in the financing of the rehabilitation revolution. To develop the market place of potential providers, for instance, the Ministry of Justice 2011-2015 business plan specified that it would ‘no longer provide rehabilitation services directly without testing where voluntary or private

sectors can provide it more effectively and efficiently' (Ministry of Justice, 2011a). In the future the publicly owned prison and probation services would increasingly be seen as just another provider alongside others. Towards the start of its second year, the coalition fleshed out the broader implications of this shift with the publication of the *Competition Strategy for Offender Services* (Ministry of Justice, 2011b).

Then there was payment by results. In *Breaking the Cycle* the coalition committed to establishing 'at least six new payment by results projects covering a significant proportion of the offender population'. The pilots would explore different models for managing contracts, measuring impact and rewarding successful providers. The longer-term aim was to apply payment by results principles to all providers by 2015. Few exceptions were identified to this. 'High-risk offenders', including those who had committed a sexual offence, as well as those sentenced to unpaid work on a community sentence, were the only elements of probation's workload proposed to be excluded from a payment by results model in the Green Paper.

The revolution in funding that payment by results represents is the most innovative feature of prison and probation policy under the coalition.

As a proposition, payment by results is straightforward enough. Applying it in practice is rather more complex. 'We are aware,' Crispin Blunt told an audience in early 2011, 'of the technical and organisational challenges in developing payment by results' (Blunt, 2011). Just how complex this challenge would be only started to become clear during the second year of the coalition.

An initial review of the payment by results pilot at Peterborough prison, published in May 2011, highlighted a number of implementation challenges (Disley et al., 2011). The probation review published in March 2012 sought to align the service to a payment by results approach (Ministry of Justice, 2012). The ongoing story of the development and implementation of payment by results will be picked up in the next volume. For now, we might simply note that, from a certain viewpoint, payment by results is best seen as the application of a market mechanism to drive structural reform across prison and probation work. Whether it will ultimately save money is, in an important sense, a second order matter.

Becoming unstuck

In relation to prisons and probation policy the coalition had a relatively easy ride during its first year. The stated commitment to ending the long-term rise in the prison population garnered support in the liberal press and among prison reformers. The potentially rich pickings on offer under the rehabilitation revolution

largely guaranteed support from private and voluntary sector providers. Meanwhile the public sector criminal justice workforce and their trade unions seemed largely incapable of mounting a serious or sustained challenge to a set of reforms from which they had in principle a lot to lose.

The abolition of the Youth Justice Board, announced in October 2010 as part of the government's bonfire of the quangos (Cabinet Office, 2010), became a battleground for the Ministry of Justice during the coalition's first and second years. It culminated with the Board's reprieve in November 2011.

A telling, if ultimately less significant, incident was the row that developed over the relaxation of rules governing arts and social events held in prison. In July 2010, Crispin Blunt announced the revocation of a Prison Service Instruction from 2008 that restricted the scope of social, religious and recreational activities in prison. As Crispin Blunt put it:

As a measure it was typical of the last administration's flakiness under pressure. At the slightest whiff of criticism from the popular press policy tended to get changed.
(Blunt, 2010)

He went on to criticise the 'era of policy making with a chequebook in one hand and *The Daily Mail* in the other'. *The Daily Mail* predictably led the chorus of criticism, with the headline, 'Now you pay for prison parties' (Doyle, 2010). Downing Street intervened and the Instruction was reinstated (Watt, 2010). Old-style law and order politics continued to make its presence felt.

In the area of prison and probation the coalition's first year was a scene-setting one. Ministers sought to articulate a clear vision of change. Officials, public, private and voluntary sector providers started the job of making practical sense of this vision.

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Welfare reform

This section examines the coalition's plans to reform the social security system and, in particular, its plans for the Universal Credit. Welfare is one of those areas of UK policy that cuts confusingly across the devolved regions. Changes agreed by the Westminster parliament generally apply across Wales and Scotland. As a result, this section will focus exclusively on the debate as it unfolded in and around parliament. The development of the debate and policy on welfare in Northern Ireland will be picked up in the next volume.

Welfare and criminal justice

Social security, or 'welfare', is an area of policy formally distinct from the criminal justice process. So why are these developments being covered here, in a review primarily focused on criminal justice policy developments?

Though distinct, the processes and operations of the welfare system abut and interact with the criminal justice process. Those subject to various forms of criminal justice sanction, for instance, are also regularly processed through the social security system. Prisoners disproportionately come from a background of poverty and unemployment. For released prisoners, accessing housing benefit and other forms of social support is often a key priority. In different ways then, the welfare state and the criminal justice system can be thought of as contrasting, though complementary, means of managing certain populations.

Receipt of social security support also generally comes with sanctions for those who do not comply: so-called 'conditionality' for example, the reduction in Jobseekers Allowance should a claimant be deemed to have rejected employment without an acceptable reason. Under the coalition, Labour's strict rules relating to conditionality were set to be tightened further. The boundary between the punitive sanctions of the welfare system and some forms of punishment experienced by those in the criminal justice system is arguably increasingly blurred as a result.

Promises and pledges

Going into the General Election both the Conservative and the Liberal Democrats' manifestos made little reference to substantial reform of the benefits system. 'Labour has created a hugely complex and unfair benefits system which needs to be reformed,' the Liberal Democrats argued in their manifesto (Liberal Democrats, 2010). In relation to out-of-work benefits, however, they limited their proposals to relatively minor reforms of the tax credit system.

The Conservative manifesto argued that long-term benefit claimants should "work for the dole" on community work programmes', an idea that was to make it into the coalition government's proposals later that year as 'mandatory work activity' (Conservative Party, 2010). Getting welfare recipients into work, rather than a fundamental shake-up of the benefits system, was the main manifesto theme.

The coalition agreement only committed the government to 'investigate' a simplification of the benefits system (HM Government, 2010). The Queen's Speech five days later made a firmer pledge that the 'benefits system will be made fairer and simpler'. The plans that emerged a couple of months later represented the most ambitious overhaul of the social security system for a number of years.

Rethinking welfare delivery

'Successive governments have made well-intentioned but piecemeal reforms to the system,' observes the introduction to *21st Century Welfare*, the Green Paper published on 30 July 2010 (DWP, 2010a). They have not tackled 'the fundamental structural problems that undermine personal responsibility and the effectiveness of welfare'. The resulting structure was condemned as complex, costly and counter-productive.

The Green Paper claimed the problems were twofold. Work incentives under the current system were not strong enough. The retraction of benefit payments when individuals moved into employment or increased their work hours was often such that recipients were little better off. This left people feeling 'punished for working'. Therefore 'working legitimately is not a rational choice for many poor people to make'. The complexity of the benefits system was the second main problem. Incremental changes, coupled with the variety of different government agencies involved in operating benefits, meant a complex, confusing and costly system. In summary:

The welfare state is now a vast, sprawling bureaucracy that can act to entrench, rather than solve, the problems of poverty and social exclusion.

(ibid)

This rhetorically bold move – portraying the institution that protects millions of British citizens from utter destitution as a leading *cause* of poverty – was not entirely new. But it had rarely been articulated so clearly by a government.

A number of possible solutions were floated to the problems *21st Century Welfare* identified, including proposals previously offered by the Institute for Public Policy Research, the Institute for Fiscal Studies and The TaxPayers' Alliance. But it was the proposals for a Universal Credit that were given pride of place.

The Universal Credit had been discussed in policy circles for some years. The 2008 Green Paper – *No one Written Off* – had floated the idea of a single working-age benefit (DWP, 2008). The review by Professor David Gregg later that year had also recommended its implementation (Gregg, 2008). It had also been raised in a 2009 report by the Centre for Social Justice (CSJ, 2009). Iain Duncan Smith, who had established the CSJ was by this time the coalition minister in charge of welfare reform. The spending review allocated £2 billion to welfare reform reorganisation and introduced the

intention for Universal Credit to replace all working age benefits over the next two parliamentary sessions (HM Treasury, 2010). It came as little surprise that the subsequent White Paper, published in November 2010, was dominated by the coalition's intention to introduce the Universal Credit (DWP, 2010b). The clue, indeed, was in its title: *Universal Credit: Welfare that Works*.

Under the Universal Credit, a range of existing benefits would be amalgamated. Recipients would receive a basic amount, topped up to take account of specific needs relating to disability, caring responsibilities, housing costs and children. A single taper rate would smooth the existing bumpy withdrawal of benefit as income rose. The entire system would be administered by the DWP, in place of the existing mix of different departments and agencies

'The benefits system is not just a passive money dispenser; it is also an active player in determining whether people work'

The result, the White Paper claimed, would be a virtuous circle. Bureaucratic rationalisation would reduce administration costs, as well as tackle fraud and incorrect payments. Recipients would also be better off. 'Universal Credit could lift as many as 350,000 children and 500,000 working-age adults out of poverty,' stated the paper.

Questions and controversies

The simplicity of the Universal Credit proposition and the promised savings and benefits ensured broad support. A number of significant questions and controversies nonetheless emerged in and around the welfare reform programme.

One area related to the combined effects of the cuts in eligibility and levels of benefits announced in the June 2010 emergency budget and the October spending review. This had included: indexing benefit rises to the consumer price index rather than the higher retail price index, so benefits will no longer keep pace with cost of living inflation; a one-year limit to Employment Support Allowance for those seeking work; a cap on housing benefits; and reduced eligibility for child tax credits. It was thus easy to argue that benefits claimants would not lose out under the Universal Credit, as *The Guardian's* Polly Toynbee pointed out, when many of the cuts were being imposed prior to its implementation (Toynbee, 2010).

Another area related to the potential impact of the proposed changes on vulnerable groups. On the eve of the second reading of the *Welfare Reform Bill* in April 2011, representatives of the UK's leading cancer charities raised concerns about the impact of the changes for those living with cancer (Devaine et al., 2011). Others raised principled concerns regarding changes to housing benefits and disability related benefits. In its 'report card' on the coalition's first year, the CSJ called on the government to 'think again urgently

about its implementation plans for the full benefit cap' at £26,000 (CSJ, 2011). In another development a whistleblower alleged that benefits claimants were being tricked out of benefits to meet targets (Domokos, 2011).

A third area related to the links between the Universal Credit and the Work Programme, the successor to the Labour government's Welfare to Work programme, aimed at getting people off benefits and into work. It was a central proposition of the government's welfare reforms that the benefits system and the labour market should be treated as far more integrated, if not seamless. In the words of the CSJ's influential 2009 report, 'The benefits system is not just a passive money dispenser; it is also an active player in determining whether people work' (CSJ, 2009). *Breaking the Cycle* set out proposals specifically about getting those subject to criminal justice sanctions into work. The Green Paper made clear that, as well as the ambition to reduce reoffending, these reforms were also about reducing the benefits bill, entitling the section *Rehabilitating offenders: making them pay their way* (Ministry of Justice, 2010). From this perspective, increasing the sanctions on those deemed not to be actively seeking work and requiring long-term benefit recipients to undertake work placements – the so-called mandatory work activity – also made perfect sense. Hence, following a pilot in October 2010, a national rollout to reassess all recipients of Incapacity Benefit, Severe Disability Allowance and Income Support paid on the grounds of illness or disability began in April 2011. During the coalition's second year this became a matter of serious controversy.

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The year in view: Timeline: 6 May 2010 to 5 May 2011¹

6 May 2010

6 May: UK General Election

No one party gains an overall majority.

