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Dear Convener

CRIMINAL JUSTICE COMMITTEE - PRE-BUDGET SCRUTINY REPORT

Thank you for the Committee's Pre-budget Scrutiny Report which was published on 25 November 2024. I am grateful to you and to the Committee members for the work that has been undertaken over the past few months and to the stakeholders and interested parties who have contributed to, and informed, the Committee's work. I have noted that your focus this year has once again been on the financial pressures facing organisations across the justice system, and that you sought views on the main priorities for 2025-26, as well as the pressures on capital budgets. I have also noted your conclusions and recommendations, and hope this response addresses the issues you highlight within your report.

2025-26 Scottish Budget

The Cabinet Secretary for Finance and Local Government introduced the 2025-26 Scottish Budget to the Scottish Parliament earlier today. This is a budget that continues to invest in the people of Scotland, focusing resources on the four priorities set out by this Government and continues to deliver on this Government's social contract. This Budget is delivered against a backdrop of 14 years of austerity, and seeks to deliver fiscal sustainability by driving forward work on programmes of reform, while maximising the value of every pound spent in Scotland.

The £63.4 billion 2025-26 Scottish Budget has increased by £3.7 billion when compared to the opening 2024-25 budget that was presented to Parliament on 19 December 2023. The 2025-26 Budget will support the Government's commitments which are contained in the Programme for Government, and confirms that this Government will focus its efforts and resources on its four key priorities: eradicating child poverty, growing the economy, tackling the climate emergency, and ensuring high quality and sustainable public services.

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Justice Portfolio

The 2025-26 Justice & Home Affairs (JHA) budget delivers increased funding to strengthen and support high quality frontline justice organisations. We will invest £4.2 billion across the justice system in 2025-26, an increase of £400 million (10.5%) compared to the opening 2024-25 budget that was presented to Parliament on 19 December 2023.

This budget increase contains an additional £194 million resource funding to support our frontline justice services including police, fire, prisons, courts and tribunals, and legal aid, to ensure that we can continue to focus on preventing crime, reducing reoffending and creating safer communities with fewer victims of crime. Overall the JHA budget aims to address the significant pressures across the justice system, with a focus on strengthening and reforming vital front-line services, with the aim of ensuring responsive, resilient, and financially sustainable justice services. £23 million of the additional resource budget is ring-fenced to address budget pressures on the police and fire pensions budget.

We will continue to invest in the court recovery programme and to progress transformation and reform programmes across the justice system. We will also continue our support for victims and witnesses to ensure they are at the heart of the justice system, and we will continue to support work on tackling the underlying drivers of offending.

The JHA budget continues to provide a focus on core public services and will allow them to further explore opportunities to improve service delivery through reform and transformation, and to work in partnership to deliver greater efficiencies across the wider justice system. Our broader objectives are set out in Scotland's [Vision for Justice](#), to ensure everyone lives in a just, safe and resilient country. This outlines our transformative vision of the future justice system for Scotland, spanning the full journey of criminal, civil and administrative justice, with a focus on creating safer communities and shifting societal attitudes and circumstances which perpetuate crime and harm.

This Budget will continue to support the delivery of the Justice Vision, and the delivery of the JHA Portfolio Programme for Government commitments.

The Portfolio capital budget of £510.9 million, has increased by £202.9 million (66%) compared to the opening 2024-25 JHA capital budget. As in 2024-25, we have prioritised investment in the prison estate, with a total capital budget of £355 million for the Scottish Prison Service. The Budget will also deliver increases to the core capital budget allocations for police, fire and courts to allow them to invest in their asset base, including their estates.

The Justice portfolio budget allocations for both capital and resource can be found in the published Level 4 tables. The following sections provide more detail on how the 2025-26 additional investment in the JHA Portfolio has been allocated, and what it will deliver.

While this additional investment is very welcome, the JHA Portfolio will have a number of risks and budget challenges to manage over the coming year. These include responding to the ever increasing demands being placed on the justice system. I recognise that further work will be needed in the period ahead to ensure we deliver the reforms necessary to have a sustainable system.

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I have a particular concern about the impact of changes to employers National Insurance contributions, which we know totals over £40 million across the JHA portfolio. Anything short of full funding of these costs by UK Government could have a significant impact across our major public bodies, but also third sector partners in areas such as community justice and victim support.

Scottish Fire and Rescue Service

I am pleased that we have been able to continue to support the Scottish Fire and Rescue Service (SFRS) with a £14.8m (4.7%) increase in resource budget (compared to the opening 2024-25 budget) to cover pay and other inflationary pressures, alongside support for SFRS reform and their ambitious Strategic Service Review Programme (SSRP). This Programme will look to better align SFRS resources with the risks which are currently present in communities and those which are anticipated in the future, rather than being based around the now historic risks which were present when fire stations were built.

