



National Audit Office

## **DEPARTMENTAL OVERVIEW**

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# **A summary of the NAO's work on the Ministry of Justice 2011-12**

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**OCTOBER 2012**

**Our vision is to help the nation spend wisely.**

**We apply the unique perspective of public audit to help Parliament and government drive lasting improvement in public services.**

The National Audit Office scrutinises public spending for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Amyas Morse, is an Officer of the House of Commons and leads the NAO, which employs some 860 staff. The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively, and with economy. Our studies evaluate the value for money of public spending, nationally and locally. Our recommendations and reports on good practice help government improve public services, and our work led to audited savings of more than £1 billion in 2011.



National Audit Office

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# Introduction

## **Aim and scope of this briefing**

The primary purpose of this report is to provide the Justice Committee with a summary of the Ministry of Justice's performance since September 2011 based primarily on the Ministry's Accounts and National Audit Office work. The content of the report has been shared with the Ministry to ensure that the evidence presented is factually accurate.

# Part One

## About the Ministry of Justice

### The Ministry's responsibilities

**1** The Ministry of Justice (the Ministry) is responsible for setting and delivering government policy on the criminal, civil and family justice systems. It was created in its current form in May 2007, bringing responsibility for the whole criminal and civil justice systems of England and Wales under one Secretary of State for the first time.

### How the Ministry is organised

**2** The Ministry is headed by the Secretary of State for Justice (who is also the Lord Chancellor). He chairs the departmental board, which sets the Ministry's strategic direction. Members of the departmental board include the ministerial team; the Permanent Secretary; the Director General of Finance and Corporate Services; the Director General of Transforming Justice; and the departmental non-executive board members. From December 2011, membership was extended to the Director General of the Justice Policy Group, the Chief Executives of HM Courts and Tribunals Service, National Offender Management Service, and Legal Services Commission.

**3** The Ministry has responsibility for courts, tribunals, prisons, legal services, youth justice, probation services and attendance centres. It has four main delivery arms (**Figure 1** overleaf). The Courts and Tribunals Service covers criminal, civil and family justice. The National Offender Management Service oversees prisons and probation. The Legal Services Commission is a non-departmental public body which administers legal aid. The Office of the Public Guardian supports the Public Guardian in registering powers of attorney and in supervising deputies appointed by the Court of Protection. Appendix One lists the Ministry's delivery bodies.

### Where the Ministry spends its money

**4** In 2011-12, the Ministry's gross spend (excluding capital) was £10.2 billion, through which it generated nearly £1.5 billion in income, reducing its net public expenditure requirement to £8.7 billion.

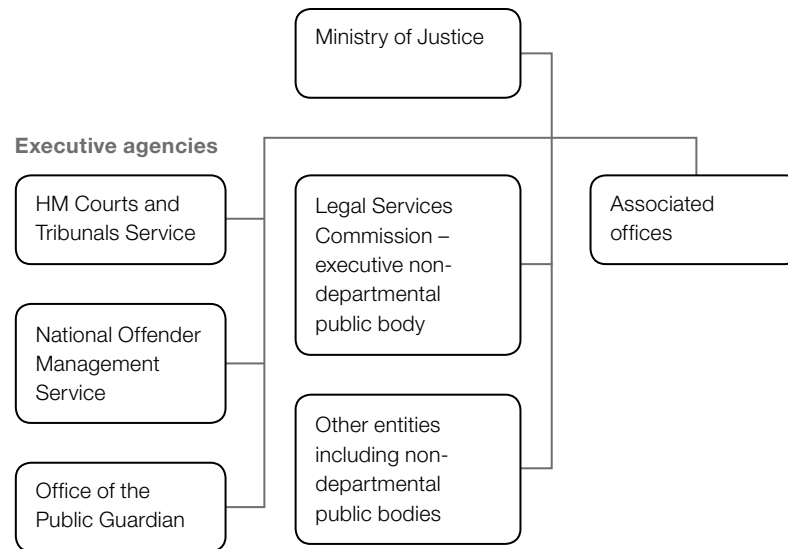
**Figure 2** on page 7 shows where the Ministry spends its money. It employs around 92,000 staff, of which 4,600 are employed in the core Department; 65,700 in its agencies and 21,800 in non-departmental public bodies.

**5** The whole-life cost of the Ministry's major projects is £1,123 million. The Ministry's unpublished data of the whole-life costs of its top five projects, show a combined cost of £878 million. These are named below:

Project name	Whole life cost (£m)
Youth Justice Board Secure Training Centres	336
Quantum Recompete (IT)	157
Future IT Sourcing Programme	139
Shared Services Programme	127
Payment by Results	119

**Figure 1**

The Ministry has four main delivery arms (executive agencies and the Legal Services Commission) supported by other non-departmental public bodies and associated offices



Other non-departmental public bodies include:

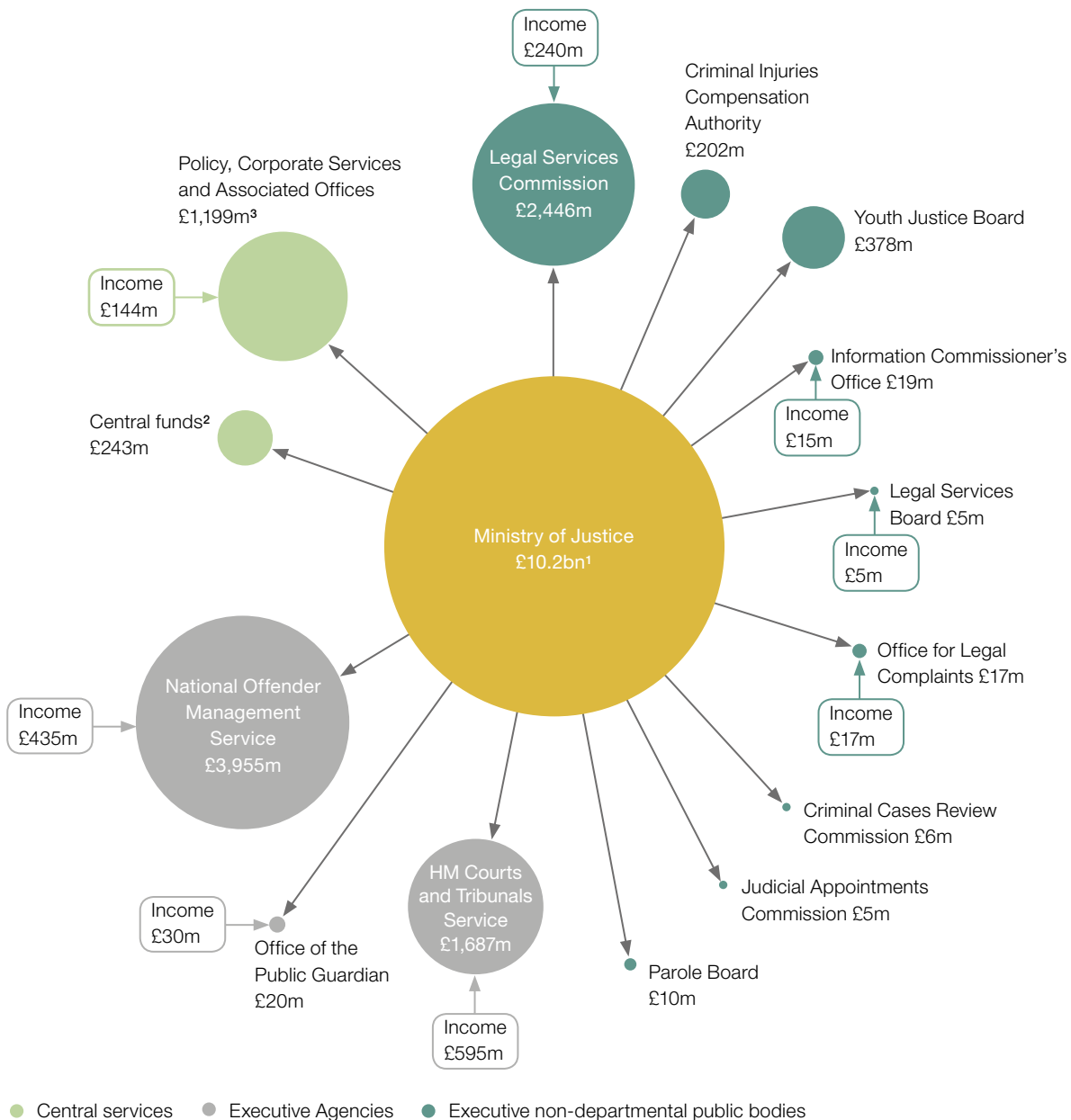
- Criminal Cases Review Commission
- Criminal Injuries Compensation Authority
- Information Commissioner's Office
- Judicial Appointments Commission
- Legal Services Board
- Office for Legal Complaints
- The Parole Board for England and Wales
- Probation Trusts
- Youth Justice Board.

