



House of Commons  
Committee of Public Accounts

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**Fines Collection**

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**Tenth Report of Session 2006–07**

*Report, together with formal minutes, oral and written evidence*

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## The Committee of Public Accounts

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### Committee staff

The current staff of the Committee is Mark Etherton (Clerk), Philip Jones (Committee Assistant), Emma Sawyer (Committee Assistant), Anna Browning (Secretary), and Luke Robinson (Media Officer).

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## Summary

In 2004–05, the courts imposed over one million financial penalties with a value of some £350 million. The Department for Constitutional Affairs does not know, however, how many offenders pay their fines, nor what proportion (by value) of the fines imposed in any year is collected. Instead, the Department measures its performance with “the payment rate”, calculating the fines collected each year (including those imposed in previous years) as a proportion of the annual fines imposed, less those cancelled. This is not an adequate measure of performance as it creates an incentive to cancel fines and takes no account of the time taken to pay them. The Department has reported an improvement in the “payment rate” year on year since 2002-03, but the actual value of fines collected has remained almost constant. The lack of basic data needed to provide more useful measures of performance is due to continued delays in the introduction of the Department’s new IT system, Libra.

In 2004–05, almost a fifth of the fines imposed, by value, were cancelled. The Department cannot provide a detailed breakdown of the reasons for cancellations, but believes the main cause is the courts setting fines at too high a level due to a lack of information on the offender’s means to pay. Since the Committee last reported, the Department has taken steps to improve the information used by the courts in deciding on the level of fine by, for example, introducing means forms. These measures, however, are not being implemented consistently across all areas, with the availability of means information ranging from 5 to 67% of cases.

Offenders are slow to pay their fines, with only one in twenty paying their fines on the day of sentencing, and half paying within six months of the court case. The Department is making more effort to pursue those who do not pay, but setting appropriate fines at the outset and getting defendants to pay on the day would be more effective. At present, there is no advantage to the offender in paying the fine immediately. Enforcement costs are not passed on to defaulters nor are they charged interest on outstanding fines. Nor does the Department use other financial incentives, such as reductions, to encourage timely payment.

On the basis of a Report by the Comptroller and Auditor General,<sup>1</sup> we examined the Department for Constitutional Affairs and Her Majesty’s Courts Service on the information available on the payment of fines, how courts might set appropriate penalties and how they might increase and speed up the payment of fines. The Committee previously reported on fines collection and on Libra in 2002 and 2003 respectively.<sup>2</sup>

1 C&AG’s Report, *Department for Constitutional Affairs: Fines Collection*, HC (2005–06)1049

2 Committee of Public Accounts, Sixty-eighth Report of Session 2001–02, *Collection of Fines and Other Financial Penalties in the Criminal Justice System*, HC999; Committee of Public Accounts, Forty-fourth Report of Session 2002–03, *New IT Systems for Magistrates’ Courts: The Libra Project*, HC 434.



## Conclusions and recommendations

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### *On establishing the number of offenders who pay their fines*

1. **The Department does not know the number or percentage of offenders who pay their fine nor the amount of fines imposed each year that is collected.** Delays to the introduction of Libra, the Department's new management information system, mean that the Department does not have the basic information required to manage the collection of fines.
2. **The "payment rate" is not an adequate measure of performance and cannot be compared over time.** The apparent increase in the "payment rate" since 2002-03 is due to the changes the Department has made each year in the way it is calculated. Actual receipts from fines both in absolute terms and as a percentage of fines imposed are not increasing, and arrears are increasing. The Department should replace the "payment rate" as a measurement of performance with:
  - the number of offenders annually who pay their fine as a proportion of the number of offenders who have had a fine imposed in the year;
  - the percentage of fines (by value) imposed in the year that are collected;
  - the proportion of fines annually that require enforcement action;
  - the annual change in arrears; and
  - the number and value of cancelled fines, broken down by reason for cancellation.
3. **The projected cost of Libra to March 2007 has increased by £52 million since the Committee last reported on it in January 2003 and IT contracts are to be re-tendered from early 2007.** The Department should re-examine future expenditure on Libra and the changes to the IT contracts to determine whether all the expenditure is necessary, and whether it will have to pay twice for any services or equipment purchased as part of the Libra contract.

### *On setting affordable fines*

4. **In 2004-05, £69 million of fines were cancelled at a cost of some £28 million.** The Department for Constitutional Affairs stated that the main cause of cancellations is fines being set at too high a level, but cannot provide a detailed breakdown of the reasons. The Department should take action to reduce the number of cancelled fines by:
  - reminding legal advisers to provide magistrates with the information from the means forms and the offenders' history of fines payment, so that magistrates can set fines at an appropriate level;
  - requiring legal advisers to record the reasons for cancelling fines; and
  - analysing the reasons for cancellations to identify ways to reduce their number.

5. **The availability of means information forms varied from 5 to 67% in different areas.** Devon and Cornwall makes more effort to collect means information forms and achieves higher levels of payment from offenders. The Department should disseminate good practice from Devon and Cornwall, recommending that:
- forms are sent to defendants before the hearing and also made available (with pens) on the day, if necessary;
  - ushers and legal advisers work together to encourage defendants to complete forms prior to the case; and
  - communications with defendants prior to the hearing impress upon them the requirement to provide the means form ahead of the hearing.

*On collecting more fines*

6. **Research commissioned by the Home Office and the Department has revealed the profile of offenders who are most likely to default on fines.** The Department should circulate information on the profile of fine defaulters to magistrates, so that they can take this into account in setting an appropriate payment period.
7. **The National Audit Office's review of fines found that only one in twenty fines is paid on the day of the hearing; half of fines are paid in full after six months, and two thirds of fines require enforcement action.** The Department should increase the proportion of offenders who pay on the day of the hearing by:
- emphasising in the guidance provided to defendants before the hearing that any financial penalties imposed are payable immediately;
  - offering attachment to earnings orders or deduction from benefits as the only alternatives to full payment or the setting up of a payment plan on the day;
  - disseminating to all areas the success achieved by magistrates and court officials in Devon and Cornwall in increasing the number of offenders paying immediately by following a more proactive policy of payment on the day; and
  - requiring HM Courts Service staff to review the layout of courts to overcome the problem of some offenders, who undertake to pay their fine on the day, leaving court without payment.
8. **Fines Officers have been effective in arranging payment and varying terms without using court time.** The Department should increase the number of Fines Officers, possibly by reducing the number of Civilian Enforcement Officers, for whom employment costs exceed the value of fines they collect.
9. **Some Civilian Enforcement Officers work fixed hours at times when defaulters are unlikely to be available.** Civilian Enforcement Officers' contracts should be renegotiated so that they work flexible hours and are available to visit defaulters when they are more likely to be at home.
10. **There is no incentive for offenders to pay their fine on time and enforcement costs are increasing year on year.** The Department should encourage prompt

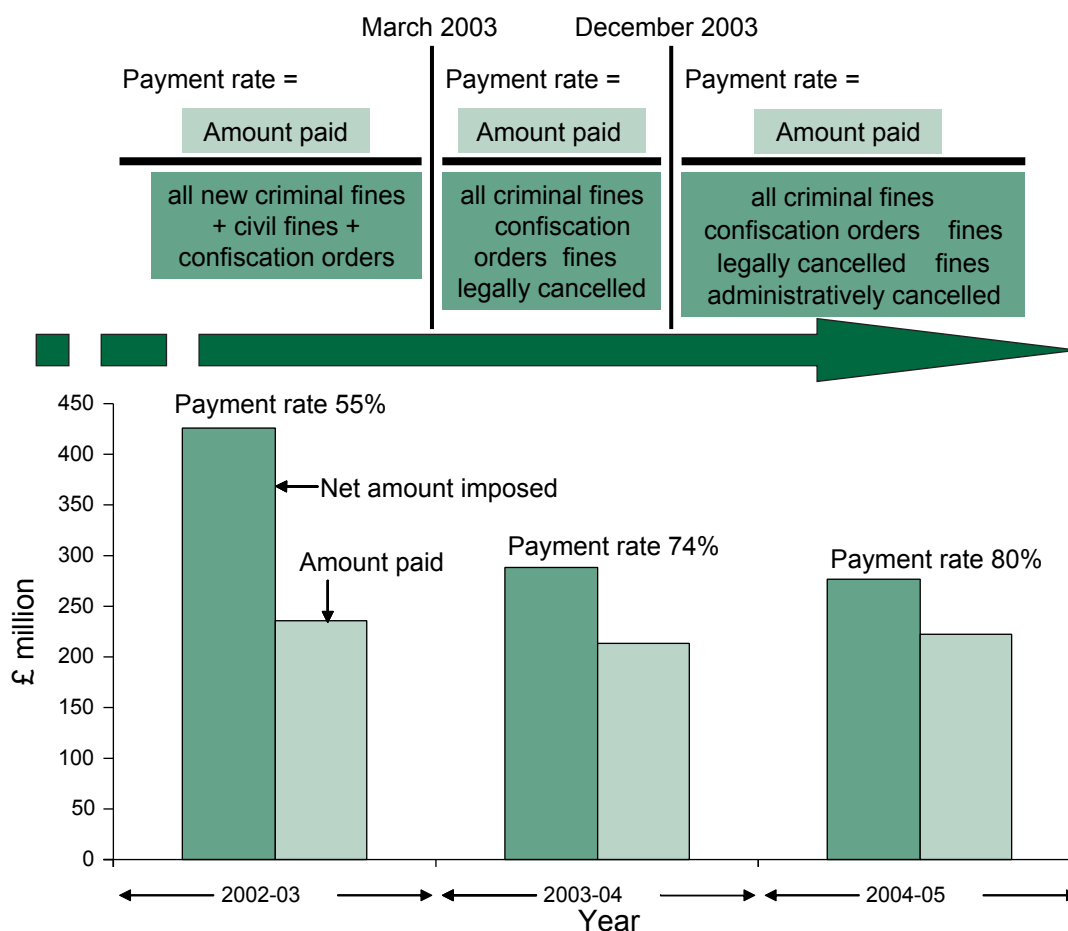
payment by adding enforcement costs to outstanding fines, and introducing a system of financial incentives for prompt payment by, for example:

- charging interest on late payments; and
- introducing a percentage discount for prompt payment.