In recognition of the capital pressures which SFRS continues to face on buildings, fleet and equipment, the SFRS Capital budget will be increased to £47m for 2025-26. This £4m (9%) increase comes on top of an £10.3m increase in 2024-25. Whilst decisions on how this budget is spent are a matter for the SFRS Board, this increase in investment will allow SFRS to continue to improve facilities for firefighters through fire station refurbishment. This includes ongoing work to provide proper decontamination, dignified facilities for female firefighters, and addressing the challenge of RAAC which is present in the roofs in a number of fire stations.

Scottish Police Authority

The Scottish Government remains committed to ensuring that the Scottish Police Authority (SPA) and Police Scotland have the resources required to allow them to undertake their role in keeping Scotland's communities safe. We will invest £1.62 billion in policing in 2025-26, which is a resource increase of £56.7m (4%) and a capital increase of £10.5 million (when compared to the opening 2024-25 budget). In addition, we are providing up to £3 million to Police Scotland to work with the retail sector to target the unacceptable levels of crime, including shoplifting, on our high streets.

This additional investment provides SPA and Police Scotland with resources to support frontline service delivery, capacity and capability, as well as supporting the Chief Constable's reform and transformation plans. These are outlined in Police Scotland's three year business plan – The 2030 Vision for Policing - which seeks to deliver a revised model of policing which is affordable, sustainable and delivers improved services to communities. It will also develop Police Scotland's organisational capability and ensure visible policing in our communities.

The additional capital investment will allow the SPA and Police Scotland to invest in its asset base, including its programme of rolling replacement across its fleet, estate, digital estate, and specialist policing equipment, including body worn video for officers and staff. Specifically, it will enable Police Scotland to progress a number of reform and transformation programmes, including commencing the delivery of its Estates Masterplan programme, which will deliver a more effective, and sustainable estate that enables modern policing, and supports the health, safety and wellbeing of the police workforce and the public.

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Scottish Prison Service

As noted in the pre-budget scrutiny report, the Scottish Prison Service (SPS) continues to face a number of challenges, most notably the exceptionally high prison population which is impacting on all aspects of the service. As well as a volume increase, SPS is also facing unprecedented challenges in the complexity of its prisoner population, including increasing numbers of Serious and Organised Crime Groups, and an increased number of ageing prisoners who have greater social needs.

Recognising these challenges, we are increasing the SPS resource budget by £44.9 million, which is a 10% increase compared to the opening 2024-25 budget. This will enable SPS to continue to provide a safe and secure prison system and meet increased costs related to the higher population, private sector contracts, pay, security, and social care. We will continue to work with SPS to ensure a collective understanding of their challenges and to progress a range of actions to support a sustainable reduction in the prison population.

We will continue to invest in the prison estate, allocating a total of £355 million to SPS in capital funding in 2025-26 to allow SPS to progress HMP Highland and HMP Glasgow. These projects are aimed at creating better environments for people to live and work, to aid rehabilitation, reduce the risk of reoffending and to support safer communities. This is significant investment to ensure prisons in Scotland are fit for purpose and modern, as well as contributing to our net zero goals. The construction of HMP Highland is already underway and the design of HMP Glasgow concluded in summer 2024. Full acceptance of this design will be completed in conjunction with the pricing and commercial process which is on-going at present.

Community Justice and Justice Social Work

This budget reaffirms our commitment to strengthening community justice services as we seek to deliver on the ambitions set out in the National Strategy for Community Justice.

We will invest a further £11 million in community justice, building on the £14 million of additional funding committed in 2024-25. This brings our total budget for community justice to £159 million, in recognition of the key role that such services play in our justice system.

The majority of this investment will provide support for local justice social work services to expand the availability of alternatives to custody. This includes a commitment to maintain the £15 million of funding provided to support pandemic recovery efforts, ensuring local services can continue to build their capacity.

This investment is complemented by our continued support for a range of community justice partners. This includes our commitment to supporting the third-sector, and this year we are increasing our investment by £1.9 million to over £12 million. This includes additional investment in throughcare support for people leaving prison, helping them to successfully resettle in their communities and reducing their risk of reoffending

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This investment contributes to the Scottish Government's longstanding aim to encourage wider use of community interventions where appropriate, offering more potential to tackle the underlying causes of offending, including those linked to inequality, deprivation and social exclusion. This includes targeted funding for diversion from prosecution, alternatives to remand, and community sentencing, as evidence shows this is more effective at reducing reoffending and keeping our communities safe.

Scottish Courts and Tribunals Service

We have a strong record on court investment that has supported the Scottish Courts and Tribunal Service (SCTS) in dealing with the criminal court backlogs and taking forward a range of transformational reform programmes and modernisation initiatives.