Associated offices include:

- Advisory Committees, Councils and Panels – Civil Costs, National Records and Archives, Public Sector Information
- HM Inspectorates – of Prisons and Probation
- Independent Monitoring Boards – of Prisons, Immigration Removal Centres and Immigration Holding Facilities
- Procedure Rule Committees – Criminal and Family.

Source: National Audit Office analysis of Ministry of Justice data

**Figure 2**  
Funding of the Ministry and its main sponsored bodies



#### NOTES

- 1 Gross spend was £10.2 billion, through which the Ministry generated £1.5 billion in income, reducing net public expenditure requirement to £8.7 billion.
- 2 £243 million includes £142 million for higher-judiciary judicial salaries.
- 3 £1,199 million includes £426 million on central administration with the remainder spent on programme delivery.

Source: Ministry of Justice Annual Report and Accounts 2011-12, Statement of Parliamentary Supply, p. 68; Underlying notes, p. 92.  
Available at: [www.justice.gov.uk/downloads/publications/corporate-reports/MoJ/moj-annual-report-accounts-2011-12.pdf](http://www.justice.gov.uk/downloads/publications/corporate-reports/MoJ/moj-annual-report-accounts-2011-12.pdf)

## Recent developments

**6** In October 2011, the National Offender Management Service completed the first transfer of a public prison to the private sector, when G4S took over HM Prison Birmingham. This is as part of the Ministry's competition strategy, published in July 2011,<sup>1</sup> to encourage greater involvement from the private and voluntary sectors in rehabilitating offenders through inviting them to provide services where they demonstrate that they can do so at lower cost.

**7** In March 2012, the Ministry published a consultation paper *Punishment and reform: effective probation services*.<sup>2</sup> In the paper, the Ministry proposes a stronger role for public sector probation trusts as commissioners of competed probation services. The Ministry is currently considering its response to the consultation paper.

**8** The Government published its plans for reform of community sentences in the consultation paper *Punishment and Reform: effective community sentences*.<sup>3</sup> The proposals set out in the consultation aimed to ensure community sentences are effective at tackling reoffending and in providing punishment which serves as a sanction. The proposals also aimed to ensure community orders are robust and to give courts a choice in how to deal with offenders sentenced in the community. The consultation proposed that every community order should contain a punitive element. The Government will announce its intentions and table amendments to the Crime and Courts Bill shortly.

**9** In July 2012, the Ministry published the White Paper *Swift and sure justice: the Government's plans for reform of the Criminal Justice System*.<sup>4</sup> The White Paper is, in part, a response to the riots of August 2011, which the Ministry considered highlighted the need to react rapidly to large-scale criminality. The White Paper set out its aims to deal swiftly with low-level, straightforward and uncontested cases, and to deliver punishment and redress fairly in accordance with the law and public expectation.

**10** In November 2012, the first elections for Police and Crime Commissioners will take place. The Ministry expects Police and Crime Commissioners to encourage police, prosecution authorities and courts to work together to prevent crime. Their role will include appointing, and where necessary dismissing, the chief constable; holding the chief constable to account for delivery; setting and updating a police and crime plan; and setting the police force budget and precept.

## Capability and leadership

**11** In 2006, the Cabinet Office launched a programme of Capability Reviews to assess departments' leadership, strategy and delivery – to improve departmental readiness for future challenges.<sup>5</sup> Departments must rate their capability against ten criteria under three themes:

- **Leadership** – 'set direction'; 'ignite passion, pace and drive'; and 'develop people'.
- **Strategy** – 'set strategy and focus on outcomes'; 'base choices on evidence and customer insight'; and 'collaborate and build common purpose'.
- **Delivery** – 'innovate and improve delivery'; 'plan, resource and prioritise'; 'develop clear roles, responsibilities and delivery models'; and 'manage performance and value for money'.

The Ministry's assessment scores of capability against these ten criteria are shown in **Figure 3**

1 Available at: [www.justice.gov.uk/downloads/publications/moj/2011/competition-strategy-offender-services.pdf](http://www.justice.gov.uk/downloads/publications/moj/2011/competition-strategy-offender-services.pdf)

2 Available at: [consult.justice.gov.uk/digital-communications/effective-probation-services](http://consult.justice.gov.uk/digital-communications/effective-probation-services)

3 Available at: [consult.justice.gov.uk/digital-communications/effective-community-services-1](http://consult.justice.gov.uk/digital-communications/effective-community-services-1)

4 Available at: [www.justice.gov.uk/downloads/publications/policy/moj/swift-and-sure-justice.pdf](http://www.justice.gov.uk/downloads/publications/policy/moj/swift-and-sure-justice.pdf)

5 Available at: [www.civilservice.gov.uk/about/improving/capability/background](http://www.civilservice.gov.uk/about/improving/capability/background)






**12** The Ministry published its Capability Action Plan in March 2012,<sup>6</sup> identifying three themes which form the basis for its action plan:

- to focus and communicate more on the 'better' in the 'better for less'. The Ministry considers that an important part of the Transforming Justice Strategy is to define and communicate how outcomes will be improved in the medium to longer term;
- to look outwards more, and work better with others, to achieve its objectives. The Ministry considers it cannot achieve its objectives in isolation and that it needs to collaborate more effectively; and
- to improve its capability to deliver its reform programme. The Ministry aims to build capacity in the key specialist skills needed to support change and acknowledged that it must improve performance in key operational systems.