# 1 Counting the number of offenders who pay their fines

1. The Department uses the “payment rate” to measure its success in collecting fines. This is calculated by dividing the amount of fines collected in a year (including fines relating to earlier years) by the amount of fines imposed, less the value of fines cancelled. This is not a useful measure as it gives an incentive to cancel fines, and takes no account of the time taken to pay them. It is also skewed by single high value fines. Although the payment rate has risen each year since 2002-03, this increase is due to the changes in the method of calculation made by the Department each year. The actual value of fines collected has remained constant (**Figure 1**).<sup>3</sup>

**Figure 1: Increases in the “payment rate” are the result of changes in how it is calculated**



Source: National Audit Office

2. The Department does not have the basic information about offenders that any organisation with debtors would require to assess their performance: namely, how many offenders pay their fine, how long it takes them to pay and what percentage of fines imposed (by value) each year has been paid. While individual courts can identify defaulters and the amount outstanding for cases heard within their area, often they will not know if the same person has fines outstanding in other areas. This basic information is not available because the Department does not have a national database on offenders. Instead, each local area has one of three IT systems in place with no common interface between them, and information stored by case rather than by offender.<sup>4</sup>

3. The Department is introducing a new IT system, Libra, which it believes will provide much better management information and allow it to measure performance on the basis of the number of offenders who pay their fines, the percentage of fines paid by value, and the number of offenders requiring enforcement action. It will also give the Department a single database so that it can track defaulters across different areas.<sup>5</sup>

4. The Committee reported on the Libra project in October 2003, when it found major problems with the tendering and management of the project resulting in excessive cost and late delivery. Since then, the expected cost of Libra has increased by a further £52 million, up to March 2007 and the national roll-out is not due to be completed until October 2007, or in a worst case scenario until March 2008. In addition, the Department has put out two tenders: one for infrastructure to provide a common network across the Department including magistrates, crown and county courts; and the second for a single application provider. These are planned to replace several existing contracts with Libra which come to an end in early 2007. Much of the infrastructure of Libra would be rolled into the new contracts. There is a risk, however, that the Department could pay twice for hardware and services under the current roll-out of Libra and in the new contracts.<sup>6</sup>

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4 Qq 1, 14-5, 46, 133; C&AG's Report, para 3.31

5 Q 52; C&AG's Report, para 12

6 Committee of Public Accounts, Forty-fourth Report of Session 2002-03, *New IT Systems for Magistrates' Courts: The Libra Project*, HC 434; Qq 100-120

## 2 Setting affordable fines

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5. In 2004–05, £69 million of fines (almost a fifth of their total value) were cancelled by the courts at a cost of some £28 million. The Department is unable to provide a detailed breakdown of the reasons for cancellations but believes the main cause is that of magistrates setting fines at a level that offenders are unable to pay. This Committee reported in November 2002 that magistrates were not provided with sufficient information on offenders' means or their history of paying previous fines, before setting an appropriate fine. Since then, the Department has introduced a standardised means form that offenders are required to fill out before the hearing, and new guidance for legal advisers to inform magistrates of any outstanding fines.<sup>7</sup>

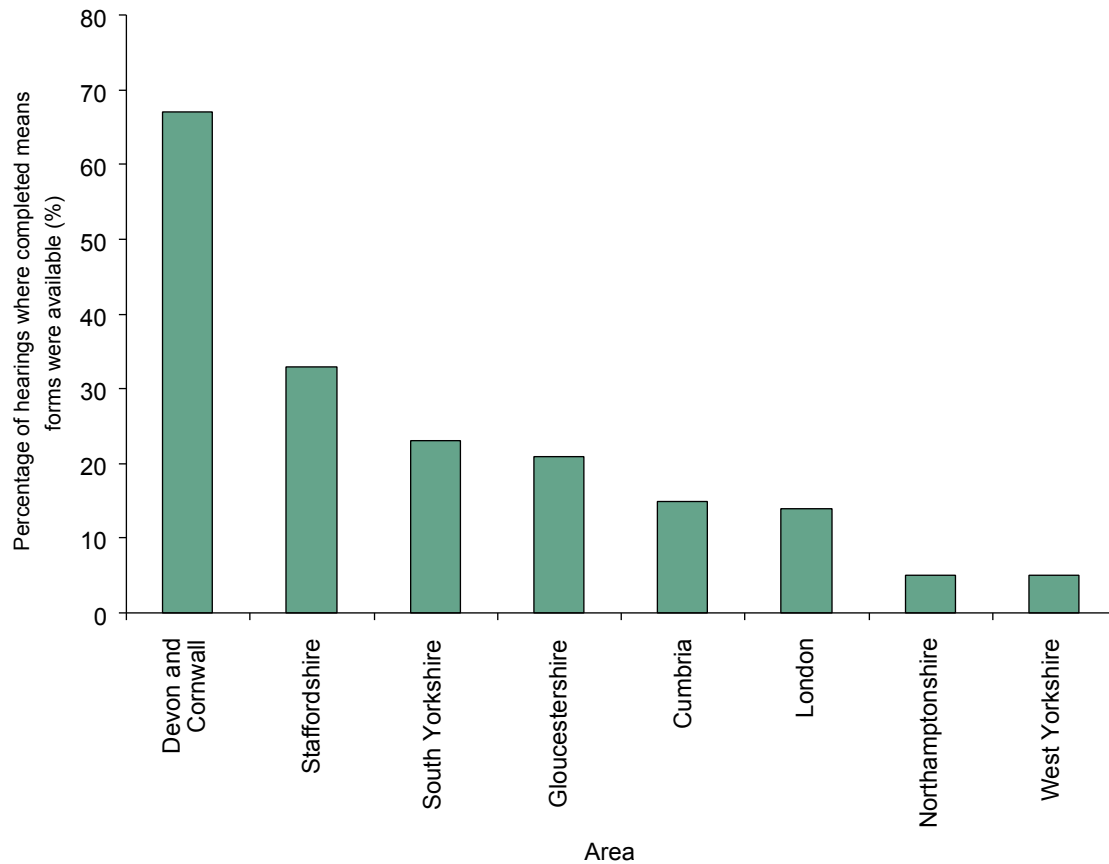
6. Despite these efforts, magistrates are continuing to set fines with insufficient information about offenders' means and payment history. The availability of means forms varied between 5 and 67% of the cases reviewed by the National Audit Office, at different courts (**Figure 2**). In Devon and Cornwall, means forms were available in two thirds of cases because ushers provided the forms and pens before hearings, and magistrates refused to hear cases until they had been completed. In comparison, at Leeds Magistrates' Court, means information forms were available in only one in twenty cases as ushers did not collect all the forms that defendants had taken to court. Even where means information was available, less than a third of courts sought to verify the information provided. There is a particular problem with the availability of information on those who do not attend hearings. The lack of a national IT system searchable by individual also means that courts may have to check databases in several areas to obtain an offender's full payment history.<sup>8</sup>

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7 Committee of Public Accounts, Sixty-eight Report of Session 2001–01, *Collection of Fines and Other Financial Penalties in the Criminal Justice System*, HC999; Qq 10, 16-7, 19, 47-49, 52; C&AG's Report, para 3.3-4

8 Qq 8, 9, 53; C&AG's Report, para 3.4

**Figure 2: Availability of means forms varies between areas**



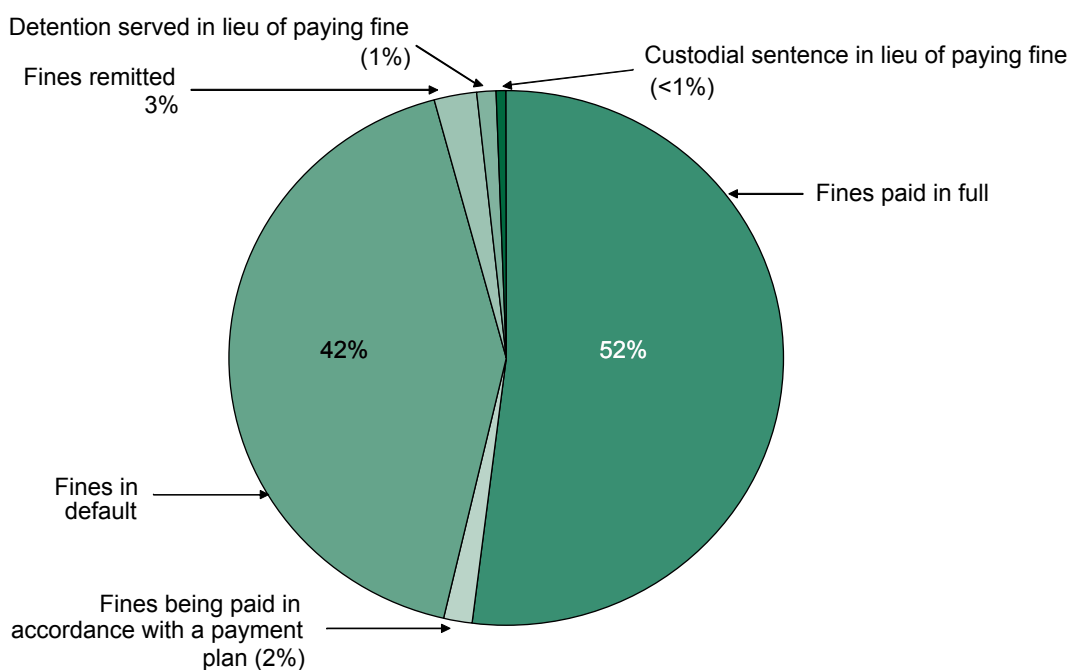
*Source: National Audit Office*

7. Magistrates use their experience and local knowledge to determine an appropriate level of fine. Research carried out by the Home Office, and further research commissioned by the Department, could help them to decide whether a defendant could afford a fine and whether he was likely to pay it. Home Office research showed that defaulters tend to be offenders from poorer neighbourhoods and that courts with low recovery rates tend to have a higher proportion of defendants from poorer neighbourhoods. Further research by a credit reference agency, Experian, found that defaulters were most likely to be single males aged between 18 and 35 living in shared accommodation. Research in Peterborough and Camberwell Green indicated that two thirds of fine defaulters were on benefits and a quarter had some health problem.<sup>9</sup>

### 3 Collecting more fines

8. The National Audit Office examined a sample of fines six months after they had been imposed and found that only 52% of fines had been paid in full, and 42% were in default (**Figure 3**). Furthermore, 69% of offenders required some enforcement action before paying, although there was considerable variation between areas: Devon and Cornwall collected 67% of fines in six months and used enforcement action in only 52% of cases; Gloucestershire used enforcement action in 81% of cases but received payment for only less than half of its fines within six months; and South Yorkshire received payment for only 42% of fines despite using enforcement action in over two thirds of cases. It should be noted that Devon and Cornwall places more emphasis on immediate payment than other areas and their results would indicate that a pro-active policy of securing payment on the same day the fine is imposed is more effective than relying on enforcement action in the future.<sup>10</sup>

**Figure 3: Only 52% of fines were paid in full after six months**



*Source: National Audit Office*

9. Departmental guidance to magistrates has clarified that fines are payable immediately. Despite this, magistrates asked only 7% of offenders in the NAO review for immediate payment, and only 5% of offenders made a payment on the day of the hearing. Also, the physical layout at some courts makes it possible for offenders who have undertaken to pay on the day to leave without payment. Devon and Cornwall magistrates provide an example of good practice by telling offenders that their fine is payable immediately and

<sup>10</sup> Qq 1, 2, 26; C&AG's Report, para 2.9 and figures 8, 9 and 10

setting more lenient terms only where the means forms and close questioning of the offender indicate that immediate payment is not possible. This resulted in 10% of offenders in Devon and Cornwall paying on the day, which, although still low, is twice the average achieved elsewhere.<sup>11</sup>

10. Fines Officers are being introduced to liaise with offenders, manage cases and, if necessary, vary terms of payment (although not the amount) to encourage offenders to pay their fines. They are trained to elicit information about means from offenders and to assess their ability to pay. Fines Officers have been successful in saving court time: in East Cornwall the number of court hearings held to re-consider payment terms fell by nearly a third between 2004 and 2005. Civilian Enforcement Officers, conversely, are not cost-effective in collecting fines, as they cost more to employ than they collect. Civilian Enforcement Officers are necessary to chase up serial defaulters but investing more resources in the early stages of the process, by using Fines Officers, should reduce the number of cases that require Civilian Enforcement Officers.<sup>12</sup>

11. The Department has issued practice guides stressing the importance of Civilian Enforcement Officers working flexibly and, if necessary, at unsocial times to maximise the opportunity for locating defaulters. Some Civilian Enforcement Officers are flexible in their working practices but others follow fixed hours and are, therefore, less likely to find defaulters at home, and not all Civilian Enforcement Officers pursue defaulters at work.<sup>13</sup>

12. In 2005-06 the Department allocated some £70 million a year to the regions for enforcement activities, although the total costs of enforcement may be more as local areas may allocate additional funds. Fine defaulters are not charged for the costs of enforcement nor interest on outstanding fines. Nor is there a reduction in fines for prompt payment. There is, therefore, no incentive for offenders to pay fines immediately. While the Department is concerned that financial incentives would unfairly penalise poorer offenders and pilots indicate that automatic increases in fines did not increase repayment rates, the present situation means that enforcement costs are imposed on law abiding citizens, while those who create these costs do not contribute.<sup>14</sup>

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11 Qq 4-7, 22-5, 45; C&AG's Report, paras 3.7-8

12 Qq 11,45,59,81-2; C&AG's Report, paras 3.13-14 and 3.25

13 Q 84; C&AG's Report, para 3.23

14 Qq 27-34, 42, 60, 62, 88, 89

# Formal Minutes

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**MONDAY 15 JANUARY 2007**

Mr Edward Leigh, in the Chair

Annette Brooke

Mr Ian Davidson

Helen Goodman

Mr Sadiq Khan

Mr Austin Mitchell

Dr John Pugh

Mr Don Touhig

Mr Alan Williams

## **Draft Report**

A draft Report (Fines Collection), proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph. Paragraphs 1 to 13 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

*Resolved*, That the Report be the Tenth Report of the Committee to the House.