11 May: Conservative-led coalition government formed

In alliance with the Liberal Democrats. 'If it lasts five years water will start to flow uphill,' remarks one commentator.

18 May: Big Society launch

'Today is the start of a deep and serious reform agenda to take power away from politicians and give it to people,' says David Cameron.

25 May: Queen's Speech

22 bills announced. Reducing the deficit and benefit reform dominate.

26 July: Policing White Paper published

Policing in the 21st Century: Reconnecting Police and the People includes plans for elected Police and Crime Commissioners and a National Crime Agency.

30 July: 21st Century Welfare released

Sets out proposed reforms to benefits and tax credits.

10 September: Social Impact Bond launched

At HMP Peterborough.

13 September: Pathways to Work criticised

'Private providers have seriously underperformed against their contracts and their success rates [are] worse than Jobcentre Plus' says a Public Accounts Committee report.

11 November: Universal Credit: Welfare that Works

White Paper published setting out legislation to amalgamate existing benefits under Universal Credit.

15 November: Consultation opens on legal aid changes

Includes cutting funding for a wide range of disputes, and for civil legal aid to only be routinely available in cases where life or liberty is at stake.

30 November: Policing Bill introduced in the House of Commons

Police Reform and Social Responsibility Bill provides for introduction of directly elected Police and Crime Commissioners and proposes more powers to local bodies, including dealing with drugs use.

7 June: Justice Minister for Northern Ireland set out his plans

David Ford announces a reducing re-offending strategy, a number of reviews, and legal aid reform.

22 June: Emergency Budget

Includes a reduction in welfare benefits with a cap on housing credit and reduced eligibility for child tax credits.

23 June: Local courts consultation

157 of the 530 courts in England and Wales are proposed for closure.

29 June: Last police performance targets axed

As is the Policing Pledge.

30 June: Ken Clarke's first keynote speech

Speaking at the Centre for Crime and Justice Studies, the Justice Secretary describes the 85,000 prison population as 'an astonishing number, which I would have dismissed as an impossible and ridiculous prediction if it had been put to me in a forecast in 1992.'

6 August: Criminal Justice and Licensing (Scotland) Act 2010

Includes a presumption against imposing prison sentences of three months or less, a new offence of stalking, and creation of the Scottish Sentencing Council.

5 October: Vision for a 40-hour working week in prison unveiled

Ken Clarke proposes major expansion of prison industries to get more prisoners working.

14 October: Bonfire of the quangos

192 bodies, including the Youth Justice Board and the Audit Commission, would be axed under the plans and a further 118 merged.

18 October: Justice Bill introduced to Northern Ireland Assembly

Includes an extension to the use of fixed penalty notices and an offender levy scheme.

20 October: UK Comprehensive Spending Review

13 January: Prison closures

Two prisons are planned to close, a third is to be converted to Britain's ninth immigration detention centre.

19 January: UK youth unemployment record

951,000 under-25s are out of work, the highest since records began in 1992.

21 January: Identity Documents Act

Abolishes ID cards in the UK.

21 January: Andy Coulson resigns

'When the spokesman needs a spokesman, it's time to move on,' says No. 10 director of communications.

26 January: Change to UK counter-terrorism measures

Control orders to be replaced by 'a less intrusive and more focused regime'.

26 January: Police reopen phone hacking investigation

Following 'significant new evidence' about alleged activities at *The News of the World*.

31 January: Gang injunctions come into force

These civil orders can be imposed by local authorities and the police to restrict the freedoms of those identified as 'gang members'.

31 January: Online crime maps launched

8 March: Home Office action plan on violence against women and girls

Tackling teenage sexual abuse, child over-sexualisation, forced marriage and violence in the home all feature.

8 March: Winsor review part one

First report on reforming police pay and conditions published.

10 March: 'a regrettable necessity'

Says Barnardo's chief executive about their decision to run welfare services at new G4S operated immigration removal centre.

21 March: Scottish Sustainable Policing Project report unveiled

Sets out case for single Scottish police force.

22 March: Scottish Parliament votes to reform double jeopardy law

New law will allow a second trial in certain circumstances.

25 March: Neyroud's police leadership and training review published

31 March: First switch from a public to private prison

Management of HMP Birmingham is transferred to G4S. A new prison, Featherstone 2, also awarded to G4S, HMP Doncaster will be run by Serco.

7 December: Breaking the Cycle Green Paper published

7 December: Review of statutory minimum sentence for murder...

Ken Clarke indicates plans to review guidance to courts on statutory minimum sentences for murder.

8 December: ...Or not?

'We will never abolish the mandatory life sentence or seek reduction in minimum terms for murder.' No. 10 spokesman.

8 December: Drugs Strategy 2010 launched

10 December: Family Champion selected

Emma Harrison, founder of A4E, appointed Family Champion for troubled families by David Cameron.

14 December: Court closures announced

93 magistrates' courts and 49 county courts earmarked for closure.

1 February: Community sentences review in Northern Ireland

Consultation starts exploring the role and effectiveness of community disposals and short prison sentences.

7 February: Criminal Behaviour Orders replace ASBOs

Police will also have to investigate incidents reported by at least five people – referred to as a 'community trigger'.

10 February: Commons motion on prisoners' voting rights

After much deliberation about allowing voting for prisoners with short sentences, MPs vote in favour of maintaining the current blanket ban, in breach of European Court ruling.

10 February: Police reform consultation starts in Scotland

On proposals including the creation of a single Scottish police force.

11 February: Protection of Freedoms Bill published

UK-wide bill includes provisions for a new DNA and fingerprint retention system and for safeguards 'against the misuse of counter-terrorism and security powers.'

14 April: 'Not lawful'

Says High Court ruling on police tactics employed in 2009 G20 protests.

5 May: Scottish Parliament and Northern Ireland Assembly elections

Delivers Scottish National Party the first majority government since devolution. Democratic Unionist Party and Sinn Féin remain the two largest parties in Northern Ireland.

The year in numbers

22%

Proportion of all the 20,335 Anti-Social Behaviour Orders issued in England and Wales up to 2010 which were issued in Greater London and Greater Manchester.

Home Office (2011), *Anti-Social Behaviour Order Statistics: England and Wales 2010*, accessed online.

15%

Drop in the number of young people held in secure accommodation in Great Britain between 2009 and 2010 (not including those held under *Immigration Act* powers).

Scottish Government (2010), *Children's social work statistics 2009/10. Table 13*, accessed online. Data for 31 March each year.

Youth Justice Board (2012), *Youth custody data. Monthly data and analysis custody report August 2012*, accessed online. Data for financial years.

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Reviews of crime statistics commissioned by the Home Office or carried out by the UK Statistics Authority and its predecessors since 2000, the latest being a review by the UK Statistics Authority in 2010.

UK Statistics Authority (2010), *Overcoming barriers to trust in crime statistics: England and Wales*, London: UK Statistics Authority.

£250 million

Worth of capital assets the Ministry of Justice intends to sell during the spending review period. Includes sale of courts, headquarters buildings, and probation buildings.

Beasley, A. (2012), Oral evidence to the House of Commons Justice Committee. *The budget and structure of the Ministry of Justice*, HC 1679 iii, 31 January.

40%

Increase in the number of women imprisoned for fine default in Northern Ireland between 2007 and 2010.

Department of Justice (2011), *Fine Default in Northern Ireland. A Department of Justice consultation*, Belfast: Department of Justice.

7%

Proportion of respondents in the Crime Survey for England and Wales who were aware of or who had used online crime maps, launched in January 2011.

Chaplin, R., Flatley, J. And Smith, K. (2011), *Crime in England and Wales 2010/11: Findings from the British Crime Survey and police recorded crime*, London: Home Office, p.23.

Result for Crime Survey January to March 2011.

£12 million

Home Office best estimate of the average annual cost of Police and Crime Commissioner elections in England and Wales (2010 prices).

Home Office (2011), *Impact assessment for the police reform and social responsibility bill*, accessed online.

359

 Scotland

2,800

 England and Wales

Home Detention Curfew population in 2010.

Scottish Prison Service (2011), *Scottish Prison Service Annual Report and Accounts 2010/11*, accessed online. (Figure is the average daily population on Home Detention Curfew for financial year).

Ministry of Justice (2011), *Offender Management Caseload Statistics: 2010 Annual Tables*, London: Ministry of Justice. (Figure for end of the calendar year 2010).

53

Enquiries made to a pilot sex offender disclosure scheme in Tayside, Scotland in the 36-week pilot, ending May 2010.

Chan, V., Homes, A., Murray, L. and Treanor, S. (2010), *Evaluation of the sex offender community disclosure pilot*, Edinburgh: The Scottish Government.

12

Years of age at which a child can be prosecuted in an adult criminal court in Scotland. Increased from eight years old in 2010.

Criminal Justice and Licensing (Scotland) Act 2010.

£630,000

Estimated cost of removing the more than 200 cameras introduced in a predominately Muslim area of Birmingham as part of Project Champion, funded by the Home Office. The local police authority agreed to dismantle the cameras in October 2010 following the threat of a judicial review if they were not removed.

West Midland Police Authority (2010), *Project Champion and East Birmingham CCTV and ANPR scheme*, accessed online.

0%

Change in number of persons detained solely under *Immigration Act* powers in the UK from 2009 to 2010 (at 30 September).

Home Office (2010), *Control of immigration: Quarterly statistical summary, UK, July to September*, accessed online.

142

Planned court closures in England and Wales.

HC Deb, 14 December 2010, c816.



Proportion of the prison population held on remand in 2010.

Prison Review Team (2011), *Review of Northern Ireland Prison Service. Interim Report*. Belfast: Prison Review Team. (Figure for December 2010).

Scottish Government (2011), *Prison statistics Scotland: 2010-11*, Edinburgh: Scottish Government. (Figure for financial year 2010/11).

Ministry of Justice (2011), *Offender Management Caseload Statistics: 2010 Annual Tables*, London: Ministry of Justice. (Figure for calendar year 2010).

89%

Drop in number of children who entered detention solely under *Immigration Act* powers in the UK, from 2009 to 2010 (July – September).

Home Office (2010), *Control of immigration: Quarterly statistical summary, UK, July to September*, accessed online.

13%

Maximum per year return on investment, investors in the Peterborough Social Impact Bond could receive.

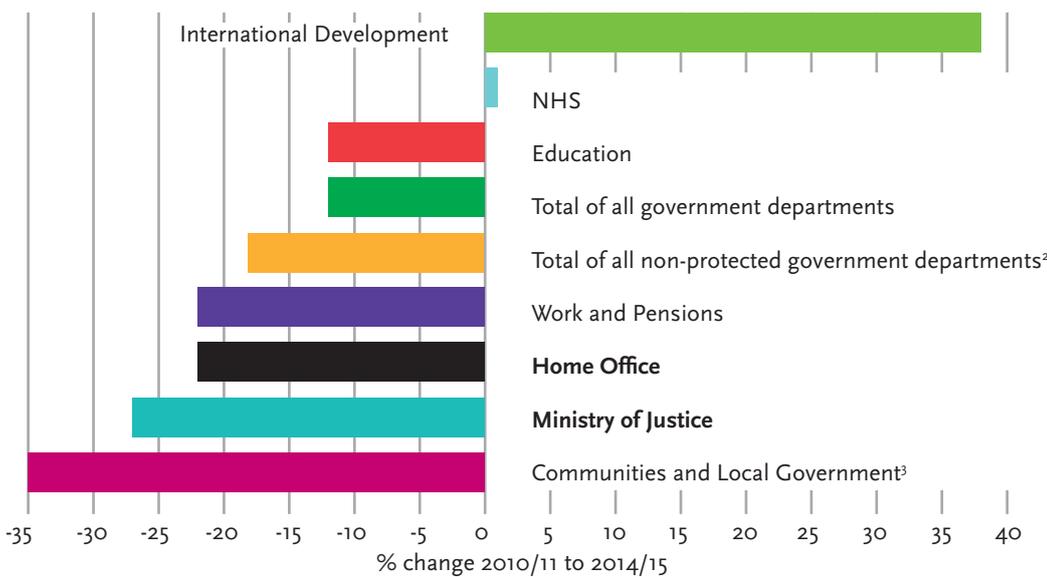
Social Finance Ltd (2011), *Peterborough Social Impact Bond*, accessed online.