### Figure 3

#### The Ministry's assessment scores of capability





##### Leadership

Set direction	
Ignite passion, pace and drive	
Develop people	

##### Strategy

Set strategy and focus on outcomes	
Base choices on evidence and customer insight	
Collaborate and build common purpose	

##### Delivery

Innovate and improve delivery	
Plan, resource and prioritise	
Develop clear roles, responsibilities and delivery model	
Manage performance and value for money	

##### NOTE

- 1 The Capability Action Plan's red, amber and green ratings reflect the Ministry's assessment of delivering in line with requirements and any potential for improvement.

Source: *Ministry of Justice Capability Action Plan, March 2012*

**13** The Ministry has also developed a Financial Improvement Programme which it considers has supported improvements in financial management and which it feels has put in place the foundations for further improvements.

### Staff survey results

**14** The Civil Service People Survey aims to provide consistent and robust metrics to help government understand the key factors which drive staff engagement with their employer, so that it can build upon strengths and tackle weaknesses across the civil service. We present here the results of the third annual people survey for the Ministry – undertaken between mid-September 2011 and mid-October 2011 – covering leadership and managing change, and understanding of organisational objectives and purpose (**Figure 4**).

**15** The Ministry's results from the Civil Service People Survey 2011 show higher scores against four of the survey's nine themes than its results from the 2010 Civil Service People Survey, lower scores against three themes, no change against the remaining two themes, and an overall reduction of one percentage point from 2010. The figure shows the Ministry's results are lower by up to 14 percentage points than the median percentage of positive results across all organisations which participated in the 2011 Civil Service People Survey. The results also showed that Ministry staff who reported experiencing discrimination at work reduced from 15 per cent in 2010 to 14 per cent in 2011, and Ministry staff who reported experiencing bullying or harassment at work reduced from 14 per cent in 2010 to 13 per cent in 2011. The results of 17 major departments are in Appendix Two.

**16** As part of the annual survey, each department receives an engagement index, assessing the level of staff engagement determined by the extent to which staff: feel proud when telling others who they work for; recommend their organisation as a great place to work; have a strong personal attachment to the organisation; are inspired to do their best in their job and are motivated to do the best for the organisation. In 2011, the Ministry achieved an engagement index of 53 per cent. This was the same as the 2010 engagement index, despite restructure programmes and staff reductions which occurred in 2011. The 2011 engagement index was three percentage points below the 2011 civil service average. The Ministry's unpublished analysis of the 2011 engagement index indicated it was the joint highest against those of the Ministry of Defence, Home Office, Department for Work and Pensions and HM Revenue & Customs. The Ministry's analysis also indicated that the figure of 30 per cent of staff engagement survey respondents who agreed with the statement that the board has a clear vision for the future, was higher than the 21 per cent median figure for the other four departments. The Ministry also uses a headquarters' specific engagement index which was 55 per cent in 2011.

**Figure 4**  
The 2011 Civil Service People Survey: Ministry of Justice (Corporate Report)

Theme	Theme score (% positive) <sup>1</sup>	Difference from 2010 survey	Difference from civil service average 2011 <sup>2</sup>
<b>Leadership and managing change</b>			
I feel that the Department as a whole is managed well	31	0	-9
Senior civil servants in the Department are sufficiently visible	37	+1	-9
I believe the actions of senior civil servants are consistent with the Department's values	35	0	-4
I believe the departmental board has a clear vision for the future of the Department	30	+3	-9
Overall, I have confidence in the decisions made by the Department's senior civil servants	26	+1	-10
I feel that change is managed well in the Department	23	0	-4
When changes are made in the Department they are usually for the better	17	0	-6
The Department keeps me informed about matters that affect me	41	0	-14
I have the opportunity to contribute my views before decisions are made that affect me	25	+2	-11
I think it is safe to challenge the way things are done in the Department	29	-1	-9
<b>Organisational objectives and purpose</b>			
I have a clear understanding of the Department's purpose	76	-1	-8
I have a clear understanding of the Department's objectives	71	-1	-8
I understand how my work contributes to the Department's objectives	75	-1	-6

**NOTES**

- 1 Percentage positive measures the proportion of respondents who selected either "agree" or "strongly agree" for a question.
- 2 The 2011 benchmark is the median per cent positive across all organisations that participated in the 2011 Civil Service People Survey.

Source: Ministry of Justice People Survey Results, Autumn 2011

## Part Two

### Financial management

**17** The ability of departments to control costs and drive out waste requires professional financial management and reporting. In particular, departments need to be better at linking costs to services and benchmarking performance to determine whether costs are justified and value for money can be improved. Organisations also need an approach to risk management which supports the efficient and effective delivery of services. Improvements in these areas of management will help public bodies to deliver cost-effective services.

**18** Departments are required to publish Governance Statements with their Annual Report and Accounts, which describe their corporate governance, risk management, and oversight of locally delivered responsibilities, in line with the Corporate Governance Code.<sup>7</sup>

### Financial out-turn for 2011-12 and comparison with budget

**19** In 2011-12, the Ministry's gross spend (excluding capital) was £10.2 billion, through which it generated nearly £1.5 billion in income, reducing its net public expenditure requirement to £8.7 billion. This was three per cent below its estimate<sup>8</sup> and six per cent lower than its out-turn in 2010-11.

**20** The Ministry has controlled out-turn against its resource departmental expenditure limit closely. The largest variances in out-turn compared to budget therefore were mainly due to differences between projected and actual property values which are not under the Ministry's direct control. For example, the National Offender Management Service underspent its budget by £235 million, much of which was due to estate valuation. The value of the prison estate fell by £61 million less than projected and the probation pension provision was £43 million less, due to changes to actuarial valuations.

### Progress on cost reduction

**21** Departments remain under pressure to reduce costs. The scale required means that departments need to look beyond immediate short-term savings, and think more radically about how to take costs out of the business and how to sustain this longer term.

**22** In our report *Cost reduction in central government: summary of progress*<sup>9</sup> published in February 2012, we examined the cost reductions achieved by 12 government departments. We found that departments successfully cut spending by £7.9 billion (2.3 per cent) in 2010-11 compared to 2009-10, but more is needed over the next four years. Fundamental changes are needed if government is to reduce costs on the scale required and departments will achieve long-term value for money only if they identify and implement new ways of delivering their objectives with a permanently lower cost base.

