EXPLANATORY MEMORANDUM TO

THE RECOVERY OF COSTS (REMAND TO YOUTH DETENTION ACCOMMODATION) (AMENDMENT) REGULATIONS 2025

2025 No. 312

1. Introduction

1.1 This explanatory memorandum has been prepared by the Ministry of Justice and is laid before Parliament by Command of His Majesty.

2. Declaration

2.1 Sir Nic Dakin MP, Parliamentary Under Secretary of State at the Ministry of Justice confirms that this Explanatory Memorandum meets the required standard.

2.2 Alan Webster, Deputy Director for Youth Justice Policy Unit, at the Ministry of Justice confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Oliver Susoy at the Ministry of Justice Telephone:07745750270 or email: oliver.susoy@justice.gov.uk can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument amends the amount that a local authority, as designated by a court, is liable to pay to the Secretary of State where a child is detained on remand in a Young Offender Institution (YOI), Secure Training Centre (STC), Secure Children's Home (SCH) or Secure School.

Where does the legislation extend to, and apply?

4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England and Wales.

5. Policy Context

What is being done and why?

5.1 Recovery of Costs (Remand to Youth Detention Accommodation) Regulations 2013 set the amount local authorities are charged per night where a child is detained on remand to a YOI, STC, SCH or Secure School. This statutory instrument amends the amounts charged by the Youth Custody Service after 01 April 2025. These prices are being changed to reflect the changes in the amount these services cost.

5.2 We are updating the applicable amount in respect of YOIs, STCs, SCHs and Secure School for the next financial year, to reflect changes in the cost to remand children in these establishments in 2025.

What was the previous policy, how is this different?

5.3 The new sector price for a YOI (excluding education and additional charges) will be £353 as of 01 April 2025. This is an increase of £24 (around 7%) per place per night from £329 as of 01 April 2023.

5.4 The STC price will be £941 as of 01 April 2025. This is an increase of £20 (around 2%) per place per night from £921 as of 01 April 2024. This is driven by contracted inflation for the upcoming financial year. The average price of the STC has increased since the closure of Rains brook STC in December 2021, the only remaining STC now is a Private Financial Initiative (PFI) which has an element of purchasing the asset built into the yearly price.

5.5 The SCH price will be £968 as of 01 April 2025. This is an increase of £81 (around 9%) per place per night from £887 as of 01 April 2024, which is driven by annual contract inflation increases, and a new SCH contract due to start from January 2026.

5.6 The Secure School price will be £859 as of 01 April 2025. This is an increase of £87 per place (around 11%) per night from £772 as of April 2024. This increase is largely due to the fact that cost assumptions last year were developed when the secure school was still early into its mobilisation period. The learning from the first year of the secure school being operational has been built into the cost assumptions for 2025/26, alongside inflationary increases to pay and non-pay.

6. Legislative and Legal Context

How has the law changed?

6.1 The Legal Aid Sentencing and Punishment of Offenders Act 2012 ("LASPO 2012") gave local authorities greater financial responsibility for the secure remand of children. It also permits the Secretary of State, by regulations, to make provisions about the recovery of the costs of a child being remanded to youth detention accommodation and associated transport costs from a local authority that has been designated by the court. The Recovery of Costs (Remand to Youth Detention Accommodation) Regulations 2013 provide for cost recovery to be undertaken by the Secretary of State and are updated annually.

Why was this approach taken to change the law?

6.2 This is the only possible approach to make the necessary changes.

7. Consultation

Summary of consultation outcome and methodology

7.1 The Government consulted publicly on proposals for the youth remand cost recovery in 2012 through the paper "The new remand framework for children: allocation of new burdens funding to local authorities". The Ministry of Justice and Youth Justice Board's response to the consultation was published in February 2013. Both the consultation paper and the response are available online.[1]

[1] https://consult.justice.gov.uk/digital-communications/remand-funding/

7.2 The vast majority of respondents to the consultation paper felt that using per bed per night applicable amounts was a fair and reasonable way to recover costs. Respondents asked for transparency in the calculation of costs and a clear indication of the circumstances in which costs can and will be recovered. As with previous statutory instruments, this instrument implements the same methodology outlined in the 2013 paper in relation to determining the applicable amounts for STCs, SCHs and YOIs (and now the secure school). As the same methodology is being used to update the relevant figures, the consultation process remains relevant.

7.3 The Ministry of Justice has since consulted on the broader processes of youth remand funding paid to local authorities in August 2023.[2] The consultation was concerned with the wider principle behind the funding and how central and local government can enable alternatives to custodial remand, rather than with the cost recovery methodology. The consultation outlined the recent context in relation to the number of children being remanded to custody and provided some high-level options to reforming the payment process. Respondents broadly agreed that the funding had not enabled greater provision of alternatives to custody but were split on the potential options going forward.

7.4 The Government responded to that consultation on 19 February 2024 setting out the responses received.[3] It set out plans to implement transitional arrangements for 2025/26 and look further into longer term reforms, including regional funding arrangements and the provision of national accommodation.

7.5 As above, the Ministry of Justice is making small changes to the funding arrangements in 2025/26. The funding pot will be capped at £19.5m for 2025/26 and the methodology calculating the distribution of payments will change to more accurately reflect remand numbers per local authority, by taking into account average remands to all secure estates, not just the Young Offender Institutions.

7.6 The Ministry of Justice will undertake further work on longer term reform throughout 2025. Stakeholder engagement will be ongoing in this process.

7.7 The processes around bed night prices for cost recovery will not change. Therefore, while linked, plans to reform the funding arrangements do not negate the need to lay this SI to ensure that the correct amounts can be recovered from local authorities in 2025/26.

8. Applicable Guidance

8.1 The statutory instrument makes no changes to existing financial arrangements and transactions. Existing guidance is available on the GOV.UK website.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because there is no significant impact for business, charities, voluntary bodies or the public sector arising from this instrument.

[2] https://www.gov.uk/government/consultations/consultation-on-youth-remand-funding-arrangements/consultation-on-youth-remand-funding-arrangements
[3] https://www.gov.uk/government/consultations/consultation-on-youth-remand-funding-arrangements/outcome/response-to-the-consultation-on-youth-remand-funding-arrangements

Impact on businesses, charities and voluntary bodies

9.2 There is no impact on business, charities or voluntary bodies.

9.3 The legislation does not impact small or micro businesses.

9.4 There is no significant, impact on the public sector, and currently the payments made to local authorities reflect the increasing costs to them of remands to Youth Detention Accommodation

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation is to review on a regular basis and amend legislation accordingly.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 The As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 (“relevant European Union Acts”).