*Ordered*, That the Chairman make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned until Wednesday 17 January at 3.30 pm.]

## Witnesses

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**Sir Ronald De Witt**, Chief Executive, HM Courts' Service, **Mr Alex Allan**, Permanent Secretary, Department for Constitutional Affairs and **Ms Janice Lawler**, Director of Home Affairs and Justice Value for Money Audit, National Audit Office

Ev 1

## List of written evidence

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1 Department for Constitutional Affairs

Ev 15

## List of Reports from the Committee of Public Accounts Session 2006–07

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Sixth Report	Gaining and retaining a job: the Department for Work and Pensions support for disabled people into work	HC 112
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Ninth Report	The Paddington Health Campus Scheme	HC 244
Tenth Report	Fines Collection	HC 245

# Oral evidence

## Taken before the Committee of Public Accounts

on Wednesday 14 June 2006

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon  
Greg Clark

Mr David Curry  
Dr John Pugh

**Sir John Bourn KCB**, Comptroller and Auditor General, National Audit Office, was in attendance.

**Ms Paula Diggle**, Second Treasury Officer of Accounts, HM Treasury, was in attendance.

### REPORT BY THE COMPTROLLER AND AUDITOR GENERAL

#### DEPARTMENT FOR CONSTITUTIONAL AFFAIRS: FINES COLLECTION

*Witnesses:* **Sir Ronald De Witt**, Chief Executive, HM Courts' Service, **Mr Alex Allan**, Permanent Secretary, Department for Constitutional Affairs and **Ms Janice Lawler**, Director of Home Affairs and Justice Value for Money Audit, National Audit Office, gave evidence.

**Q1 Chairman:** Good afternoon. Welcome to the Public Accounts Committee where today we are considering the Comptroller and Auditor General's Report on Fines Collection. Welcome to the Committee, Mr Alex Allan, who is the Accounting Officer of the Department for Constitutional Affairs, and Sir Ronald De Witt, who is the Chief Executive of HM Courts' Service. We are joined, I am pleased to say, by a parliamentary delegation from Singapore led by Mr Haiwazi Daipi. You are very welcome. Mr Allan, could I please address my questions to you? Perhaps we could have a word about just how many people are paying their fines and what proportion. If you look at page 17, figure 8, which is an NAO survey, you claim you are quite successful or are becoming more successful in getting people to pay their fines. Why then have only 52% of offenders in this NAO sample paid their fines after six months?

**Mr Allan:** Chairman, as you say, we are becoming more successful. I would not claim we are yet successful. As you know, the main statistics we collect are the percentage of amounts collected. I think it has been very helpful that the NAO have done this study and looked at the numbers collected. The figures are as they set out for the sample which they have done, and we have no reason to believe that that is not representative across the country. We continue, as the Report makes clear, to pursue people who have not paid in a large number of different ways, using the new techniques that have been introduced by the Courts Act 2003, to ensure that at the end of the day as few people as possible get away without paying their fines.

**Q2 Chairman:** But it is quite a low proportion. If only half of offenders are paying the fine that has been imposed on them it is pretty worrying, is it not?

**Mr Allan:** Half of them have paid within six months and we would certainly be pursuing all the rest other than the few noted in the—

**Q3 Chairman:** And, of course, after six months it becomes more and more difficult to get the money, does it not? It must do.

**Mr Allan:** It depends on the circumstances of what action we have taken and why they have not so far paid their fines. Following the Committee's previous Report and recommendations we have made very strong efforts to make sure that we do not write off fines as too difficult. One of the big changes that has taken place is that, whereas under the previous policy quite large proportions of the fines were written off relatively early as uncollectible, we now have a policy whereby we do not write them off until it is absolutely clear that they are uncollectible or some events have occurred, like somebody going to prison or dying, and so we really do pursue people and that may mean in some cases that we collect fines from previous years and that is obviously very welcome.

**Q4 Chairman:** Why do you let so many offenders walk out of court without paying their fine on the day?

**Mr Allan:** We have issued new guidance. We are working very hard to make sure that the norm is that people are challenged to pay on the day if they can.

**Q5 Chairman:** But I think only 5% on average pay on the day. Is that right?

**Mr Allan:** Yes.

**Q6 Chairman:** That is incredibly low. If you are dealing with people with fairly chaotic lives that is by far the most efficient way to do it, to find out what they can afford and make them pay on the day. Is it

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 Department for Constitutional Affairs and HM Courts' Service
 

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not Devon and Cornwall which is doing better, for instance? I think 10% of people in Devon are paying on the day. It is still not very high but at least they are making an effort to get people to pay on the day.

**Mr Allan:** Indeed. We ran a number of pilots for the new Courts Act measures and Devon and Cornwall was one of the pilot areas. We are going round the country making sure that the best practice from areas like Devon and Cornwall, which have had successful experiments with particular initiatives, is rolled out around the country. The means form that we send to all people who are being summonsed to court and who may have to pay a fine does now say, "You must remember to bring a method of payment with you so you can pay on the day". Fines can usually be paid either at the court or at the local bank by credit card and cash, *et cetera*. We do now issue that guidance to everybody who is coming to court.

**Q7 Chairman:** You would have thought if they all receive that you could do better than 5%. It is incredibly low, is it not?

**Mr Allan:** It is. Quite a lot of people, of course, do not come to court. For example, for TV licence offences below 10% of the people who are summonsed for non-payment of TV licences appear in court. Nearly all of them either plead guilty by post or they simply do not appear, do not answer, and are tried in their absence, which clearly does raise problems of enforcement.

**Q8 Chairman:** Let us talk about this means information form which you just referred to. It is referred to in the Report on page 2, paragraph 5. It tells us there that you are getting in this form in, at best, 66% of cases. That seems again to me pretty low.

**Mr Allan:** It is not satisfactory. We do send it out to everyone. There are now provisions that people could be prosecuted for failure to supply means information. As I indicated, one of the big problem areas is people who are not in court and who are tried in their absence. In practice, one of the ways that is dealt with—take TV licensing, for example—is that if somebody has not supplied any means information the fine will normally be set quite high. That in some sense compensates for not having had the means information. It does create the problem that is referred to in the NAO Report that in some cases it means that when people get a fine that is well beyond their means to pay they then do turn up in court and say, "I cannot pay", and as a result it may have to be reduced. I think that is probably a more satisfactory way of doing it than separately prosecuting them for not supplying the information.

**Q9 Chairman:** Again it seems to me that Devon and Cornwall are leading the way here, are they not? They do not go ahead unless they get this means information first. This is a sensible way of proceeding. You find out what are the means of the person, what they can pay and their fine is based on what they can afford. That is a sensible way of going about it, is it not, rather than going through this

farce of imposing so many fines that do not bear any relation to what people can afford and then not collecting a very large proportion of them.

**Mr Allan:** That is absolutely what we seek to do in principle in every case. We have certainly got very much more rigorous at making sure that somebody who arrives in court who has not filled out a means information form is given the form on the day, sat down and asked to fill it in before they go into court, and the case schedule is juggled so that they have an opportunity to do that.

**Q10 Chairman:** I do not want to labour the point but it is crucial. On page 23 of the Report in paragraph 3.5 it says that you are wasting too much of your time imposing fines on people who will not pay or cannot pay, or indeed fines that have a disproportionate effect on poorer offenders. It is much better to have a small fine on the poorer offenders and to get it in, is it not?

**Mr Allan:** Absolutely. Our problem is, as I say, with some of the cases where offenders have been tried in their absence.

**Q11 Chairman:** Can I ask you about fines officers and civilian enforcement officers? This is dealt with in paragraph 3.23. Why are there so few fines officers compared to civilian enforcement officers? Why do you not have more fines officers and try and get this money in in the first place rather than have civilian enforcement officers who are trying to pursue people months after the event?

**Mr Allan:** The fines officer was a role brought in under the 2003 legislation and we are greatly expanding the numbers so that every court will have fines officers and the norm will be that people are sent out from the court to a fines officer to discuss a schedule over which they can pay. Enforcement officers are a necessary part of the system because at the end of the day, if people have said they would pay according to a particular schedule and have not paid or have defaulted in other ways, then it is essential that we have a process which chases people up. It does not mean that if you just ignore the fine it will go away. Indeed, the National Audit Office Report recognises that part of the role of civilian enforcement officers is to make sure people know that if they do not pay people will come round looking for them, knocking at the door, ringing them up, visiting every address we know for them.

**Q12 Chairman:** On that precise point, we live in an increasingly transparent age. If people will not pay why do you not name and shame them in the local press?

**Mr Allan:** One of the measures in the Courts Act that we are now implementing is putting them on the Register of Judgments, Orders and Fines, which was previously a county court register, which is a public document and is one that most credit reference agencies will look at, so we are certainly naming and shaming them in that way. I do not believe we have considered naming and shaming them—

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**Q13 Chairman:** Then maybe you might consider it.  
**Mr Allan:** Yes.<sup>1</sup>

**Q14 Chairman:** For the last year that you have records for how many offenders paid their fine and what proportion of the total was that? You see, we have had this talk about payment rate but it is not really a very useful measure of performance as far as the public are concerned. We want to know what is going on in your department and we want to know how many offenders paid their fine and what proportion of the total that was.

**Mr Allan:** As you said in your earlier question, table 8 in the National Audit Office Report gives some information from the sample. At the moment we have not got the technology to collect that information. It is one of the new performance measures that we plan to introduce but, as the Committee knows, we have had problems with our Libra case management system in the magistrates' courts. We are now rolling that out. We have now got it running in three areas. We are expanding it; we will be rolling it out nationally from October. That is the process by which we will be able to get the sort of management information which you seek and which I absolutely agree with you we need.

**Q15 Chairman:** It is absolutely crucial. For instance, imagine a bank. They are lending money. They are not devoting a huge amount of their energy trying to develop new ways of explaining how the payment rate has improved. What they are doing is lending the money and getting it back. They know to whom they have lent their money. They get the money back. You are in an incredible position as the Accounting Officer and I am asking you the simple question—it is not very difficult, is it?—how many people pay their fine, what proportion of the total that was and you are incapable of giving me any sort of answer. Is it any wonder that people have increasingly less confidence in the way that the criminal justice system is being run? You talk about Libra. We know about Libra, but do you accept it is a fundamental lack of knowledge in any organisation if you do not know how many offenders pay their fine or what proportion of the total it is? Is that not crucial?