**23** We found the Ministry had cut spending by 5.3 per cent in real terms between 2009-10 and 2010-11 compared to the average of 2.3 per cent across the 12 departments we examined. The Ministry reduced administrative spending by six per cent compared with a nine per cent average. The November 2011 Autumn Statement increased the real terms reduction required from the Ministry to 24 per cent, following the impact of pay restraint announcements. The Ministry aims to make front-line savings of around 10 per cent and to reduce back-office function costs by around a third. If successful, this will contribute around £1 billion annually towards the annual saving of more than £2 billion required by 2014-15.

**24** The National Offender Management Service's restructure of its headquarters has sought to deliver the largest reduction in its budget in the first year 2011-12, with smaller cumulative savings each year through to 2014-15. The restructure aimed to deliver £41 million, of the target £91 million annual savings, in 2011-12 alone.

<sup>7</sup> Available at: [www.hm-treasury.gov.uk/psr\\_governance\\_corporate.htm](http://www.hm-treasury.gov.uk/psr_governance_corporate.htm)

<sup>8</sup> Statement of Parliamentary Supply, *Ministry of Justice Annual Report and Accounts 2011-12*, HC 67, 2012

<sup>9</sup> Comptroller and Auditor General, *Cost reduction in central government: summary of progress*, Session 2010-2012, HC 1788, National Audit Office, February 2012.

## NAO reports on financial management

**25** In November 2011, we reported on financial management in the Ministry<sup>10</sup> and found that much had improved since our 2010 report.<sup>11</sup> Our 2010 report had been critical of the Ministry's financial management in three main areas: the consistency of the Ministry's financial management approach; its understanding of its costs; and its financial management systems and processes.

**26** Our more recent examination reported the Ministry was delivering value for money by exercising control over its core business activities. It had improved the prominence, quality and consistency of financial management. The Ministry had also improved the quality and consistency of financial planning and forecasting. The Ministry's financial management was led from the top and its financial information for decision-making was more relevant and useful. We reported that the Ministry had achieved clear benefits from these improvements, while reducing the number of finance staff by a quarter.

## NAO financial audit findings

**27** In 2011-12, the Comptroller and Auditor General gave an unqualified opinion on the Ministry's Annual Report and Accounts. The Ministry met HM Treasury's pre-recess timetable in 2011-12. This was despite the tight timetable involved in consolidating an extra nine non-departmental public bodies into the accounts for the first time and was a considerable achievement by the Ministry and its arm's-length bodies.

**28** In following up the recommendations made to the Ministry after the 2010-11 financial audit, the National Audit Office found the Ministry had made significant progress in implementing improvements to the accounts' production process. This included substantial additional resources and effort to manage and oversee the process, a more coordinated group approach and more centralised consideration of technical issues and engagement with the National Audit Office.

**29** The Comptroller and Auditor General certified the Legal Services Commission's 2011-12 financial statements with a qualified audit opinion. The Fund Accounts had an estimated material irregularity of £35.6 million, concerning legal aid payments, which had reduced from the previous year. Some payments to providers did not comply with statutory fee regimes and some legal aid was provided to applicants where eligibility could not be proven. However, the Ministry's financial statements were not qualified as the irregularity was not material to the departmental group, and had been fully reported to Parliament in the Legal Services Commission's accounts.

**30** The National Audit Office found that the Legal Services Commission had made significant improvements in the level of total irregular expenditure reported in 2011-12, when compared with 2010-11. The main areas of improvement were immigration and family legal help schemes and the civil representation scheme. The Commission has undertaken a substantial amount of work in 2011-12 to review and cleanse the recording and reporting of debt. As a result of this work, the Comptroller and Auditor General was able to provide a clear opinion in this respect for 2011-12.

## Issues raised in Governance Statements

**31** We work with the Ministry and its sponsored bodies to improve the quality and transparency of published Governance Statements. We aim to ensure that the processes by which Statements are produced are robust and that the Statements comply with Treasury guidance.

**32** The Accounting Officer is personally responsible for Governance Statements, which outline how he or she has discharged his or her responsibility to manage and control the organisation's resources during the course of the year. The National Audit Office's position on the Ministry of Justice's Audit Committee enabled the National Audit Office to review the developing Governance Statement, which it regarded positively.

<sup>10</sup> Comptroller and Auditor General, *Ministry of Justice: Financial Management Report 2011*, Session 2010-2012, HC 1591, National Audit Office, November 2011.

<sup>11</sup> Comptroller and Auditor General, *Ministry of Justice: Financial Management Report 2010*, Session 2010-11, HC 187, National Audit Office, July 2010.

**33** In its July 2012 Governance Statement, the Ministry set out a number of significant in-year risks and issues and described how it was dealing with them:

- Weaknesses were identified in information on alcohol levels provided by the courts to the Driver Vehicle Licensing Agency, which led in a number of cases, to driving licences being reissued to individuals whose ban had expired, but without them undergoing legally required medical tests. HM Courts and Tribunals Service has since implemented IT changes and has issued new operational guidance to staff dealing with such cases.
- A member of staff from a magistrates' court was found guilty under the Bribery Act. The individual was dismissed and two additional staff members suspended. A workshop involving key staff reviewed the control weakness identified by the Internal Audit and Assurance Division and by the Court Assurance Support Team to ensure that lessons learned were acted upon.
- On 23 January 2012, a prisoner escort vehicle was ambushed. A Category 'A' prisoner escaped and remains at large. This was the first escape of a Category 'A' prisoner in more than 16 years. An internal investigation found that HM Prison Hewell had not applied appropriate Category 'A' procedures to the prisoner. Remedial actions focused on ensuring that all prisons appropriately apply Category 'A' procedures. The formal investigation made 30 recommendations, all of which are in the process of being implemented.
- On 30 May 2012, a convicted Category 'A' prisoner appearing at Cambridge Crown Court, facing charges of assaulting prison staff, escaped from the court building. He remained at large for approximately 45 minutes before being recaptured by the police. The National Offender Management Service is implementing recommendations from the formal investigation into the escape and a wider-ranging piece of work on the security of prison escorts is being carried out.
- With regard to the recurrent qualification of the Legal Services Commission's annual accounts, the Ministry and the Legal Services Commission have taken forward recommendations outlined in National Audit Office reports and subsequent Committee of Public Accounts hearings. This has involved analysing the causes of errors across all its legal aid schemes and recovering overpayments made to providers. In 2011-12, the Legal Services Commission recovered £10 million of overpayments. As a result of these and other measures, improvements to the anticipated level of error indicate this has fallen 28 per cent from £49.5 million the previous year to £35.6 million.
- The civil unrest during August 2011 placed an unprecedented demand on the Ministry's services. The Ministry took the lead in planning and coordination in the worst affected areas. It responded effectively to the sharp rise in the number of arrests and the subsequent need for cases to be brought before the courts swiftly, to prevent delays or difficulties in the processing of those arrested. This supported the police, acted as a deterrent to the disorder and provided reassurance to the public. The situation required the Ministry, together with other Criminal Justice Services agencies, to agree a framework for a proportionate response by the courts; ensure business continuity despite increased caseloads; and manage the significant rise in the prison population.
- The increased prison population, from 84,900 in July 2011 to 87,300 in November 2011, delayed planned prison closures. The Ministry will rely on savings from prison closures, along with planned savings from a range of other initiatives and policy reform, to operate within the Spending Review 2010 funding levels. It is adjusting its savings plan in response to developments, including trends in the prison population.