The 2025-26 budget continues that investment, providing an uplift of £11.6 million resource (10.34%) and £2 million capital (11.4%) to the core SCTS budget (when compared to the opening 2024-25 budget). While decisions on the allocation of these additional resources are for the judicially-led SCTS Board, this investment should allow SCTS to maintain business and service levels and support a range of reforms including the completion of the Office of the Public Guardian new case management system and ongoing work to transform the management of civil court business.

In addition to the core funding for the SCTS, the Recovery Reform and Transformation (RRT) budget of £20.3 million will enable the additional criminal court capacity to be sustained and will allow SCTS to continue ongoing reform initiatives, including the roll out of the Digital Evidence Sharing Capability (DESC) and the Summary Case Management pilot.

The increased capital funding in 2025-26 recognises the additional capital pressures faced by SCTS in relation to both the built estate and digital infrastructure. The additional capital should also allow SCTS to take forward upgrades to buildings and core systems required by legislative and policy changes.

We recognise that some costs are difficult to forecast, such as the increased pressure on tribunals. As in previous years we will work with SCTS to understand and manage these pressures over the course of 2025-26.

Legal Aid

The Scottish Government recognises that reform is needed to the legal aid system, which is why the Vision for Justice contains an action to reform the legal aid system. We have noted the Committee's comments, and have allocated additional funding of £15.2 million to continue our investment in legal aid.

The legal aid fund has been increased by £13.7 million (9.7%) to meet the rising cost of legal aid provision which includes funding to support the year-on-year legal aid fee increases.

This funding also supports provision for seventeen grant funded projects delivered by the third sector to provide early advice and representation for legal aid matters. A further two projects are also funded which enable the provision of free legal advice and advocacy support to victims of domestic abuse.

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This funding also enables the Scottish Legal Aid Board to develop a network of Board employed solicitors including the Civil Legal Assistance Offices and the Public Defence Solicitors Office network and to administer those much-needed grant-funded services.

Victims

We have increased funding for victims, including victims of trafficking, and witnesses by £5.5 million (when compared to the opening 2024-25 budgets). We share the Committee's views about the benefits of multi-year funding deals and that has been a facet of our 3 year Victim Centred Approach Fund which has been at the heart of the Scottish Government's commitment to putting victims at the heart of the justice system by improving the range of advice, information and support available to them. Work is currently progressing on how we might develop that fund for the short and medium term. I will keep the Committee advised as that work progresses.

I also welcome the Social Justice and Social Security Committee's focus on funding for the third sector and note their interest in multi-year funding.

Justice Reform and Transformation

I note the Committee's views on the pace of reform, and would like to highlight that the Justice and Home Affairs portfolio has a strong track record of successful public service reform. As outlined in the Vision for Justice, over the next 10 years we will continue to drive forward a range of initiatives targeted to reduce demand on public services. Our public service reform initiatives aim to deliver more efficient public services and to drive measurable service improvements. The Justice Vision and associated delivery plans were developed in collaboration with partners across the justice sector, and agreed by the national Justice Board. Alongside this plan we have published a measurement framework which set out how we are measuring the progress we are making; and how we, and our partners, will look to continue to focus on delivery and reform in the future.

The JHA Portfolio is co-ordinating three, cross-sector Transformational Change Programmes, with a focus on delivering improvement across the justice sector in line with the Vision for Justice. We recognise the need to work across boundaries to improve outcomes for individuals, to address the causes of crime, and reduce offending.

These are:

- Person Centred and Trauma Informed Justice: to ensure that our justice services will be person-centred, and trauma informed.
- Shifting the Balance between Custody and Justice in the Community: working collaboratively to shift the balance between the use of custody and justice in the community.
- Criminal Justice System Efficiency: improving the efficiency of the criminal justice system so that it will work better for everyone who experiences it, and includes the summary case management programme, mentioned earlier.

As mentioned above, Police Scotland is progressing a significant programme of reform, focused around a number of projects to deliver a revised model of policing.

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I would highlight that a key component of this work is a programme to better support mental health demand in the community. The SPA, Police Scotland, Scottish Government, and health and social care partners have established a Partnership Delivery Group on Mental Health and Policing, taking forward a wide range of activity to ensure that people with mental health needs are provided with the support they need, recognising that police officers and staff, while often the first point of contact, are not always the best people to be able to support individuals suffering from mental ill health or mental health distress.

Guidance in the form of a framework for collaboration, including examples of good practice is being developed for local partners to help them to develop their local pathways for person centred and effective handover. This work is supported by a longer-term action plan of commitments which will detail ongoing and future actions. This work will be published in early 2025.

Police and Fire Pensions

The Scottish Government continues to meet the net costs of Police and Fire Pensions after employees' contributions. This is a pay-as-you-go scheme with no actual pension fund. The budget has been increased by £23m (3.9%) to meet anticipated cost increases in 2025-26 (when compared to the opening 2024-25 budget).