**Mr Allan:** I agree; it is crucial information that we want to collect. Of course, we do know a lot about individual fine defaulters and so, using your analogy with the banks, we do know within each individual court who are the defaulters, how much is outstanding, and that information is regularly actioned. We have now got much better tools for chasing up the people who do not pay, and indeed the National Audit Office Report indicates a number

of those. We have much better access now to credit reference databases, to the Department for Work and Pensions' database so that we can find people, so we do within individual areas know who it is who has not paid their fines and how much is outstanding. Our problem is that we do not have the national system that we will have when we have rolled out Libra.

**Q16 Chairman:** You say that but let us now look lastly at that point. This is dealt with in paragraph 11 on page 3, "There are still problems with enforcing fines, once an offender has defaulted". According to this your management information system still cannot check on the payment history of an offender or any outstanding warrants in other areas, so this is rather worrying, is it not?

**Mr Allan:** It is. Obviously, within each area if a court knows that somebody comes from another area they will be able to access that area directly and find out what the outstanding fines may be from that area, but what they cannot do at the moment and will not be able to do until we have Libra rolled out is have a single point at which every offender and every fine defaulter can be checked in one place.

**Q17 Greg Clark:** Mr Allan, can I ask you to turn to page 2 of the Report, paragraphs 5 and 6? Paragraph 5 says that legally cancelled fines in 2004–05 amounted to £69 million, and at paragraph 6 it says that the cost of enforcing cases that are subsequently cancelled is £21 million and to hold court hearings to cancel them is another £6 million. In other words, £100 million per year is being spent on cancelling and administration of the cancellation of the fines. That seems astonishing. That is £2 for every man and woman in the country.

**Mr Allan:** The cost of doing it is the numbers in paragraph 6. These are the hearings. The £69 million is the amount that had initially been imposed and is then not being collected. It is not a cost to Her Majesty's Courts' Service or the Government in that sense.

**Q18 Greg Clark:** But surely it is a symptom of something going wrong if such a large amount of money is cancelled. What is wrong with the system if it causes such a high sum of fines which are subsequently cancelled?

**Mr Allan:** It is, as I was explaining to the Chairman, a symptom of the problems of getting means information in some cases.

**Q19 Greg Clark:** That is the principal determinant, is it, the lack of means information?

**Mr Allan:** I believe that is one of the biggest. I am not sure I can give you a complete breakdown of causes like that.

**Q20 Greg Clark:** But ought you not to have that? When we are talking about £70 million we ought to know in some detail why this amount of money is being waived.

<sup>1</sup> *Note by witness:* In answer to Q13, I said I would look into the use of "naming and shaming" fine offenders in the local press. I have now investigated this, and discover that several areas have published information and pictures of fine defaulters as part of Operation Payback blitzes on fine defaulters. HMCS issued guidance on this in September 2005, which confirmed that this was an option that can be deployed for fine defaulters wanted on warrant, and where we sought the public's help in tracing offenders who have evaded enforcement by other means.

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**Mr Allan:** We know the broad causes but I will investigate and see whether we can let you have information about a more detailed breakdown.<sup>2</sup>

**Q21 Greg Clark:** Could you see if you could let us have a breakdown?

**Mr Allan:** I will. I am not sure we have that information.

**Q22 Greg Clark:** Also on page 2, in paragraph 7, the Report makes the point that the *Effective Practice Guide* clarifies that fines are payable immediately. Is that correct, so that when a fine is imposed it is payable immediately?

**Mr Allan:** Indeed. The guidance says, and this is guidance to the legal advisers who are advising the magistrates in the court, "Once a financial penalty has been imposed and before a defendant leaves court legal advisers should establish that payment in full on the day has been requested and whether a defendant can make payment on credit or debit card that day".

**Q23 Greg Clark:** This is an astonishing thing, that the fine is payable immediately, yet that paragraph goes on to say that only 5% of offenders actually pay on the day. This is an obligation. If I were to go into a shop and walk out the police would be summoned, whereas I have a similar obligation to pay the fines as I have to pay for the goods in any shop, yet 95% of people do not. Surely they are intuiting that the system has no particular interest in getting them to pay on the day, and it is a failure of the system that only 5% pay, is it not?

**Mr Allan:** In many cases, of course, people simply do not have the means to pay on the day even if they wish to because in some cases fines are set as multiples of people's earnings and deliberately at levels that are not something that would just be a token for them.

**Q24 Greg Clark:** Can they not pay something on the day? Could everyone pay something on the day?

**Mr Allan:** That is certainly where we start from and, as I say, the guidance requires them to do that. One of the interesting things in the National Audit Office Report is that it talks in Devon and Cornwall about a change in the culture and one of their successes has been getting the culture that people are expected to pay on the day. It still does not produce very high numbers, I accept that, but it produces a larger proportion and that is where we want to go because it is obviously very much better for us if we can get people paying on the day. Magistrates now have the powers, and they use them in some cases, to order somebody to be searched to find out how much money they have got in their pockets.

**Q25 Greg Clark:** It still strikes me, Mr Allan, that there is a mismatch between this requirement, that this is something that is payable on the day, and a culture that is trying to improve the speed at which people are required to pay, but there does not seem

to be a very clear communication that if you are going to be fined you need to come to court with the ability to pay at least something. That does not seem to come across very strongly from your evidence.

**Mr Allan:** As I said, the actual form that we send out to everybody says, "You must remember to bring a means of payment so you can pay on the day". It is true that a large number of people who come to court are simply not able to pay the level of fine on the day. Obviously, some people can and do. Previously we made much less effort than we do now to do it, and I accept that there is more we should be doing. Of course, included in this is the fact that there are quite a number of cases where people plead guilty without attending court and in some of the cases that are dealt with, things like some traffic offences, some TV licence offences, payment on the day just does not work like that. They have to be sent a notice saying what the level of fine is.

**Q26 Greg Clark:** As the Chairman was saying, the data is pretty unsatisfactory on how many people are paying fines, so the best we have to go on is this NAO survey that it did for this Report. On page 14, paragraph 2.6, the conclusion from this sample, which I dare say was meant to be representative, for fines imposed for the last week in January, is that by the first week of August only 52% by value had been paid, which is astonishing. On page 17 it talks about the same report and it says that over that same period 42% of fines imposed on people who had been fined had defaulted and 30% had offered no payment at all some seven months later. That is astonishing, is it not? In those circumstances, when people are going six or seven months without paying anything and defaulting on their fines, what is the consequence? Do they pay interest on the fines that they have not paid?

**Mr Allan:** We now have a number of additional powers from the Courts Act which are set out on page—

**Q27 Greg Clark:** Just for the record, are they liable automatically to interest on unpaid fines?

**Mr Allan:** No, but there is now provision that the fine can be increased.

**Q28 Greg Clark:** Many debts and many commercial contracts have written into them a requirement to pay interest in the event of late payment. Is this something that you would like to see as a standard part of any fine?

**Mr Allan:** We have trialled as part of the Courts Act pilot schemes where we have been testing out different ones and working out what were most effective, and automatic increases in fines, which has some of the effects of what you were describing, and by and large what we found for that was that that was not particularly cost effective. There may be targeted areas where saying to somebody, "We will increase your fine. You are in default if you do not pay in—"

<sup>2</sup> Ev 15–16

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**Q29 Greg Clark:** Why should it not be automatic?

**Mr Allan:** It could be automatic. Our evidence was that we did not get any more money in as a result of that for the sorts of things that—

**Q30 Greg Clark:** At least you get the recovery of the loss to the Exchequer in not having the money that they were supposed to pay on the day and getting it months later. Why should the state be robbed in that way?

**Mr Allan:** As I say, the measures that looked the most effective were other ones, for example, threatening to clamp somebody's car if they did not pay up immediately.

**Q31 Greg Clark:** But this is a different point here. Clearly, having escalating penalties to concentrate the mind and making people pay is one thing, but whenever they pay they ought to pay the current cost of the fine that was imposed and if the fine was imposed six months or two years earlier and they finally get round to paying it, why should they get free credit from the Exchequer over that period?

**Mr Allan:** I can understand that but we do not have powers under the existing legislation to charge interest.

**Q32 Greg Clark:** You do not have powers? Do you think you should have powers?

**Mr Allan:** It is certainly something we could look at. It is not one of the measures that was brought through when the Courts Act—

**Q33 Greg Clark:** This has been looked at, not least by the National Audit Office but also by this Committee in 2001–02 when the PAC had a Report on this. Every commercial organisation, every commercial lender, any credit card company, would consider it to be not only unexceptional but bizarre not to charge interest on a debt, so I would ask you to look at that. Can I ask you a related point? Given that from this NAO survey 69% of fines imposed required enforcement action, which presumably costs money, do people who have been fined, have not paid their fine and therefore require enforcement action have to meet the costs of that enforcement action?

**Mr Allan:** It would depend on some of the measures. For example, if their car is clamped they have to meet some of the costs of that. We do not charge for our enforcement action, no.

**Q34 Greg Clark:** If I go overdrawn by £20 I get a letter from the bank and I pay for it. If a team is put to work on trying to pester someone to pay a fine, that is borne by the law-abiding citizens, by the Exchequer, because it is a cost imposed that the criminals are exempt from. That is correct, is it not?

**Mr Allan:** As I say, our objectives have been to work out which of the measures are most effective at getting the maximum amount of money paid as quickly as possible.

**Q35 Greg Clark:** We are talking at cross purposes, are we not? I appreciate the objective of getting people to pay but my view is that it should also be effective to get people to pay the actual amounts they have cost other taxpayers, and if they have failed to pay on the nail and required interest to be paid they should contribute to that, and if through failing to pay, as is their requirement on the day, they require enforcement action then they should pay, not other law-abiding taxpayers. That is a point of principle. Surely you accept that.

**Mr Allan:** I can see the principle. As I say, we have trialled various tests where automatic increases in fines for people in default were less effective at getting money out of people.

**Q36 Greg Clark:** But what about the principle here?

**Mr Allan:** I do understand the principle.

**Q37 Greg Clark:** You understand it. Do you agree with it? Do you regard it as an appropriate principle that people should pay for the costs of enforcement action where they have not paid their fines? Is that a principle you agree with?

**Mr Allan:** I am not sure we have considered it in those terms.

**Q38 Greg Clark:** Would you consider it now? It is a very simple principle.

**Mr Allan:** First of all, fines are imposed basically according to people's means.

**Q39 Greg Clark:** What is your view? That is something I find unexceptionable. What is your view on it?

**Mr Allan:** My view is that for the sorts of people who are in default, and there is some evidence on this, by and large adding more and more to the fine and getting them more and more in arrears and essentially more in debt is not necessarily the way that will produce the resolution that we want, which is for people to have paid their fine and close the books.

**Q40 Greg Clark:** You seem not to accept the idea that people should pay a cost they impose on other taxpayers.

**Mr Allan:** We charge some costs as part of a fine. Very often when a fine is imposed it will include elements for the costs of the prosecution plus in some cases compensation to the victim, so we do up front add in some of the costs to the state and to the victim for the action that has led to the fine being imposed.

**Q41 Greg Clark:** Do you think if we were the DTI Select Committee or the Treasury Select Committee and we had the banks sitting where you are now they would have a similarly relaxed view that enforcement costs should be imposed on their customers who abide by the rules rather than those who trigger costs? Do you think they would take the same view?

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**Mr Allan:** I think one of the things they would find is that they have got a slightly different clientele, if that is the right word. A lot of the people we are securing, who are in default, for example, are on benefits and one of the measures we have now introduced is deductions from benefits. Benefits are set at a particular level and deducting £5 a week from the benefit is quite an imposition for them. These are by and large not in the same category as some of the banks' customers.

**Q42 Greg Clark:** But is it not the case that any rational individual would have no advantage in doing what they are required to do, which is to pay this debt on the day, because there is no consequence whatever financially for them to delay? As long as they know they can keep the money in the bank and they know that they will not pay for the costs they are imposing on other taxpayers, not surprisingly, we find that only 5% do pay. It is entirely rational, is it not?

