Thank you for your letter of 5 October. I note that the Committee has decided to focus its budget scrutiny on prisons, the courts and legal aid. I look forward to discussing these with you on 1 November.

I have set out below my responses to each of the questions you raised in your letter. However, as I do not have Ministerial responsibility for the Crown Office and Procurator Fiscal Service, I have passed your questions relating to them to the Lord Advocate for his consideration.

**Police**

**Question:** Scottish Ministers have committed to maintaining a number of “additional” police officers. How is it intended to achieve this? Will some element of grant to police authorities continue to be conditional on the maintenance of officer numbers? This grant appears to be constant in cash terms: will it be enough?

**Scottish Government response:** As part of the Spending Review, we have put in place the resources to maintain the 1,000 additional officers in communities delivered during the last Parliament - we will maintain the current level of funding we provide to police authorities and joint police boards (£480.3m); we have reached an agreement with COSLA that individual local authorities will pass on their share of the agreed level of funding to allow Police Boards to maintain police officers at 17,234 throughout the three year period 2012-15 and we will also continue to fund, from the Police Central Government budget, the 1,000 additional officers provided these numbers are maintained.

We expect police boards to continue to make efficiency savings and we will aim to work in partnership with the police staff associations to ensure we can live within our means. Beyond 2012-13, the creation of a single Scottish Police Service will safeguard vital frontline services by reducing duplication, waste and inefficiencies.

**Question:** Police force resource budgets overall appear to be broadly constant in cash terms apart from allowances early in the Spending Review period for reform: exactly how much has been set aside for this and what will it be used to do?

**Scottish Government response:** The major spend on Police reform will occur in 2012-13 and 2013-14. £12m and £25m respectively has been allocated to cover the net costs. This up front investment will result in the delivery of future savings which will see estimated annual recurring cash savings of £106m by the end of the programme of change.

**Question:** Police central government budgets decline later in the Spending Review period: what implications does this have for services currently provided under this heading, including the Scottish Crime and Drug Enforcement Agency?
Scottish Government response: The budgets in 2012-13 and 2013-14 show a substantial increase on the 2011-12 budget and this is due, in the main, to the costs of completing the Scottish Crime Campus at Gartcosh and an estimate of the net investment required in police and fire reform. The reduced 2014-15 budget reflects the completion of Gartcosh – and the start of the net savings from Police and Fire Reform, which will continue to be realised beyond this Spending Review period.

The reduced budget should not therefore impact on the services provided, including the commitment to maintain police officers numbers in Scotland’s communities or providing the necessary support to the Scottish Police Services Authority and the SCDEA.

Question: The outline business case for moving to a single police force suggests £106m of savings can be made in policing: do Ministers accept this? What profile of savings is assumed in the Spending Review and what measures will be needed to achieve them? Which are dependent on the successful passage of legislation and what risks are there to delivery of these savings?

Scottish Government response: Yes. The estimated savings are based on an operating model developed by experts from police forces across Scotland – those right at the heart of Scottish Policing. As such, they reflect a professional view of the greater efficiencies and effectiveness that can be achieved by moving to a single service.

Reform requires up-front investment to deliver future savings and an allocation for the net cost of police reform, taking account of savings, is included within the Police Central Government budget. With the major spend on reform occurring in 2012-13 and 2013-14, we have allocated £12m and £25m respectively to cover these costs. This investment is necessary to enable net savings of £13m in 2014-15 and estimated annual recurring cash savings of £106m from 2016-17.

Savings are dependent on the service adapting the way it organises itself to deliver a range of policing functions more efficiently. The police have told us that it is possible to do this, and our assessment is that this can be done most effectively in a single service.

Legislation is required to establish a single police service. Without successful passage of the Police and Fire Reform (Scotland) Bill, a single service, and therefore the greatest benefits, will not be achieved. On that basis we would have to retain the current 8 force model and although some financial savings may still be achieved, there is no guarantee. Furthermore, experience to date shows that any savings would be achieved more slowly.

A single service presents the lowest risk to delivery of both financial savings and a better service. All risks are being managed through our formal programme and risk management process, with the key risk to the optimal delivery of benefits being the delivery of early efficiencies within the eight forces and SPSA and shared ownership of the transition process.
**Question:** Ministers have set out a policy for public sector pay in the Spending Review: will this apply to the police? Does it imply separate negotiation of police pay in Scotland and will there be further divergence from pay in England and Wales?

**Scottish Government response:** We would expect the principles of the Public Sector Pay Policy to be adhered to where possible, although the Policy does not specifically cover the police. Responsibility for negotiations on police officer terms and conditions lie with the Police Negotiating Board for the UK (PNB), on which Scottish Ministers have representation.

Police Staff pay and conditions are negotiated separately through the Police Staff Council. COSLA represents the official side on this and Scottish Ministers have no involvement.

**Question:** The outline business case on police restructuring identifies savings from changing police officer and staff terms and conditions. Are these assumed in the Spending Review settlement? What plans do Ministers have to negotiate them?

**Scottish Government response:** Reform is about protecting the excellent standards of policing delivered by officers in our communities. It is not be about pay and conditions. The savings identified in the outline business case from terms and conditions have been delivered.