## Part Three

### Reported performance

**34** The government needs robust, timely information on context, activities, costs, progress against its objectives, and the cost-effectiveness of its activities. It also needs to be able to interpret that information, by reference to trends, benchmarks and other comparisons, to identify problems and opportunities. Departments need reliable information to design and deliver services and monitor quality, to be confident about their productivity, and to drive continuous improvement.

**35** The government aims to make more government information available to the public to help improve accountability and deliver economic benefits. Our study *Implementing transparency*<sup>12</sup> which reviewed early progress of this transparency agenda concluded that while the government has significantly increased the amount and type of public sector information released, it would not maximise the net benefits of transparency without an evaluative framework for measuring the success and value for money of its transparency initiatives.

**36** In line with the government aim of making more government information available to the public, the Ministry published data on reoffending rates in October 2011<sup>13</sup> and on sentencing by courts in November 2011.<sup>14</sup> Our examination *Implementing transparency*, found that the number of viewings of the Ministry's website pages which included transparency data represented only 0.02 per cent of this website's overall traffic between April and September 2011. This indicated a low level of public demand. We also found that there were significant costs in meeting transparency commitments.

#### Reporting performance: annual reports and business plans

**37** Each government department reports its performance against the priorities and objectives set out in its business plan. A transparency section of the plan includes indicators selected by each department to reflect its key priorities and demonstrate the cost and effectiveness of the public services for which it is responsible. These fall broadly into three categories: inputs, outputs and efficiency indicators.

**38** Alongside other central government departments, the Ministry has published a business plan<sup>15</sup> setting out its aims in the form of structural reform priorities and key input and impact indicators by which the public will judge the Ministry's performance. The business plan indicators and other data cover all of the Ministry's structural reform priorities. Coverage is variable and only two are covered by both input and impact indicators. The Ministry also lists a range of other information in its business plan on operations and processes across its agencies.

**39** Departmental progress against indicators is published regularly in a quarterly data summary, which includes information on overall departmental budgets and workforce statistics, and a wider selection of indicators on common areas of spend such as estates and procurement. An annual version of this information has been formally laid in Parliament in departments' 2011-12 Annual Reports and Accounts.

**40** The Cabinet Office has reported that the accuracy of the data for all departments needs to improve dramatically<sup>16</sup> and that there may not be common definitions and data collection processes between departments. These caveats mean that data on common areas of spend cannot currently be used to compare performance between departments and may be of limited use to judge individual departmental performance.

#### Performance reported by the Ministry

**41** The Ministry uses input and impact indicators to measure performance in its quarterly data summary. The most recent summary is for July 2012.<sup>17</sup> Input indicators measure the resources put into the justice system and impact indicators measure the effectiveness of policies and reforms. The data contained in the July 2012 summary are also reported in the Ministry of Justice's Annual Report and Accounts 2011-12 (**Figure 5** on pages 16 and 17).

<sup>12</sup> Comptroller and Auditor General, *Implementing transparency*, Session 2010–2012, HC 1833, National Audit Office, April 2012.

<sup>13</sup> Available at: [www.justice.gov.uk/downloads/statistics/reoffending/proven-reoffending-early-estimates-2010.pdf](http://www.justice.gov.uk/downloads/statistics/reoffending/proven-reoffending-early-estimates-2010.pdf)

<sup>14</sup> Available at: [www.justice.gov.uk/statistics/criminal-justice/criminal-justice-statistics](http://www.justice.gov.uk/statistics/criminal-justice/criminal-justice-statistics)

<sup>15</sup> Available at: [www.justice.gov.uk/downloads/publications/corporate-reports/MoJ/moj-2012-business-plan.pdf](http://www.justice.gov.uk/downloads/publications/corporate-reports/MoJ/moj-2012-business-plan.pdf)

<sup>16</sup> Available at: [www.cabinetoffice.gov.uk/resource-library/business-plan-quarterly-data-summary](http://www.cabinetoffice.gov.uk/resource-library/business-plan-quarterly-data-summary)

<sup>17</sup> Available at: [www.justice.gov.uk/information-access-rights/transparency-data/quarterly-data-summaries](http://www.justice.gov.uk/information-access-rights/transparency-data/quarterly-data-summaries)

**Figure 5**  
Ministry of Justice input and impact indicator performance, July 2012

<b>Input indicators</b>	<b>Current</b>	<b>Previous</b>
Cost per prison place (current 2010-11, previous 2009-10)	£39,573	£41,567
Cost per prisoner (current 2010-11, previous 2009-10)	£37,163	£38,140
Cost per pre-sentence report to courts	n/a	n/a
Cost per offender supervised on license post-custody	n/a	n/a
Staff and judicial cost per sitting day	n/a	n/a
Average cost per case of legal aid accounting	£810	n/a
Office of the Public Guardian: staff deployed and accommodation used in carrying out services to customers	n/a	n/a
<b>Impact indicators</b>		
Adult proven reoffending (current – year to June 2010; previous – year to June 2009)	24.9%	25.3%
Adult proven prison reoffending (current – year to June 2010; previous – year to June 2009)	47.3%	47.8%
Juvenile proven reoffending (current – year to June 2010; previous – year to June 2009)	34.1%	32.6%
<b>Rates have risen from 32.9% in 2009</b>		
Juvenile first-time entrants (rate per 100,000 10–17-year-olds, current – 2011, previous 2010)	747	933
<b>Rates peaked in 2007 at 2,000 per 100,000 10–17-year-olds.</b>		
Criminal court timeliness (current – Q1 2012; previous – Q1 2011)	159 days	157 days
Civil proceedings timeliness (small claims hearings) (current – Q1 2012; previous – Q1 2011)	30 weeks	30 weeks
<b>Time taken was 31 weeks in 2009-10</b>		
Civil proceeding timeliness (fast/multi-track trials) (current – Q1 2012; previous – Q1 2011)	60 weeks	54 weeks



**Figure 5 continued****Ministry of Justice input and impact indicator performance, July 2012**

<b>Impact indicators continued</b>	<b>Current</b>	<b>Previous</b>
Care proceedings timeliness (current – Q1 2012; previous – Q1 2011)	54 weeks	56 weeks
Social Security and Child Support Tribunals timeliness (25th/50th/75th percentile duration in weeks) (current – April to December 2011)	9/19/33	n/a
Proxy measure for the proportion of civil disputes resolved out of court (current – Q1 2012; previous – Q1 2011) Rates have increased from 96.2% in 2009-10	96.4%	96.4%
Number of new criminal offences (current – 12 months to May 2011; previous – 12 months to May 2010)	174	712

