



Item No: 14

Meeting Date: Wednesday 15 February 2017

Glasgow City Integration Joint Board

Report By: Susanne Millar, Chief Officer Planning, Strategy & Commissioning/Chief Social Work Officer

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CRIMINAL JUSTICE FUNDING 2017/18

Purpose of Report:	To update the Integration Joint Board on the reduced level of funding for Criminal Justice Services, the impact of the reduction and the approach being taken to ensure budget fidelity.
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Recommendations:	The Integration Joint Board is asked to: a) note the content of the report; b) approve the actions in section 4 to address the expected budget shortfall in 2017/18; c) instruct the Chief Officer; Planning, Strategy and Commissioning / Chief Social Work Officer to update the IJB as appropriate on progress; and, d) direct Glasgow City Council to implement the approach outlined in section 4.
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Implications for Integration Joint Board:

Financial:	The Criminal Justice funding for 2017/18 will reduce by £832,784 compared to the 2016/17 settlement. The implications are as detailed in the body of the report
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Personnel:	No implications at this stage
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Legal:	No implications
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Economic Impact:	None	
Sustainability:	Not applicable	
Sustainable Procurement and Article 19:	Not applicable	
Equalities:	No implications indicated at this stage	
Risk Implications:	The combination of reduced funding alongside the significant changes to Community Justice arrangements as a consequence of the Community Justice Scotland Act 2016, could potentially lead to a reduced ability to meet statutory and Public Protection requirements.	
Implications for Glasgow City Council:	As per risk implications above	
Implications for NHS Greater Glasgow & Clyde:	None	
Direction Required to Council, Health Board or Both	Direction to:	
	1. No Direction Required	
	2. Glasgow City Council	✓
	3. NHS Greater Glasgow & Clyde	
	4. Glasgow City Council and NHS Greater Glasgow & Clyde	

1. Introduction

- 1.1 The Scottish Government has undertaken a review of Criminal Justice (Section 27) funding, and is to introduce a different funding formula effective from April 2017. Glasgow 'loses' as a consequence of this new formula, the total loss is expected to be 8% of the current budget, albeit the loss in one year is capped at no more than 5%.
- 1.2 The Scottish Government review included an overview of the previous funding formula and the building blocks used to determine the allocation of Section 27 resources. It recognised the benefits of the current system but also some of the constraints and inequalities that have evolved over the last decade.
- 1.3 The current Section 27 funding expenditure nationally of £95.3m is ring fenced. Glasgow's initial share in 2016/17 was £17,906,681; but with additional allocations of £187k for women's services and £620k for community sentencing bringing the total to **£18,526,681**.

- 1.4 In December 2016 it was confirmed by Scottish Government that the total allocation to Glasgow for 17/18 will be **£17,693,897** representing a reduction of 4.8%.
- 1.5 Also in April 2017, as the IJB has previously been advised, the current Community Justice Authorities (CJA) will be dissolved. A new national body, Community Justice Scotland comes into being, and the Community Justice Scotland Act 2016 requires that a range of duties and responsibilities are discharged through local Community Justice Partnership arrangements.

2. Previous Criminal Justice Funding

2.1 Perceived Benefits

Funding has been ring fenced and focused predominantly on the delivery of statutory Criminal Justice Social Work (CJSW) services, with Section 27 funding levels for projects and programmes having been protected over the last 5 years. Section 27 funding for the delivery of CJSW services has been protected via CJA flexibility which also allowed resources to be moved between projects to meet local needs/initiatives and bolster statutory services. This flexibility provided to CJAs has been by way of an ability to vire resources since 2013 and the collection of data has improved following recommendations from Audit Scotland in 2012, resulting in a system that is as transparent as possible.

2.2 Identified Constraints & Inequalities

Not all CJAs have the same level of flexibility to vire resources or focus on prevention, and the cohort used within the formula for unemployed males is no longer viewed as appropriate. Sentencing decisions vary across the country, thus introducing a further level of disparity within the formula. The previous arrangements failed to meet the need for expenditure on preventative measures, e.g. the reintegration of short-term prisoners, drug or alcohol treatment and the funding for project/initiatives in the main is historical, spanning back over a decade. Funding is annual and this limits longer-term planning and the strategic use of budgets.

3. New Funding Formula

3.1 Following extensive discussion and consideration a new funding formula has been put in place. The formula reflects:

- Workload (over 3 years)
- Rural element
- Social and Economic Costs of Crime

Although there have been local discussions with Scottish Government, the detail of how the final figure of **£17,693,897** breaks down has not yet been provided. However, through discussion a number of areas have been highlighted as needing further clarification, and probable future challenge.

Protected Lines – the following are “protected” or “double ring-fenced” funding lines within the Glasgow s27 allocation:

- MAPPA/VISOR (VISOR is a national IT system for the management of people who pose a serious risk of harm to the public, and supports the Multi Agency Public Protection Arrangements)
- Training and Development Officer (£30k of £60k retained in 17/18, this money then goes to Community Justice Scotland)
- Community Sentencing Money (reflected as formulaic share)
- Women’s Community Justice funding (reflected as formulaic share)
- Drug Court – at spend levels, not allocation level
- 218 service at spend levels, not allocation level (218 service is a Turning Point Scotland and Glasgow Addiction Service initiative that takes a person centred, approach in dealing with the issues that women offenders face).