Special focus: the spending cuts

It would be difficult to consider any aspect of criminal justice in the coming period without reference to the changed circumstances of austerity that emerged for the public sector in the coalition's first year. What this new financial outlook meant for government departments and the devolved administrations' budgets was set out in the Comprehensive Spending Review in October 2010. These Treasury figures detailed planned government expenditure over the next five years, and the figures in this section consider these plans over the spending review period (2010/11 – 2014/15). With the exception of the National Health Service and International Development, which received spending increases, government departments face an average cut of nearly a fifth by the end of the spending review period (18 per cent) (see **figure 2**). The Home Office and Ministry of Justice were both forecast to have above average cuts of 22 and 27 per cent respectively.

reduction in spending compared to 2010/11, equivalent to a 29 per cent cut. Whilst the reduction in Home Office spending (which includes central government police expenditure and the cost of the UK Border Agency) is less than that faced by the Ministry of Justice (16 per cent), it is important to note the Home Office had already made savings in 2010/11, unlike the Ministry of Justice. Scotland's Justice Department experienced the deepest cut in 2011/12. The 15 per cent cut in Northern Ireland's Department of Justice expenditure from 2011/12 to 2014/15 includes an additional £200 million of ring-fenced Police Service funding negotiated from the UK government following the Northern Ireland Executive's initial settlement. Departments in all jurisdictions pledged to protect 'the frontline' as far as possible. However, all acknowledged that efficiency drives, reduced 'back office' functions and increased shared services alone would not achieve the planned budget reductions.

Figure 2: UK government's planned spending changes by department¹



1) Figures are departmental expenditure limits and are adjusted to real terms using GDP deflators as at 28 June 2011 and 2010/11 as the base year. Please note that later figures in this section use more recent projected GDP deflators.

2) Includes all government departments except the NHS and International Development.

3) Sum of two separate departmental groups.

Figures 3 and 4 show how the financial settlements reached in the spending review translated into key criminal justice departments' planned expenditure, as set out in their respective accounts produced following the spending review. These accounts contain a more detailed picture of departmental spending decisions than previous Treasury figures. Here, these figures have been adjusted to real terms using the most up-to-date forecasts of future inflation available at the time of writing. As future inflation has been re-estimated since the spending review, the figures here reflect the implications of this change for departmental budgets until 2014/15.

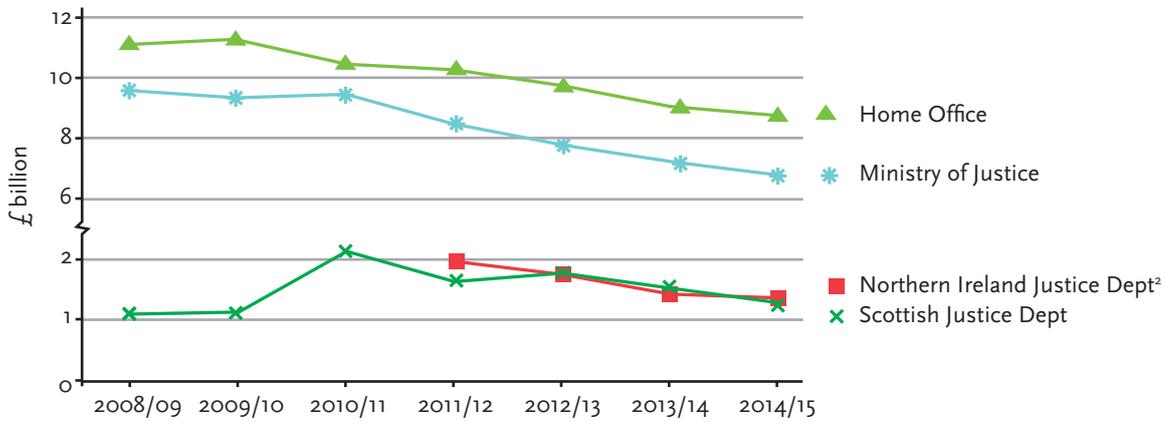
The Ministry of Justice, which includes spending on prisons, probation, courts and legal aid, is anticipated to experience the greatest cuts in the first year of the spending review period. However, savings must be found in each of the four years following 2010/11, so that, by 2014/15 the department will have a £2.7 billion

Given the contraction facing departments, unsurprisingly few areas of criminal justice emerged from 2010 without some planned reduction, but the scale of cutbacks called for in the coming period varied significantly, as shown in **figure 4**. Although differences in organisation and financial reporting limit straightforward comparison, legal aid and court services appear to be among the hardest hit areas. HM Court Services' capital budget in England and Wales is set for an 83 per cent cut over the spending review period. Plans to reduce the number of courts were announced in both England and Wales and Scotland. Examples of 'protected' spending include Scotland planning to maintain its

expenditure on Criminal Justice Services (which includes the cost of supervising community-based sentences) over the spending review period. This is in keeping with the presumption against imposing prison sentences of three months or less set out in the *Criminal Justice and Licensing (Scotland) Act 2010*, which is anticipated to increase the community sentence population in future years.

No area could perhaps be said to 'do well' from the spending review. But, in relative terms, clearly some areas fared better than others. Among the 'lesser losers' are the police. The central government contributions to police forces in the UK shown in **figure 4** illustrate that the greatest planned decrease in this spending is in England and Wales, which drops by 21 per cent by the end of the spending review period. However, these figures do not include local contributions to police spending, which account for a significant ratio of police income in England and Wales, and approximately

Figure 3: Planned spending changes to criminal justice departments¹

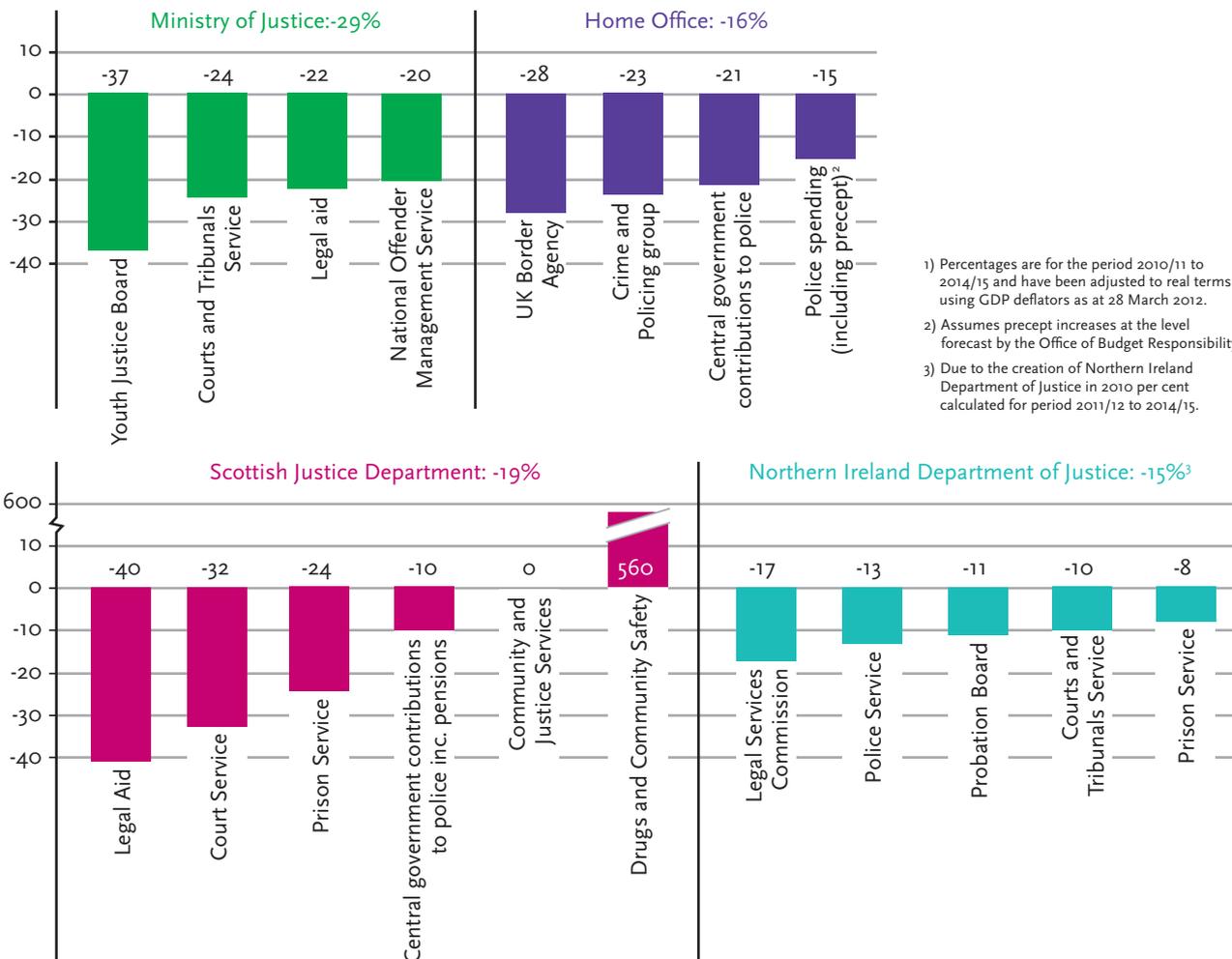


1) Figures are real terms using GDP deflators as at 28 March 2012. Figures are total managed expenditure, which includes resource and capital expenditure.
 2) Due to the creation of Northern Ireland Department of Justice in 2010, figures are only available from 2011/12.

half of police forces' income in Scotland. For England and Wales, assuming the local precept is increased by that predicted by the Office for Budget Responsibility, the overall cut faced by police forces is reduced to 15 per cent. Hence, in relative terms, the police's financial settlement is not as challenging as that faced by other

areas of the criminal justice system, albeit with the caveat that the significant variation in the proportion of locally generated police force income means that the size of cut local police forces face will vary considerably.

Figure 4: Planned spending changes to key areas of criminal justice (%)¹



1) Percentages are for the period 2010/11 to 2014/15 and have been adjusted to real terms using GDP deflators as at 28 March 2012.
 2) Assumes precept increases at the level forecast by the Office of Budget Responsibility.
 3) Due to the creation of Northern Ireland Department of Justice in 2010 per cent calculated for period 2011/12 to 2014/15.