Sources: Ministry of Justice quarterly data summary, July 2012; Justice and Court statistics (annual) 2011

The quarterly data summary July 2012, also details activity levels in key parts of the Ministry's functions. These have different time periods for 'current' and 'previous' data

<b>Activity</b>	<b>Current</b>	<b>Previous</b>
Prison population (current – 29 June 2012; previous – 12 months previous)	86,352	85,376
Probation caseload (current – 31 December 2011; previous – 31 December 2010)	234,528	238,973
Total number sentenced in court (current – 2011; previous – 2010)	1,299,251	1,365,347
Civil proceedings commencing in county courts (current – Q1 2012; previous – Q1 2011)	370,243	413,384

Source: Ministry of Justice quarterly data summary, July 2012. Available at: [www.justice.gov.uk/information-access-rights/transparency-data/quarterly-data-summaries](http://www.justice.gov.uk/information-access-rights/transparency-data/quarterly-data-summaries)

### Testing the reliability of performance data across government

**42** We have begun a three-year programme to examine the data systems underpinning departmental business plan indicators and other key management information. In September 2012, we published the results of our examination of a sample of Ministry of Justice indicators and operational data systems used to report performance for the Ministry. This involved a detailed review of the processes and controls governing the selection, collection, processing and analysis of data; the match between the Ministry's stated objectives and the indicators it has chosen; and the reporting of results.

**43** We awarded scores to the data systems for each indicator reviewed on a scale from four to zero. Our scores for the Ministry's data systems are summarised in **Figure 6**. We scored no data system below a three which shows that the data systems are adequate.

### Issues identified in NAO reports

#### Improving the Criminal Justice System – lessons from local change projects

**44** Our report *Improving the Criminal Justice System – lessons from local change projects*<sup>18</sup> drew out good practice lessons from three local improvement projects. It was produced jointly by the National Audit Office, HM Crown Prosecution Service Inspectorate, HM Inspectorate of Constabulary and HM Inspectorate of Probation.

**45** The examination covered three locally run projects which aimed to make the Criminal Justice System more efficient and effective. The report was structured according to 12 principles for running a successful project. It drew out, under each principle, specific examples of good practice emerging from the projects examined (**Figure 7** on page 20).

#### National Offender Management Service: Realising the benefits of the headquarters' restructure

**46** Our management report *National Offender Management Service: Realising the benefits of the headquarters' restructure*<sup>19</sup> examined how the National Offender Management Service (the Agency) planned and implemented the restructure of its headquarters. It examined the Agency's approach to securing a £91 million annual cost reduction against a starting budget of £247 million under the terms of the 2010 Comprehensive Spending Review. It also examined how the Agency identified and managed risks arising from this restructure.

**47** The Ministry required the Agency to deliver a 37 per cent reduction in annual costs over five years, and to restructure its headquarters in 2011-12. This presented the Agency with a significant challenge, but the Agency responded quickly, and continued to deliver its corporate responsibilities and maintain performance. The Agency's planning and implementation of the headquarters' restructure followed a number of good practice principles for organisational restructure. It put in place a strategic approach through evaluating the skills required in its new functional directorates, engaged with its staff and developed a governance and risk management structure. In May 2012, the Major Projects Authority conducted a review of the Agency headquarters' organisational restructure programme, which resulted in a positive delivery confidence assessment.

18 Available at: [www.nao.org.uk/publications/1213/improving\\_the\\_criminal\\_justice.aspx](http://www.nao.org.uk/publications/1213/improving_the_criminal_justice.aspx)

19 Available at: [www.nao.org.uk/publications/1012/noms\\_restructuring.aspx](http://www.nao.org.uk/publications/1012/noms_restructuring.aspx)

**Figure 6**

## National Audit Office scoring system for Ministry of Justice data systems

Score and meaning	Ministry of Justice data system
4 – the data system is fit for purpose and cost-effectively run	Business plan indicators: <ul style="list-style-type: none"> <li>● Adult reoffending</li> <li>● Adult reoffending following release from custody.</li> </ul> Operational indicators: <ul style="list-style-type: none"> <li>● Category A prisoner escapes</li> <li>● Serious assaults on staff</li> <li>● Percentage of prisoners held in accommodation designed for fewer prisoners</li> <li>● Rate of positive drugs tests</li> <li>● Average number of days lost to sick leave among staff</li> <li>● Proportion of ethnic minority staff employed within NOMS.</li> </ul>
3 – the data system is adequate but some improvements could be made	Business plan indicators: <ul style="list-style-type: none"> <li>● Cost per prison place</li> <li>● Cost per prisoner.</li> </ul> Common area indicators: <ul style="list-style-type: none"> <li>● Total office estate (square metres)</li> <li>● Total cost of office estate (£ million)</li> <li>● Cost per full-time equivalent staff</li> <li>● Cost per square metre (£)</li> <li>● Payroll size – full-time equivalent staff</li> <li>● Average staff cost (£)</li> <li>● Contingent labour – full-time equivalent staff.</li> </ul>
2 – the data system has some weaknesses which the Department is addressing	None
1 – the data system has some weaknesses which the Department must address	None
0 – no system established to measure performance	None

Source: National Audit Office

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**Figure 7**
**Key lessons learnt from local change projects which contributed to success**
**The Project**

**Kent** – a project to improve preparation for Crown Court trials.

**Northumbria** – a partnership with the third sector to support Black and Minority Ethnic women who have experienced domestic abuse, honour-based violence and forced marriage.

**Warwickshire** – the creation of a 'one-stop shop' Justice Centre.

**Good practice principles evidenced in each project**

- a well-documented aim
  - good strategic governance
  - high-level buy-in from the sponsor
  - clear leadership
  - a well-structured business plan with timetables and deliverables
  - a project team to implement the changes, and a project manager in place for the whole project; and
  - a strong communication strategy.
- 
- a sound understanding of the needs of service users before commissioning services
  - the credibility of the proposed partner assessed upfront
  - a clear project implementation plan, demonstrating how governance should work
  - strong partnership working
  - close monitoring of project progress.
- 
- a clear vision from strategic leaders
  - good project management, and a project plan (in this case related to PRINCE2 principles and Managing Successful Programmes)
  - inclusion of Office of Government Commerce gateway reviews at every stage of the project to provide reassurance and advice
  - good working relationships between agencies
  - tackle any inter-agency issues as soon as they arise.

*Source: National Audit Office, Improving the Criminal Justice System – lessons from local change projects, May 2012*

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### Use of the government procurement card

**48** In our report on the government procurement card,<sup>20</sup> we found the Ministry had decreased substantially the cost of procurement due to advances such as electronic procurement and invoicing methods. We estimated the difference in cost to be around £5 or 35 per cent less for a card transaction compared with a non-card catalogue transaction. The cost of a non-catalogue transaction was considerably higher, given the need to obtain multiple quotes. The Ministry also gained wider benefits from the card, such as prompt payment to suppliers, reduced supplier set-up and maintenance costs, and rebates from card providers.