**Mr Allan:** There are some potentially pretty severe non-financial penalties. For example, for the sort of person who is creditworthy, getting his name on the Register of Judgements, Orders and Fines is a severe penalty. For other people having their car clamped is a severe penalty. We have a number of non-financial penalties that we do impose and that are a strong disincentive.

**Q43 Greg Clark:** Do you think the public would be better served if this service was contracted out to one of the banks or one of the financial institutions who we might have to concede offer a rather better performance than we get from the clearly rather lacklustre interest in this from your department?

**Mr Allan:** We do to some extent contract some of this out.

**Q44 Greg Clark:** Could you not give the fines collection service to someone that was motivated to collect these fines?

**Mr Allan:** As I say, first of all we do contract out a lot of the civilian enforcement work, the bailiff work, to private sector bodies. We have done tests where some of the very hard to enforce debts have been essentially given over to a private sector firm to collect and the results have been mixed. They have collected some of the debts that we were finding hard to collect but in terms of a financial return it has not shown huge improvement. A lot of these are by definition the sort of people it is very hard to collect money from.

**Q45 Chairman:** I am going to bring in Dr Pugh in a moment but I think it is only fair to ask Sir Ronald to comment. You have been in charge of this organisation for two years. It tells us you have a successful record in hospital management, so convince us now that you are a new broom, a vigorous new force in the Court Service and you are not running a dysfunctional organisation that does not know how to make offenders pay their fines. Tell us what you think.

**Sir Ronald De Witt:** Thank you very much, Chairman. Just picking up on the last point that was being asked, one of the new roles that fines officers, who are now 80 in number that we have put in place by March of this year financially just finished, is to pursue some of the issues that you have been raising. They are supported by 1,900 staff and we are case-by-case managing people who are defaulting on fines who are not able to pay their fine on the day. As Mr Allan said, it is very difficult to make sure that everyone can pay on the day but we have sent out additional information and we will be enforcing that by putting a notification on the actual summons to say, "We expect you to pay in full on the day" and putting practical measures in place. We have increased the range of vehicles by which someone can pay on the day, as an example, credit card, cash deposit boxes, as opposed to just cash at the payment office, so we are trying to increase the availability for people to pay on the day. One of the things Mr Allan referred to though was the kind of lifestyle that many of the people we are dealing with. 67% of the people who do not pay or default are receiving benefits, so it does make it very difficult for us to insist on some of those measures. As I said, what we are trying to do is practically address it. One of the things that I feel we should be proud of though is that the agreed payment rate, for all of its shortcomings, has increased to 83% from 55% over the last two years and we have a target for next year of reaching agreed guidelines with the Treasury of 85%. In terms of what we have returned to the Treasury, that has gone up from £120 million to £149 million. It is not perfect science. There are lots of things that we still have to address and we certainly do accept all the recommendations in the Report and we have been looking since October at the new performance guidelines that we shall be sending out to all of the areas. Additionally, what we have put in is target teams—

**Q46 Chairman:** Can I stop you there because we do not want you really to devote a lot of effort to moving the goalposts every year to try to explain to committees like this why you are improving the payment rate, whatever that means. What we are interested in is results. For instance, you collected in 2002, according to a supplementary brief that we have received from the NAO subsequent to your note of 7 June, £228 million. That went down to £213 million in 2003–04. It went up slightly to £222 million in 2004–05 and in 2005–06 to £234 million. It does not strike me that you are being much more successful in collecting money than you were in 2002–03, so do not try and blind us with science about payment rates and all the rest of this with percentages. The fact is you are not collecting more money and you do not know how many people are paying the money.

**Sir Ronald De Witt:** I would like to point out, Chairman, that you are absolutely right in terms of the figures as they are presented. The difference is that what the enforcement service is looking at is pure rate of fines. The original figures in 2002–03 have been netted off to give a comparison. We have

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taken out civil amounts and confiscation so that we can compare year on year to see whether we are making progress or not.

**Q47 Dr Pugh:** Can I start off by being charitable? You might suggest that some of the difficulties you have stem from unrealistic sentencing, in other words people are saddled with fines they have absolutely no hope of being able to pay in the first place, and I think that is something you would say yourself. How would you quantify that? What percentage of people you collect from really are no-hopers?

**Mr Allan:** I would hope that where a defendant was in court and provided proper means information the fine would be set at an appropriate level.

**Q48 Dr Pugh:** You hope that but does it happen?

**Mr Allan:** It is very hard to tell. The number of fines that would be legally cancelled after that sort of hearing would only come where there was a change in somebody's circumstances, where somebody had been employed in a high paid job and had been given a large fine because of his means and subsequently lost his job, perhaps because of illness, and could not as a result keep up that level of payment. Those are the sorts of circumstances where a fine might be legally reduced but that is not that common. The majority of the circumstances are ones where the original fine was set at the wrong level, for example, as I said, where people have not appeared in person in court, have not supplied means information—

**Q49 Dr Pugh:** It was set at the wrong level because the data on the person is not good enough? The information provided to the court is broad brush?

**Mr Allan:** Or maybe not at all. It may be that they evaded their TV licence, had been sent a summons to court, had not come to court, had not supplied means information, so the court would set a fine at a particular level. The only process it can go through is to set a fine and, if necessary, enforce it and then if the defendant suddenly realised that this was not a bit of paper that they could put in the bin, which they had done, but actually somebody was coming to collect from them, they might then come back to court and say, "You have fined me £1,000 but I am on benefits and only receiving so much a week".

**Q50 Dr Pugh:** With different computer systems in different parts of the country linking to different databases does the quality of the information about people vary from region to region so that some courts are better at doing this because they understand what they are doing better?

**Mr Allan:** There is variation around the country. One of the things that Sir Ron's task forces have been doing has been particularly focusing on the poorer performing areas and trying to work out why they were poorer-performing and trying to bring them up to the standard of the best. I do not think that the different computer systems that are in use in different parts of the country have a material effect on that.

**Q51 Dr Pugh:** So having a more integrated system, the Libra system, will not make a significant improvement either?

**Mr Allan:** I do not think it would affect the regional variations necessarily, because I think a lot of the regional variations revolve around the business processes, how people do it. If I can step back a little bit, what happened was that up till April 2005 there were 42 different magistrates' courts areas, each run by a magistrates' courts committee, each with different procedures. In April 2005 we created Her Majesty's Courts' Service with Sir Ron as the Chief Executive, and one of the objectives there is to bring about greater standardisation. For example, if you look at the areas, we set targets each year for the percentage collections. In 2003–04 there were 12 areas below the target, in 2004–05 nine, in 2005–06 seven below, so we are gradually bringing up the poorer performers.

**Q52 Dr Pugh:** And with a new computer system are you anticipating just an increase in overall efficiency or also cost savings to the process?

**Mr Allan:** There will be a number of benefits. One of them which the Chairman alluded to is that we will just have much better management information. We will be able to do the various performance indicators that are set out in paragraph 12 of the Report, but also, as the Chairman again said, one of the things we will then have is that we will be able to have a single database where we can trap somebody's fine defaulting in a number of different areas if they happen to be the sort of person who has moved between a lot of areas.

**Q53 Dr Pugh:** The thing that is puzzling me is that it seems fairly obvious to find out people's means so you have either got the benefit of saying 67% are on benefits or else, if they are in work, you contact their employer, yet you seem largely dependent on people who are up on a charge volunteering information themselves.

**Mr Allan:** It is an offence not to provide means information and it is an offence to provide false means information. By and large it has not been fruitful to bring somebody to a separate court appearance and charge them and fine them for that, but we do now make very much more effort. I was at Peterborough Magistrates' Court a couple of weeks ago and went to see their fines officers and they were very skilled at getting all the information out of somebody about their means and how they could pay.

**Q54 Dr Pugh:** And you have assessed it for accuracy as well as the fact it is there?

**Mr Allan:** Where they have any reason to doubt the accuracy they ask for pay slips if they can be produced. If they doubt it they have other ways they might choose to do it. In this case they sent somebody home to go and get the money and bring it back later in the day and he did.

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**Q55 Dr Pugh:** It is just that some of your customers are there partly because they have not been very honest at some stage of the process. Devon and Cornwall have a payment rate of 126%, which strikes me as exceptional. How do you get to 126%?

**Mr Allan:** As the National Audit Office Report recognises, that means they have collected some of the fines that were imposed in previous years and are outstanding. That is a good thing, and it means that some of the defaulters from the previous year have now been made to pay up.

**Q56 Dr Pugh:** Does it include court cancelled debts in that figure? Does that help you towards a headline figure?

**Mr Allan:** The way the figure is calculated is the total amount imposed minus the amount of legally cancelled fines, although there are now a small amount of administratively cancelled debts. That is the denominator and the numerator is the amount actually collected.

**Q57 Dr Pugh:** If you cancel more do your headline figures look better?

**Mr Allan:** Yes, which is one of the reasons why I think it was very important to have the initiative in 2003 to really cut down the scope for administratively cancelling fine debts because they were too hard to collect.

**Q58 Dr Pugh:** So in terms of hitting your targets there are incentives for you to cancel debts. Are there incentives for fines officers to renegotiate rather too easily in terms of debts?

**Mr Allan:** No. If anything it is the other way round in the sense that, since we have at the moment these annual targets, if somebody said, "Spread your payments out beyond the end of the financial year", that would mean it would reduce this year's performance.

**Q59 Dr Pugh:** And you assess your fines officers for their efficiency and effectiveness with sanctions and which sanctions work and which do not? You do all that process?

**Mr Allan:** Indeed. They go through a lot of training. There are various methods by which they can both assess the rate at which somebody can pay and whether they are telling the truth about whether they can pay or not.

**Q60 Dr Pugh:** According to figures I have in front of me, in 2002–03 there was an amount paid to Treasury consolidated funds from fines of £76.6 million and an amount obtained for enforcement costs of £43.7 million. When we get to 2004–05 the figure going to Treasury is £79 million and £63.4 million for enforcement costs. That looks like enforcement is becoming ever more expensive, or are the Treasury incentivising you in some way?

**Mr Allan:** I am not sure I have got the same figures you have, but I will ask Sir Ron to say something about the costs of enforcement.

**Sir Ronald De Witt:** The cost of enforcement this year is £70 million and next year will be £72 million, so we are increasing the amount of money we are putting into enforcement but, as I said earlier, the amount of money—

**Q61 Dr Pugh:** In terms of the ratio that is going to the Treasury and what is going to enforcement costs it seems to be worsening rather than improving.

**Sir Ronald De Witt:** We are incentivised because we are incentivised to improve the service that we are getting and that is discussed in the Report itself.

**Q62 Dr Pugh:** I think I read somewhere that there are also additional regional costs which do not show up in these general figures.

**Sir Ronald De Witt:** Yes. Regions can allocate more money to enforcement if they wish. That is entirely within their remit and my estimation at the moment is that the overall cost of enforcement with those additions is about £103 million.

**Q63 Dr Pugh:** So more goes in enforcement than goes back to the Treasury?

**Sir Ronald De Witt:** Apart from the £149 million that has actually gone back.

**Q64 Dr Pugh:** Have you broken down the figures on defaulting in terms of categories of offences, whether it is cars, commerce or crime or whatever, and done some sort of analysis as to what extent you get defaults in a particular category and who are the people you really ought to be concentrating on?