Expenditure

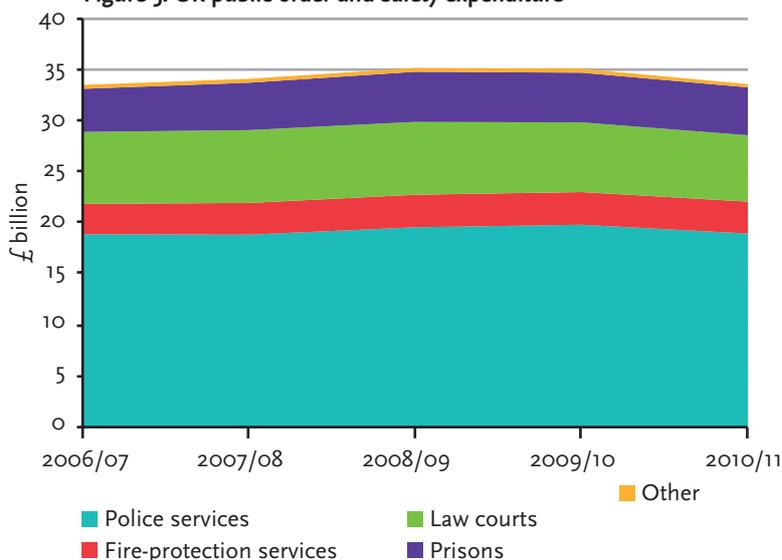
Having considered planned criminal justice expenditure, this section outlines real-term spending for the five-year period up to 2010/11. The figures presented here focus on central government expenditure. As such they are not inclusive of all forms of criminal justice spending. Local authority-generated income is excluded,

inclusive of spending by all government departments. The UK spends around £33.5 billion a year on public order and safety, a category described as inclusive of police, courts, prisons, offender programmes and immigration. This expenditure grew annually from 2006/07 to 2008/09 before levelling off and decreasing by four per cent in 2010/11. As a net result, public order and safety spending was static in real terms over the last five years. This trend occurred whilst the UK's total public sector expenditure increased by 15 per cent. Given the overall prosperous climate for the public sector overall, on the face of it, this suggests that public order and safety has not been an area of significantly increased spending relative to other functions of government in recent years. It does, however, suggest that increases to public order and safety spending in the early 2000s were maintained (see HM Treasury, 2005).

In Great Britain, the overall trend in central government criminal justice expenditure has been upwards (**figures 6 and 7**). Combined expenditure by the Home Office and Ministry of Justice and spending by the Scottish Justice Department increased four and six per cent respectively in the last five years. In England and Wales, this growth was confined to the period up to 2008/09. Since this year spending levelled off and then reduced by three per cent in 2010/11. In marked contrast, the majority of increased Scottish Justice spending occurred in 2010/11, perhaps a reflection of the Scottish government's decision to respond to the recession by delaying government spending cuts.

The Crime and Policing Group accounts for the largest proportion of Home Office expenditure and includes central government grants to police forces. This area of expenditure decreased by 15

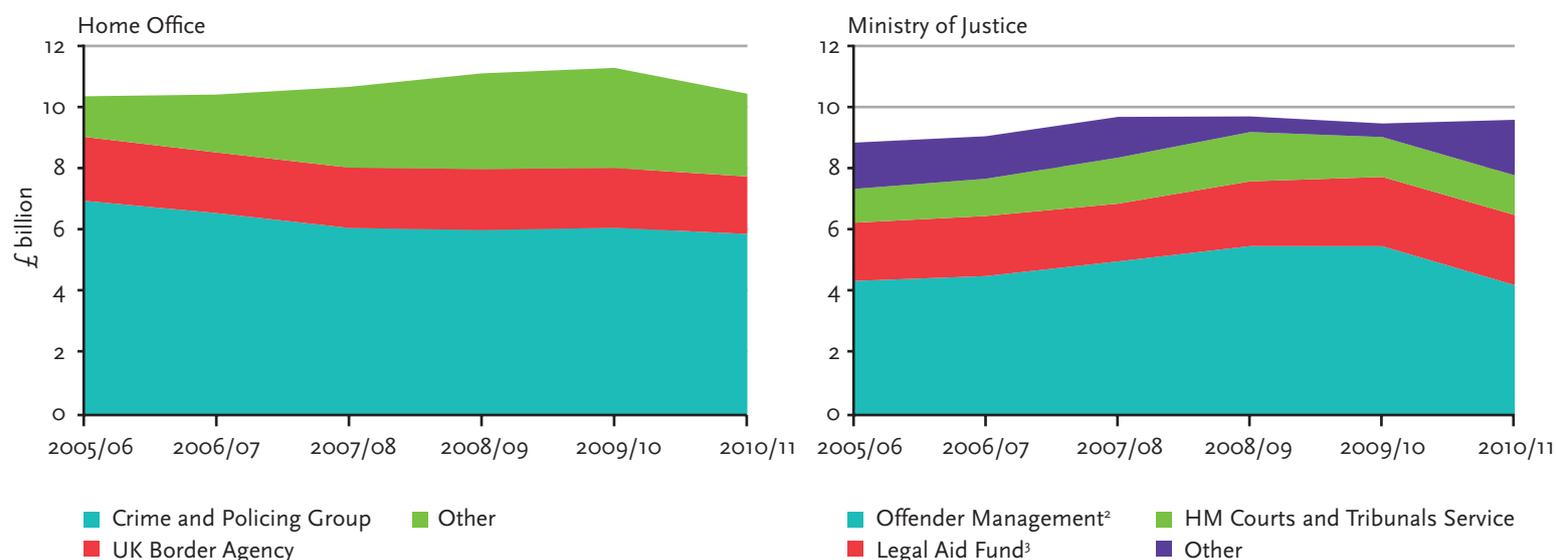
Figure 5: UK public order and safety expenditure¹



1) All figures in this section have been adjusted to real terms using GDP deflators as at 28 March 2012.

for example, which makes a significant contribution to areas such as policing as mentioned in the previous section. The exception to this is **figure 5** which is compiled from data produced by the Treasury for international comparison and attempts to be

Figure 6: England and Wales central government criminal justice expenditure¹

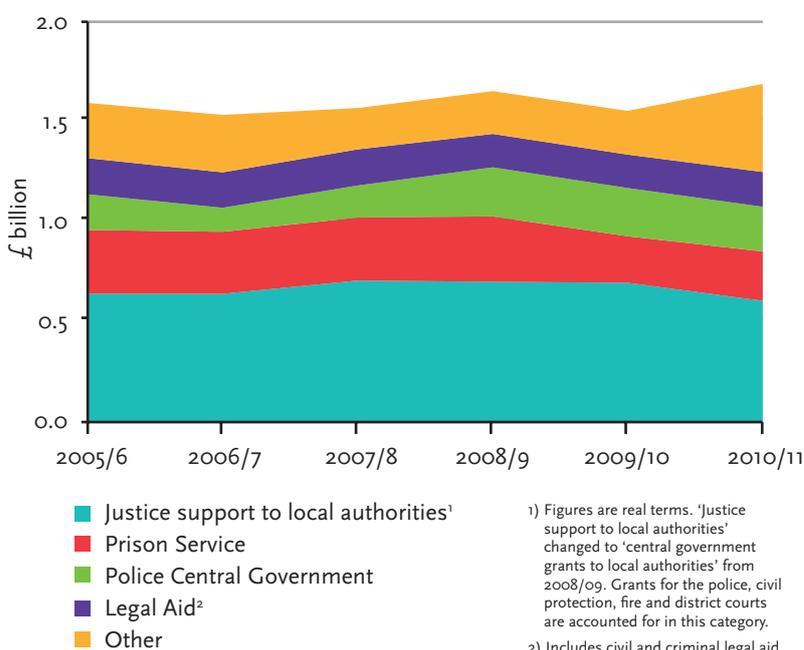


1) Figures are the real-terms total managed expenditure, which includes resource, capital and annual managed expenditure.

2) Includes spend on prison, probation and National Offender Management Service (NOMS).

3) Includes civil and criminal legal aid and Legal Services Commission administration.

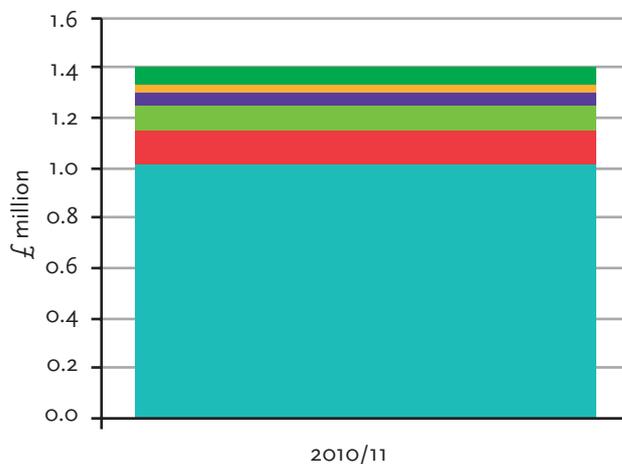
Figure 7: Scotland central government criminal justice expenditure



2007), a reduction target missed according to the departmental figures used here. This serves as a reminder for the coming period of far more severe cuts: planned reductions in expenditure may not necessarily be achieved in practice, particularly for the Ministry of Justice, which to some extent must be responsive to demands made regarding the numbers requiring probation supervision or a prison place.

Spending on the Prison Service experienced the greatest proportional reduction in the Scottish Justice Department's

Figure 8: Northern Ireland central government criminal justice expenditure'



per cent over the five-year period. Contrary to what this might imply, police force expenditure experienced a considerable increase in the decade to 2009. However, this was mainly funded by increased contributions locally; central funding to police forces was relatively static in real terms (Mills et al., 2010).

Totalling over £4 billion, offender management, which includes the cost of prisons, probation and the National Offender Management Service (NOMS) which oversees these areas, accounts for around 45 per cent of the Ministry of Justice's spending. Offender management spending was relatively static in 2010/11 compared to 2005/06. This was due to a sharp reduction in costs in 2010/11 when expenditure on offender management decreased by more than a fifth (23 per cent) compared to the previous year. This was mainly due to a significant reduction in NOMS's capital spend, which decreased from an opening budget of £459 million to an outturn expenditure of £55 million following the coalition abandoning all prison expansion to which it was not contractually committed. In the two years prior to this, significantly higher costs were incurred on offender management following the reorganisation of NOMS in 2008 and a notable increase to capital spending as part of plans to extend prison capacity. The two other substantial areas of the department's spend, the Legal Aid Fund and the Courts and Tribunal Service, have each increased by around a fifth over the last five years.

Whilst the scale of reductions proposed in the Comprehensive Spending Review 2010 is unprecedented, it is not the first call in recent times to curb criminal justice spending. The spending review's predecessor in 2007 set three successive annual real-term cuts of 1.7 per cent for the Ministry of Justice (HM Treasury,

- 1) Figures are real terms. 'Justice support to local authorities' changed to 'central government grants to local authorities' from 2008/09. Grants for the police, civil protection, fire and district courts are accounted for in this category.
- 2) Includes civil and criminal legal aid.
- 1) As the Department of Justice for Northern Ireland was established in 2010, it is not possible to establish comparative expenditure data over time.
- 2) Sum of Policing and Community Safety, Police Service, Police Pensions, Office of the Police Ombudsman and the Policing Board.
- 3) Calculated by deducting stated categories from the department's total expenditure.

expenditure in the last two years, reducing by a quarter. Legal Aid spending in Scotland also reduced, with a four per cent decrease in spending in the last five years. This reduction has been attributed to an increase in civil applications and a lower than expected civil income, both as a result of the financial downturn. **Figure 8** shows central government expenditure on criminal justice in Northern Ireland. As the Department of Justice for Northern Ireland was established in 2010, it is not possible to establish comparative spending over a longer time period.