Other Issues

Your report contained a number of specific recommendations which are more focused on wider Scottish Government policy, however I will provide an update here.

You recommended that the Scottish Government explore **what progress can be made to move to a system of multi-year funding cycles**. We appreciate the benefits of being able to plan in a longer time-frame than the annual budget cycle which we have had for the past few years.

The Scottish Government intends publishing the 2025 Medium Term Fiscal Strategy (MTFS) after the conclusion of the UK Government's multi-year spending review, due to conclude in Spring 2025. The 2025 MTFS will be accompanied by a five-year fiscal sustainability Delivery Plan which will outline the specific actions being undertaken to deliver sustainable finances.

The Delivery Plan will build off the opportunity we have with the upcoming UK Spending Review, and could help support a future Scottish Government Spending Review. The Scottish Government is currently reviewing its options for a Scottish Spending Review and will update Parliament in due course

You recommended that there should be **more transparency around in year investments to portfolios**. You will be aware that the Finance and Public Administration Committee (FPAC) and the Parliament approve changes to the Scottish Budget in year by agreeing to changes to the Budget Act. This usually occurs in the autumn and spring of each year. A guidance note is written for the FPAC to explain the changes in year for each revision exercise and it is published on their web site. This helps to provides transparency of the changes to each portfolio budget and the overall Scottish Budget in year.

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In addition the 2025-26 Scottish Budget is also helping to improve budget transparency by providing in year budget comparators based on the autumn budget revision numbers for 2024-25 budgets.

You recommended that **financial memoranda provided to Parliament must be as accurate as possible and proposed legislation must be accompanied by appropriate resources.**

I can confirm that the Scottish Government is very aware of the need to be clear about the affordability of policies and programmes, and that it takes seriously the need to provide a robust articulation of the potential financial impact of the Bills it brings forward. Extensive effort goes into the development of the Financial Memoranda accompanying those Bills. Indeed, the Scottish Government can only introduce a Bill to Parliament if the requirement set out in Rule 9.3.2 of Standing Orders to provide “*a Financial Memorandum which sets out best estimates of the costs, savings, and changes to revenues to which the provisions of the Bill would give rise, and an indication of the margin of uncertainty in such estimates*” is met.

To improve the quality and consistency of Financial Memoranda presented by the Scottish Government, the Minister for Parliamentary Business confirmed in correspondence to the Finance and Public Administration Committee on 26 July 2024, that the Scottish Government will seek to ensure there is consistent application of the Scottish Public Finance Manual, and the relevant guidance associated with it, in relation to the development of Financial Memoranda. In August 2024, the Minister for Parliamentary Business has brought these requirements to the attention of all Ministers and Bill Teams.

I am therefore happy to confirm that while Financial Memoranda are based on estimates and ranges using the best information available to the Government at the point a Bill is introduced, the Scottish Government will continue to ensure these memoranda are as robust and as accurate as possible.

Implementation of legislation also takes account of affordability and sustainability, and the realities of the current financial context, recognising the range of priorities which we are delivering across the portfolio. This is reflected in the planned phasing of implementation for legislation before the Parliament currently and the need to involve a range of Justice agencies to commence and implement passed legislation such as the Children (Scotland) Act 2020 and the Domestic Abuse (Protection) (Scotland) Act 2021.

In February we announced that the timeframe for implementing the firework licensing requirement in Part 2 of the Fireworks and Pyrotechnic Articles (Scotland) Act 2022 would be extended to early 2026. This was due to significant financial pressures following the UK Government’s budget settlement and the subsequent need to invest what we can in our frontline public services. Within this year’s budget, I have once again chosen to prioritise core public services and I have taken the difficult decision not to progress firework licensing requirements within the previously indicated timeframe. This decision will be kept under review. We will continue to maximise the value of the areas already implemented. This particularly includes work to support local authority use of their firework control zone powers.

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As you know we have implemented a proxy purchase and supply offence; two offences relating to possessing pyrotechnics without a reasonable excuse: and a statutory aggravation for offences involving fireworks or pyrotechnics against emergency service workers. You may also be aware of continuing suggestions of a complete ban on fireworks, a decision that is reserved to the UK Government. I have sought a meeting with UK Ministers to understand their plans and priorities in this area, as there would be limited value in progressing the licensing scheme if plans for wider restrictions using reserved powers may be being considered.

Concluding Remarks

In conclusion, I am pleased that, despite the many pressures on the wider Scottish Government budget, the JHA portfolio budget for both resource and capital in 2025-26 has been increased compared to 24-25.

These resources will be targeted to meet our priorities to ensure effective and efficient public services and to ensure the portfolio can continue to make progress with the range of reform and transformation programmes which are underway. We will continue to work with key justice organisations to support them to ensure that these increased resources are used effectively and that they can adapt and respond to the changing needs of society, and the changing demands on the justice system.



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