**49** We found that departments had different approaches to when the procurement card should, or should not, be used. The Ministry used the ability to block the use of cards for certain categories which other departments did not, such as financial services. Our overall assessment of the Ministry's controls on the procurement card was satisfactory, both for how the controls were designed and how they were implemented.

### Crown Prosecution Service: the introduction of the Streamlined Process

**50** The National Audit Office report *Crown Prosecution Service: the introduction of the Streamlined Process*<sup>21</sup> found that the streamlined process could reduce the time burden on police forces, without diminishing the effectiveness of the magistrates' courts. However, there were wide differences between individual police forces complying with the guidance and lack of awareness among police officers about what to include in prosecution files. Although the Crown Prosecution Service and the police do not come within the Ministry, the 'streamlined process' impacts on the workload in magistrates' courts.

**51** We estimated the initiative could save police forces £10 million a year. The process could reduce the size of prosecution files without increasing adjournments in court or reducing the number of guilty pleas. The 'streamlined process' had not achieved its full value for money, but had not had a negative impact on the progression of cases through the magistrates' courts.

20 Available at: [www.nao.org.uk/publications/1012/government\\_procurement\\_card.aspx](http://www.nao.org.uk/publications/1012/government_procurement_card.aspx)

21 Available at: [www.nao.org.uk/publications/1012/cps\\_streamlined\\_process.aspx](http://www.nao.org.uk/publications/1012/cps_streamlined_process.aspx)



# Appendix One

## The Ministry's sponsored bodies at 1 April 2012

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### Executive agencies

National Offender Management Service  
 HM Courts and Tribunals Service  
 Office of the Public Guardian

### Non-ministerial departments

The National Archives  
 The UK Supreme Court

### Inspectorates, Ombudsmen and Statutory office holders

Commissioner for Victims and Witnesses  
 HM Inspectorate of Prisons  
 HM Inspectorate of Probation  
 Independent Monitoring Boards of Prisons, Immigration Removal Centres and Short-Term Holding Rooms  
 Judicial Appointments and Conduct Ombudsman  
 Judicial Office for England and Wales  
 Office for Judicial Complaints  
 Official Solicitor and Public Trustee  
 Prisons and Probation Ombudsman

### Executive non-departmental public bodies

Criminal Cases Review Commission  
 Criminal Injuries Compensation Authority  
 Information Commissioner's Office  
 Judicial Appointments Commission  
 Legal Services Board  
 Legal Services Commission  
 Office for Legal Complaints  
 Parole Board for England and Wales  
 Probation Trusts  
 Youth Justice Board for England and Wales

### Advisory and review bodies

Administrative Justice and Tribunals Council  
 Advisory Committees on Justices of the Peace  
 Advisory Council on National Records and Archives  
 Advisory Panel on Public Sector Information  
 Assessor for Compensation of Miscarriages of Justice  
 Burials and Cemeteries Advisory Group  
 Civil Justice Council  
 Civil Procedure Rule Committee  
 Correctional Services Administration Panel  
 Courts Boards  
 Criminal Procedure Rule Committee  
 Crown Court Rule Committee  
 Family Justice Council  
 Family Procedure Rule Committee  
 Insolvency Rules Committee  
 Judicial Studies Board  
 Land Registration Rule Committee  
 Law Commission  
 Magistrates' Courts Rule Committee  
 Prison Service Pay Review Body  
 Reducing Reoffending Third Sector Advisory Group  
 Restraint Advisory Board  
 Sentencing Council  
 Tribunal Procedure Committee  
 Victims Advisory Panel

### Other bodies

Commission on a Bill of Rights  
 Court Funds Office  
 Legal Services Consumer Panel  
 Legal Services Research Centre  
 Office of the Judge Advocate General  
 Public Guardian Board

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# Appendix Two

## Results of the Civil Service People Survey 2011

### Question scores (% strongly agree or agree, or % yes)

Civil service overall

#### Leadership and managing change

I feel that the Department as a whole is managed well	40
Senior civil servants in the Department are sufficiently visible	46
I believe the actions of senior civil servants are consistent with the Department's values	39
I believe that the departmental board has a clear vision for the future of the Department	39
Overall, I have confidence in the decisions made by the Department's senior civil servants	36
I feel that change is managed well in the Department	27
When changes are made in the Department they are usually for the better	23
The Department keeps me informed about matters that affect me	55
I have the opportunity to contribute my views before decisions are made that affect me	36
I think it is safe to challenge the way things are done in the Department	38

#### Organisational objectives and purpose

I have a clear understanding of the Department's purpose	84
I have a clear understanding of the Department's objectives	79
I understand how my work contributes to the Department's objectives	81



Department for Business, Innovation and Skills (excluding agencies)	Cabinet Office (excluding agencies)	Department for Communities and Local Government (excluding agencies)	Department for Culture, Media and Sport (excluding agencies)	Ministry of Defence (excluding agencies)	Department for Education	Department of Energy and Climate Change	Department for Environment, Food and Rural Affairs (excluding agencies)	Foreign and Commonwealth Office (excluding agencies)	Department of Health (excluding agencies)	HM Revenue & Customs	HM Treasury (excluding agencies)	Home Office (excluding agencies)	Department for International Development	Ministry of Justice (excluding agencies)	Department for Transport (excluding agencies)	Department for Work and Pensions
31	38	23	37	20	49	41	31	54	33	18	55	44	60	43	45	23
46	49	35	47	27	53	62	44	56	53	31	67	50	68	47	59	21
34	40	24	39	27	46	48	34	52	41	25	52	44	57	42	46	21
29	33	22	31	20	43	30	21	51	28	22	39	33	60	39	36	20
28	38	21	32	17	43	43	27	47	33	17	53	41	53	38	42	16
24	27	20	33	12	32	31	21	40	19	15	42	24	40	31	31	19
17	22	10	20	9	21	26	16	34	12	13	33	22	29	26	21	14
59	55	50	60	41	58	64	56	60	53	39	65	62	68	56	64	39
32	37	28	47	19	37	36	38	39	37	18	47	38	47	36	39	18
33	41	25	42	31	39	41	40	43	33	27	55	39	43	36	45	27
77	73	57	73	80	85	90	75	82	69	73	88	85	94	78	79	73
70	66	53	67	72	81	85	70	79	63	70	78	80	93	72	74	71
75	71	61	73	76	82	88	76	83	72	73	81	82	90	76	76	73