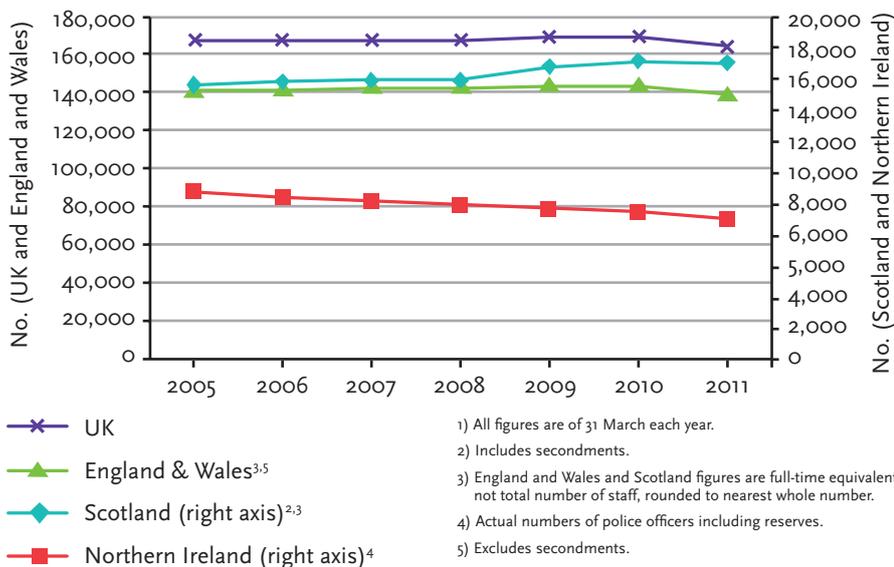
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 HM Treasury (2007), *Pre-Budget Report and Comprehensive Spending Review, October 2007*, London: The Stationery Office.
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Staffing and outsourcing

Police, prison and probation staffing numbers provide an indication of changes in criminal justice provision as well as their accounting for the largest component of expenditure in these areas.

Figure 9: UK police officer numbers¹



Readers should note that in order to illustrate the trends in each of the UK jurisdictions in one figure, figures with a right-hand axis plot the countries shown using two different scales.

Previous research at the Centre for Crime and Justice Studies revealed police officer numbers in England and Wales grew by 13 per cent from 1999 to 2005 (Mills et al., 2010). **Figure 9** shows that, in the last six years, the record high police officer numbers achieved in the preceding period have were largely maintained across the UK, notwithstanding the three per cent fall in their number in 2011. This drop was largely due to a reduction in England and Wales, where police officers fell by 4,624, the first drop in their number since a two per cent reduction in 2000. As **figure 9** focuses on police officers, it does not reflect important changes in the overall size and composition of the police force in this period. The growth in community policing roles has been particularly notable, principally in England and Wales, with the introduction of Police Community Support Officers (PCSOs) in 2002. PCSOs are civilians employed in a 'highly visible patrol' role (Strickland and Beard, 2012). They have grown at the fastest rate of any police role in England and Wales in this period, with numbers more than doubling from 6,214 in 2005 to 15,820 in 2011.

Similarly, UK public prison services' staffing (**figure 10**) were relatively static in the last five years following a period of growth (UK prison services' staffing grew by 13 per cent from 2000/01 to 2004/05; see Excel spreadsheet). However, prison services in all UK jurisdictions report increased pressure on staff by the end of this period as a result of continued prison population growth, a demand which looks set to continue (see next section) alongside reduced budgets.

The particular trends in Northern Ireland's police and prison staffing in this period need to be placed in the context of the Troubles. Police officer numbers in Northern Ireland steadily reduced over the last six years and recruitment has focused on a target of half of new trainees coming from a Catholic background, following a recommendation in the 1999 'Patten Report'. The Northern Ireland Prison Service has not recruited main grade prison officers since 1994 (Prison Review Team, 2011).

Probation staffing numbers followed the trend of growth followed by contraction, but did so in a more dramatic fashion than the other areas of criminal justice staffing considered here. **Figure 11** shows that UK probation staffing numbers grew by two thirds from 2000 to 2006. However, since 2006, staffing numbers fell by over a fifth (22 per cent).

Figures 9-11 do not capture information about criminal justice work delivered by private and voluntary sector organisations through government contract. Given the intention for the non-public sector

Figure 10: UK prison staffing¹

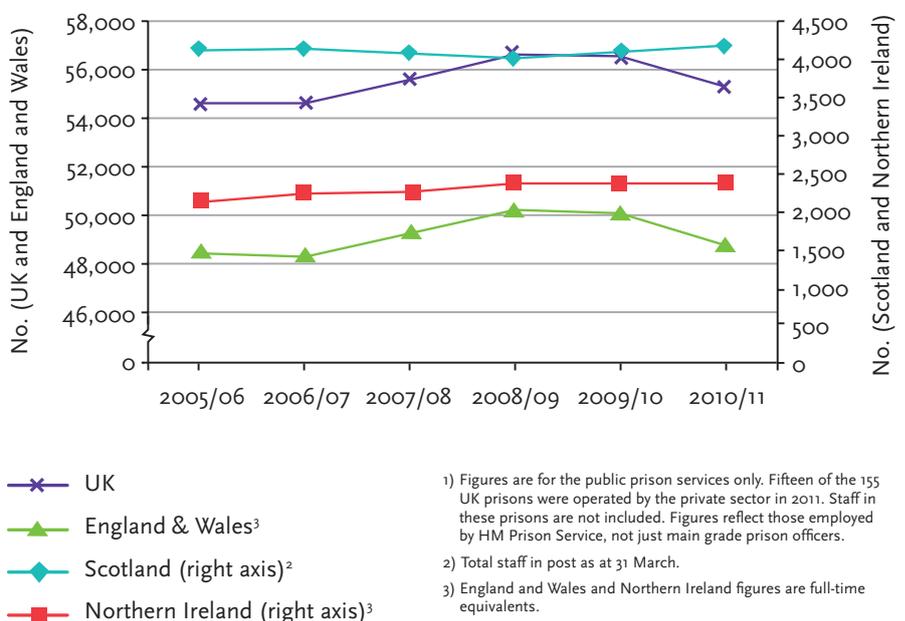
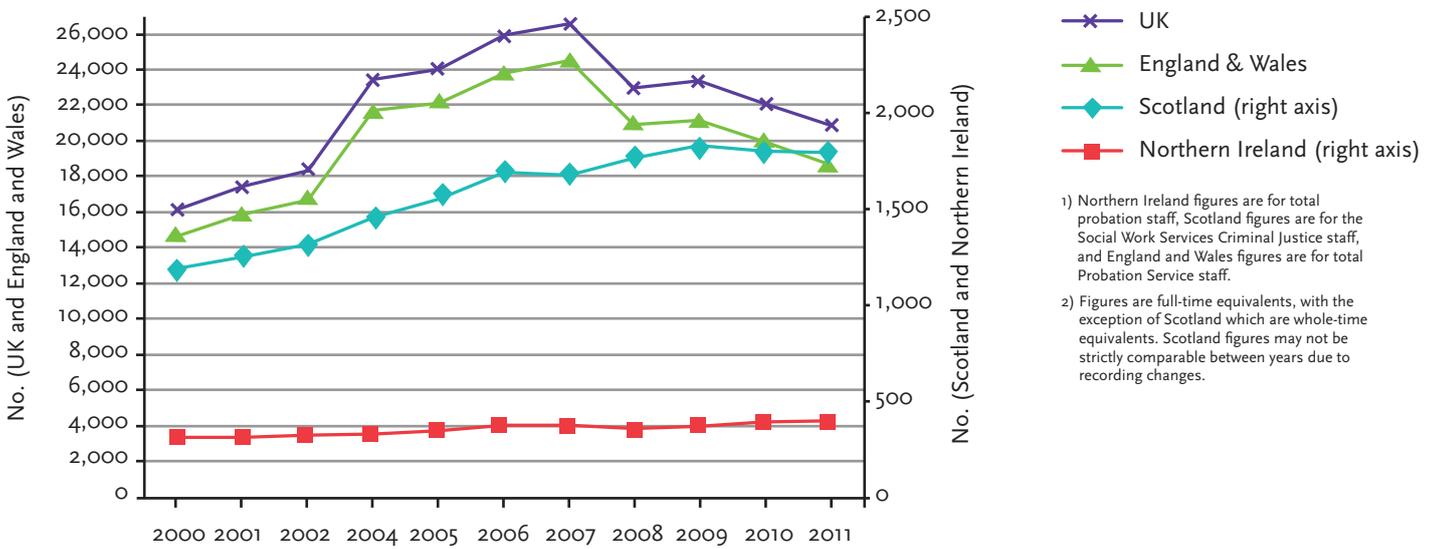


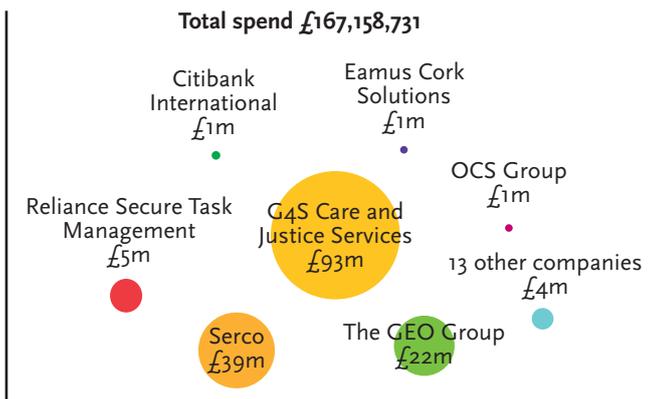
Figure 11: UK probation staffing^{1,2}



to be increasingly relied upon in criminal justice, capturing the size and scope of this involvement is likely to become more important. However, data about this are less well established and accessible than that about the public sector. Using information recently released under the coalition's transparency agenda, it is possible to establish a partial picture of Ministry of Justice and Home Office work delivered under contract.

The coalition's transparency agenda requires central government departments to release data about transactions over £25,000. However, departments are committed to simply publishing accountancy datasets, therefore this is a 'raw' form of information that has not been subject to the same verification process as data such as national statistics. Also, by excluding all transactions under £25,000, these data cannot provide comprehensive information about the total spend in a particular area, and the information about spending it does provide is inevitably likely to be skewed towards large contractors.

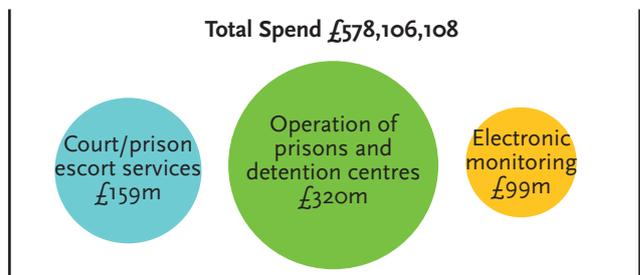
Figure 12: Suppliers of public order services to the UK Border Agency in the first year of the coalition¹



1) Figures are for the period May 2010 – April 2011. Figures include UKBA spend on detention services contracts, voluntary-assisted return, confinement surveillance, escort services, port authority detention and prison services. Only includes individual transactions over £25,000.