**Question:** Ministers have committed to maintaining officer numbers. What is the expected profile of officer numbers across the Spending Review period? What is the corresponding profile of police staff numbers? Are Ministers committed to a policy of avoiding compulsory redundancies in police staff? What assumptions about pay costs need to be made in order to ensure it is possible within published budgets?

**Scottish Government response:** Our priority remains the protection of frontline policing and we will continue to provide funding to maintain police officer numbers throughout the Spending Review period. It is for forces (and the future Scottish Police Service) to determine how best to deploy police officers and support staff to support local communities.

We expect the principles of the Public Sector pay Policy to be adhered to where possible and we are committed to a policy of no compulsory redundancies.

We expect police boards to continue to make efficiency savings and, as this year, we will aim to work in partnership with the police staff associations to ensure we can live within our means. Beyond 2012-13, the creation of a single Scottish Police Service will safeguard vital frontline services by reducing duplication, waste and inefficiencies.

**Community Justice Services**

**Question:** What volume of community penalties can be afforded under the “flat cash” provision for non-custodial penalties? Will the number decline?
Scottish Government response: Community Payback Orders (CPOs) can only be used by the courts to deal with offences committed since their introduction on 1 February this year. As a result, it will take some time before we can tell with any certainty whether they are being used more frequently than the community sentences they replaced or assess what impact there has been on the prisoner population. Ultimately there are a number of different variables such as crime rate and sentencing behaviour which will determine the number of community penalties issued and we are working closely with stakeholders to see what trends emerge. We will continue to monitor the situation. Although the year to year provision is flat cash, there is an additional £4m of capital funding over 2011-12 and 2012-13 which is to be used to help support and expand unpaid work placements. There is also the effect of the Reducing Reoffending Change Fund of £7.5m over the Spending Review Period, so looking only at the year-to-year cash amounts doesn't capture the full funding picture available here.

Question: How will this impact on rehabilitation and reoffending?

Scottish Government response: Given the scale of Westminster’s cuts to the Scottish budget it clearly makes no sense to keep packing increasing numbers of the less serious offenders into our prisons to serve expensive and ineffective short sentences. The evidence underlines how necessary this approach is, with 73 per cent of offenders who serve a short prison sentence being reconvicted within two years compared with just 38 per cent of those who receive tough community sentences. CPOs provide the courts with a robust and viable alternative to custody for many of these individuals – the means to tackle the underlying causes of their offending while ensuring that their debt to society is repaid through hard work in the community. The CPO has specific alcohol, drug and mental health treatment requirements to help target those underlying causes.

Question: Will this affect the prison population?

Scottish Government response: Prison is, and always will be, the bedrock of our society’s criminal justice system with a vital role in protecting the public from dangerous and serious offenders. Our dedicated and professional prison staff should be able to focus more clearly on this critical function, rather than the serious difficulties caused by a chronic overcrowding problem largely driven by the endless churn of less serious offenders still receiving short prison sentences. Last year there were about 3,000 prison receptions per year for sentences of 3 months or less and we estimate it costs around £1 million to admit and release prisoners with sentences of 3 months or less. Using community sentences for low level offenders though, is the right approach not just because of the impact on the prison population but because lower reoffending rates show the approach works, and the impact on society of reducing reoffending is considerable.

Criminal Injuries Compensation

Questions: What changes to the scheme are needed to cut awards by more than a third as the budget proposes; and are these changes those proposed by the UK Government for the whole of Great Britain? Do Scottish Ministers have any alternative plans?
Scottish Government response: The UK Government has not yet published the conclusions of a review it has been conducting of the Criminal Injuries Compensation Scheme. The plans set out in the spending review document are our best estimate of what we believe is likely to emerge from the review, but we cannot be certain of that until proposals are published by the UK Ministry of Justice. We do know that the Ministry of Justice is likely to need to make significant savings, and in order to achieve these savings, we anticipate the UK Government will need to propose significant changes to the eligibility criteria and/or tariff rates for the scheme.

The Scottish Government does believe there is scope to develop a more focused and streamlined scheme that puts greater emphasis on victims that have suffered more serious and long-lasting effects of crime. A more focused scheme should be less expensive and faster than the current scheme. The Scottish Government will consider the UK Government’s proposals when they are published before taking a decision on the way forward.

The current scheme is based on legislation passed at Westminster and operates as a GB-wide scheme (Northern Ireland has separate arrangements). If the proposals that come forward from the UK Government are unacceptable to the Scottish Government, our analysis is that it is likely to be competent to establish a separate scheme for Scotland only.

*Question: Given the reductions in funding provided for in last year's draft budget and this year's spending review, will victims be adequately supported in the future?*

Scottish Government response: Criminal Injuries Compensation comes right at the end of the process for most victims. The Scottish Government places a high priority on stopping people becoming victims in the first place and making sure people that have suffered the experience of being a victim of crime get the fast and effective support they need from police, other public authorities and victim support organisations. We believe this is the kind of support that victims value most and where the focus should be for future investment.

The budget proposes to maintain the level of funding for victim support organisations at current levels and I am also examining options for alternative funding models as part of work being done to prepare for a victims rights Bill. Any revenue generated by such a scheme would most likely be targeted at improving support or alleviating hardship, rather than at compensation for the reasons I have outlined above.

Kenny MacAskill MSP
Cabinet Secretary for Justice
24 October 2011