Protected lines will be presented to Audit Scotland, who may seek local detail on validity of spend against agreed areas. All protected areas are subject to future review.

3.2 Specific queries have been posed to Scottish Government with regards to the information provided thus far, and specifically the protection afforded to the 218 service and to the Drug Court:

The funding for the 218 service is not calculated within the formula, it is added afterwards and therefore is an enhancement to Glasgow’s allocation, but does not impede the 5% loss in the first year. It may be subject to external critique. In terms of the additional funding provided in 16/17 for Community Sentencing and Women’s Community Justice Funds, it has been clarified that while these elements are “ring-fenced” there is still local flexibility on spend. There will be a need to specifically account for spend against these unique funding streams.

3.3 Formula Elements

The current information from Scottish Government with regard to the detail of the three funding formula elements has identified that in terms of **workload**

- It will continue to reflect 3 year rolling averages
- It has been accepted that the workload is biased towards “reactive” services and does not capture nor encourage prevention/upstream work (SDS, Diversion, etc.)
- Glasgow has 15% of Scottish total workload.
- It has been acknowledged that the formula does not capture areas of Glasgow’s work with non-Glasgow residents - largely early stage work in courts
- A workload review process will begin early in the new year

Glasgow acquires no benefit from any calculation weighting towards **rurality**.

In terms of the **Social and Economic Costs of Crime** it was noted that within figures provided, Glasgow equates to 17% of the Scottish total, and approximately 70% of this figure reflects re-offending costs. It is currently unclear how regularly information will be updated and there remains a commitment to moving away from funding being confirmed on an annual basis.

3.4 Other Formula Related issues

Further guidance is anticipated, but it is expected that in terms of reporting on spend – outwith the “protected” funds - it will be a matter for local discretion as to how budgets are laid out and reported. The issue of the costs of implementing the Living Wage has been highlighted to Scottish Government, particularly in relation to the 218 service.

The figures provided at this point for Glasgow were capped at the 5% maximum reduction, and there is an additional 2%+ anticipated to be cut in the subsequent year. Overall, Glasgow moves from 18.6% of the total Section 27 funding to 17.3%.

What is still unclear is precisely how the 218 and Drug Court “ring fenced” monies affect the rest of the Glasgow allocation. While we await the final detail to fully understand the formula, discussions seem to suggest that the way this has been approached will initially limit flexibility in the Section 27 allocation, without protecting the allocation itself, but by the third year of the formula’s implementation, it could protect some of the allocation from further reductions yet still limit local flexibility over these protected sums.

4. Approach to delivering budget reductions in 2017/18

- 4.1 As is evident from the above detail there remains a number of issues which still require clarification. This limits the service’s ability to fully and effectively plan for the budget reduction.

The approach being taken is to work to the following principles

- Protect staffing costs as far as possible in order to ensure the continued delivery of a service to the court system.
- Maximise the new Community Justice partnership arrangements in order to ensure that other responsible agencies take on their responsibilities
- Apply rigour, scrutiny and best value principles to all aspects of criminal justice expenditure. This will include a review and reform of current commitments to Community Payback and ensuring the core business of the social work criminal justice service is prioritised and maintained.

- 4.2 There is work underway to produce a Criminal Justice Commissioning Framework as a number of existing commissioned services are coming to the end of their contracts and re-tendering of these services will provide an opportunity to ensure commissioned services are re-aligned to the changing strategic landscape with Criminal Justice, as well as potentially realising efficiencies.

5. Conclusion

- 5.1 The policy context for Criminal Justice services, continues to reflect a drive to increased community alternatives to custody, and the management of increased risk within communities as a consequence. The challenge facing Glasgow in

this regard is considerable. The changes to the funding formula by Scottish Government, which has resulted in a reduction of resources in Glasgow, increases this challenge. The dissolution of the Community Justice Authorities occurring at the same time as this budget reduction further increases the challenge.

- 5.2 Glasgow is progressing the development of a Community Justice Services section within the Council's Chief Executive's Department, and this along with the strong partnership approach already in place, and effective financial governance will offset the challenges these changes present.

6. Recommendations

- 6.1 The Integration Joint Board is asked to:

- a) note the content of this report;
- b) approve the actions in section 4 to address the expected budget shortfall in 2017/18;
- c) instruct the Chief Officer; Planning, Strategy and Commissioning / Chief Social Work Officer to update the IJB as appropriate on progress; and,
- d) direct Glasgow City Council to implement the approach outlined in section 4.



DIRECTION FROM THE GLASGOW CITY INTEGRATION JOINT BOARD

1	Reference number	150217-14-a
2	Date direction issued by Integration Joint Board	15 th February 2017
3	Date from which direction takes effect	15 th February 2017
4	Direction to:	Glasgow City Council only
5	Does this direction supersede, amend or cancel a previous direction – if yes, include the reference number(s)	No
6	Functions covered by direction	Criminal Justice services
7	Full text of direction	Glasgow City Council is directed to implement the approach to delivering the required Criminal Justice budget reductions as outlined in section 4 of this report.
8	Budget allocated by Integration Joint Board to carry out direction	As advised by the Chief Officer: Finance and Resources, including the Scottish Government allocation of £17,693,897 for Section 27 Criminal Justice service for 2017/18
9	Performance monitoring arrangements	In line with the agreed Performance Management Framework of the Glasgow City Integration Joint Board and the Glasgow City Health and Social Care Partnership.
10	Date direction will be reviewed	15 th February 2018