Bearing these limitations in mind, it is notable that in the first year of the coalition, 20 organisations shared a pot of nearly £170 million for providing various services related to asylum detention and return to the UK Border Agency (figure 12). Three companies, Serco, G4S Care and Justice Services, and the GEO

Figure 13: National Offender Management Service spend on selected contracted out services in the first year of the coalition¹



1) Figures are for the period May 2010 - April 2011. Only includes individual transactions over £25,000.

Group, accounted for over 90 per cent of this spend. Serco and G4S Care and Justice Services were also the two largest recipients of the over half a billion pound Ministry of Justice spend on contracted-out electronic monitoring, court/prison escort services, and prisons and detention centres in this period (figure 13). Ten other organisations, mostly consortia operating private prisons, were also contracted in these areas (see website). Considering just the areas of criminal justice spending in figures 12 and 13, two companies, Serco and G4S Care and Justice Services, account for nearly £400 million of expenditure (£383 million); equivalent to 55 per cent of HM Court Service's total spend in 2010/11.

References

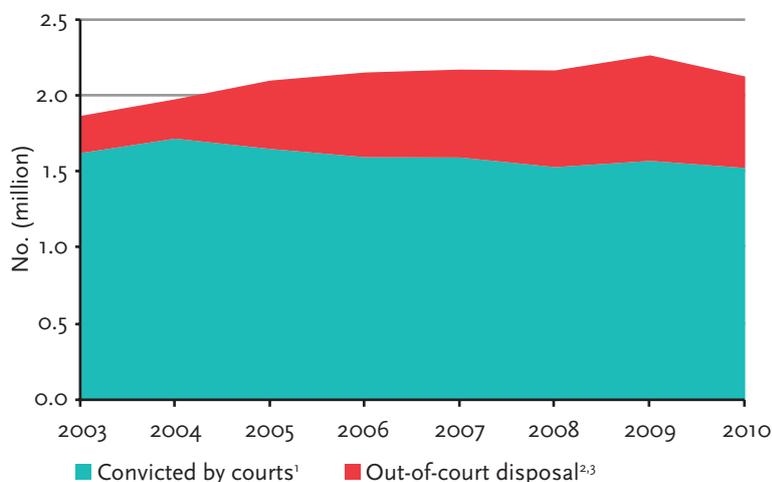
Mills, H., Silvestri, A. and Grimshaw, R. (2010), *Police Expenditure 1999 -2009*, London: Centre for Crime and Justice Studies.
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 Strickland, P. and Beard, J. (2012), *Police Community Support Officers*, House of Commons Library SN/HA/2718, accessed online.

Criminal justice populations

The first figure in this section shows police-recorded crime: lawbreaking that has come to the attention of the police and been recorded as a crime incident. The limitations of **figure 14** as a measure of 'crime' are well recognised. It reflects changes in police recording practices and the targeting of particular lawbreaking activity over time, as well as being unable to capture incidents not reported to the police. It does, however, provide a starting point for considering the majority of incidents that come to the attention of the criminal justice system. Police-recorded crime declined by nearly 30 per cent in the last eight years (28 per cent), a downwards trajectory that the other commonly cited indicator of lawbreaking, crime surveys, concur with. This is in keeping with a drop in police recorded crime across the developed world. The impact of improved vehicle and housing security are a commonly cited explanation for these reductions (Chaplin et al., 2011).

Changes to the number of people subject to criminal justice sanctions by courts or by various out-of-court disposals (mostly implemented by the police) are shown in **figure 15**. In the UK, over two million people a year are convicted of an offence by courts or subject to an out-of-court sanction such as a fixed penalty notice. The numbers convicted by courts in the UK have declined by 11 per cent since 2004. In the 2000s, the number of out-of-court disposals rapidly expanded (the figures shown here do not include

Figure 15: No. of people convicted of an offence by courts and no. subject to an out-of-court disposal in the UK



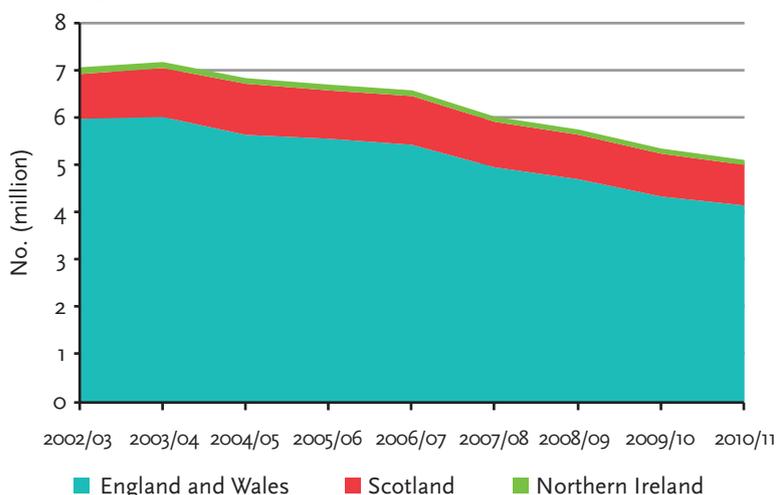
- 1) Number of people convicted by court does not include Northern Ireland in 2003.
- 2) Out-of-court disposals do not include those given for motoring offences. Only includes Scotland from 2008 when data are centrally collected.
- 3) The range of out-of-court disposals available in each jurisdiction varies. For a list of the out-of-court disposals included here see excel spreadsheet of data.

period (Office for Criminal Justice Reform, 2010). Operational from April 2004 to March 2008 in England and Wales, this target introduced a police objective to increase the number of recorded crimes resulting in a charge or an out-of-court disposal. This is considered to have encouraged police officers to deal with formerly low-level offences by issuing out-of-court penalties in order to meet the targets set.

Figures 16-18 show the UK population subject to the three main court-imposed disposals: fines, community-based sentences and prison. They show the following broad trends:

- Fines remain the most common court-imposed sanction; however, their number has been in decline (part of a long-term declining proportional use of the fine over several decades).
- The population subject to community-based sentences has increased overall, albeit with reductions since 2007, in both England and Wales and Scotland. At the highest point in this period, the number subject to a community-based sentence in England and Wales topped over 150,000 (in 2007).
- Steady annual growth in the prison population has continued over the decade period considered here, with the net result that the UK prison population has increased by over 30 per cent since 2000 (32 per cent). The last two years saw a slower growth rate in the UK prison population; indeed, Scotland's prison population was relatively stable in 2010 compared to that two years previously. The figures shown here are a 'snapshot' of the prison population at a specific point each year. The numbers subject to prison in this period would far exceed these figures, particularly given the high proportion of prison sentences of 12 months or less in length.

Figure 14: UK police-recorded crime¹

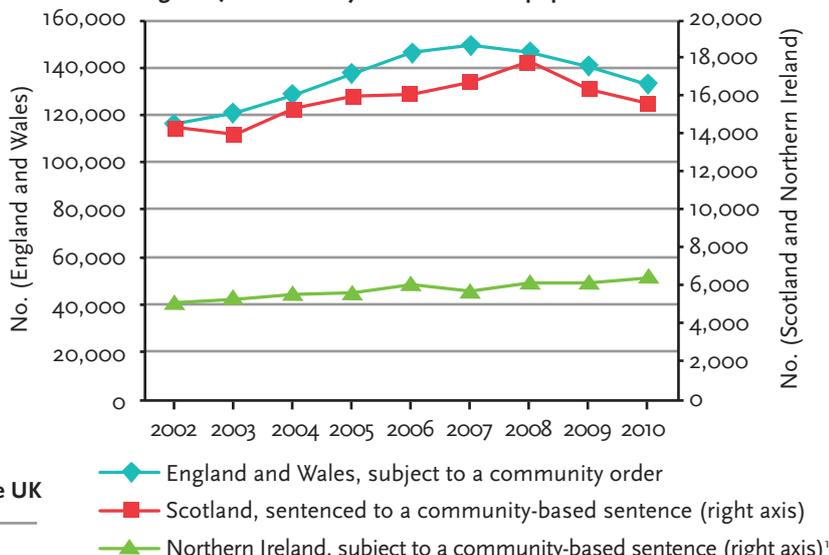


- 1) Variation in legislation in each of the UK jurisdictions needs to be considered when comparing recorded crime statistics between nations. Northern Ireland's recording practices are the same as England and Wales. Due to different recording practices, Scotland's figures are not directly comparable to England and Wales and Northern Ireland.

their much wider use for motoring offences). One reason for this is the availability of Scottish data from 2008 onwards (which adds around 125,000 out-of-court disposals a year). However, even without this addition, the number of out-of-court disposals in England and Wales and Northern Ireland more than doubled in the mid 2000s. England and Wales accounted for the vast majority of these disposals. The scale of this increase has been attributed to the existence of the 'offences brought to justice' target in this

Government departments in England and Wales and Scotland offer projections of their future prison populations based on a number of assumptions (see figure 18). Scotland's projections are based on current prison population trends and do not include the impact of changes in policy and practice intended to affect prison numbers in this period. Projection figures for England and Wales foresee the anticipated impact of selected policies and initiatives, though importantly they do not include the impact of the *Legal Aid, Sentencing and Punishment of Offenders Act 2012*, which intends to reduce future demands for prison places. Whilst Northern Ireland has not generated prison population projections, the

Figure 17: Community-based sentence population



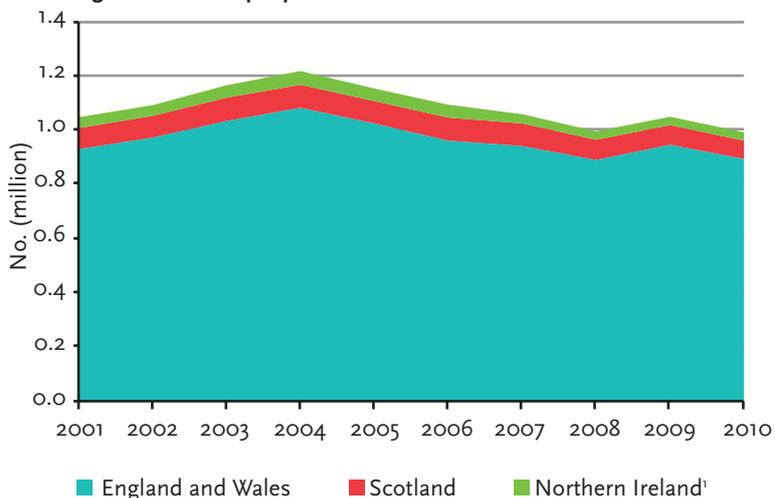
1) Data for Northern Ireland are not directly comparable between all years due to changes in recording practices. Only data in the following ranges is comparable: 2002-2004, 2005-2006, 2007-2010.

Department of Justice anticipates prison numbers will increase in the coming period, albeit at a reduced rate from that seen in recent years (Freedom of Information Response, 2012). The way these projections are generated means they should not be interpreted as a definitive guide to the likely future. Bearing this limitation in mind, further prison growth is a medium anticipated scenario, with UK prison numbers projected to equal nearly 100,000 by 2017.