**Sir Ronald De Witt:** We do have an understanding at a local level but I do not have those figures to hand here.

**Mr Allan:** There was some research done by the Home Office in a paper now called *Clearing the Debts: The Enforcement of Financial Penalties in Magistrates' Courts* which found, rather unsurprisingly, that it was people from poorer neighbourhoods and courts with low recovery rates and a higher proportion of defendants living in poorer neighbourhoods. Since then we have done some research and in 2004 we got Experian, which is a credit reference agency, to do a profile of average fine defaulters which, again perhaps not surprisingly, found them most likely to be single males aged between 18 and 35 living in shared accommodation. We have done some more work, which I think you may have referred to, saying that through interviews with defaulters in Peterborough and Camberwell Green something like 67% were receiving state benefit and something like a quarter said they had some sort of health problem, so we have been doing quite a lot of work trying to work out the sorts of people who are fine defaulters and what we can do.

**Q65 Dr Pugh:** Would that not be for you though a fairly easy problem to target? You know who the defaulters are by and large and you know the size of your problem and you know where it occurs. Is it not surprising in those circumstances that you are not doing better?

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**Mr Allan:** We want to do better and we are trying with all these various means, and I do think for a lot of those people the sanction we now have of deduction from benefits is very important. It does pay off fines quite slowly. I think the maximum amount has increased and it is now £5 per week that we can deduct automatically from benefits, but that is quite a potent sanction. If you have a £100 fine it takes you 20 weeks to pay it off but it does get paid off.

**Sir Ronald De Witt:** Since we have had access in the past year to a wider range of information we are also able to ascertain who has got large numbers of fines outstanding in different places and pursue some of the people that are unwilling to pay as opposed to cannot pay, and that has helped us. We are in collaboration with the police in chasing some of those defaulters.

**Q66 Dr Pugh:** Can I ask a slightly tangential question? One thing I have noticed is that not only do people go to court sometimes and do not pay fines, but also quite a lot of people when asked to go to court do not go to court at all. What do you think of the suggestion that people should be treated differentially depending upon their readiness to appear in court in the first place? You can go to certain courts in certain cities, and I am sure there are many others, and find that half the roll call for that day simply has not appeared. It is an added cost to the court process.

**Mr Allan:** We are working very hard with the police on failure to attend warrants and making absolutely sure that we have got all the sanctions to make sure people do turn up. Fundamentally it is a really important issue for the respect of the criminal justice system, something the Chairman referred to. The report that we published last year on supporting magistrates' courts to provide justice said, "Respect for the courts and the criminal justice system will only improve when the public has confidence that the orders of the court are obeyed quickly and in full and when a court sentences an offender the sentence must be carried out. The Government recognised in 2003 that there was an unacceptable level of performance in the collection of fines, undermining that it was an effective penalty." It is not just that there may be financial reasons to collect the money. It is also a fundamental part of respect for the justice system.

**Q67 Mr Curry:** Mr Allan, I represent a particularly happy part of the world because in North Yorkshire there is no such thing as fixed speed cameras. Unfortunately, that is not true all the way down the A1, but it is true of North Yorkshire. I think 58% of these fines are motoring fines. Most of the time, if you are done for speeding, you get off with a fixed penalty so that you pay, whatever it is, £40, and get your three points docked. Where does that count in your statistics?

**Mr Allan:** The figures that will be here are where people have not paid their fixed penalty. It has had the automatic increase and then eventually has come to court and has been registered as a fine to be.

**Q68 Mr Curry:** If we were to look at the percentage of fines which are not paid, that you have a problem with, and if we were to remove from that statistic people who pay the fixed penalty without ever going to court, that would for you make the figures look much worse, would it not, because in a sense you have got this sort of soft front end, have you not, of people do not go to court and pay the fixed penalty? Is that right or am I misinterpreting the statistics?

**Mr Allan:** I think that must be right. We do collect money from people who come to court and plead guilty and are willing to write the cheque.

**Q69 Mr Curry:** But you do not go to court. If you are caught on a speeding offence you do not go to court. They give you the option of paying a fixed penalty fine, you get three points you never go anywhere near the magistrates' court. Where does that fit in?

**Mr Allan:** If you get a fixed penalty that will not be included in our fines statistics.

**Q70 Mr Curry:** Not in your fines statistics at all?

**Mr Allan:** No. These are only the figures for people who have not paid the fixed penalty.

**Q71 Mr Curry:** I see, so if this is a motoring offence it is a motoring offence which is serious enough or comes at the end of a chain of offences so that you end up in court?

**Mr Allan:** Yes, or you end up with a summons rather than a fixed penalty notice.

**Q72 Mr Curry:** Sir Ronald, if I had accumulated nine points on my licence and I went through a speed camera how long would it take before I got into a magistrates' court?

**Sir Ronald De Witt:** I think that would depend on the area that you were in in the country because there are differences in terms of the speed by which you can get into court through that process.

**Q73 Mr Curry:** But it might well be months, might it not?

**Sir Ronald De Witt:** It could be.

**Q74 Mr Curry:** It probably would be months?

**Sir Ronald De Witt:** Yes.

**Q75 Mr Curry:** Do you think that my willingness to pay the fine would be influenced by the amount of time which has elapsed since the offence and the whole thing being done and dusted and settled?

**Sir Ronald De Witt:** Human nature being what it is, some people might choose to decide that they do not wish to address it and, yes, it may be that a time lapse would make people less willing to attend, which is why we are trying to address the timeliness.

**Q76 Mr Curry:** So it is important, is it not, that the gap should be closed between the two?

**Sir Ronald De Witt:** Yes, absolutely.

**Q77 Mr Curry:** You have problems in getting money out of fine defaulters. As you have explained, a lot of it is males of a certain age. In that case you must have

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a similar problem with the Child Support Agency because we all have a problem on the whole with women coming to our surgeries and the bloke has been pursued with absolutely zero success in pinning him down. Do you have communications with the Child Support Agency? Is there some common view of this across Government as to how you pursue people who owe money, whether it is to the court, to the state or to a partner?

**Sir Ronald De Witt:** Increasingly we are involving all of the different agencies that are involved in this type of activity, and in fact there is a working group that involves it in relation to the CSA.

**Q78 Mr Curry:** I am trying to get some sort of common perception of how you address a common problem.

**Sir Ronald De Witt:** There have been workshops which have looked at common problems and common approaches.

**Q79 Mr Curry:** And what conclusions have they come to?

**Sir Ronald De Witt:** As Mr Allan referred to earlier, the clientele that most of us are dealing with are very similar and we just have a persistent, steady approach.

**Mr Allan:** We have also been looking at and learning from other countries. For example, we have done quite a bit with Australia and New Zealand on what methods they have used. Some of the methods we are now using are ones they have used, like car clamping, which can be very effective in some cases.

**Q80 Mr Curry:** What are the three most useful things you have learned from abroad? I think you should include Scotland in this.

**Mr Allan:** The latest Scottish White Paper is more following what has been done in England and Wales. The most useful thing we have learned has been the expansion of the range of options available so that you are not simply relying on somebody going round and banging on people's doors and saying, "Pay up or come to court", and you are not relying on imprisonment, and that is the ultimate sanction, but all these other methods through deductions from benefits, deductions from earnings or credit reference blacklistings and so on. It is having more weapons in your armoury.

**Q81 Mr Curry:** Could we look at page 29, paragraph 3.25, which deals with civilian enforcement officers? This is one month in one year, and the salaries paid to them were £166,112 to collect £187,836. Presumably you then have to add some accommodation because if the Government is doing proper cost accounting it attributes elements for those sorts of costs, and there are presumably transport costs and other things, so it probably costs more to employ them than the money they get in. Is that atypical or would that be a typical month?

**Mr Allan:** I am perfectly ready to accept that is a typical month. First of all, we fully support the idea that the first best solution is to get the money up front, to get people to pay on the day.

**Q82 Mr Curry:** I am not disputing that.

**Mr Allan:** No, but at the end of the day you do need a process. Even if it only breaks even, you need a process by which people who have defaulted and have not responded to any of the other techniques are chased up, are arrested, are brought back to court, and ultimately are sent to prison.

**Q83 Mr Curry:** We could take that further. You said you have to accept the thing where they only wash their faces at work. Presumably, the harder the cases, the less they wash their faces. You could spend a multiple of what you collect, could you not, if you really pursued these cases. Is there a point at which you bail out or it is not worth it?

**Mr Allan:** We try our hardest in every case. The cases now, under our new policy, would administratively cancel are cases where we simply cannot find the person. That is the most normal one. The cases where people know where they are, we will pursue them through all sorts of things. Ultimately, at some point there may have to be people in order to maintain the credibility of the system, where you will spend more enforcing the fines that it is. I think that is recognised in the National Audit Office Report, where in paragraph 11, the third subparagraph, they say, although justice has to be seen to be done and all defaulters must be pursued.

**Q84 Mr Curry:** I accept that, but let us move back a paragraph to 3.23, it looks here as I . . . people seem to operate in a heterogeneous way. If I want to canvass a street in a general election, there is no point in turning up until two in the afternoon because there is not a soul about. It is not a very good idea turning up at six o'clock because everyone is looking after the kids, getting the kids back from school and you are extraordinarily unwelcome. There must be some common-sense principles of when you try to get hold of people and where but there does not seem to be here.

**Mr Allan:** We have issued effective practice guides relating to civilian enforcement officers and that says in terms of making personal contact it is vital that officers work flexibly enough to be able to locate and if necessary arrest defaulters at "unsocial times". CEO contracts must be flexible enough to accommodate variable hours. Managers should ensure officers make their visits at different times of the day. I think your point is absolutely right. We are

**Q85 Mr Curry:** The inference I draw from that paragraph is that it is not happening.

**Sir Ronald De Witt:** Perhaps I could add to that. One of the things of the National Enforcement Service is to differentiate the roles and responsibilities and accountabilities. The enforcement officers are at the end of the process. It is quite right to suggest that more effort up front—which is why we have appointed fines-officers—will release the enforcement officers to deal with the hard to trace, *et cetera*, and the hard to pay. Since we now have access to the police computer, we are also now able to focus more on which defaulters are best presented to the police for them to deal with as opposed to the

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enforcement officers. That has had a significant positive effect in terms of the role of the enforcement officers and their cost-effectiveness. Our latest figures are in fact that there is more money coming in as a result of the enforcement officers—

**Q86 Mr Curry:** Are they self-employed or do they work for you or do they work for companies or businesses? Who do the civilian enforcement officers work for?

**Sir Ronald De Witt:** On the whole, they work for us. We are negotiating flexible contracts, so that we can have more flexibility in how people work, but we do have some of it contracted out as well.

**Q87 Mr Curry:** Do you think the trend will be, as it is in lots of other government services, to contract out that particular function?

**Sir Ronald De Witt:** Quite rightly, we have kept a very open mind on which approach is best. I think probably at the end of the day a mixed economy might be best, depending on the geographical area, but we are also ensuring that the contract, if we do put it out, is quite tight so that we can monitor the results effectively.

**Q88 Mr Curry:** Leaving aside for a minute the radical solution of taking hostages of people until they pay, which was a dangerous practice, I seem to recall, with enormous success in raising funding, what about doing things the other way round and giving people an incentive to pay? When I get my bill for my fuel oil, which is about three months' salary now, I am told that if I pay within a certain time they will knock a bit off the next bill. When I get my electricity bill, if I pay it immediately they knock a bit off. How about suggesting that if people pay their fines promptly they might get a bit of a discount on it, and doing it that way round—you know, make them love being fined!

**Mr Allan:** First of all, fixed penalty notices adopt exactly that approach. If you pay within 28 days, it is so much, and if you do not it automatically goes up, so for fixed penalty notices that is part of the system. We have looked at the issue the other way round, of increasing fines if you do not pay on time. For policy reasons, we have not felt that giving a discount for prompt payment is right, partly on equity grounds, in the sense that would mean that people who had the means to pay up earlier would pay less than people who were poorer and could not afford that themselves. That has been the reason we have not gone down that route.