## Appendix Three

### Reports by the NAO on the Ministry of Justice and its agencies since 2009-10

Publication date	Report title	HC number	Parliamentary session
18 September 2012	Restructuring of the National Offender Management Service	HC 593	2012-13
12 September 2012	The Ministry of Justice's language services contract	<a href="http://www.nao.org.uk/publications/1213/voj_language_services.aspx">www.nao.org.uk/publications/1213/voj_language_services.aspx</a>	
24 August 2012	Review of the data systems for the Ministry of Justice	<a href="http://www.nao.org.uk/publications/1213/review_data_systems_for_moj.aspx">www.nao.org.uk/publications/1213/review_data_systems_for_moj.aspx</a>	
11 June 2012	Legal Services Commission, Community Legal Service Fund and Criminal Defence Service 2011-12 accounts	<a href="http://www.nao.org.uk/publications/1213/legal_services_2011-12.aspx">www.nao.org.uk/publications/1213/legal_services_2011-12.aspx</a>	
31 May 2012	Improving the Criminal Justice System – lessons from local change projects	<a href="http://www.nao.org.uk/publications/1213/improving_the_criminal_justice.aspx">www.nao.org.uk/publications/1213/improving_the_criminal_justice.aspx</a>	
3 May 2012	National Offender Management Service: Realising the benefits of the headquarters' restructure	<a href="http://www.nao.org.uk/publications/1012/noms_restructuring.aspx">www.nao.org.uk/publications/1012/noms_restructuring.aspx</a>	
23 November 2011	Ministry of Justice: Financial Management Report, 2011	HC 1591	2011-12
2 November 2011	Crown Prosecution Service: the introduction of the Streamlined Process	HC 1584	2011-12
10 December 2010	The youth justice system in England and Wales: Reducing offending by young people	HC 663	2010-11
30 November 2010	Criminal Justice System Landscape Review	<a href="http://www.nao.org.uk/publications/1011/criminal_justice_landscape_rev.aspx">www.nao.org.uk/publications/1011/criminal_justice_landscape_rev.aspx</a>	
6 July 2010	Ministry of Justice: Financial Management Report 2010	HC 187	2010-11
10 March 2010	Managing offenders on short custodial sentences	HC 431	2009-10
27 November 2009	The procurement of criminal legal aid in England and Wales by the Legal Services Commission	HC 29	2009-10

# Appendix Four

## Cross-government NAO reports of relevance to the Ministry of Justice

Publication date	Report title	HC number	Parliamentary session
25 September 2012	A snapshot of the use of Agile delivery in central government	<a href="http://www.nao.org.uk/publications/1213/use_of_agile_delivery.aspx">www.nao.org.uk/publications/1213/use_of_agile_delivery.aspx</a>	
25 July 2012	Governance for Agile delivery	<a href="http://www.nao.org.uk/publications/1213/governance_for_agile_delivery.aspx">www.nao.org.uk/publications/1213/governance_for_agile_delivery.aspx</a>	
26 June 2012	Delivering public services through markets: principles for achieving value for money	<a href="http://www.nao.org.uk/publications/1213/delivering_public_services.aspx">www.nao.org.uk/publications/1213/delivering_public_services.aspx</a>	
20 June 2012	The effectiveness of internal audit in central government	HC 23	2012-13
13 June 2012	Central government's communication and engagement with local government	HC 187	2012-13
2 May 2012	Assurance for major projects	HC 1698	2010-2012
18 April 2012	Implementing transparency	HC 1833	2010-2012
20 March 2012	The Government Procurement Card	HC 1828	2010-2012
15 March 2012	Managing early departures in central government	HC 1795	2010-2012
6 March 2012	Efficiency and reform in government corporate functions through shared service centres	HC 1790	2010-2012
2 March 2012	Improving the efficiency of central government office property	HC 1826	2010-2012
2 February 2012	Cost reduction in central government: summary of progress	HC 1788	2010-2012
19 January 2012	Reorganising central government bodies	HC 1703	2010-2012
9 January 2012	Central government implementation of the national Compact	<a href="http://www.nao.gov.uk/publications/1012/national_compact.aspx">www.nao.gov.uk/publications/1012/national_compact.aspx</a>	
21 December 2011	Implementing the Government ICT strategy: six month review of progress	HC 1594	2010-2012
9 December 2011	Digital Britain One: Shared infrastructure and services for government online	HC 1589	2010-2012

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<b>Publication date</b>	<b>Report title</b>	<b>HC number</b>	<b>Parliamentary session</b>
6 December 2011	NAO Guide: Initiating successful projects	<a href="http://www.nao.org.uk/publications/1012/initiating_successful_projects.aspx">www.nao.org.uk/publications/1012/initiating_successful_projects.aspx</a>	
29 November 2011	Certificate and Report of the Comptroller and Auditor General: Whole of Government Accounts 2009-10	HC 1601	2010-2012
25 October 2011	A snapshot of the Government's ICT profession in 2011	<a href="http://www.nao.org.uk/publications/1012/government_ict_profession.aspx">www.nao.org.uk/publications/1012/government_ict_profession.aspx</a>	
25 July 2011	Briefing for the Environmental Audit Committee on delivery of the target to reduce central government's carbon emissions	<a href="http://www.nao.org.uk/publications/1012/carbon_emissions.aspx">www.nao.org.uk/publications/1012/carbon_emissions.aspx</a>	
13 July 2011	Identifying and meeting central government's skills requirements	HC 1276	2010-2012

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# Appendix Five

## Other sources of information

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### Reports from the Committee of Public Accounts since 2009

Publication date	Report title	HC number
9 July 2012	Efficiency and reform in government corporate functions through shared service centres	HC 463
1 June 2012	First Report – The Government Procurement Card	HC 128
20 March 2012	Ministry of Justice Financial Management	HC 1778
15 February 2011	Twenty-first Report of Session 2010-11: The youth justice system in England and Wales: Reducing offending by young people	HC 721
25 January 2011	Sixteenth Report of Session 2010-11: Ministry of Justice financial management	HC 574
2 February 2010	Ninth Report of Session 2009-10: The procurement of criminal legal aid in England and Wales by the Legal Services Commission	HC 322
5 November 2009	Fifty-first Report of Session 2008-09: National Offender Management Service: Maintenance of the prison estate in England and Wales	HC 722
3 November 2009	Fortieth Report of Session 2008-09: The National Offender Management Information System	HC 510
9 July 2009	Thirty-fifth Report of Session 2008-09: The administration of the Crown Court	HC 357
17 March 2009	Ninth Report of Session 2008-09: Protecting the public: the work of the Parole Board	HC 251
10 March 2009	Sixth Report of Session 2008-09: The procurement of goods and services by HM Prison Service	HC 71

### Recent reports from Central Government

July 2012	Ministry of Justice – Annual Report and Accounts 2011-12
May 2012	Ministry of Justice – Business Plan 2012–2015

### Cabinet Office Capability Reviews

May 2012	Ministry of Justice: Capability Action Plan 2012
April 2008	The Ministry's baseline assessment was carried out in April 2008, followed by the 12-month update. There has been no Phase 2 assessment.

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# Where to find out more

The National Audit Office website is  
[www.nao.org.uk](http://www.nao.org.uk)

If you would like to know more about  
the NAO's work on the Ministry of Justice,  
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