References

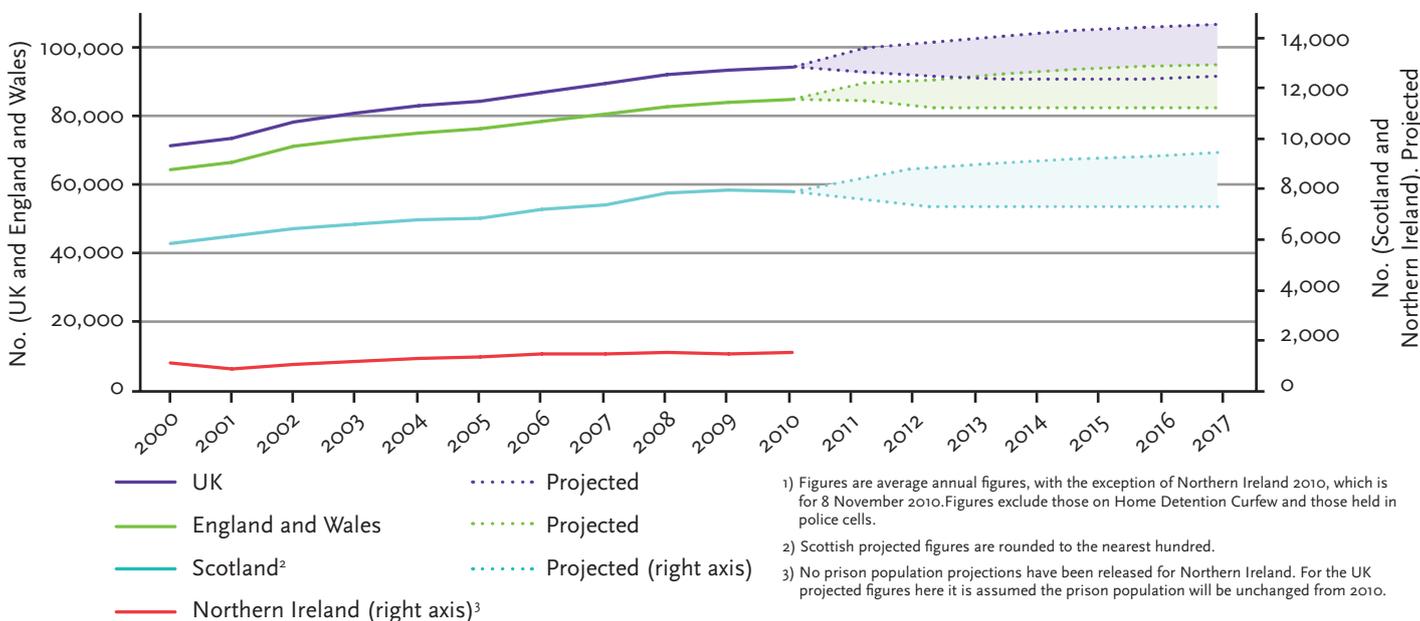
Chaplin, R., Flatley, J. and Smith, K. (eds.) (2011), *Crime in England and Wales 2010/11: Findings from the British Crime Survey and police recorded crime*, London: Home Office.
 Freedom of Information Response (2012), Response from the Northern Ireland Prison Service to Helen Mills of the Centre for Crime and Justice Studies, 22 May 2012. FOI case number 12:218.
 Office for Criminal Justice Reform (2010), *Initial findings from a review of the use of out-of-court disposals*, online only publication.

Figure 16: No. of people sentenced to a court-ordered fine in the UK



1) Northern Ireland figures are for number of people subject to a court imposed fine from 2007. Prior to this, data are only available on the basis of the number of fines imposed. Figures for Northern Ireland also include recognisance, whereby a sum is forfeited if an act required by law does not take place.

Figure 18: Prison population and projected future prison population¹



1) Figures are average annual figures, with the exception of Northern Ireland 2010, which is for 8 November 2010. Figures exclude those on Home Detention Curfew and those held in police cells.
 2) Scottish projected figures are rounded to the nearest hundred.
 3) No prison population projections have been released for Northern Ireland. For the UK projected figures here it is assumed the prison population will be unchanged from 2010.

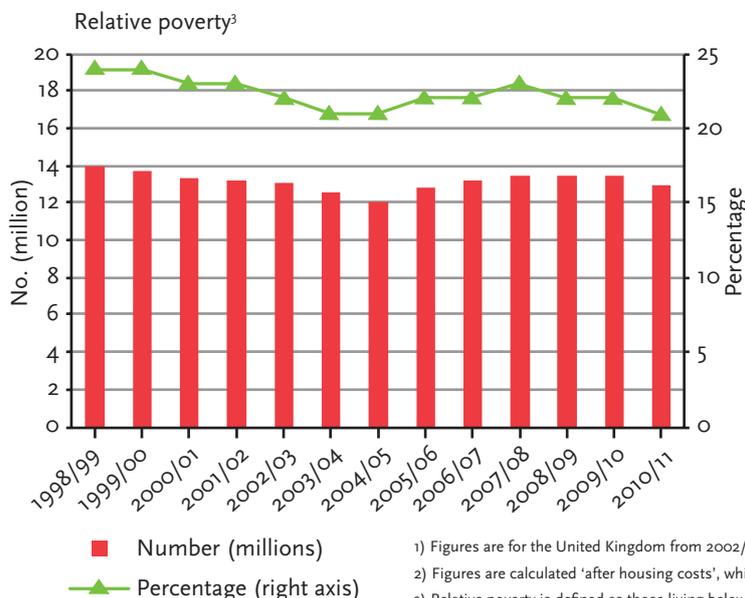
Welfare and wider social circumstances

As pointed out in *Welfare reform* (pages 14-15), in order to review criminal justice developments, each volume of UKJPR will consider criminal justice alongside the welfare and wider social circumstances that affect both the operation of criminal justice and those caught up within it. With this in mind, in addition to the assessment of changes in the size, shape and cost of the UK criminal justice system provided in the *Key data* sections, this section highlights selected common measures of social justice over recent years. This year we focus on income inequality and poverty, factors that have been linked to prison numbers (see Mills and Roberts, 2011 for a summary). Future UKJPR volumes will focus on other data which provide some indication of welfare and wider social circumstances in the UK.

At the time of writing, available data about inequality and poverty covers the period up to, and including, the first year of the coalition government. To establish trends it makes sense to consider this data series as a whole rather than make year-on-year comparisons. In addition, the last two figures in this section draw upon two analyses project poverty trends for the coming period. Both these figures are based on policy announcements made in 2010. These projections attempt to capture what is, in reality, a moving picture as new policies are introduced and previous announcements are refined or withdrawn. They are also based on modelling techniques that can account for some, but not all, of the myriad of factors involved in income distribution. Therefore these figures of projected trends should be interpreted cautiously. They do, however, provide an analysis of some 'known knowns' as they stood in 2010, which is useful when considering proposed welfare changes that mainly come into effect towards the end of the spending review period.

All indicators in **figure 19** suggest that there are fewer people living in both relative and absolute poverty in the UK than in

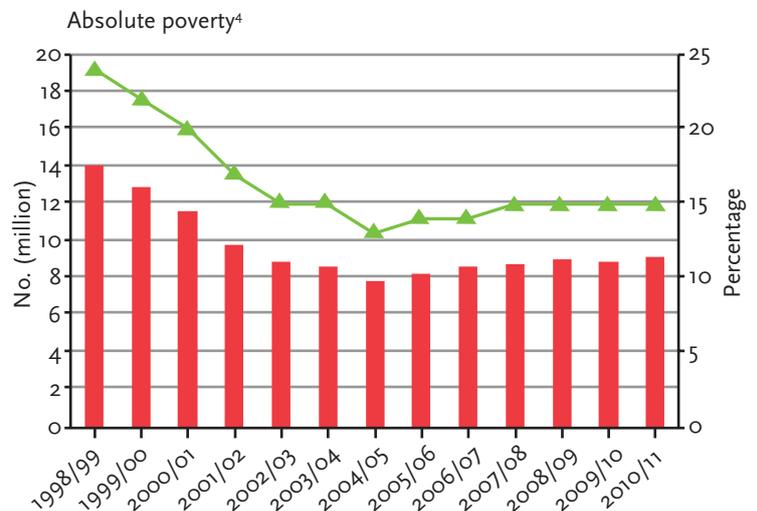
Figure 19: Individuals falling below 60% of median income^{1,2}



1998/99. However, whilst the numbers in poverty have fallen by this assessment, this has not translated into the UK being a more equal society in terms of income. **Figure 20** suggests a long-term trend of income inequality creeping upwards since the late 1990s. Likewise, the share of total income received by individuals in the richest and poorest 20 per cent of income distribution has changed little across the period as a whole. Forty-four per cent of the UK's income was shared among the richest 20 per cent in 2010/11.

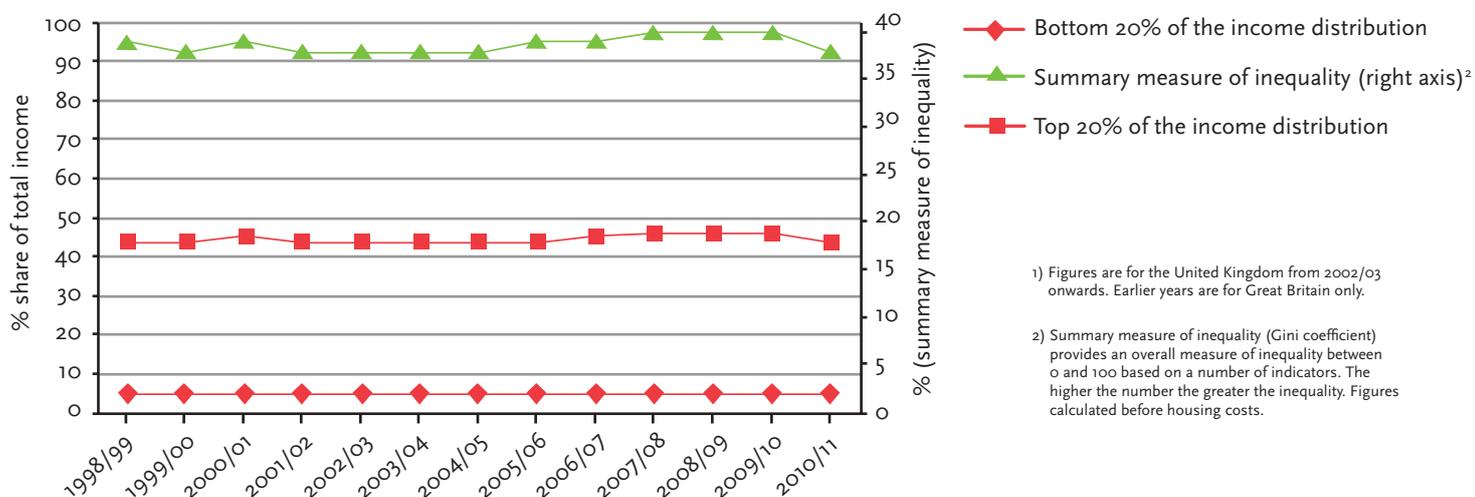
The June 2010 Emergency Budget included for the first time an analysis of how the measures proposed by the UK government would affect different income groups. The Treasury's analysis showed the budget to be progressive: the richest would be harder hit by the planned tax and benefit changes than the poorest. However, this was challenged by an analysis conducted by the Institute for Fiscal Studies (IFS) (Browne and Levell, 2010). The IFS assessment projected the impact of tax and benefit changes announced by August 2010, including benefit cuts for the coming period which were not accounted for in the Treasury's analysis (reproduced as **figure 21**). Their analysis shows the net impact of the announced changes as regressive. With the exception of the richest ten per cent of households who will lose the most, in cash terms, several income groups will lose a similar amount but in percentage terms this affects the poorest the most.