**Q89 Mr Curry:** In a sense, it happens already, if people then get a fine increased for persistent non payment.

**Mr Allan:** But they start off with the same fine.

**Q90 Mr Curry:** How many magistrates' courts have been closed over the last five years?

**Sir Ronald De Witt:** I cannot recall exactly.

**Q91 Mr Curry:** Quite a lot.

**Sir Ronald De Witt:** A number, yes.

**Q92 Mr Curry:** Do you think there is any relationship between the convenience of the place you go to be tried and sentenced and fined and your willingness to pay or the success in getting payment?

**Sir Ronald De Witt:** I do not think there is direct correlation. Obviously access to justice is extremely important and it depends on what kind of case it is as to what kind of outcome there will be. The important issue in this day and age is what kind of access to justice you can get as opposed to physical locations.

**Q93 Mr Curry:** Access. If there is a magistrates' court in your town, your access, by definition, is easier than if there is not.

**Sir Ronald De Witt:** Absolutely.

**Q94 Mr Curry:** And there has been a process of closure.

**Sir Ronald De Witt:** Yes, there has.

**Q95 Mr Curry:** In that sense, justice has been made more difficult for people.

**Sir Ronald De Witt:** In terms of physical access, yes.

**Q96 Mr Curry:** If you live in Ripon, in my constituency, where there used to be a magistrates' court and you now have to go by public transport to Harrogate, which, socio-economically, that may well turn out to be the case, is more difficult than it is if you could just stagger along to the magistrates' court under the cathedral.

**Mr Allan:** If there are any closures at all, we have strict guidelines in terms of accessibility and how we measure that.

**Q97 Mr Curry:** Has the process finished yet, or do you think that is going to continue? Are you moving towards a handful of "super magistrates' courts?"

**Sir Ronald De Witt:** I do not know if I would call it super magistrates' courts but we are looking at different ways of improving access to justice through different types of courts sitting in a variety of different locations. One of the benefits of HMCS is that we have more real estate available to us which may increase the availability of sites for courts to take place.

**Q98 Mr Curry:** So we might see a move into perhaps a slightly less formal structure where you could have occasional courts or people sitting or a particular purpose.

**Sir Ronald De Witt:** Absolutely.

**Q99 Mr Curry:** You could bring the justice to the people rather than the other way round.

**Sir Ronald De Witt:** Exactly, and that would be a much greater improvement of access to justice.

**Mr Curry:** I do not usually finish on an optimistic note, so I will quit while I am winning.

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**Q100 Mr Bacon:** I would like to ask you about Libra—the new version of Libra. You said that it has now been rolled out in three areas. Can you say which ones?

**Mr Allan:** Yes, Kingston, Warwickshire and North Yorkshire.

**Q101 Mr Bacon:** That is out of how many areas in total, where it will be rolled out.

**Mr Allan:** In principle, 42 areas, but it is sub-divided into slightly more, so the schedule is not quite like that. That is three of the 42 that it will be rolled out in.

**Q102 Mr Bacon:** You have said that you will be rolling it out from October 2006.

**Mr Allan:** Yes. Between now and October 2006, July to September, we are going to be starting a pilot of the one system, the MCS, one of the three types of magistrates' courts' system that has not yet been piloted. That will start in Lowestoft next week. Then, during July to September we will be rolling out a pilot site for the LCIS system in North and East Hertfordshire and six more proving sites in Durham, Richmond, Harrow, Barnet, Wirral and Cumbria. Then we plan to start the full national roll-out from October.

**Q103 Mr Bacon:** When will that full national roll-out be finished?

**Mr Allan:** That will be finished in 2007. I do not know if we have got an exact end date at the moment.

**Q104 Mr Bacon:** Do you have a schedule—it sounds like you do—

**Mr Allan:** Yes.

**Q105 Mr Bacon:** — for the timetable both of these remaining pilots and for the rest of the roll-out?

**Mr Allan:** Yes, it is a schedule that is our current plan, that does change depending on what happens in particular areas and which sites or systems they use.

**Q106 Mr Bacon:** Can you send us that schedule, including both the initial pilots and the full roll-out, please.

**Mr Allan:** Yes, indeed.<sup>3</sup>

**Q107 Mr Bacon:** That would be great. Could you say when the roll-out of the new version of Libra was originally due to have taken place?

**Mr Allan:** I am not sure I know in terms of when the first site was done.

**Q108 Mr Bacon:** No, not when it was done, but when was the roll-out, which is now going to take place from October 2006, originally scheduled to have taken place?

**Mr Allan:** When you say originally, do you mean going back to 1998.

**Q109 Mr Bacon:** No, I am talking about the new version of Libra that is now being rolled out from October 2006. When was that new version of Libra originally scheduled to have been rolled out?

**Mr Allan:** I am not sure. I can certainly let you have that information. It certainly must be at least a year behind when we originally hoped to do it.<sup>4</sup>

**Q110 Mr Bacon:** What costs have been incurred? When the National Audit Office published its Report in January 2003, it reported that costs had risen to a total of £390 million. They were divided up, essentially, between three things, £232 million for the kit, PCs, printers and administrative support. I cannot remember the exact phrase in the Report, but it was support to the PCs and the printers, £86 million for external software bought from somewhere else because Fujitsu could no longer supply it, and a further £72 million of internal costs, making a total of £390. Could you say what further costs there have been since then?

**Mr Allan:** The infrastructure costs have not changed. The figure given there was the cost up until March 2007, at £232 million. That will be the cost up to March 2007 and then will continue at £40 million a year providing the service that we want. As you know, it is a contract whereby we pay for the service we receive. The core application the cost that was given as £86 million has increased to £108 million.

**Q111 Mr Bacon:** It has gone up by £22 million.

**Mr Allan:** Yes. We have had a number of enhancements made. Of the other figure you quoted, £72 million, £60 million of that was costs of enhancements. Since then, we have added in some more things, for example, dealing with secure email across the whole of the criminal justice system, new interfaces to the Driver and Vehicle Licensing Agency so that we can exchange information more readily with them to get driving licence details automatically and that sort of thing. Those costs have increased by £23 million, from £60 million to £83 million. Our internal project costs, to the end of March 2007, will have increased by another £7 million and then we will continue to incur them as we go forward. It would be about another £5 million if we took it forward to March 2008.

**Q112 Mr Bacon:** It seems that by March 2007, the spring of 2007, it should be pretty much rolled out.

**Mr Allan:** No, it will not all be rolled out by then. A bit of it rolls out later in 2007. We will send you the complete schedule.

**Q113 Mr Bacon:** By March 2008 it should all be rolled out.

**Mr Allan:** I very much hope that it will all be rolled out by March 2008.

**Q114 Mr Bacon:** You have put out to tender for new IT systems for the whole of DCA.

**Mr Allan:** Yes.

<sup>3</sup> Ev 16

<sup>4</sup> Ev 16

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**Q115 Mr Bacon:** Which are going to come in from 2007 or 2008?

**Mr Allan:** The plan is that they will take over as the existing contracts come to an end. It is bringing together four components under two contracts. We are going to have a separate contract for the infrastructure, the cabling and the bandwidth, the computers and another contract for the applications. At the moment, we have a contract with EDS for the crown and county court infrastructure and applications that ends in January 2007. We have a contract with Liberata for our headquarters network and application that comes to an end also in January 2007. We have a contract with Fujitsu for the Libra infrastructure that comes to an end, at the moment, in March 2007. Then we have the continuing development of the application with STL and Accenture which will extend beyond that, as I said, during the roll-out. Finally, we have a contract with Cable and Wireless for web hosting that comes to an end in January 2007. Therefore, subject to transitional provisions, that is our intention, to roll this into two new contracts, one for infrastructure, so we have a common network across the entire department, covering the magistrates' courts, the crown and country courts and all the headquarters, and then we have a single application provider. A crucial part of this is ensuring we have the real flexibility we need.

**Q116 Mr Bacon:** So you will have a common network that will cover the magistrates' courts.

**Mr Allan:** Yes.

**Q117 Mr Bacon:** At which point what would be the point of having rolled out Libra?

**Mr Allan:** There are two things. First of all, the infrastructures that are there will be rolled into the new contract. There already is all the cabling, and, indeed, a very large part of the £232 million that you mention is going into historic magistrates' courts and wiring them up so that they can have all the modern IT systems. That will of course stay and will be rolled into the new contract, together with the standards and terms about how often the technology needs to be refreshed.

**Q118 Mr Bacon:** How much of the £232 million do you think goes on what you call "wiring"?

**Mr Allan:** I do not know.

**Q119 Mr Bacon:** I remember, at the time, that the £232 million was for 11,000 PCs—and if you know your 11,000 times table you will know that that works out at about £20,000 per PC. I remember getting this in a brief from the National Audit Office at the time. I spent quite a lot of time getting exhaustive answers from the then Lord Chancellor's Department which said, "No, no, it was not like that. Actually the PCs were only about £1,000 a pop. With technology refresh"—in other words they were replaced—"you might say £2,000 a pop." That would knock £22 million off it, would it not, which would still leave £210 million for all the rest? But, since the only things that were covered by the £232

million were PCs, the printers and "associated support"—which is the phrase I was looking for earlier—the only conclusion you could come to is that the £210 million went on associated support, which is what you called the "wiring". What is your notion of the number that went on all this infrastructure?

**Mr Allan:** I am very happy to let you have a breakdown of how that was done.<sup>5</sup> Certainly some of the support is quite literally the support, so that when things go wrong somebody comes and fixes them. That is certainly a part of the cost because it is that sort of contract, as you know, where there is a level of service to be provided.

**Q120 Mr Bacon:** You are saying that the help desk, which was included in the Libra contract, would be rolled into the new contract.

**Mr Allan:** The new contract will provide that there has to be appropriate support, help desk, and there will be service level agreements that say so many particular areas have to be dealt with within so many hours, days—whatever the appropriate service level agreements are.

**Q121 Mr Bacon:** What advice has your department given to other departments on how to respond to information on Gateway Reviews?

**Mr Allan:** I am not sure, in that sense, we give advice. It is OGC which gives advice. Certainly we take Gateway Review process very seriously.

**Q122 Mr Bacon:** Your Department has given advice to other departments, has it not, on how to respond to freedom of information requests to obtain Gateway Reviews?

**Mr Allan:** I see. We have done that in conjunction with OGC, whereby there needs to be a balance struck—of course this is much wider than just the IT ones—between commercial confidentiality, in some cases dealing with other of the exemptions in the Freedom of Information Act, and the overall freedom of information regime.

**Q123 Mr Bacon:** I was looking for the advice which used to be on your website but I cannot find it now. Is it possible you could send it to the Committee?

**Mr Allan:** Certainly.<sup>6</sup>

**Q124 Mr Bacon:** Thank you.

**Mr Allan:** It is readily available. There are cases obviously being brought before the Information Commissioner on one of these.

**Q125 Mr Bacon:** Do you think if the Gateway Review process had been much more open that Libra would have dragged on in the way it did?

<sup>5</sup> Ev 17

<sup>6</sup> *Note by witness:* The Department's guidance on answering FoI requests relating to Gateway Reviews is available online at: <http://www.foi.gov.uk/guidance/exguide/gateway-review.pdf>

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**Mr Allan:** Of course Libra started probably before the Gateway Review process started. I do not think that would have been the critical factor. Clearly, as the Committee knows from its previous investigations, Libra is not a very happy story. Indeed, I had experience in 2000, when I was the e-Envoy, of dealing with a review of IT projects and where Libra was one of the problem cases back then, so it was not the nicest thing to inherit it in 2004.

**Q126 Mr Bacon:** When you were e-Envoy, did you have something to do with the Gateway Review process alongside the OGC?

**Mr Allan:** Yes. I chaired a review with Peter Gershon which produced a report—and you may say the title that emerged became a little *Yes, Minister* like—called *Successful IT* but it was about how to learn the lessons of less successful IT projects. It did indeed. It emphasised a number of issues, including the importance of the Gateway Review process and including the importance of having suitable senior responsible officers who really took charge of the project, including the crucial importance of having people trained in project and programme management and a number of other recommendations. I am sure we can let you have a copy.<sup>7</sup> It is still available.

**Q127 Mr Bacon:** You will be familiar with the Rural Payments Agency crisis which has emerged recently. The Gateway Review process for that computer project produced green traffic lights all the way through. Do you think a process that is capable of producing those sorts of outcomes is worth having?

**Mr Allan:** I know, as a member of the general public about the Rural Payments Agency.

**Q128 Mr Bacon:** But you know about the Gateway Review process.

**Mr Allan:** Yes.

**Q129 Mr Bacon:** Because you were the e-Envoy. I am really asking you, not as a member of the general public, citizen or taxpayer, but in your capacity as someone who knows about this.

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<sup>7</sup> *Note by witness:* The 2000 Review entitled “Successful IT.” This was published in May 2000. The Steering Committee for the Review was chaired by the Rt Hon Ian McCartney MP, then Minister of State in the Cabinet Office. I apologise that I misled the Committee about my role. I joined the Steering Committee when I took up my post as e-envoy in January 2000, and co-chaired a number of meetings with Peter Gershon, but we were not co-chairs of the Review as I said in my answer.

**Mr Allan:** I do not know why it got green traffic lights—

**Q130 Mr Bacon:** Neither do I.

**Mr Allan:**—and, when the analysis is done after the event of what went wrong, whether it got green traffic lights for reasons that the reviewers should have spotted or . . . As I say, I simply do not think I know enough about the case in that one. Clearly something went wrong.

**Q131 Mr Bacon:** But something went wrong with Libra. Is not the central point that these projects go wrong because they are allowed to continue in the dark. They are like anaerobic bacteria: they would not survive the light of day if they were not any good. If they were good, if they were strong projects, they would survive open scrutiny, including published Gateway Reviews. That is the truth of the matter, is it not?

**Mr Allan:** There are difficult issues of commercial confidentiality because very often the Gateway Reviews are being done at a time when bits of the contract are being negotiated, when things are going on which mean the commercial interests of the supply—

**Q132 Mr Bacon:** Mr Allan, I have heard this answer so many times about commercial confidentiality, but you do not hear it from computer contractors, you only hear it from civil servants. Do you seriously suppose that computer contractors do not know what each other’s costs are? The turnover in the industry is such that within six years they have all turned over, so they all know roughly what each other’s costs are.

**Mr Allan:** As I say, this is the issue. I am very happy to send you the guidance on that that we have given under Freedom of Information. Public scrutiny is clearly important for all these projects and it is absolutely right that they are challenged. Whether that is best done by publishing the Gateway Reviews themselves or through some other process, we will see.

**Mr Bacon:** They are challenged privately and it does not work. Thank you, Chairman.

**Q133 Chairman:** When are you going to be able to tell this Committee how many offenders have paid their fines? Will you give us a date?

**Mr Allan:** It will not be until we have rolled out Libra towards the end of next year.

**Chairman:** We will hold you to that commitment. Gentlemen, thank you very much.

### Memorandum submitted by the Department for Constitutional Affairs

An update to Table 5 on page 15 of the NAO Report. This is the 2005–06 figures, just received and therefore not audited by the NAO. Net amount imposed: £282 million, Collections: £234 million and payment rate: 83%. Pulling this information into a table, the figures are therefore:

	2002–03	2003–04	2004–05	2005–06
Net amount imposed (£m)	426	288	277	282
Collections (£m)	236	213	222	234
Payment rate (%)	55	74	80	83

Although outside the NAO's audit, I enclose figures for fine receipts that were specifically submitted to Treasury for 2002–03 to 2005–06:

	2002–03	2003–04	2004–05	2005–06
Net Fine Receipts	£120,000,000	£133,000,000	£142,000,000	£149,000,000

The first three figures are in the public domain following PQ number 5973 which was answered in June 2005.

You may also wish to be aware that the Collection of Fines (Final Scheme) Order will be debated in the Commons at 2.30 pm on 8 June. This Order establishes a final fines collection scheme for England and Wales, which was implemented nationwide in March 2006. The scheme enables better fine enforcement through a series of new measures. As set out in the Courts Act (which received Royal Assent in November 2003), the final scheme must be laid subject to an affirmative order, with both Commons and Lords debates required to approve the statutory instrument. The order proposes amendments to primary legislation which change the way that all sums adjudged to be paid by conviction of a magistrates' court are enforced. The amendments have been piloted, and have now been rolled out to all magistrates' courts in England and Wales.

The order also contains one new proposal, to make an attachment of earnings order or application for benefits deduction mandatory if the offender is liable to pay compensation. Although not piloted, this is in line with both the policy intent of the fines collection scheme as well as the Government's wider strategy for victims.

### Supplementary memorandum submitted by the Department for Constitutional Affairs

#### Question 21 (Mr Greg Clark): *Breakdown of the circumstances in which fines are legally cancelled*

I said in answer to Q21 that I would investigate whether we could provide a breakdown of the different circumstances which contribute to the £70 million of legally cancelled fines. As I indicated at the hearing, we do not have the information broken down in this way. The circumstances in which fines can be legally cancelled are:

- A defendant, having been convicted of an offence and had a fine imposed, successfully appeals to reduce the amount due or to quash the conviction.
- Where a fine has been imposed, the court may at any time remit the whole or any part of the fine, if it thinks it is just to do so given a change in the offender's circumstances, which has occurred since the date of the conviction and sentence.
- Section 142 of the Magistrates' Courts Act 1980 enables Magistrates' Court to re-open cases in order that mistakes be rectified including where the defendant has pleaded not guilty or been convicted in his absence. Having re-opened a case, the court may cancel the original imposition if it appears to the court to be in the interests of justice to do so.
- Defendants may be committed to serve a term of imprisonment in lieu of an unpaid fine order, or offenders already serving time in custody may have financial penalties cancelled due to time served instead, a process called lodgement.
- Defendants not serving time in custody may have financial penalties cancelled due to time served instead within the confines of the court house (eg dock or cells) or overnight detention in a police cell (certified to be fit for the purpose by the Home Secretary).

- Magistrates Courts may cancel a fine, having set aside a judgment, if a defendant makes a statutory declaration that the summons(es) had not come to notice until a date specified in the declaration (being a date after the court has begun to try the information). This has the effect of all the proceedings and any other order of the court (including any financial obligation to the court) being void.

Question 106 (Mr Richard Bacon): *The current schedule for the national rollout of Libra, including both the initial pilots and the full rollout*

I said in answer to Q106 and Q112 that I would let the Committee have a schedule for the pilots and roll-out of the Libra application. A Libra High Level Deployment Plan is attached at Annex A that shows ranges of deployment target dates and describes the main roll-out in blocks of accounting divisions. Libra is currently live in London (Kingston), Warwickshire and North Yorkshire. I said in answer to Q102 that a pilot would start in Lowestoft, the following week. That was the intention at the time of the hearing, but the local management in Suffolk concluded subsequently that they would prefer to wait for changes that are being made in the light of feedback from the Warwickshire and North Yorkshire pilots. These will address a number of business process issues, staff training and software changes. So the Lowestoft pilot will now be taken forward at the same time as the other pilot and proving sites I set out in my answer to Q102.

The plan remains to begin the national roll-out in October 2006, as I said in answer to Q102. We hope to complete the roll-out by October 2007, as I indicated in my answers to Q103 and Q133. But we have provided for a worst-case scenario where roll-out is not completed until March 2008—as I indicated in answer to Q113.

Question 109 (Mr Richard Bacon): *The date of commencement for rollout of the new version of Libra under original plans*

I was asked in Q109 for information about the original schedule for the roll-out of the new version of Libra. I said the current plans were at least a year behind what had been planned. I have checked this, and the original Libra roll-out schedule would have run from November 2004 to February 2006. So the current schedule represents an overall delay to completion of 18 months. There are a number of contributing factors including:

- delays in software delivery and correction;
- the multiplicity of Police Case Management Systems and the additional work required to build and test the associated interfaces;
- the inclusion of additional services such as Third Party Access to enable partner Criminal Justice Organisations to have Web based access to Libra;
- the need to expand the Libra technical environment to handle growing numbers of local variants of interfaces, eg, the Garton fixed penalty scheme in South Wales; and
- co-ordinating work around DVLA strategic operational development.

Question 119 (Mr Richard Bacon)

## LIBRA HIGH LEVEL DEPLOYMENT PLAN

<i>April 2006</i>		<i>October 2006</i>		<i>March 2007</i>	
<i>Best Case</i>	<i>Worst Case</i>	<i>Best Case</i>	<i>Worst Case</i>	<i>National Roll Out Group 2</i>	
<i>Pilot/Proving</i>		<i>National Roll Out Group 1</i>		<i>Accounting Divisions</i>	
London	Kingston	London	Brent	London	11
Warks	Warwickshire	Cheshire	North Cheshire	Greater Manchester	6
Nth Yorks	North Yorkshire	Herts	West Herts	Northumbria	10
London	Barnet	Suffolk	Bury St Edmunds	West Yorks	3
Merseyside	Wirral	London	Uxbridge	Sussex	2
Cumbria	Cumbria	Gt Man	Wigan	Dyfed Powys	1
Suffolk	Lowestoft	London	Hounslow	Gwent	1
Durham	Durham	Sth Yorks	Doncaster	Lancashire	5
London	Richmond	Merseyside	North Sefton	Devon & Cornwall	6
Herts	Herts—North and East	Merseyside	South Sefton	Essex	1
London	Harrow	London	Haringey	Nottinghamshire	4
	<b>Total = 11</b>	Cheshire	South and East Cheshire	Surrey	1
		Herts	Central Herts	Wiltshire	1
		Suffolk	Ipswich	West Mercia	1
		Gt Man	Tameside	Hampshire & IOW	4
		London	Enfield	Humberside	3
		Cheshire	West Cheshire	Avon & Somerset	6
		Norfolk	Kings Lynn	Bedfordshire	1
		Lincoln	Lincolnshire	West Midlands	5
		Sth Yorks	Rotherham		
		Merseyside	St Helens	<b>Total =</b>	<b>72</b>
		Merseyside	Knowsley		
		S Wales	Mid & S Glamorgan		
		Gt Man	Rochdale		
		London	Ealing		
		Leicester	Loughborough & Hinckley		
		Thames V	Oxfordshire		
		Norfolk	Gt Yarmouth		
		Gt Man	Man City		
		Merseyside	Liverpool		
		Kent	West Kent		
		London	Wimbledon		
		Cleveland	Cleveland		
		London	Bexley		
		St Yorks	Barnsley		
		Dorset	Dorset		
		London	Bromley		
		Thames V	Buckinghamshire		
		Gloucester	Gloucestershire		
		Nth Hampton	North Hampton		
		Staffs	Staffordshire		
		Derby	Derbyshire		
		Thames V	Berkshire		
		Norfolk	Norwich		
		Cambs	Cambridgeshire		
		Nth Wales	North Wales		
		Kent	East Kent		
		Gt Man	TBA		
		Leicester	Leicester		
		Sth Yorks	Sheffield		
		Sth Wales	West Glamorgan		
		<b>Total =</b>	<b>51</b>		