Reducing child poverty is an agenda for which there has been political support across the main parties. Under the *Children's Act 2010* there are plans to eradicate child poverty in the UK by 2020. **Figure 22** shows one of a number of indicators by which child poverty is assessed. According to the figures (before housing costs) shown here, child poverty decreased significantly in the period since 1998/99, with the percentage of children living in poverty falling from 26 to 20 per cent from 1998/99 to 2009/10.



1) Figures are for the United Kingdom from 2002/03 onwards. Estimates for Northern Ireland have been inputted for earlier years.
 2) Figures are calculated 'after housing costs', which deducts housing costs from individuals' income. For 'before housing costs' figures see Excel spreadsheet.
 3) Relative poverty is defined as those living below 60% of median income as it is defined each year.
 4) Absolute poverty is defined as those living below 60% of median income when median income is held constant (at 1998/99).

Figure 20: UK income inequality¹



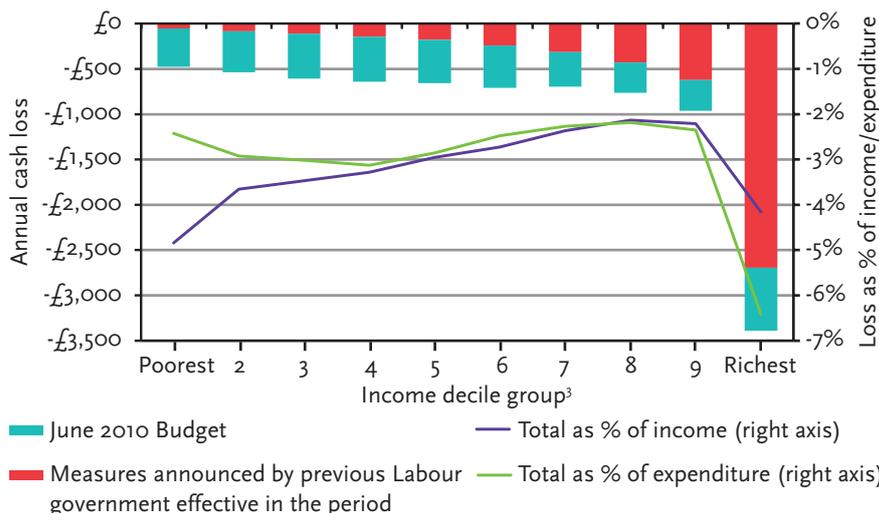
1) Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
 2) Summary measure of inequality (Gini coefficient) provides an overall measure of inequality between 0 and 100 based on a number of indicators. The higher the number the greater the inequality. Figures calculated before housing costs.

However, this decrease was not to the extent hoped for. Interim targets to reduce child poverty agreed by the former government were missed in 2004/05. IFS projections suggest the trend of declining child poverty will not continue. Its analysis finds the 2020 target of ten per cent relative child poverty will not only be missed, but that child poverty will rise to its highest level since 1999/2000 (Brewer et al., 2011).

References

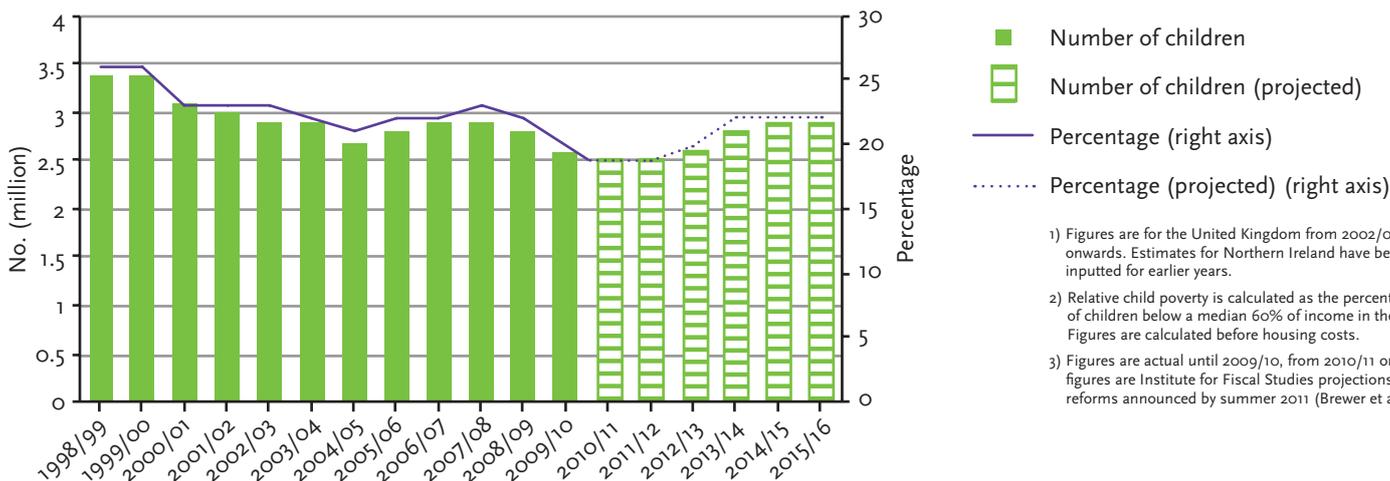
Brewer, M., Browne, J. and Joyce, R. (2011), *Child and working-age poverty from 2010 to 2020*, London: Institute for Fiscal Studies.
 Browne, J. and Levell, P. (2010), *The distributional effect of tax and benefit reforms to be introduced between June 2010 and April 2014: a revised assessment*. London: Institute for Fiscal Studies, p. 10, figure 3.3.
 Mills, H. and Roberts, R. (2012), *Reducing the numbers in custody: looking beyond criminal justice solutions*, London: Centre for Crime and Justice Studies.

Figure 21: The effect of all tax and benefit reforms introduced between June 2010 and April 2014 by household income group^{1,2}



1) Figure is reproduced from Browne, J. and Levell, P., 2010, pp. 10, figure 3.3.
 2) These data are based on announcements made by August 2010. Includes the June 2010 budget as well as changes to Disability Living Allowance, tax credits and housing benefits. These figures have been superseded by later Institute for Fiscal Studies' analyses, which reflect changes announced post-August 2010, planned to take effect before 2014. See original source for more detail about the analyses these data are based on.
 3) Income decile groups divide households into ten equal sized groups according to income. Group 1 contains the poorest tenth of households, group 10 the richest.

Figure 22: Children in relative poverty, and projected child poverty^{1,2,3}



1) Figures are for the United Kingdom from 2002/03 onwards. Estimates for Northern Ireland have been inputted for earlier years.
 2) Relative child poverty is calculated as the percentage of children below a median 60% of income in the year. Figures are calculated before housing costs.
 3) Figures are actual until 2009/10, from 2010/11 onwards figures are Institute for Fiscal Studies projections based on reforms announced by summer 2011 (Brewer et al., 2011).

6 May 2010 to 5 May 2011

A once-in-a-generation opportunity to transform the way that government works

In the UK coalition government's first year, the clear set of priorities that emerged for criminal justice can be summarised as:

- Reconfiguring police governance and accountability

The planned introduction of locally elected commissioners in effect proposed a new national structure for policing in England and Wales, dismantling the 'tripartite system' of police governance through the Home Office, Chief Constables, and police authorities, in place since 1962. The government also signalled its intent to tackle long established working practices around police pay, shift work and conditions of service.

- Reforming the courts system and legal aid provision

Nearly 150 courts were earmarked for closure in England and Wales and alternative ways to have access to justice outside the traditional court building were sought. A set of sentencing reforms were offered in *Breaking the Cycle*. However, whatever the intention at this point, the most significant of these reform proposals were to flounder in the face of public opposition and a lack of political support. Achieving significant demand and cost reductions through sentencing reform was firmly off the table by the coalition's second year. Plans to scale back legal aid were set in motion, with the intention to contain costs through competitive tendering and reductions in the coverage of provision.

- Establishing new financial and delivery arrangements for interventions with convicted lawbreakers.

Whilst the involvement of the private and voluntary sectors in the operation of criminal justice is nothing new, proposals in *Breaking the Cycle* made clear the intention for prison and probation work to be delivered via contestability as the default position as well as a new financial mechanism of payment by results for interventions with convicted lawbreakers. The more than half a billion pound spend by the Ministry of Justice on contracted-out electronic monitoring, court/prison escort services and prison and detention centres revealed here is a fraction of the worth of outsourced contracts implicit in the agenda set out by the coalition in its first year.

There was much similarity between these structural priorities and those pursued by the devolved administrations, albeit with some important differences. Northern Ireland and Scotland perhaps watched the payment by results experiment with interest, rather than setting in place these arrangements at the pace which was to be seen in the second year of the coalition. Whilst police

reorganisation was proposed in Scotland, it was for a single national police force in place of a regional model, quite unlike the course pursued in England and Wales.

The unprecedented spending cuts across the public sector are certainly part of the context for these developments, with the Home Office and Ministry of Justice facing cuts of 22 and 27 per cent respectively over the spending review period. But the agenda set out for criminal justice was not simply an attempt to save money.

The size of called-for spending cuts requires tackling demand for criminal justice is also undoubtedly an important consideration for the criminal justice developments seen in this first year. A Justice Secretary who described the prison population as 'at an astonishing number' and who derided the political debate on law and order as having been 'reduced to a numbers games' of spending more and locking up more people certainly found favour with many of those working in criminal justice. Such sentiments chimed with a sense of the criminal justice system being in 'crisis': too big, too concerned with populism, too party political – all of which were frequent criticisms levelled at the coalition's predecessors. The uniquely UK-wide data drawn together in this *Review* quantifies the legacy of upwards spending and the growth of criminal justice in the period preceding the coalition.

However, a third factor needs to be added to the two outlined above: the coalition's reform agenda for public services. Justice and welfare were firmly placed at the forefront of changes taking place in the delivery of public services more widely. A far-reaching programme of restructuring in public services began to take shape in the coalition's first year. Intentions and plans began to form around reconfiguring the operation of public services in favour of delivery through marketisation and contestability, devolved responsibilities for commissioning and delivery, and an increasing role for non-public sector bodies, particularly the private sector. Summing up developments in this first year is neatly captured by the comment in the opening section of this report:

This is a once-in-a-generation opportunity to transform that way that government works.

(Parker and Giles, 2010)

In this first year, the stage was set for the way that government works in relation in criminal justice to be radically changed indeed.

References

Parker, G., and Giles, C. (2010), 'Cuts will affect "everyone", says Cameron', *The Financial Times*, 6 June.



The Centre for Crime and Justice Studies is an independent public interest charity that engages with the worlds of research and policy, practice and campaigning. Our mission is to inspire enduring change by promoting understanding of social harm, the centrality of social justice and the limits of criminal justice. Our vision is of a society in which everyone benefits from equality, safety, social and economic security.

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